



INTERNATIONAL COTTON ADVISORY COMMITTEE

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Ladies and Gentlemen, on behalf of the International Cotton Advisory Committee I welcome you all to this meeting.

Dear, ladies and gentlemen, it is a matter of honor for me to represent the ICAC at this meeting. I thank the Republic of Kenya for hosting the meeting. Thank you Kenya Agricultural Research Institute and in particular Dr. Lusike Wasilwa and her team for making arrangements for the meeting. I am glad that South Africa continues to host the Secretariat for the SEACF ensuring continuity of meetings and facilitation among cotton researchers in the region. Thank you Dr. Graham Thompson and your team for your patience and handling the issues so successfully. All countries except Zimbabwe are represented here, thank you everybody.

Ladies and gentlemen, encouraged with the record prices last year, cotton growers around the world planted almost 3 million hectares more to cotton pushing the world area to 36.1 million hectares in 2011/12. Consequently a new world record in cotton production was set at 27.1 million tons in 2011/12, which is 2 million tons or 8% higher than 2010/11. Cotton has never been planted on this much area in the past and neither so much has been produced in the past.

Area and production set new records but unfortunately the world average yield has not increased for the last four years. The highest world yield ever achieved is 793 kg/ha, which was in 2007/08. ICAC forecasts no increases in yield for the next at least five years. So, we are in a period of no growth in yields. Economists, statisticians and merchants are important segments of the cotton industry but realization of increases in yields is the responsibility of researchers. It is your responsibility to develop technologies for producing higher yields.

Ladies and gentlemen, the yield issue is serious. Why, because if you do not improve yields, it will affect cost of production. The ICAC cost of production data shows that cost of producing a kilogram of cotton continues to increase. World average net cost of production in 2009/10 was US\$1.22/kg or 55 cents/lb as against the Cotlook A Index of 77.5 cents/lb. We must contain production costs.

Ladies and gentlemen, biotech cotton, also incorrectly called Bt cotton, is spreading. ICAC estimates that 69% of the world area in 2011/12 was planted to biotech varieties. Last year 64% of world production came from biotech varieties and 63% of cotton traded internationally was biotech. We hope that drought tolerant and nitrogen use efficient cottons will become available soon.

Ladies and gentlemen, cotton is often blamed as the heaviest consumer of insecticides. Yes, that is true. But, we are changing the situation. Plant protection chemicals worth 41-42 billion US dollars are used in the world every year. Cotton's insecticide share by value was 19% in 2000, which has declined to less than 15% in 2011. 22% reduction is a good achievement. Insecticide use on cotton is going down in the world and the trend is expected to continue. We have gone too far in insecticide use and it will take time to fix the problem.

Let me stop here. I wish you all a very successful meeting.

