

BELLMON PROFILE

COUNTRY NAME	MALI
YEAR	2003
MONETIZED TITLE II COMMODITIES	N/A ¹ Preliminary market analyses have been conducted for wheat/ wheat flour, rice, vegetable oil and non-fat dry milk
MONETIZATION PROGRAM	N/A
DATE OF LAST BELLMON ANALYSIS	May 2002
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Africare - Mali – Goundam Food Security Initiative – Evaluation Mission

COUNTRY BACKGROUND INFORMATION

The Republic of Mali is a landlocked economy situated in the middle of sub-Saharan West Africa, covering an area of 1.24 million km² and bordered by Algeria, Burkina Faso, Guinea, Ivory Coast, Mauritania, Niger and Senegal. Mali's population is estimated at approximately 11.1 million², with population density varying substantially by geographic area.

With a per capita GNI of \$230³, Mali is classified as a Least-Developed Country (LDC) and a **Low-Income Food-Deficit Country** (LIFDC)⁴. The 2002 UNDP Human Development Index (HDI) ranks Mali 164 out of 173 countries⁵. 72.8% of Mali's population lives with less than \$1 per day⁶. Mali's economy is dominated primarily by subsistence agriculture: 80% of the labor force work in the agricultural sector, which generates 37.8% of GDP.

¹ A portion of Africare's monetisation program in Chad is used to fund program activities in Mali.

² World Bank – "Mali at a Glance" – www.worldbank.org/data/ - 9/23/02

³ *ibid*

⁴ A Least Developed Country (LDC) is a UN General Assembly classification for "those low-income countries that are suffering from long-term handicaps to growth, in particular low levels of human resource development and severe structural weakness." A LIFDC is an FAO classification which includes all basic foodstuffs net importing countries with a per caput income below the level used by the World Bank to determine IDA.

⁵ PNUD "Rapport Mondial sur le Developpement Humain 2002" p. 152

⁶ *ibid.* p. 159

DISINCENTIVE DATA

The main food consumed in Mali are millet, sorghum, maize, rice, wheat, fonio and vegetable oil. Table I shows whether each commodity is produced locally, imported and/or programmed.

Table 1: - Mali – Food Consumed, Produced, Imported and Programmed

Foods Consumed locally	Produced locally	Imported	Programmed
Sorghum	X		
Millet	X		
Wheat	X	X	
Fonio	X		
Rice	X	X	
Veg oil (clear)	X	X	
Corn	X		

CROP PRODUCTION

Table 2 – Mali - Gross Production of Main Food Crops, 1997-2002 (in thousand tons)

Commodity	1996/1997	1998/1999	1999/2000	2000/2001	2001/2002	Average
Wheat	8	9	15	10	9	10.2
Paddy Rice	632	688	810	745	840	743
Coarse grains ⁷	1718	1827	2128	1841	2016	1906

Source: GIEWS Food Supply situation and crop prospects in SSA Dec 2001, 2000, 1999, 1998, 1997

Mali has experienced significant positive changes in general food security conditions in the last decade. Production of rain fed cereals (historically the main source of food) has increased (based on multi-year comparisons), apparently as a result of several years of good rainfall and increases in areas under cultivation. Furthermore, devaluation, privatization of rice production infrastructure, market liberalization and considerable demand have all contributed an increase in rice production.

IDENTIFICATION OF EXISTING PROGRAMS AND COMMODITIES

A multi-donor financed⁸ cereal market restructuring program, known as the “Programme de Restructuration du Marche Cerealien” (PRMC) has facilitated the establishment of a successful food security system⁹. The optimal level for National Security Stock is set at of 35,000 tons.

⁷ sorghum, millet, maize, fonio

⁸ World Food Program (WFP), Canada, France, the Netherlands, European Union, Belgium, United Kingdom, United States, Austria, Switzerland

⁹ (OPAM) (PRMC – Comite d’orientation et de Coordination du Systeme de Securite Alimentaire – Avril 2002 – “Ordre du Jour Annote”; WFP, 1998 Country Programme Mali 1999 2002

ANALYSIS OF THE WHEAT/WHEAT FLOUR MARKET¹⁰

Table 3 – Mali - Wheat production, imports and consumption (in thousand tons)

Commodity	1996/1997	1998/1999	1999/2000	2000/2001	2001/2002	Average
Production	8	9	15	10	11	10.6
Imports ¹¹	50	50	50	60	50	52
Consumption	58	59	65	50	61	58.6

Source: GIEWS Food Supply situation and crop prospects in SSA Dec 2001, 2000, 1999, 1998, 1997

Wheat/Wheat flour production

Wheat production is marginal in Mali, with gross domestic production averaging 10,600 tons (in grain equivalents) per year from 1997-2002 (see table 3).

