

Tapping Opportunities to Support Cattle Producers in Burkina Faso

Main Findings and Recommendations

Cattle producers receive low prices and have few incentives to increase production and marketing. Implementing policies aimed at improving the value chain would help increase prices for producers. Specific measures could include:

- ▶ improving infrastructure, especially roads and markets, to lower transport and transaction costs;
- ▶ building better market information systems to raise farmers' awareness of the price of cattle in different markets, and help them learn about trade and export opportunities. This may help reduce the significant gap between domestic and international prices, decrease farmers' dependence on traders and reduce traders' high profit margins;
- ▶ limiting the number of intermediaries and eliminating red tape and illicit taxes along transport routes; and
- ▶ monitoring imports of cattle and by-products, as well as establishing quality grade standards.

SUMMARY

In Burkina Faso, many projects and programmes targeting cattle production have been developed but few are effectively implemented. In addition, there are no specific measures in place to support price levels for cattle producers. Furthermore, domestic prices are far lower than they could be and disconnected from international prices.

MAFAP analysis (see figure 1) shows that cattle farmers would receive higher prices for their cattle if specific measures to increase export opportunities were in place. Prices would rise even more if traders' high profit margins and illicit costs were addressed. While exports have been growing at the same rate as natural herd growth, MAFAP analysis suggests that exports would further increase if policies to help bridge the gap between domestic and international prices were in place.



Bobo Dioulasso, Hauts Bassins States - The Hauts Bassins States are the second largest cattle producing area in Burkina Faso. Cattle farmers would receive higher prices for their animals if more supportive policies were in place. (Photo: ©FAO/Giulio Napolitano)

INTRODUCTION

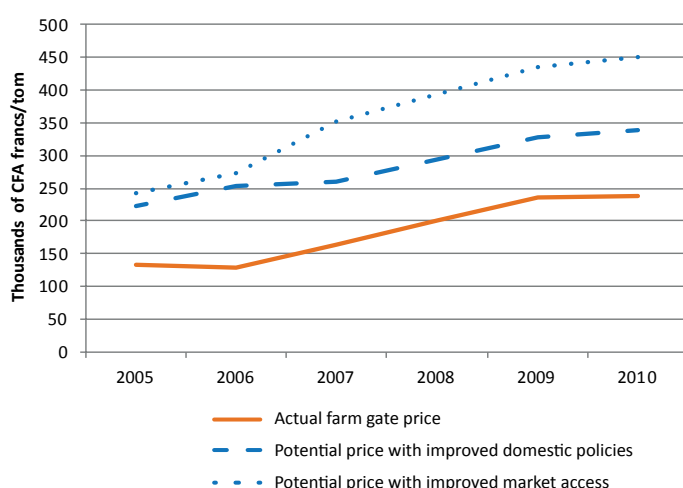
Cattle production contributes significantly to economic growth, and represented 18% of the national GDP in 2010. Moreover, the cattle value chain plays a crucial role in fighting poverty by boosting incomes in rural areas. Indeed, 900,000 people are involved in production and an estimated 60,000 to 90,000 people are involved in processing and trading.

KEY ISSUES

Improve transport and market infrastructure

Cattle farmers would be able to sell cattle at higher prices if they had better access to markets. It is critical to improve road access from cattle farming areas to markets, as well as address corruption and illicit taxes along transport routes. Improving market infrastructure and road access to markets would increase marketing opportunities and decrease transaction costs for producers and traders.

Figure 1. Price of cattle in Burkina Faso at the farm gate level (in CFA Francs/ton), 2005-2010



Better market and price information is necessary

Improving market information, and monitoring prices along the value chain to identify excessive wholesale margins, would improve prices for producers. Farmers' lack of information about prices along the value chain is one reason why traders have very high profit margins. Indeed, farmers may not be aware of opportunities for selling their cattle at higher prices offered by export markets, especially in Nigeria.

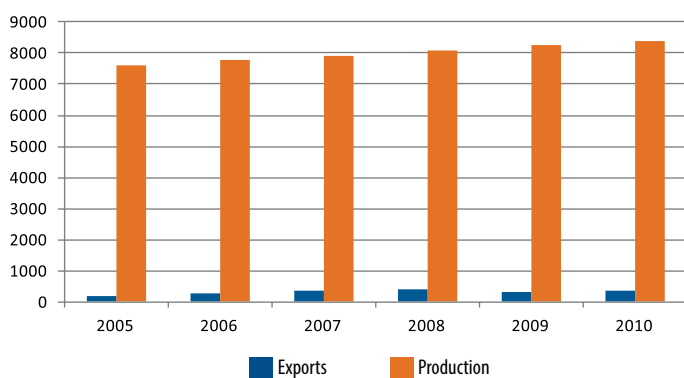
Exports show significant potential

Cattle exports are increasing and represent an important share of income from total exports (9.6% in 2010). Indeed, cattle is Burkina Faso's fourth largest export in terms of value. Only a small number of cattle are exported compared to overall production (see figure 2), and thus there is potential to substantially increase exports.

However, due to poor domestic infrastructure, exporters in Burkina Faso rely on importers from neighbouring countries for transporting animals both within the country and abroad. This is a strong disincentive for exporters and the lack of competition results in additional costs and constraints to the quantity of cattle which can be exported. All of these contribute to lower prices on the domestic market. Having more means of transport available and better infrastructure would result in lower transport, handling and transaction costs and help expand export opportunities.

Moreover, illicit costs at the border are an additional burden to traders, especially between Burkina Faso and coastal countries.

Figure 2. Cattle production and exports in Burkina Faso (thousands of cattle), 2005-2010



The quality of domestic cattle would improve with better animal feed and extension services

Despite the increase in the number of cattle due to natural herd growth (2 percent per year), productivity remains low. Boosting cattle production requires investing in better animal feed, health facilities and services, and provide training on more productive herding techniques.

Monitoring imports and standardizing meat quality grades would benefit domestic production

Local consumers often use meat by-products for preparing sauces. Indeed, they can easily substitute domestic cattle meat with by-products from regional markets. Standardizing meat quality grades, monitoring imports and harmonizing border policies would help local farmers compete better.

CONCLUSION

Cattle is a major commodity in Burkina Faso and has significant export potential. Implementing favourable policies would not only reduce constraints in the value chain and thereby increase production, but also increase incomes for hundreds of thousands of producers. This would contribute significantly to Burkina Faso's economic growth through increased domestic trade and marketing opportunities.

Further Reading

MAFAP Technical Note on Cattle Production in Burkina Faso (2012) by Kadari, C. et al.
Available at: <http://www.fao.org/mafap>

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This note was prepared by the Monitoring African Food and Agricultural Policies (MAFAP) team at FAO and at the Ministry of Agriculture and Water Resources of Burkina Faso (DGPSE/DGPER). MAFAP is implemented by FAO in collaboration with the OECD and the financial participation of the Bill and Melinda Gates Foundation (BMGF) and USAID. MAFAP supports decision-makers at national, regional and pan-African levels by systematically monitoring and analyzing food and agricultural policies in African countries.