

BURKINA FASO

MAFAP Country Profile



MAFAP
SPAAA

Monitoring African Food and Agricultural Policies

Despite progress made towards a more coordinated approach for developing the agricultural sector, agricultural policy still consists of numerous programs, projects and trade policies without clear prioritization.

During the food price crisis, policy measures such as controlling prices, lifting tariffs on imported food and limiting exports of food security products, focused on lowering consumer prices. These measures decreased revenues for farmers, and counteracted the benefits of measures aimed at fostering productivity, such as fertilizer subsidies. MAFAP analysis shows that most commodities lack a specific development strategy.

Producers cannot easily access adequate inputs, equipment and credit. Marketing and trade are hampered by a lack of infrastructure and information about prices and marketing opportunities. Thus, there are limited incentives for producers of most commodities except rice and cotton.

Are current policies and public spending aligned?

Policies and public expenditure tend to focus on rice and cotton, though more attention should be given to other sectors such as the livestock sector. In general, current policies and market structures cause farmers to get lower prices than what they could potentially receive.

In order to increase agricultural production, the revenue of producers, and food security, MAFAP analysis suggests that the government should:

- ▶ diversify public expenditure support, with less focus on rice and cotton;
- ▶ consider lowering short-term input subsidy support and increasing medium and long-term support to producers by investing in roads and markets. This will help lower transport and marketing costs; and
- ▶ monitor the effect of consumer-oriented policies which MAFAP analysis shows have decreased price incentives for farmers and may ultimately compromise food security.

Adopting these policy recommendations would provide farmers with more diverse and stable sources of income and increase trade opportunities.

Public expenditure to support agriculture and rural development

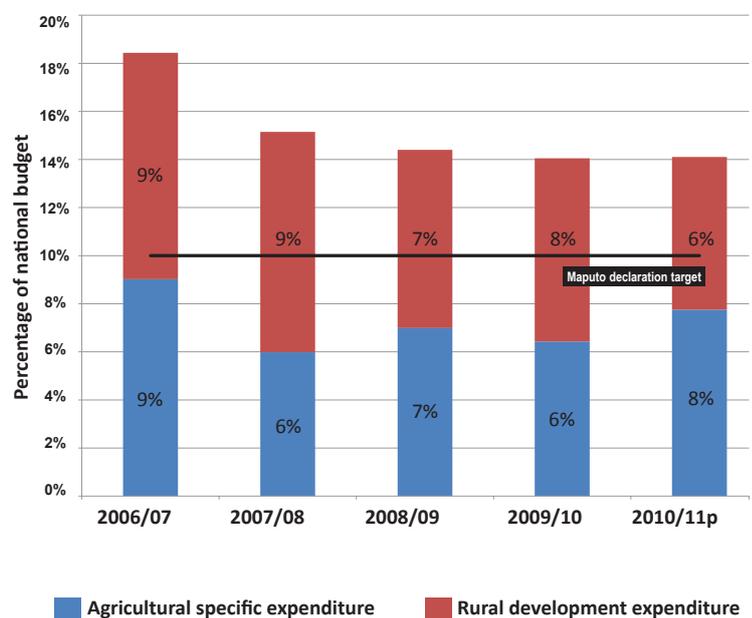
Although Burkina Faso still allocates more than ten percent of its budget to the agricultural sector, the overall share decreased by four percent in the period from 2006 to 2010. Moreover, the budget's focus has been shifting away from rural development and towards agriculture-specific policies.

Between 2006 and 2010, the total budget approved for agriculture in Burkina Faso increased by two percent and disbursements increased by six percent. Almost 77 percent of total expenditure came from foreign sources.

Furthermore, agriculture-specific expenditure has shifted towards more general support (i.e. training, agricultural research and off-farm infrastructure) and away from direct payments to farmers and others working in the agricultural sector. Despite this shift, spending on marketing and storage infrastructure is low.

Close to 90 percent of expenditure targeting individual commodities goes to rice and cotton. Commodities which are more important for people's diets receive a very small share of public expenditure.

