



Fondation pour l'agriculture
et la ruralité dans le monde

Socio-Geographic Study of a Cotton-Growing Region in Eastern Burkina Faso

Midway Report



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The situation of cotton producers in eastern Burkina Faso

Midway report

This midway report is part of a study of the vulnerability of small cotton growers in eastern Burkina Faso which is being carried out at the request of the foundation FARM. Not all of the needed data has been collected or analyzed, and the current report is therefore a first sketch of the economic and social situation of cotton growers, which will be finalized at a later date and supplemented with cartographic and statistical material.

The context

This study was undertaken at the beginning of the growing season 2007-8 which constituted a particularly unfavorable context for growers. The combined factors of persistently low cotton prices, a badly depreciated dollar compared to the euro, the spike in world oil prices and rising input prices have triggered an unprecedented crisis in the cotton-producing regions of Burkina and throughout West Africa.

The growing season 2006-2007 in Burkina was hit by a drop in farmgate prices for cotton (165 CFA francs per kilo of "first choice" cotton, down from 175 CFA francs in 2005-6 and 210 CFA francs in 2004). It was also plagued by low rainfall at the beginning of the growing season, which contributed to a production loss of about 10% from the previous year¹. Combined with lower prices this represented a loss of income for farming households. Lower incomes have made repayment of planting loans difficult especially given the volume of credit granted for the 2006-7 season, which in turn puts the producers' cooperatives (Groupements de Producteurs de Coton – GPC) in difficulty and weakens the entire cotton-growing industry. Unpaid farm debt rose from 36 million CFA francs (XOF) in 2005-6 to 85 million a year later.

In addition, the financial health of cotton companies took a turn for the worse with the three main companies in Burkina² combining for 66 billion XOF or more than 100 million euros cumulative debt over the two growing seasons. This in turn led to significant delays in payments for seed cotton at harvest time, forcing many small producers to sell off part of their grain reserve to earn needed cash. Low cereal prices due to strong harvests in Burkina only served to worsen the incomes of these producers. As an indication of this plight, a year after harvest the price of corn has not gone over 5,000 XOF for a 100kg sack, or 50 XOF per kilo, while some years it reaches nearly 16,000 XOF³.

On May 9, 2007, in conformity with its statutes and its mandated responsibilities, the Burkina Interprofessional Cotton Association (AICB)⁴ set transfer prices for inputs as well as the farmgate price for seed cotton for the 2007-8 growing season. Taking into account the price smoothing mechanisms put into place in Burkina, the price of cotton was set at 145 XOF for

¹ The production of seed cotton decreased from 715,000 tons in 2005-2006, to 660,000 tons for the season 2006-2007. Source: Socoma.

² Sofitex, Socoma and Faso Coton.

³ Average price of a sack of corn in 2005 in the east of Burkina

⁴ Comprised of the group of cotton companies APROCOB and the National Union of Cotton Producers (UNPCB).

first choice and 120 XOF for second choice. This represents a decrease of 20 XOF from the previous year.

Negotiations with the government resulted in the continuation of a three billion XOF subsidy to offset increased transportation costs for inputs due to unrest in the Ivory Coast. But even with this sum input prices rose noticeably, due in particular to the rise of prices for primary goods used in their composition. To attenuate this price increase cotton companies were forced this year to absorb the VAT on transportation instead of passing it on in input prices as before. The big unknown in this situation is who will ultimately be saddled with paying for this form of subsidy, the State or the companies themselves.

The cotton growing season 2007-8 in Burkina Faso thus begins in a context characterized by lower farmgate prices and higher input prices. Cotton industry actors are convinced that acreage devoted to cotton will drop and so will yields⁵, combining to create a significant decrease in the country's cotton production. The pessimist scenario calls for production to be cut in half, which raises serious questions concerning State revenues from this sector as well as household incomes in cotton-growing regions. The risk is a pauperization of these regions.

Cotton production in the east of Burkina Faso

The present study focuses on the cotton production basin in the east of Burkina Faso, chiefly centered on the provinces of Gourma, Tapoa, and Komienga. Cotton production as a commercial export crop is a recent phenomenon in this agricultural zone, dating from the mid-1990's when the State launched a campaign to restart cotton production. The previous period of crisis (1985-1995), caused by plummeting primary prices and an overvalued West African CFA franc, had weakened the cotton producing industry. CFA devaluation in 1994 combined with rising world prices enabled Burkina cotton production once again to compete effectively on world markets. It was at this point that the Burkina government launched its plan to solidify and perpetuate these gains by the cotton growing industry.

