BURKINA FASO

Socio-economic context and role of agriculture

Burkina Faso is a low-income, landlocked country in West Africa. During the past decade its economy has grown considerably, with an annual average growth rate of over 6 percent between 2000 and 2012.[1] The economy depends heavily on agriculture, forestry and livestock farming, as well as the exploitation of mineral resources.

Agriculture contributed to about 30 percent of the GDP in 2012, employing over 90 percent of the workforce. The sector is dominated by small-scale farms of less than 5 hectares and its main products are sorghum, millet and maize (the most produced in terms of volume), and cotton (the most important in terms of value). Before the gold mining boom, cotton was the main commodity exported, accounting for about 60 percent of export revenues. In 2012 it represents less than 15 percent of export revenues. Nevertheless, Burkina Faso remains one of the leading cotton producer and exporter in Africa. Traditional cereals, such as sorghum and millet, dominate food consumption and expenditure of rural households, while urban households prefer rice and maize.

Despite a decade of sustained growth, poverty persists, particularly in rural areas. GDP per-capita remains one of the lowest in the world; according to the UNDP Human Development Index, and in 2012 the country ranked 183rd out of 186 countries. The economy is highly vulnerable to external shocks, both climatic and economic, including food and fuel price volatility and deteriorating terms of trade for cotton.

The country also suffers from the negative effects of a population growth rate averaging 3 percent, which is among the highest in the world. Food insecurity and malnutrition rates are chronically high. The number of people undernourished rose from 3.8 million in 2008-10 to 4.4 million in 2011-13, corresponding to nearly a quarter of the total population.

	Selected indicators		2007	2009	2012
SOCIO-ECONOMIC	GDP (current billion US$) *		6.755	8.348	10.441
	GDP per capita (US$) *		475	553	634
	Agricultural value added (% of GDP) *		29.6	29.7	29.9
	Agricultural value added (annual % growth) *	(average 2007-2012)	2.52		
		(2012)	17.4		
	Total population (thousand)		14 235	15 095	16 460
	Rural population (% of total)		77	75	73
	Agricultural labour force (% of total labour force)		92	92	92
	Human Development Index **	(2012)	0.343 (ranking 183)		
AGRICULTURAL PRODUCTION & TRADE	Per capita cultivated land (ha)		0.35	NA	0.36 (2011)
	Area equipped for irrigation (ha)		NA	NA	30
	Value of total agriculture production (current million US$)		1 725	2 606	2 996 (2011)
	Value of cereals production (current million US$)		695	1 110	1 292 (2012)
	Yield for cereals (hg/ha)		9 361	10 020	12 030
	Cereal import dependency ratio (%)	(2007-2009)	8.4		
	Top 3 commodities (2011)	Production quantity (2012)	Sorghum; Maize; Millet		
		Production value (2012)	Meat indigenous, Cattle; Cotton lint; Sorghum		
		Import quantity	Sugar Refined; Wheat; Flour of Wheat		
		Import value	Tobacco Products; Food Preparation; Sugar Refined		
		Export quantity	Cotton lint; Cashew nuts; Sesame seed		
		Export value	Cotton lint; Sesame seed; Cashew nuts		
	Top 3 trade partners (2011)	Import value	Côte d'Ivoire; France; Brazil		
		Export value	Singapore; France; Switzerland		
FOOD SECURITY & NUTRITION	Top 3 commodities available for consumption (2009)		Sorghum; Millet; Maize		
	Per capita food supply (kcal/capita/day)		2 618	2 647	NA
	General (g) and Food (f) CPI (2000=100)		118 (g), 118 (f)	135 (g), 149 (f)	140 (g), 171 (f)
	People undernourished (million)	(2008-2010)	3.8		
		(2011-2013)	4.4		
	Proportion of undernourished (%)	(2008-2010)	23.9		
		(2011-2013)	25		
	Prevalence of underweight children under 5 years of age (%)		37.6 (2006)	26.0	NA
	Prevalence of stunting among children under 5 years of age (%)		42.4 (2006)	35.1	NA
	Prevalence of wasting among children under 5 years of age (%)		24.4 (2006)	11.3	NA
	Global Hunger Index ^	(2013)	22.2 (Alarming)		
	Access to improved water sources (% of population) *		73	76	80 (2011)

Sources: FAOSTAT; *WB; **MEF/IAP; ***UNDP; ^IFPRI (accessed on 21 March 2014)

