80th PLENARY MEETING

OF THE

INTERNATIONAL COTTON ADVISORY COMMITTEE

COUNTRY STATEMENTS

REPUBLIC OF SOUTH AFRICA

29 November 2022 – 01 December 2022

SOUTH AFRICA: COUNTRY STATEMENT

Area planted

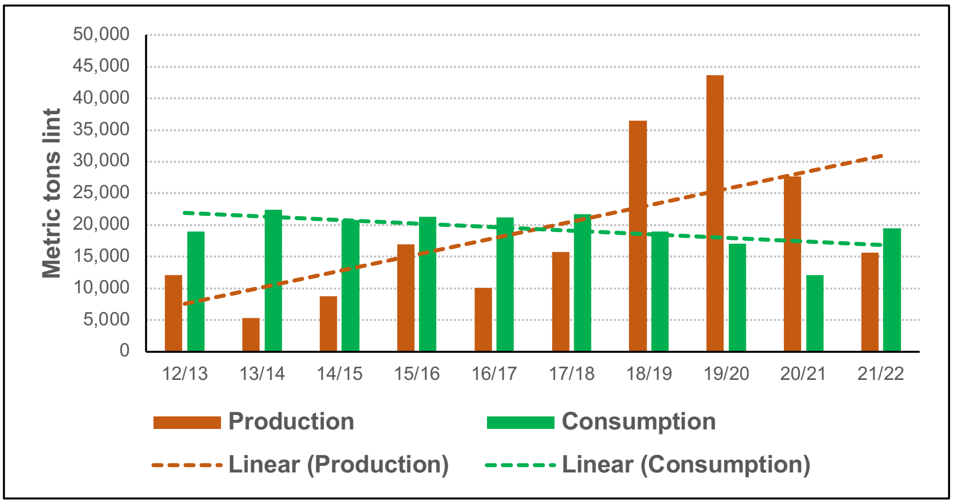
For the 2021/22 marketing year, that covers the period April to March, 5 802 ha under irrigation and 10 511 ha on dryland were planted. The major areas suitable for cotton cultivation are situated in the northern, western, and central areas of the country and the potential for future growth exists in new locations through innovations in plant varieties and genetic modification.

The average weighted yield for dryland and irrigated cotton was 944 kg of lint per ha.

Cotton area is expected to increase in 2022/23. Some farmers who moved to food crops like maize and soya beans, revert to cotton.

Production and Consumption

South Africa has produced 15 569 tons of cotton lint in 2021/22 which represents a smaller crop than the previous year, a decline of approximately 44%. Cotton SA estimates the production of cotton lint to reach about 14 100 tons for the 2022/23 marketing season. This represents a further decrease from the previous season's production levels which can be largely attributed to the relatively competitive prices of competing crops and unfavourable climatic conditions at planting time, especially dryland areas.



South Africa has 4 cotton spinning mills that consumed a total of 19 480 tons of lint of which about 93% were imported in 2021/22. The reason for the relatively high imports is local spinning mills require lower quality than locally produced. Cotton represented roughly 22% of total textile fibre consumed during 2021/22 which is in line with the international trend.

Although the Covid-19 pandemic, with the resultant lock-down period in 2020, played a major role in the decline of the textile sector (lower retail sales that impacted on textile production and the spinning of cotton yarn, with the resultant decrease in consumption), the local economy bounced back to pre-covid levels and spinning mills are operating at more than 100% capacity levels.