The plan included the extension of cotton planting to new zones of potential production, a "relaunch" of cotton growing which resulted in increased acreage nationwide devoted to this crop and concomitant increases in national production levels. To reach the goal of 300,000 tons set by the plan, a program to extend cotton planting by 50,000 hectares over 5 years (1995-2001) was put in motion. The new sites were developed not only in existing cotton growing zones but also in new zones where conditions were appropriate for planting cotton such as the eastern provinces of Tapoa and Gourma as well as the southwestern provinces of Léraba, Comoé, Loba, Sissili, and Ziro).

Today cotton plantation accounts for 1.9 % of the surface area of Burkina Faso, 5% of arable land and 15% of the area under cultivation, or 540,000 hectares. Total net revenue paid out to cotton producers in 2004/5 by cotton companies amounted to 100 billion XOF. Burkina is the leading cotton producing country of West and Central Africa. In the eastern zones of the country⁶, covering some 52,000 km², 20-40 % of land area is devoted to cotton planting centered in particular on the provinces of Gourma and Tapoa⁷. Cotton yields are now as high as in the traditional cotton zones in the west of Burkina. Socoma (Société Cotonnière du

⁵ Average yield per hectare for the growing season 2006-2007 was 960kg. Source: Socoma.

⁶ The cotton growing zone of eastern Burkina is found within the East administrative region and the province of Koulpélogo.

⁷ Data by Socoma. In BAWAR Ousmane, *Les unités industrielles dans la région de l'Est*, Masters' thesis in geography and urbanism; Georges Compaoré, thesis advisor; Université de Ouagadougou, 2005/2006, 93p.

Gourma) is the cotton company that heads the cotton producing industry in the east since 2004, and it now figures among the most heavily indebted cotton companies in West Africa. The imminent privatization of the Dagrís company, which holds 51% of Socoma, will undoubtedly have an impact on the future of the latter.

The situation of cotton producers in the province of Gourma

This study of the exposure of cotton producers is taking place during a period of grave uncertainty in the cotton producing industry which some actors do not hesitate to characterize as "economic genocide". Studies have already amply shown that cotton growing has powered rural development wherever it is planted, most notably increasing the food security of the populations concerned. Nevertheless it has become a matter of urgency to demonstrate that the current situation involving a significant loss of interest in planting cotton, leading possibly even to the abandonment of this crop, runs a high risk of pauperizing those who once produced cotton as they no longer have any cash income and no way to pay even for the inputs necessary for growing food crops. The risk is all the greater in face of the absence of any alternative cash crop for these zones.

Interviews with cotton producers⁸ reveal both the positive impact cotton growing has had on their living conditions but also their disillusionment in the face of current difficulties. Their first concern is food security. Here it is not so much the decrease in cotton prices that worries them but rather the rise in input prices, since the fertilizer used for cotton benefits the food crops planted in rotation afterwards in the same fields. Food crop yields have thus risen since they began planting cotton. Moreover, most producers do not consume all of the grain yields they now produce and a portion of the contents of their graineries can be sold on the market for supplementary income. It is striking to observe the contrast between on one hand cotton-growing small farmers who state that their grain supply is "sufficient to get through to the next harvest" and who can even increase their food allotment during planting seasons⁹ and, on the other hand, non-cotton-planting farmers who say they do not have enough to "get over the hump" and who are forced to cut their rations during the period of field work. The latter are often constrained to buy grain during the period of the highest prices because their yields are not sufficient to feed their families.

According to producers, cash income generated by growing cotton is what allows them a "stable" life. They explain how before they used to have to send one or more family members to the Ivory Coast to earn money. With cotton, they can now stay home with their family and earn as much money in a growing season as they did in a year of work in the Ivory Coast. "Cotton money" has enabled most of them to acquire farming equipment (notably plows and draft animals) and some form of transportation (cart, bicycle, motorcycle) as well as some farm animals (cows, sheep, goats, pigs, etc). The latter in turn means manure for their fields¹⁰ as well as the possibility of fattening cattle and thereby earning additional income. Cattle also represent a form of savings "on the hoof", readily available to sell in the event of need (a death in the family, an illness requiring hospitalization, etc.)

If cotton money runs out before the next season¹¹, many growers manage to make small savings for use in meeting health care needs. This again is a case where the difference between cotton planters and others is marked; cotton money earners tend to frequent health

⁸ Carried out in the departments of Fada and Diabo (province of Gourma).

⁹ Which is known as the "period of making ends meet" or "wintering" (*période de soudure* or *hivernage*).

¹⁰ Which in turn makes for higher yields.