1 Data provided by the Ministry of Finance (MEF/IAP, 2012).

Fapda | Food and Agriculture Policy Decision Analysis

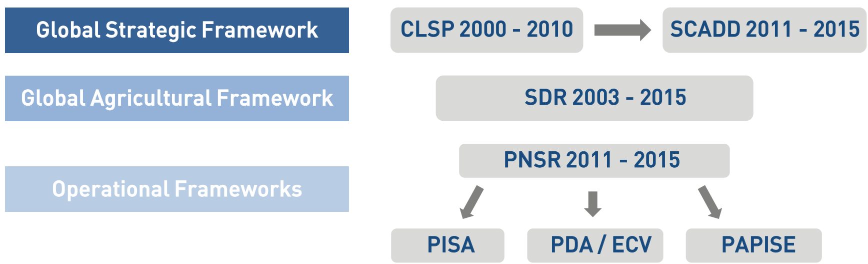
This activity is funded by the European Union under the Improved Global Governance for Hunger Reduction Programme

1. Government objectives in agriculture, food and nutrition security

The **Strategy for Accelerated Growth and Sustainable Development (SCADD 2011-2015)** represents the strategic framework of the government's economic and social development policies. The SCADD builds on policies and reforms undertaken under the previous **Strategic Framework for Poverty Reduction (CSLP)**. Articulated in four pillars, the SCADD aims at boosting economic growth (targeting a 10 percent annual GDP growth rate) and reducing poverty to less than 35 percent by 2015, thereby reaching the first Millennium Development Goal. The SCADD also foresees a significant level of contribution of the rural sector to the national economy, with a specific target of an average 10.7 percent growth rate over five years.

The government's objectives and priorities for the agricultural sector over the period 2011-15 are stated in the **National Programme for the Rural Sector (PNSR)** which represents the operational framework of the SCADD's vision for rural development and the **2003 Rural Development Strategy (SDR)**. The PNSR overall objective is to contribute to ensuring food and nutrition security, sustained economic growth and poverty reduction. It also represents the reference framework for all strategies, policies and plans related to agriculture, water and fisheries (PISA), environment (PDA/ECV), as well as animal resources (PAPISE)[2].

STRATEGIC FRAMEWORKS AND OPERATIONAL PROGRAMMES FOR AGRICULTURE IN BURKINA FASO



Source: MAFAP, 2013

2. Trends in key policy decisions (2007-2012)

2.1 Producer-oriented policy decisions

Agriculture in Burkina Faso is negatively affected by poor access to irrigation water, expensive inputs and equipment, land tenure insecurity, limited knowledge and capacity of producers, poor transportation infrastructure and limited access to credit for farmers. In recent years, some of these constraints have been addressed by the government through various policy measures and programmes.

Input subsidies accounted for a large share of agricultural public expenditure

After nearly two decades of state withdrawal from the agricultural sector, the 2007/08 food crisis pushed the government to support staple crop production by distributing improved seeds and subsidizing half the cost of fertilizers. This measure was implemented throughout 2007-2012 and contributed to a significant increase in rice production.[3] In addition to that, the government continues to provide subsidies to cotton farmers. Over the 2006 to 2010 period, input subsidies represented a large share of agriculture-specific public expenditure, although the amount allocated to capital inputs (mainly equipment and on-farm irrigation) exceeded the one allocated to variable inputs, such as seeds and fertilizer.[4]

Price support provided to cotton farmers

Since 2003, cotton production and trade are handled by three major cotton companies. SOFITEX, the largest of the three, is the key player in the sector, with more than 90 percent of cultivated land and about 80 percent of national production in 2009. In the framework of the cotton sector privatization[5], the government maintained a 35 percent share in SOFITEX until 2008 when, as a consequence of SOFITEX recapitalization, it became again the company's major shareholder. The government also plays a role in fixing the price of cottonseeds to sustain production and farmers' income.[6] In 2006, the price-setting mechanism was changed to

2 Programme d'investissement dans les secteurs de l'agriculture, de l'hydraulique et des ressources halieutiques (PISA); Plan décennal d'action du secteur de l'environnement et du cadre de vie (PDA/ECV); Plan d'action et programme d'investissement du sous-secteur de l'élevage (PAPISE).

3 Based on data provided by the Division for Prospective and Food and Agricultural Statistics (DPSAA), the self-sufficiency ratio (SSR) raised from 20 percent in 2007 to 52 percent in 2010. See Guissou R., Ilboudo F. (2012). Analyse des incitations et pénalisations pour le coton au Burkina Faso. Série notes techniques, SPAAA, FAO, Rome.

4 Yameogo S., Kienou A. (2013). Analysis of public expenditures in support of food and agriculture development in Burkina Faso, 2006-2010. Technical notes series, MAFAP, FAO, Rome.

5 In 1999, the government released its majority shareholding in the parastatal company SOFITEX which had the monopoly in the cotton sector. The sector was subsequently liberalized in 2003, with the emergence of two new cotton companies, SOCOMA and Faso Coton.