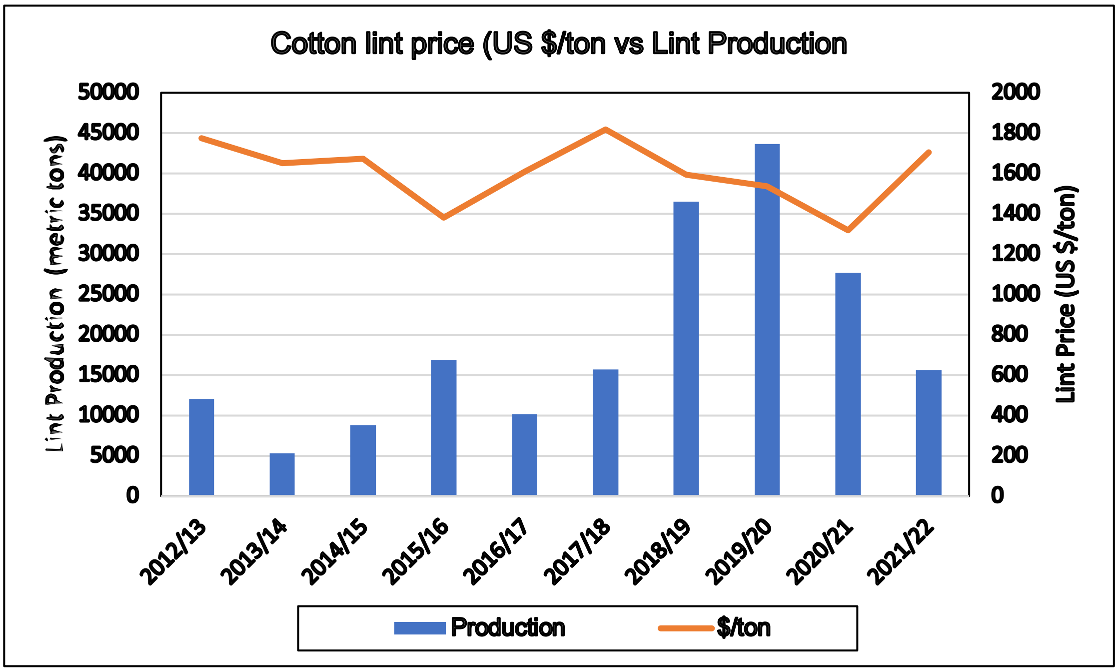
Trade

During the 2021/22 marketing year approximately 18 158 tons of lint have been imported. This volume is 143% more than the year before. Most lint imports were from the Southern African Development Community countries (SADC), mostly Zimbabwe and Zambia. After being a net exporter for 3 years, South Africa is now a net importer of cotton lint.

14 635 tons of lint were available for exports during 2021/22, about 49% less than in 2020/21. Approximately 94% of lint production is exported.

Prices

The 2021/22 average price received by farmers for cotton lint in 2021/22 was R25.37/kg lint which is 18% higher than the season before. The South African price converted to a dollar price also showed an increase because of the strengthening of the Rand against the US dollar.



Standards

South Africa is a participant in the Better Cotton standard which is a commitment to the production of sustainable cotton. Cotton SA acts as the programme partner, while Better Cotton increased to 60% of national cotton production in 2021/22.

Issues facing the South African cotton industry

- Availability of new seed varieties – regulatory process and timeframe to register new technology and varieties.
- Cost and availability of harvesting equipment.
- High input costs.
- Affordable finance for inputs and capital goods.
- Competition from higher value commodities on irrigated land.
- Lack of investment in domestic spinning capacity.

Qualities of the 2021/22 Marketing Season (2020/21 Production Season)

The following graphs show the South African cotton crop performance for the 2021/22 Marketing Year.

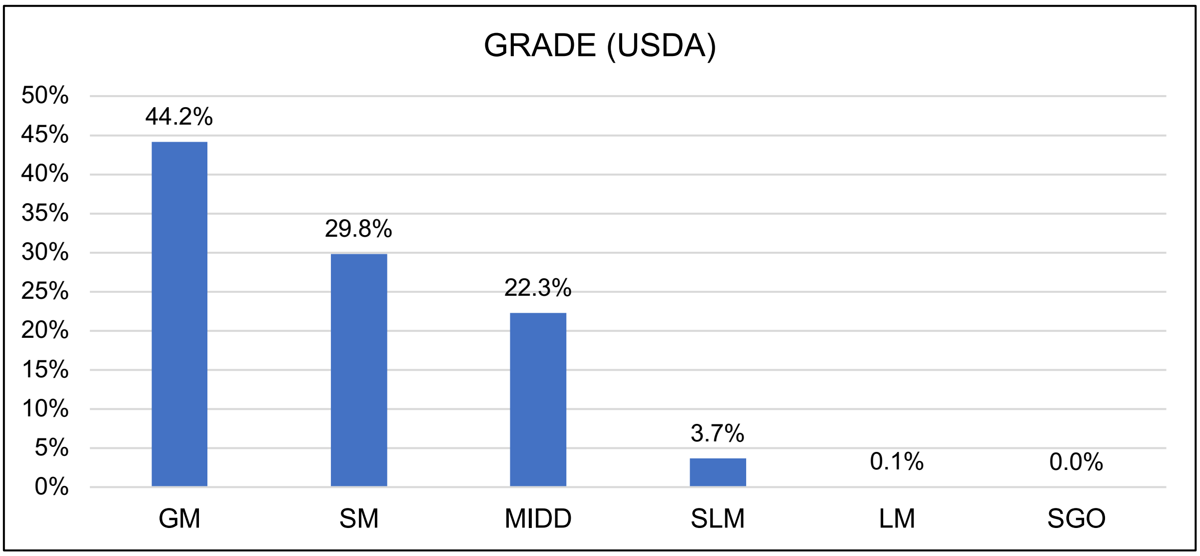


Figure 1: Grade performance 2021/22 marketing year (Upland Cotton Grades)

The graph shows a very high percentage of the South African cotton crop classed in the Middling to Good Middling with over 85% due to the favourable weather conditions experienced in most of the areas during the season.

