



humanitarian news and analysis
UN Office for the Coordination of Humanitarian Affairs

Advanced search

Monday 22 October 2007

Latest reports:

[IRAQ: Aid agencies prepare for displacement near Turkish border](#)
[SOMALIA: Thousands flee homes in disputed region fearing renewed clashes](#)

Print report

BURKINA FASO: Cotton producers celebrate WTO ruling against US subsidies



Photo: Brahim Ouedraogo/IRIN

Cotton farmers in Burkina Faso see their income dwindling even if their production increases.

OUAGADOUGOU, 16 October 2007 (IRIN) - Cotton industry officials in West Africa's largest cotton producing nation are celebrating a ruling by the World Trade Organization (WTO) that US government subsidies to cotton farmers there undermine free trade.

"I am hopeful that the situation here will get better," said Francois Traore, President of the African Cotton Producers Association. "At least it tells the truth that there are distortions against Africa's development interests."

According to Traore, who is also president of Burkina Faso's National Union of Cotton Producers, the WTO and the international community are now obliged to

force the US to respect the ruling.

"Subsidies are preventing us from living," Traore said. "If nothing is done, we can now say that nobody wants us to develop."

The WTO ruled on 15 October that the US had failed to bring subsidies and export credit guarantees to US cotton farmers into conformity with the WTO. The subsidies and export credit guarantees were put in place through the 2002 Farm Bill which the WTO had ruling against in 2005.

Officials in developing countries and international poverty analysts say the subsidies drive down prices, making it hard for small farmers in poor countries to compete on international markets.

The ruling could open the door to billions of dollars in trade sanctions against the US by Brazil, another major cotton producing country, which initially brought the case against the US.

The Brazilian government says the US only retained its place as the world's second-largest cotton grower by paying out US\$12.5 billion in government subsidies to its farmers between August 1999 and July 2003. China is the largest exporter of cotton, while Brazil is fifth.

FREE Subscriptions

Your e-mail address:

Subscribe

Unsubscribe

Submit your request

More reports

20/Oct/2007

WEST AFRICA: IRIN-WA Weekly Round-up 398 for 13 - 19 October

12/Oct/2007

WEST AFRICA: IRIN-WA Weekly Round-up 397 for 6 - 12 October 2007

11/Oct/2007

AFRICA: First global Arms Trade Treaty would particularly benefit Africa, experts say

10/Oct/2007

BURKINA FASO: Soldiers in the streets

09/Oct/2007

AFRICA: WHO predicts worst meningitis epidemic for decade

[more news »](#)

More on Economy

22/Oct/2007

MAURITANIA: New govt tackling waste management

22/Oct/2007

ZIMBABWE: No rest for the dead

Oxfam America president Raymond Offenheiser, said the US Congress is still considering a new Farm Bill that would leave farm subsidies largely unchanged. "This would be most tragic for the millions of people in developing countries whose livelihoods are threatened on a daily basis because of US agricultural subsidies", Offenheiser said in a statement.

Officials in Burkina Faso are not overly optimistic about the prospects of their cotton industry in the immediate future. "We hope that at the US-executive level, officials will feel embarrassed for always being pointed at and that something can be done to implement the ruling. But the problem remains with the US Congress which is under strong pressure from the US cotton industry lobby," said Seriba Ouattara, Director General at the Ministry of Health.

Visiting Burkina Faso on 15 October, Brazil's President Luiz Inacio Lula Da Silva called on the WTO to keep backing Burkina Faso and Benin, Chad and Mali which together form Africa's "C4" group which has lobbied for changes to US subsidies. "We must work together to protect [our] farmers so that they can gain competitiveness on the international market", President Da Silva said.

Last October, in a video conference with the US Congress, the President of Burkina Faso Blaise Compaore stressed the importance cotton plays in poverty alleviation in C4 countries. His government estimates that almost half the population relies directly or indirectly on cotton.

An estimated 20 million people, many of them subsistence farmers depend on cotton in West and Central African countries for cash.

According to Oxfam, sub-Saharan cotton farmers have lost \$450 million since 2004 and the 20 million people who depend on the product have become poorer even though many have increased the amount of cotton they grow.

Oxfam estimates abolishing US subsidies to the cotton industry would lead to a 6 to 14 percent increase in the price of cotton. As a result households in Africa's cotton producing countries would benefit by 2.3 to 5.7 percent.

bo/nr/dh

Theme(s): (IRIN) [Aid Policy](#), (IRIN) [Economy](#), (IRIN) [Governance](#)

[ENDS]

[This report does not necessarily reflect the views of the United Nations]

 [Print report](#)

19/Oct/2007

COTE D'IVOIRE: Malnutrition worsens, FAO says

18/Oct/2007

CONGO: Antonov ban brings hardship to many

18/Oct/2007

ZIMBABWE: Home-based care succumbing to economic burnout

[\[more news »\]](#)

[Back](#) | [Home page](#)

Services: [Africa](#) | [Asia](#) | [Middle East](#) | [PlusNews](#) | [Radio](#) | [Film & TV](#) | [Photo](#) | [E-mail subscription](#)

[Feedback](#) | [E-mail Webmaster](#) | [Terms & Conditions](#) |  [News Feeds](#) | [About IRIN](#) | [Bookmark IRINnews](#) | [Donors](#)

Copyright © IRIN 2007. All rights reserved.

This material comes to you via IRIN, the humanitarian news and analysis service of the UN Office for the Coordination of Humanitarian Affairs. The opinions expressed do not necessarily reflect those of the United Nations or its Member States. Republication is subject to terms and conditions as set out in the [IRIN copyright page](#).