6 For more information on the price-setting mechanism, see Guissou R., Ilboudo F. (2012). Analyse des incitations et pénalisations pour le coton au Burkina Faso. Série notes techniques, SPAAA, FAO, Rome.

better reflect world price levels; a new smoothing fund system has been launched to respond to the volatility of cotton prices on global markets. Additionally, the price paid to cotton producers has been continually increased since 2008.

Increased investments in irrigation systems

Irrigated agriculture in Burkina Faso is poorly developed. In 2008, the total area of land under irrigation was estimated at about 25 percent of irrigable potential. In recent years, the country has increased its efforts to set up irrigation systems and promote small-scale irrigation. Public expenditure for irrigation infrastructure rose from 6.6 billion FCFA (about US$ 14 million) in 2009 to 14.7 billion FCFA (about US$ 29 million) in 2010.[7]

New legislation adopted to enhance land tenure security

Customary land tenure rules have long governed land transactions and allocations, even though they were not officially recognized. With the aim of ensuring equitable access to rural land and securing land tenure, two major pieces of legislation have recently been adopted: the 2009 Rural Land Tenure Law[8] and the revised *Réorganisation Agraire et Foncière (RAF)*[9], approved in 2012. Both documents enable legal recognition of rights legitimated by customary rules and practices, as well as provide for formalization of individual and collective use rights and the possibility of transforming these rights into private titles.

© FAO/ Swiatoslaw Wojtkowiak

Despite the gold mining boom, cotton remains the heart of Burkina's economy. The sector provides income for 15-20 percent of the active labor force, supporting directly or indirectly almost half of the population.

2.2 Consumer-oriented policy decisions

Despite the substantial needs of the population, few social safety net programmes are in place to assist poor and vulnerable households. Most of the existing interventions are limited in scope and coverage and heavily dependent on donor funding. The Social Protection National Policy, drafted in 2007, was finally adopted by the government in September 2012.

School feeding as one of the main social safety nets

In recent years, the government scaled up its support to the national school feeding programme, which targets mainly primary school children. School feeding is supported almost equally by the government and development partners and represents one of the main social safety nets. School feeding programmes are mainly implemented in rural areas, where school enrollment is low, while in urban areas their coverage is relatively weak.[10] On the other hand, although food insecurity in the country is primarily an access problem, the implementation of cash-based transfers remains limited. A few pilot cash transfer programmes have been recently introduced but they rely heavily on external funding.[11]

Food security stock mainly used for emergency purpose

Targeted free distributions and subsidized food sales were implemented for short periods of time to assist vulnerable households or disaster-affected persons, using either the National Food Security Stock (*Stock National de Securité*, SNS) or the Intervention Stock (*Stock d'Intervention*, SI). The SNS is made up of a physical stock of 35 000 tonnes of cereals (millet, maize, sorghum and rice; the latter was added in 2008) and a financial reserve with a counter value of about 25 000 tonnes of cereals. The SNS is co-managed by the government and development partners. Since 2005, the country's national food stocks also include an intervention stock (SI) of 10 000 tonnes which is used for market regulation purposes.

Price control measures adopted in response to crises

In response to the 2008 food crisis, the government negotiated with wholesalers and importers a series of suggested prices for rice, oil and sugar with the aim of limiting the impact of increased international prices on consumers. Again in November 2011, following a socio-political crisis which began in March, a list of 19 products subject to price control was approved by the Ministry of Commerce. The retail price of rice, wheat flour, bread, edible oil and sugar were fixed, as well as profit margin ceilings imposed on the sale of imported commodities.

---

7 See Yameogo S., Kienou A. (2013), as in footnote 4.

8 Loi N° 034-2009 / AN portant Régime Foncier Rural.

9 The *Réorganisation Agraire et Foncière* (RAF) was first adopted in 1984 and further amended in 1991 and 1996 to help develop a private property rights regime for land.

10 Nevertheless, the World Food Programme estimated that school feeding in Burkina Faso covers 100 percent of children attending primary school. For more information, see WFP (2013), State of School Feeding Worldwide, available at http://documents.wfp.org/stellent/groups/public/documents/communications/wfp257481.pdf.

11 Among these, it is worth mentioning a pilot project launched in 2008 by the National Committee against AIDS (CNLS-IST) and the World Bank in the province of Nahouri, which aimed at testing how conditionalities and gender affect the impact of cash transfers targeted at orphans and vulnerable children (OVC) on health, education and wellbeing.

