Organization AND PERFORMANCE OF COTTON SECTORS IN AFRICA

Learning from Reform Experience

Editors
David Tschirley
Colin Poulton
Patrick Labaste



CONTENTS

Preface xiii
Acknowledgments xvii
Abbreviations xix
Executive Summary xxiii

Section I. Introduction and Market Context

I. Introduction

David Tschirley

2. Market Context | | 1

John Baffes and Gérald Estur

The Supply Side: Expanding Production and Exports 11

The Demand Side: Changing Focus of Demand and Competition with Synthetic Fibers 14

Declining and Volatile World Prices for Lint 14

External Factors Affecting World Lint Prices 16

Increasingly Stringent Demand for Quality Fiber 21

Lint Marketing Strategies: The Role of the International

Cotton Merchant 24

Valorization of By-Products: Markets for Cottonseed

Oil and Cake 26

Section II. Historical Background and Conceptual Approach

3. Historical Background and Recent Institutional Evolution of African Cotton Sectors

Nicolas Gergely and Colin Poulton

West and Central Africa

31 East and Southern Africa 38

4. A Typology of African Cotton Sectors

Colin Poulton and David Tschirley

Competition and Coordination 46

Dynamic Considerations 49

Predicted Strengths and Weaknesses of Different Sector Types Conceptualization of the Links between Cotton Sector Organization and

Performance 54

Section III. Comparative Analysis: Core Activities and Service Delivery

5. Pricing Systems and Prices Paid to Growers 65

John Baffes, David Tschirley, and Nicolas Gergely

Pricing Mechanisms in WCA 66

Pricing Mechanisms in ESA 68

Comparing Pricing Performance at the Farmer Level 68

71 Conclusions

6. Input Credit and Extension 73

David Tschirley

Mali and Cameroon: Government Monopolies that Show Similar Strengths and Weaknesses 74

Local Monopolies: Vastly Differing Histories Complicate Comparative

Assessment in Mozambique and Burkina Faso

Competitive Sectors: Tanzania and Uganda Struggle and Take Very Different Paths to Ensure Input Supply, Extension, and Quality 76

Concentrated, Market-Based Sectors: Zimbabwe and

Zambia Perform Well on Input Credit and Extension,

but Face Instability 77

Conclusions 81

7. Quality Control 87

Gérald Estur, Colin Poulton, and David Tschirley

Impact of Quality on Export Prices

Impact of Sector Organization on Quality 92

Conclusions 96 8. Valorization of Seed Cotton By-Products 97

Nicolas Gergely and Colin Poulton

Structure and Organization of Oil Sectors 9

Performance of Oil Sectors, Seed Pricing, and Returns to Farmers 101

Conclusions 103

9. Cotton Research | 105

Duncan Boughton and Colin Poulton

Cotton Research Organization and Performance 106

Articulating Research Demand: Insights from the Typology? 108

Conclusions 111

Section IV. Comparative Analysis: Outcomes

10. Yields and Returns to Farmers 117

Colin Poulton, Patrick Labaste, and Duncan Boughton

Cotton Yields 117

Returns to Farmers 122

Conclusions 131

Annex A10. Methodology for Focus Group Discussion on

Farmer Types 134

11. Cost Efficiency of Companies, Overall Sector Competitiveness,

and Macro Impact 139

Nicolas Gergely

Company Cost Efficiency 140

Overall Competitiveness 145

Macro Impacts 147

12. Conclusions 153

Patrick Labaste, Colin Poulton, and David Tschirley

Summary of Expected and Realized Performance across Key Indicators 154

Ways Forward for African Cotton: Cross-Cutting Challenges 164

Ways Forward for Particular Sector Types 174

Appendix A: Statistical Tables | 181

Notes 205

Bibliography 213

index 219