¹¹ Which happens sooner and sooner with falling farmgate prices.

centers (CSPS ¹²) while farmers without this source of income tend to resort to traditional healers. While cultural aspects of this choice cannot be ignored, the fact remains that health care decisions, whether preventive or curative, are largely based on the financial resources available. A large majority of farmers interviewed explained their recourse to traditional medicine in economic terms; they did not possess sufficient means for paying for a medical visit and most of all paying for medication prescribed. The mechanism for reimbursing primary health care costs set up by the Bamako Initiative¹³ shows its limits here. The cost of a visit to the doctor and of prescription drugs, even generic ones, is out of the reach of the purchasing power of the majority of the population, especially in rural areas. Besides, if a village does not boast a CSPS, the question of access becomes a financial issue also; without a means of transportation, how does one get to the closest clinic? Turning to the "traditional practitioner"¹⁴ and counterfeit drugs on the market become the only options.

The question of access to health care is fundamental. The material means of access to health resources and services is not only a determining factor in good health but also a risk factor. This year for example the meningitis epidemic was particularly virulent, and public health officials estimate that a large share of the mortality associated with this epidemic could have been avoided if systematic recourse to CSPS' had been possible.

As for education, in a region where the net schooling rate at the primary level is 31.4% (to be compared to 52% nationwide)¹⁵, there nevertheless appears to be an understanding of the importance of sending ones children to school; "knowing how to read and write is like eyesight to the blind". The problem lies with financial means and access to credit. For many parents in rural areas school supplies are too costly and the back-to-school period is difficult especially when they have several children of school age. There is in addition the problem of geographic access to school, which has been attenuated somewhat by the Ten-Year Educational Development Plan launched in 2000 and which has led to the construction of a number of schools across the country. In the eastern region of the country, more than 80% of pupils live less than 3 km from their school¹⁶. Teaching conditions, however, are another story; pedagogical materials are inexistent, classroomsovercrowded, teachers often have middle school educations only, and the like.) The UN Millenium Goals call for universal education by 2015, and in Burkina Faso "mass" education is already a reality. But the quality of that education invites caution, as can be seen in the high rates of staying back or school-leaving. The rate of completion of a primary education for the school year 2005-2006 was 20% in eastern Burkina.

At the secondary school level, the eastern region shows a gross schooling rate in middle school of 12%¹⁷, as compared to a national rate of over 20%. Merely half of those finishing primary school enroll in the region's middle school, where tuition fees remain out of reach of most rural residents. While studies so far have detected no relation between the cotton growing situation and primary school enrollment, the connection between cotton and schooling is very apparent for secondary school. Cotton earnings are what permit families to pay for secondary schooling (much higher tuition than for primary school) as well as for the

¹² Center for Health and Social Progress (Centre de Santé et de Promotion Sociale)

¹³ Cf. Pricing of medical acts and sales of Essential Generic Medications

¹⁴ Traditional healer

¹⁵ School year 2005-2006. Source: Ministry of Basic Education and Alphabetization (MEBA).

¹⁶ 15.7% of pupils face a 3-5km trip to school and 3.7% must travel more than 5km. Source: MEBA 2005-2006.

¹⁷ The GSR is 2.82% for high school. Source: Ministry of Secondary Education, Higher Education and Scientific Research (MESSRS).

costs of maintaining a student away from home in the city where middle and high schools are located.

These days cotton growers report that they are "discouraged"; why has the farmgate price for cotton decreased while input prices are going up? Few have the answer to this conundrum. Anger is not the prevalent mood¹⁸, and in any case it is not at all clear with whom to be angry, especially when the responsible entities seem to be impersonal forces like the "world market". Where is that? Socoma agents may try to explain the situation to growers, but the information rarely seems to reach the grassroots.

Delays in payment after harvest constitute a serious difficulty for producers and have unfortunate consequences. Many producers were forced to sell off some of their cereal stocks at a time when prices were low. Some have not been able to pay the oxen needed to work their fields¹⁹. Many have had to borrow from their families or from shopkeepers and to receive health care on credit in the CSPS²⁰. Their "good fortune" is that the word 'cotton' still has the ring of a guarantee and opens doors to credit more easily. When farmers borrow from family members this is no interest charged, but with shopkeeper/moneylenders it is quite different. Buying a sack of grain or a hoe ('daba') on credit means paying a steep rate of interest. For certain growers, when the next harvest is sold and paid for the money all goes to debt repayment ("the money is finished"). Certain GPCs had not been paid as of June whereas their cotton harvest had been collected several weeks if not months earlier.

