Mali – Beyond Cotton, Searching for “Green Gold”
Yoshiko Matsumoto-Izadifar

- Mali is striving for agricultural diversification to lessen its high dependence on cotton and gold.
- The Office du Niger zone has great potential for agricultural diversification, in particular for increasing rice and horticultural production.
- Tripartite efforts by private agribusiness, the Malian government and the international aid community are the key to success.

Mali’s economy faces the challenge of agricultural diversification, as it needs to lessen its excessive dependence on cotton and gold. Livestock, cotton and gold are currently the country’s main sources of export earnings (5, 25 and 63 per cent respectively in 2005). However, a decline in cotton and gold production in 2007 slowed the country’s economic growth.

Recent estimates suggest that the country’s gold resources will be exhausted in ten years (CCE, 2007), and “white gold”, as cotton is known, is in a difficult state owing to stagnant productivity and low international market prices, even though the international price of cotton increased slightly in 2007 (AfDB/OECD, 2008). Therefore Mali is striving for “green gold” — commercial agriculture beyond cotton.

The trend of cotton producers moving away from cotton has already been observed. Given its currently low purchase price levels and the diminishing subsidies paid to producers, cotton plantations have become less profitable than before. Malian cotton producers are substituting cotton plantations with the production of cereals (maize, millet and sorghum) or horticultural products, from which they now derive half their total income. In 2007, cotton producers reduced the areas planted with this crop, resulting in a dramatic fall in production of more than 40 per cent, from 537 000 to 330 0000 tonnes.

Office du Niger Zone: Growing Potential for Agricultural Diversification

In contrast to the reduced production of cotton, cereals showed good progress in 2007. A substantial increase in rice production (up more than 40 per cent between 2002 and 2007) shows Mali has the potential to overcome its dependence on cotton (FAO, 2008). The government hopes to make the zone a rice granary of West Africa.

The Office du Niger zone (see Figure 1), one of the oldest and largest irrigation schemes in sub-Saharan Africa, covers 80 per cent of Mali’s irrigated agricultural production, particularly rice. Rice is cultivated in over 90 000 hectares, more than 60 per cent of which are in the Office du Niger. The average paddy yield per hectare in the zone tripled between 1974 and 2003, making it the biggest rice-producing area in the country.

Closely associated with rice production is that of out-of-season cash crops which has also recently been expanding in the Office du Niger zone. After millet, horticulture (e.g. mangoes, onions and potatoes) has been providing a second out-of-season annual cash crop here. The so-called “rice-based” production method combining irrigated rice, horticulture and millet cultivation with rearing sedentary or semi-migrant livestock allows producers to diversify their production.

The Office du Niger has started exploiting international market opportunities for its
horticultural produce. For example, mango, the country’s leading horticultural product, has been making inroads into Europe. With technical support from foreign companies and donors, Malian mango producers and exporters are increasingly qualifying for GlobalGap Certification, an internationally recognised quality standard. The export volume of Malian mangoes to Europe increased by more than 40 per cent in just one year between 2005 and 2006.

**Figure 1: Office du Niger Zone in Mali**

Source: [http://atlas.mapquest.com](http://atlas.mapquest.com)

**Collective Efforts: the Key to Reinforcing Agribusiness**

Behind these success stories, there are tripartite efforts involving private agribusiness, the Malian government and the international aid community. And this tripartite effort is continuing to expand to new areas of Malian agribusiness.

Bakary Yaffa, Director of the Malian fruit exporting company Ets Yaffa et Frères and representative of the Malian Association of Fruit and Vegetable Exporters (AMELEF), recognises the importance of the support that Malian mango exporters have received from the government and donors. “The government gives licences with reduced tariffs and exonerates taxes. We have also received technical assistance from the European Union and the American Aid Agency (USAID) to keep the traceability of our products. These helped our members of the association to export 800 tonnes of mangoes to Europe in 2007.” Mr. Yaffa and the association are currently hoping to increase their exports and transform mangoes into juice or dried chips, and are looking for financial support.

Christian Viale, Financial and Administrative Director of the Grands Moulins du Mali (GMM), the biggest flour mill in the country, also insists upon the importance of close collaboration with the government and donors. “The GMM has started investing in domestic wheat production in the Office du Niger zone to replace expensive wheat imported from Europe. As this was a very new initiative in Mali, we have called on the government and donors for support to finance our pilot project.” The company aims to attain self-sufficiency in ten years by replacing wheat imports from Europe and Latin America.

**Challenges Ahead**

Mali still faces some major challenges in order to pursue agricultural diversification beyond cotton. The first is to rehabilitate and develop irrigation schemes. Mali has 1 million hectares of potentially irrigable land in the Niger River Delta, but only 15 per cent of this potential is currently used. In 2007, the Malian government announced a large irrigation extension programme of 60 000 hectares in the Office du Niger zone.

The second challenge is to reduce the allocation of the agricultural budget to the cotton sector. The government allocated around 12 per cent of the national budget to the agricultural sector in 2005 and 2006, a rate which has already passed the 10 per cent budget allocation target set by the NEPAD Comprehensive Africa Agriculture Development Programme (CAADP). Some USD 64 million (FCFA 28 billion) was used to subsidise the Malian Company for Textile Development (CMDT) in 2006 (AfDB/OECD, 2006). In 2008, the company is on the verge of privatisation to lessen the government’s financial burden.

---

1 New Partnership for Africa’s Development.
The third challenge is to improve access to credit in order to accommodate the needs of local producers and entrepreneurs. To meet this objective, the government has restructured the National Agricultural Development Bank (BNDA), and this initiative has been bearing fruit. Through decentralised financial institutions, the BNDA today plays an essential role in providing short-term agricultural credits to private operators in need.

Mali’s search for “green gold” – commercial agriculture beyond cotton – is in progress. The tripartite efforts of private agribusiness, the Malian government and the international aid community are the key to success.

References:

Further reading:

Five detailed case studies (Ghana, Mali, Senegal, Tanzania and Zambia) are available at: www.oecd.org/dev/business

* The author would like to thank Hervé Bougault (AFD), Christian Viale (GMM) and Bakary Yaffa (Ets Yaffa et Frères) for their valuable insights provided during interviews.