2.3 Trade-oriented policy decisions

Since the gold mining boom of 2009/10, Burkina Faso has succeeded in reducing its dependence on a single export commodity (cotton), which was heavily supported through budgetary transfers and price policies during the past decades. However, exports remain concentrated on a limited number of commodities and are highly influenced by volatile global prices. The country's agricultural economy is poorly integrated into the sub-regional market. Although Burkina Faso is a member of both the West African Economic and Monetary Union (WAEMU) and the Economic Community of West African States (ECOWAS), its main trading partners are Asia and Europe rather than its neighbouring countries.

Import tariffs suspended to respond to the food crisis

Since 2000, Burkina Faso has adopted the WAEMU Common External Tariff (CET), which cuts duty rates on agricultural products from more than 30 percent to 14.6 percent on average.[12] In 2008, in response to the increase in food prices, import duties and taxes were temporarily suspended on basic food commodities such as rice, salt, milk and food preparations for children, but they were restored before the end of the year.

Non-tariff export restrictions are still in place

In 2008 the government banned cereals exports for six months to ensure domestic market supply. Moreover, since 2007/08, exports of staple crops such as sorghum and maize have been restricted with the intention to keep these commodities in the country to avoid acute famine. These restrictions take the form of red tape at borders.[13]

3. Emerging issues

Achieving the Maputo target on agricultural public expenditure. Burkina Faso is one of the few countries in Africa (13 out of 54) that in most years since 2003, have achieved the Comprehensive Africa Agriculture Development Programme (CAADP) target to allocate at least 10 percent of the national budget to agriculture.[14] Although the budget share underwent a constant decline in recent years, it remains above the 10 percent threshold. Despite that, if compared to the mining sector, agriculture receives little budgetary support, most of which is concentrated in the cotton industry. Moreover, public expenditure analysis shows a strong reliance of agriculture on external funding, which accounted for an average of 71 percent of total expenditures for agriculture and rural development over the period 2006-10.[15]

Social safety nets remain heavily donor-dependent. The dependence on donor funding also characterizes the country's social safety nets (SSN). Most of the existing SSN programmes are donor-driven and therefore susceptible to be discontinued when donors' priorities shift. Given the persistence of chronic poverty and the poor nutritional outcomes, one of the government's main challenges will be to establish a comprehensive SSN system and institutional framework which would facilitate the coordination of existing programmes as well as strengthen nutrition interventions in the country.

Promoting growth poles to attract private investments and improve economic diversification. In the framework of the economic growth programme outlined in the SCADD, the government has recognized the need to diversify and transform the economy by adopting a new model based on the growth poles. The *Bagré Growth Pole* project, which is currently in its experimental phase, aims at developing the value chains of certain promising sectors (such as livestock, fruit and vegetables, shea butter, sesame) through agribusiness, in order to reduce the country's dependence on gold and cotton. The initiative seeks to attract private investment to boost local employment and increase agricultural productivity. In 2011, the government signed an agreement with the World Bank which ensured a loan of US$ 115 million to fund the project over the period 2011-17; the remainder must be co-financed by the government for a total amount of US$ 134 million. The project is seen as a pilot that will have positive spillover effects to the rest of the economy and could serve as a model for other growth poles already included in the government's development plan.[16]

12 WTO (2011), Trade policy review: Burkina Faso, Technical Report.

13 Red tape is a term traditionally associated with wasteful and time-consuming bureaucracy. See MAFAP (2013). Review of food and agricultural policies in Burkina Faso. MAFAP Country Report Series, FAO, Rome.

14 In 2003, African Heads of State made a commitment to invest 10 percent of their total national expenditures in agriculture and rural development, an agreement known as the Maputo Declaration, as one of the CAADP targets. For further details, see also Benin, S., Yu, B. (2012). Complying with the Maputo Declaration Target: Trends in public agricultural expenditures and implications for pursuit of optimal allocation of public agricultural spending. ReSAKSS-Africa Wide Annual Trends and Outlook Report 2012.

15 See Yameogo S., Kienou A. (2013), as in footnote 4.

16 For more information, see http://www.worldbank.org/projects/P119662/burkina-faso-bagre-growth-pole-project?lang=en.

The FAPDA initiative promotes evidence-based decision making by collecting and disseminating information on policy decisions through a freely accessible web-based tool. For more information, please visit:
www.fao.org/economic/fapda
www.fao.org/economic/fapda/tool

or contact us at: **fapda@fao.org**

This brief was prepared by the Food and Agriculture Policy Decision Analysis (FAPDA) team at FAO, with contributions from the Monitoring and Analysing Food and Agricultural Policies (MAFAP) team, as well as the *Direction Générale de l'Économie et des Statistiques Sectorielles* (DGESS) in the Ministry of Agriculture and Food Security (MASA) and the *Secrétariat Permanent de Coordination des Politiques Sectorielles Agricoles* (SP/CPSA) of Burkina Faso. Information reported in this brief comes from the FAPDA Tool and the review of primary and secondary data sources.