After the announcement of the official price, many growers returned the inputs they had taken out from Socoma. The majority of small farmers will probably after all plant some cotton this year ("there is no alternative for earning some cash"), but they plan to reduce the land they devote to cotton (0.5 hectares on average) in order to plant more cereal crops ("you can't eat cotton and this year you can't make any money with it either"). Those who give up entirely are not many, but many who keep on plan on reducing the amounts of fertilizer used for fear of not being able to reimburse their planting loans. This fear is quite justified; in the provinces of Gourma, Kompienga, Gnagna and Koulpélogo,²¹ 223 GPCs have been suspended by Socoma for the growing season 2007-8 for non-payment of external and sometimes even internal debt²². This approach runs the obvious risk of having a negative effect on yields. Socoma agents estimate that growers will need to produce 800 to 900 kg/ha in order to finish in the black. If things continue in this vein, next season (2008-2009) will see even more growers reduce the amount of land devoted to cotton or abandon cotton planting altogether ("who works for no earnings?").

Misfortunes never come alone, and this year the rain has been late in coming. A Mossi proverb has it that "that which is difficult is good since what is easy is never profitable"²³. Cotton growers are going to have to work very hard this year. In this region, the hope in better

¹⁸ Contrary to certain growers in the western provinces who demonstrated their unhappiness in forums at the beginning of the growing season.

¹⁹ These oxen need to be broken before being used for field work and therefore need to be bought early in the year.

²⁰ Credit requests at Health Centers were particularly numerous this year as a result of the meningitis epidemic.

²¹ Which along with the province of Komandjari make up the region of Fada; the cotton zone of Socoma is divided into 2 regions: Fada and Tapoa (which falls within the administrative boundaries of the province of Tapoa alone).

²² These debts may be due to poor harvests following poor climate conditions, to the improper use of inputs (notably underfertilization), to the sale of fertilizers bought on credit on the markets, and the like.

²³ ("Even if the soil is not fertile, you must work hard.") In M. CABAKULU (1992), *Dictionnaire des proverbes africains*, Editions l'Harmattan – ACIVA (publication du CERVA), p. 279.

tomorrows based on cotton planting dies hard. Mainly because for small growers there is no alternative ("otherwise what will become of them?").



Chronology of principal activities and contacts

May 7, 2007	Arrival in Ouagadougou
May 8-14	Bibliographic research at the University of Ouagadougou, at the Institute of Research and Development, at the Geographic Institute of Burkina Faso, etc. Working meetings with François C. Ouedraogo, Professor at the University of Ouagadougou and Leslie C. Gray, Professor of Geography at Santa Clara University, California (collaboration with Thomas J. Basset).
May 15	Arrival in Fada N'Gourma
May 16-22	Data collection from Socoma, from the Direction Régionale de l'Agriculture, from the Direction Régionale des Ressources Animales, from the Direction Régionale de l'Economie et du Développement, from the Institut National de la Statistique et de la Démographie, from the Direction Régionale de l'Education de Base, from the Haut Commissariat, from the Prefecture, etc... Definition of study area and survey villages in function of available data.
May 23-25	Participation in forums at the beginning of the growing season 2007 in the province of Tapoa - Diapaga - Partiaga - Kantchari
May 26-28	Work at Fada N'Gourma - Summary of forums
May 29-31	Test phase for survey instruments with growers in the Fada zone. Interviews with cotton growers - Fada N'Gourma
June 1-3	Ouagadougou - Working meetings with the inter-university research center GERAD (Study Group for Research and Analysis in Decision-making) + the UEMOA Mission
June 4-8	Fada N'Gourma - Interviews and selection of survey workers - Survey instruments finalized - Training sessions with interpreter and three survey workers
June 9-10	Various contacts established (prefect, police commissioner, CC, ATC) - Diabo Work at Fada N'Gourma
June 11-15	Interviews with cotton producers and teachers in Diabo and Yanwega - Villages of Saatenga, Yanwega and Yantenga (Département of Diabo)
June 16-17	Work at Fada N'Gourma
June 18-22	Interviews with cotton producers and the President of the Union Provinciale des Producteurs de Coton - Villages of Saatenga, Yanwega and Yantenga (Département of Diabo)
June 23-25	Work at Fada N'Gourma
June 26-27	- Yanwega - Interviews with farmers and their families - Saatenga - Interviews with officials of the CSPS of Saatenga + cotton producers
June 28-30	Fada N'Gourma

July 1-8

Interviews with cotton producers in the villages of Saatenga, Yanwega and Yantenga (*Département* of Diabo) + Interviews with the heads of CSPS in Diabo and Zonatenga + tradipractitioners from Yanwega and Saatenga + the principals of the middle school and high school of Diabo.