Wheat/Wheat flour consumption

Although wheat is not a traditional staple in the Malian diet, wheat consumption has been closely associated with increased urbanization and fluctuations in domestic production. With an average consumption estimated at approximately 58,600 tons of wheat (in grains), domestic production has only met an average of 19 percent of requirements over the past five years. Mali is structurally deficient in wheat and depends upon imports to meet its production deficit. Total foreign inflows (including commercial imports and food aid) averaged 52,000 tons per year between 1997-2002.

Mali imports both bulk wheat and wheat flour. The market for these two commodities is very different and a majority of the market is now represented by wheat flour imports. The market for bulk wheat in Mali is monopolistic in structure: the Grands Moulins du Mali (GMM) is the sole importer of bulk wheat and appears to have the only mill in operation. The wheat flour market is currently dominated by French imports, with several importers having longstanding relations with the Grands Moulins de Paris.

¹⁰ For 1999/2000, CILSS/Club du Sahel estimated Mali's cereal import requirements at 100,000 MT (50,000 MT of rice and 50,000 MT of wheat).

¹¹ (*) include anticipated commercial imports and food aid needs

RICE MARKET ANALYSIS

Table 4 Milled rice production, imports and consumption (in thousand tons)

Commodity	1996/1997	1998/1999	1999/2000	2000/2001	2001/2002	Average
Production	430	478	551	507	571	507.4
Imports	20	30	50	40	40	36
Consumption	450	508	601	547	611	543.4

Source: GIEWS Food Supply situation and crop prospects in SSA Dec 2001, 2000, 1999, 1998, 1997

Rice consumption

The 2001/2002 Malian consumption of rice is estimated at 611,000 tons of rice (see table 4), representing 26% of total cereal consumption. Rice accounts for more than half of calories consumed in urban areas throughout the year.

Rice production

With average annual consumption requirements estimated at 543,400 tons of milled rice over the past five years, Mali is marginally deficient in rice production, meeting an average of 64 percent of requirements. Mali imports an average of 36,000 tons per year. Although official statistics on rice exports aren't available, it has been estimated that approximately 30,000 tons of Malian rice is exported to neighboring markets (Ivory Coast, Burkina Faso and Niger). Most demand for imported rice is during the three to four months when Malian rice is not widely available.

VEGETABLE OIL MARKET ANALYSIS

Table 5 – Mali - Vegetable Oil Supply and Demand (in MT unless otherwise indicated)

Commodity and Year	1997	1998	1999	2000	2001
Imports	9,037.71	10,308.89	3,809.62	6,041.50	16,602.89
HUICOMA Production	66,921	62,305	49,402	50,000	50,000
Total Commercial Market	75,959	72,614	53,212	56,041	66,603
Peanut and Other sources: home or informal market					
Peanut oil	33,213	43,770	43,029	43,752	44,000
Shea-nut	24,650	24,650	24,650	24,650	24,650
Other Sources	5,786	6,842	6,768	6,840	6,865
Total Available	139,608	147,876	127,659	131,284	142,118

Sources:

1. Imports: Direction Nationale du Statistique et l'Informatique for years indicated.
2. Huicoma production: Yiriwa Conseil, Vol. III, estimates for 2000 and 2001.
3. Peanut oil: FAOSTAT Database Result: Oil of Groundnuts Production, <http://apps1.fao.org>.
4. Shea-nut butter: FAOSTAT Database Result : Karite Nut Production, 1996-2001, <http://apps1.fao.org>, converted at 28% butter production.
5. Other Production: 10% of peanut and shea-nut figures.
6. Population: Calculated from GOM figure for 1998 and estimate for 2002.

On the commercial level, Huicoma, a private company that works with the CMDT to purchase local and transform local cottonseed production, manages oil production. Huicoma's production depends primarily upon domestic cotton production. On the village level, "oil" production (peanut oil and shea butter) is culturally, but not industrially, important. Artisanal-level production is impossible to estimate, although it is expected that such production is minimal.

