



HELVETAS

Agir pour un monde meilleur

BURKINA FASO

Financing organic cotton production and trade



**Organic and fairtrade cotton
project Burkina Faso**

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Basic info on the project

- ✓ Project start in 2004
- ✓ Project owner: National Cotton Producer Union (UNPCB)
- ✓ 5 production zones
- ✓ Approx. 2200 hectares cotton
- ✓ Approx. 3500 cotton producers (27% women)
- ✓ Production 2008: 950 t, actual stock: 500 t
- ✓ 550 kg/ha average yield
- ✓ Commercial partners in Europe, USA, Asia, West-Africa
- ✓ Organic (EU, NOP) and fairtrade certification (FLO)

Certified organic products



Organic and fairtrade cotton



Organic hibiscus (bissap)

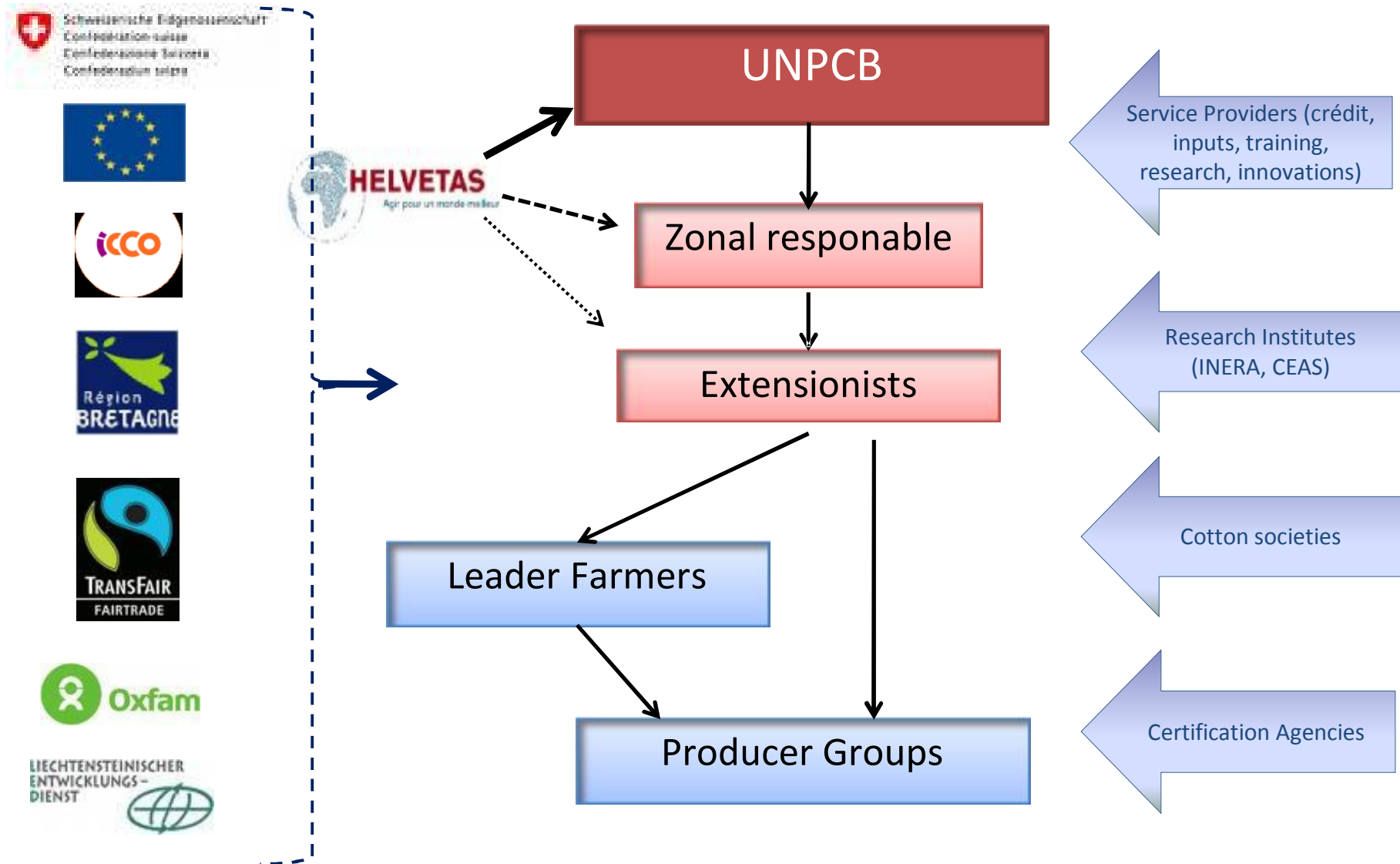


Organic shea nuts

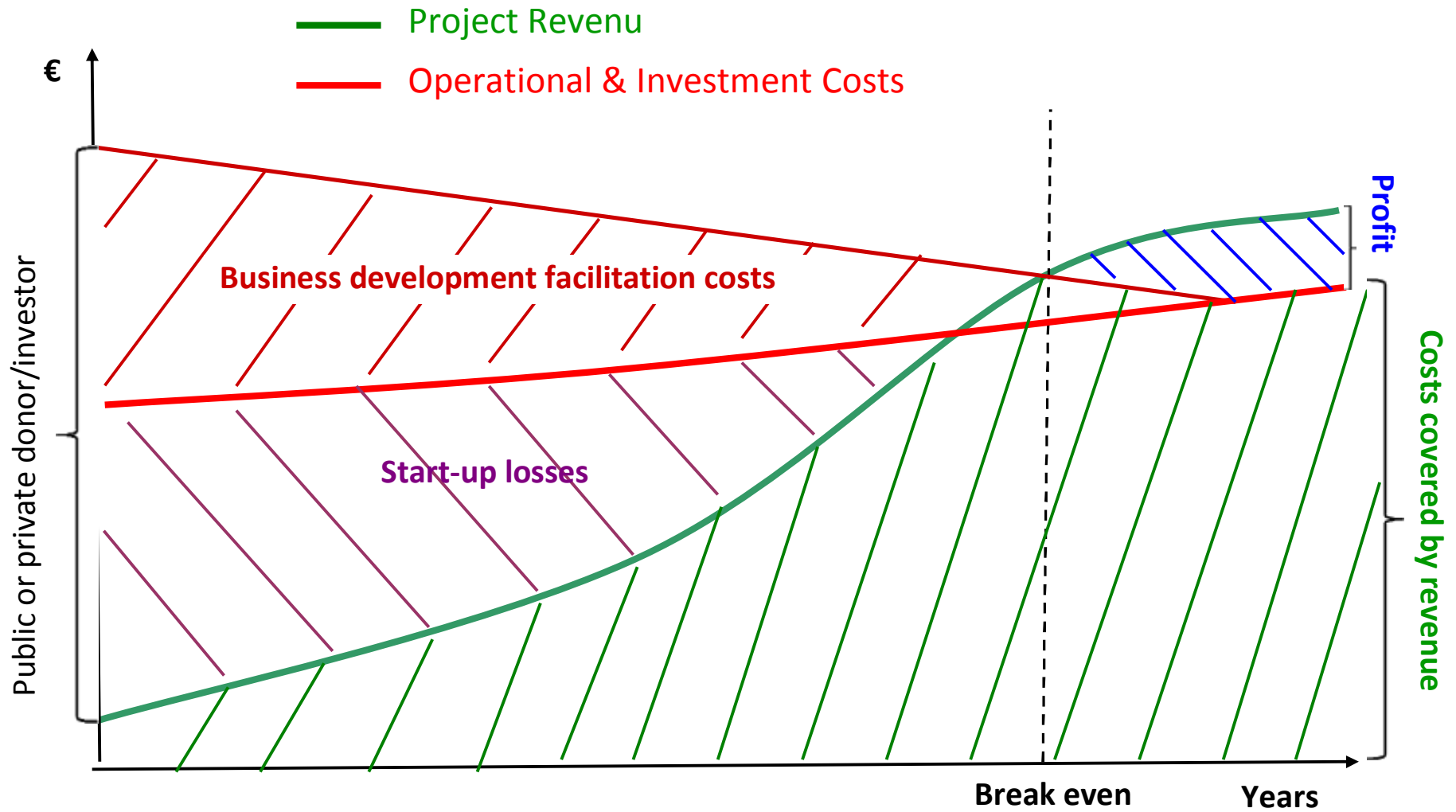


Organic sesame

Organisational Set-up



Costs and revenues of organic Fair Trade cotton project



Costs of Organic Fair Trade Cotton project

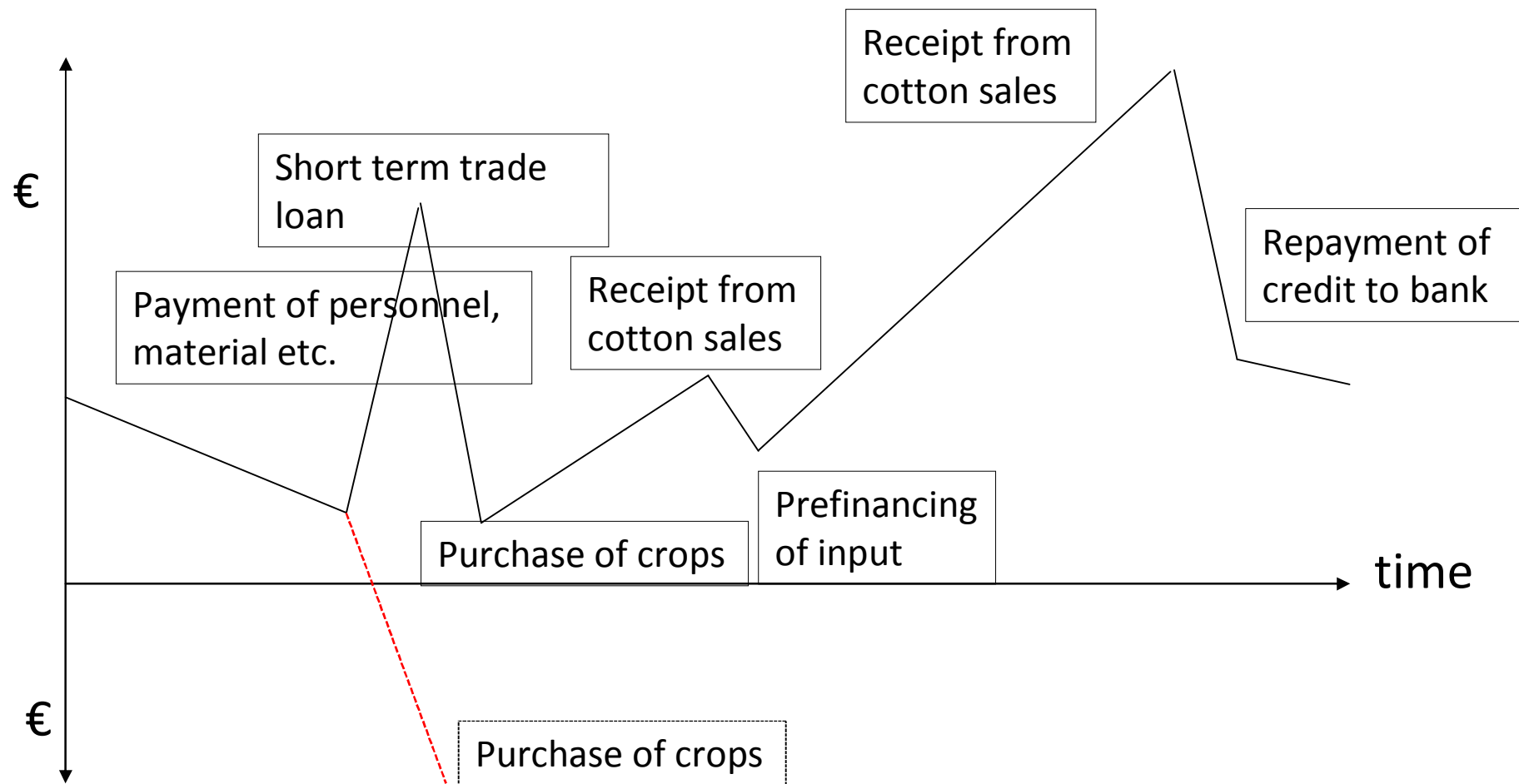
Operational & Investment Costs

- Salaries of management, administration and field staff
- Mobility of staff, transport
- Equipment: IT, GPS, Office
- Training of farmers and project staff
- Organic and Fair Trade certification
- Buying of harvest from producers
- Processing, storage and exportation
- Marketing costs
- Finance costs

Business Development Facilitation Costs

- Technical advice and facilitation
- Development of management systems (ICS, data base etc.)
- Development of adapted production systems (pest control, fertilization etc.)
- Training and extension materials
- Market development

Typical annual cash flow



Summary of financial needs and sources

- **Business Development costs & start-up losses:**
finance from donors or investors
- **Operating costs after breaking-even:**
financed through own revenues from sales
- **Investment goods:**
financed by investors and/or donors
- **Trade finance:**
short term trade loans from bank in order to pay farmers in time
- **Equipment & inputs for farmers / urgent cash needs:**
access to micro-finance (savings & credit)