Figure 1. Public expenditure on agriculture and rural development in Burkina Faso (2006 -2010)



Price incentives

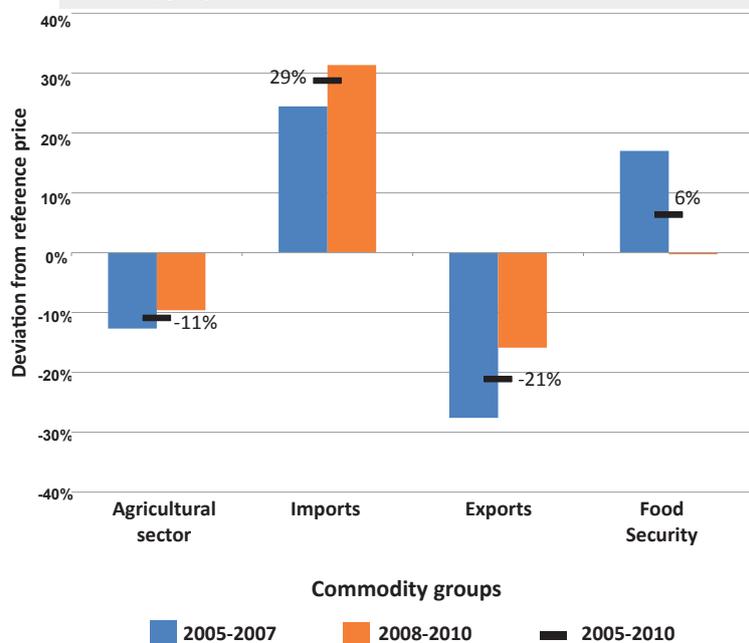
Between 2005 and 2010, farmers in Burkina Faso received prices below those that would prevail in a more enabling policy environment and with better functioning markets. However, lower prices received by farmers did not always translate into lower prices for consumers.

Farmers received prices between eight and fifteen percent below what they would receive in the absence of policies and with better functioning markets. However, disincentives were three percent lower in the period from 2008 to 2010 compared to the period from 2005 to 2007. This was mainly because cotton producers received more incentives. From 2008 to 2010, incentives strongly decreased for food security products - mainly due to trade restrictions.

Producers of rice, cotton and sorghum receive higher prices than those that would prevail in a policy free environment, mainly due to trade policies (for rice), government price support (for cotton) and a lack of market integration (for sorghum).

Producers of gum Arabic, cattle, groundnut, sesame, onion, cotton oil and maize received disincentives, mostly stemming from underdeveloped markets and non-tariff trade barriers - especially red tape.

Figure 2. Average deviation of producers' prices from world prices, by major commodity groups (2005 - 2010)



Source: own elaboration

MAFAP PARTNERS

Policy Analysis	Policy Dialogue
The Rural Economics Division (DGPER) of the Ministry of Agriculture	The Coordination Secretariat for Agricultural Policies (SP/CPSA)
Units in various ministries have provided data for MAFAP analysis	The Rural Economics Division (DGPER)

MAFAP PRODUCTS

Nine technical notes on market incentives and disincentives in Burkina Faso for maize, rice, cattle, cotton, peanuts, cotton oil, gum Arabic, sesame, sorghum and onions

In-depth analysis of public expenditure to support agriculture and rural development in Burkina Faso

A comprehensive country report

A database with all indicators and supporting information

Capacity development in analyzing market incentives and disincentives, as well as public expenditure

All reports and publications are available at: www.fao.org/mafap

Our Vision for the Future

The DGPER plans to make MAFAP part of its core policy monitoring and evaluation activities. MAFAP results have already been presented to the Minister of Agriculture, who has shown great interest. They will also be presented to Parliament. There is already strong capacity to conduct MAFAP analysis at the local level and MAFAP should therefore become fully owned by and integrated into the Ministry of Agriculture in the coming years.

The use of MAFAP results at the regional level, with support from the West African Economic and Monetary Union (WAEMU), will also be expanded. Indeed, WAEMU officials attended a technical workshop which also brought together MAFAP teams from Mali and Burkina Faso.

CONTACTS

Website: www.fao.org/mafap

Email: mafap@fao.org

Mailing Address:

FAO Headquarters

Viale delle Terme di Caracalla

00153 Rome, Italy