In terms of consumption, peanuts are consumed as whole seeds, paste and as oil. Peanut paste is often the principal mode of consumption, transformed both on the artisanal and the industrial levels. As a consequence, peanut oil production is practically non-existent in Mali. It has also been noted that Malian consumers don't make a qualitative distinction between cottonseed oil and peanut oil and thus prefer the cheaper cottonseed oil.

The cotton promotion policies of the CMDT, in addition to the increased availability of commercial edible oils, has meant that peanut oil and shea butter are no longer the only source of edible oils; rather, they fill specific cultural and culinary needs in food preparation. At the same time, niches for domestic oils and imported oils have developed and Mali imports refined oils from within and outside of the region.

TRANSPORT, STORAGE AND HANDLING CAPACITIES

A. In Coastal States: Discharge, Storage and Transport

Table 6 Mali - Port Storage Capacities - Dedicate Facilities

Port and Facility	Capacity
Abidjan	36,025 m ²
Dakar	79,800 m ²
Conakry	2,800 m ²
Lome	9000 m ²
Nouatchott	12,000 m ²

Source: Direction Nationale des Transports, Ministere de l'Industrie, du Commerce et des Transports.

Abidjan

Abidjan is one the two major ports for Mali. The port handles a substantial quantity of goods for and from Mali, Burkina Faso and Cote d'Ivoire. Sources in Mali do not report any normal problems with discharge operations at the port. Abidjan has considerable in and out of port storage. Table 6 provides data on storage space in Abidjan controlled by Mali. These facilities are considered adequate for commodity volumes moving to Mali.

Abidjan is well served by road transport from Mali. However, transport of cotton to the coast from November to June, and fertilizer from Abidjan to Mali from March to June, can absorb a good part of the available Malian trucking capacities. In addition, trucking capacity from Ivoirian trucks (to supplement Malian trucks when they are not adequate) can be seasonally limited due to commodity harvest in Cote d'Ivoire (e.g., cotton). As a result, and particularly in the March to June period, off-take from Abidjan can be a problem.

One way transit time from Abidjan to Bamako is estimated to be approximately 10 days, including loading at the port. However, importers report that transit time can be longer when the port is busy and due to numerous customs verification points on the road in Cote d'Ivoire.

Dakar

Dakar is the other major port for Mali, and is reported to be less expensive than Abidjan. It handles a substantial quantity of goods to and from Mali. Sources do not report that there are any significant problems with the off-loading capacity of the port. However, Dakar is currently reported to have a backlog of Mali-bound freight, which has been sent via Dakar due to delays in Abidjan.

Transport to and from Dakar is by train. Operation of the current rail system, composed of two national rail companies and a common structure for management of international traffic, is being privatized (or leased on a concession basis depending on source). Current projected one-way movement capacity is reported to be 35,000 MT, with 25% of this capacity filled by container traffic. One way transit time is reported to be seven days, including loading and unloading.

Other Ports

Mali also is served from ports in Mauritania, Guinea, Ghana, Togo and Benin. Quantities moving from these ports to Mali are, at present, relatively small. Mali has dedicated storage facilities in Guinea, Mauritania and Togo (see table) and plans to establish facilities in Cotonou and Tema.

The continuing problems with deliveries through Abidjan (due to cotton shipments) and Dakar (due to rail limitations) mean, however, that interest in alternate ports has increased. Travel times from Benin, Lome and Tema (Ghana), all accessible via paved road, are only slightly longer than normal transit times from Abidjan, and each is being actively reviewed as an alternate to Abidjan and Dakar. The reported problem with Tema was the lack of trucks heading for Mali, which resulted in up to two weeks to load commodities and road transit times of up to two weeks, with an average port discharge to Mali delivery of 3 weeks.

Storage

OPAM has a total of 135,000 MT of storage in Mali, of which 35,000 MT is used for the security stock storage on a regular basis. The remaining storage space, including just less than 20,000 MT in Bamako, is available for rental use on managed or direct lease basis.

Commercial sources could not estimate the private sector storage capacity in Mali. One freight transport company has between 6,000 and 8,000 MT of covered storage space, and a total of 20,000 m² of open space storage for containers or pallet/tarp storage.