

Opening Address
World Cotton Research Conference-2
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by
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It is my great pleasure to greet you at the second World Cotton Research Conference.

I would like to thank the Ministry of Agriculture, the Hellenic Cotton Board and the National Agricultural Research Foundation of Greece for their sponsorship of this conference. And I would be remiss indeed if I did not recognize the hard work of Dr. Kosmidou and Professor Tsitsipis for their work in developing the Conference. Thank you all very much.

I am also very happy that the Food and Agriculture Organization of the United Nations, le Programme Coton of the Centre de Coopération Internationale en recherche agronomique pour le développement, and the Natural Resources Institute of the United Kingdom have joined with the ICAC in supporting this meeting.

Four years ago, the first of these conferences was convened in Brisbane, Australia, as a result of the work of Ralph Schulze of the Cotton Research and Development Corporation of Australia in urging the International Cotton Advisory Committee to sponsor such a conference at our Plenary Meeting in Turkey in 1991. About three years later, after much hard work by Greg Constable and Neil Forrester, 500 cotton researchers from around the world met and exchanged views on their work.

Ralph, Greg and Neil are also to be commended for setting the stage for an on-going series of world cotton research conferences—including the successful running of the first conference to provide seed money to support the conference which we begin today.

Following the first conference, Mssrs. Constable and Forrester's work was not over as they also had the task of producing the Proceedings of the Conference—a task which took another two years, but which resulted in a 4 1/2 pound, handsome book with more than 600 pages, presenting a synopsis of the state of cotton research in the mid-1990s. I expect that the proceedings of this conference will have a similar place in the literature.

The cover of that 4 1/2 pound book had a beautiful picture of an Australian cotton field and a four-row cotton picker, with its huge basket, its lights, its air conditioned cab with room for a cooler to hold cold drinks, under the title "Challenging the Future." Australia has certainly challenged the rest of the cotton world with its remarkable cotton growing technology in the four years since the Brisbane Conference. In the harvest which has just been completed, Australia produced 3 million bales of cotton, with cotton surpassing wool production for the first time ever.

In my first visit to Australia in 1982 I discussed with industry participants a forecast I had made for Australian cotton production in 1990 of 900,000 bales. Everyone told me I was crazy, There wasn't enough water to produce any more than 500,000 bales.

Somehow, with the help of researchers, Australian cotton farmers found in just 16 years the way to produce six times as much cotton as was thought possible in 1982. I think this anecdote tells us that we should not think small and we should not be intimidated by our problems.

And today cotton faces some formidable problems.

A year ago, very rapid growth in the world economy was having a very positive impact on the demand for all textile fibers. World GDP grew 4% in 1996 and 1997. As a result of this rapid growth, the average gains in textile fiber demand grew 10% in the two years combined, a remarkable advance for a sector which normally grows at only 60% of the rate of the economy.

However, the financial crisis in South East Asia, combined with no growth in Japan and financial difficulties of the highest order in Russia, will cut at least a percentage point off of world growth in 1998, perhaps more if the instability spreads as it seems likely to all developing countries. The boost that rapid economic growth was providing to the textile sector of the economy appears to have ended. We now expect the demand for textile products to rise only 1 percent in both 1998 and 1999.

Reduced growth in the world economy and slow growth in textile demand are negative factors for cotton, especially as cotton is currently facing severe competition with synthetic fibers. World cotton use is not expected to increase in either the 1998/99 or 1999/2000 seasons.

Cotton's problems have been there for a long time. Slower economic growth is only bringing them into focus. Cotton has missed out on a major portion of the growth in textile markets. If you compare the last 12 years with the previous 12, cotton production and consumption grew 4 million tons. However, total world textile fiber demand grew 10 million tons. Fibers other than cotton captured 60% of the growth. As a result cotton's share of the textile fiber market in 1997 was just 43%. In 1987 it was 50%.

Based on current trends, and an improving economy after 1999, we still see world cotton production and consumption continuing to grow, to around 20.5 million tons by 2005, but cotton's share of market will likely be only 40% in 2005. Given the expected 51 million ton market for textile fibers in 2005, cotton consumption could be 5 million tons or 25% larger if the competitive losses hadn't occurred.

Polyester is selling in some countries for as little as 37 US cents a pound. Cotton sells for twice as much. It is therefore especially difficult for cotton to compete on price alone at this moment. There are few textile mills that will pass up the opportunity to reduce costs by switching as much of their output to polyester as they can. I remember a similar time in the USA when textile manufacturers increased the polyester in bed sheets, a big fiber using product where US producers were very sensitive to fiber price changes, to the point where the sheets were so slippery that people were falling out of bed.

Admittedly, the price difference between cotton and polyester is especially wide at the moment. Polyester seems to be selling at prices which are significantly below the cost of production, due to disruptions in Asian markets and over-expansion of capacity. Eventually, polyester prices will rise to the cost of production. But that cost may still be below the cost of producing cotton.

What can be done to reduce the cost of cotton production?

Boosting yields is a surefire method. World cotton yields last peaked seven years ago. Yields certainly fluctuate with weather conditions, but there hasn't been a period in the last 50 years this long without some yield increase. Given the current stagnation in yields, the ICAC Secretariat currently sees no yield improvement on the horizon in the next ten years.

The theme of this conference is New Frontiers in Cotton Research. I know that most researchers prefer to focus on basic issues. And all my life I have been a supporter of basic research. Without an understanding of the fundamental processes of living organisms, we will proceed in an ad hoc fashion, without an efficient path to the desired result.

Supporters of research, save a few foundations here and there, however, are primarily interested in applications. The Common Fund for Commodities, which has offered valuable assistance to cotton research in recent years, will not support research for research's sake—there must be an application clearly in sight.

So I would urge you in the discussions held in this Conference to keep, at least in the back of your minds, the pressing need for cotton to be more competitive if it is to survive and prosper in the years ahead. Certainly, we need to reduce the cost of production as much as is humanly possible through yield increases or through reduced costs for insect protection, irrigation, input use or production processes, including post harvest processes such as ginning.

Cotton can also compete on the quality front. If polyester is to be cheap, what can cotton do that polyester can't. Focusing on developing new fiber characteristics for cotton and on better preserving its inherent qualities will also produce ammunition for cotton to compete in the battle for fiber markets.

I am proud to be a part of this second World Cotton Research Conference. The International Cotton Advisory Committee has long recognized the need for research and the benefits of expanding communication among cotton researchers throughout the world. In the last 15 years, the Technical Information Section of the ICAC Secretariat has, in addition to supporting these World Cotton Research Conferences, sponsored regional meetings of cotton scientists in several parts of the world, has collected and disseminated information on research results and has tried to increase the output and productivity of research through international cooperation. Hopefully, we will be able to do even more in the future.

On behalf of the Committee, I wish you well in this Conference. I'm sure the papers given will be illuminating and I urge you to attend as many sessions as you can. Even more, I urge you all to meet as many of your colleagues as possible and share ideas with them.

The entire cotton world will benefit from this exchange. We will know more about cotton. We will be able to produce cotton more efficiently. We will be able better to preserve its qualities. And we will be able to live more peacefully together on this earth.

Thank you.