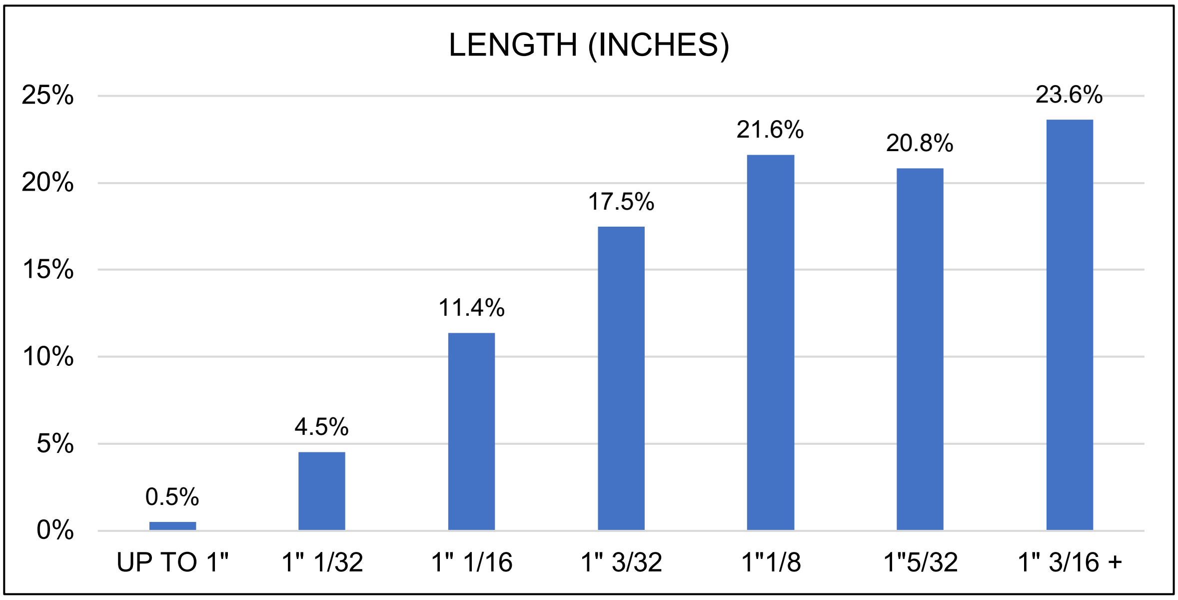


Figure 2: Length performance 2021/22 marketing year (Staple length - inches)

This graph illustrates the trend that 66% of the South African cotton crop are in the staple length grouping of 1 1/8" and longer. In addition to this, only 16.4% of the crop falls in the shorter staple length ranges (1 1/16" and shorter).

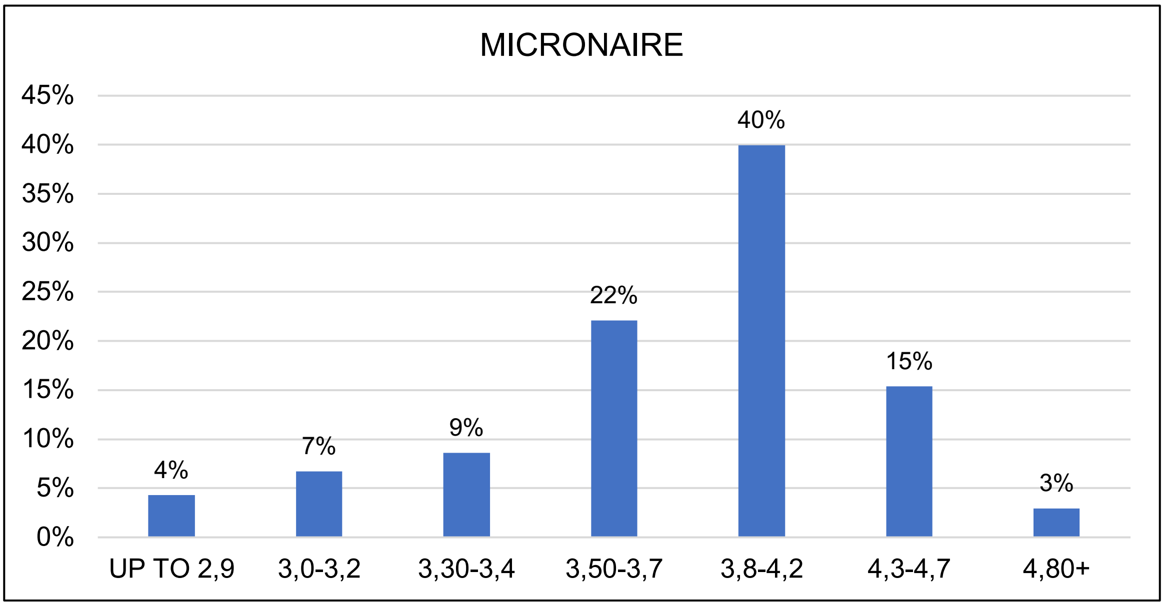


Figure 3: Micronaire performance 2021/22 marketing year

This graph shows that 77% of the South African cotton crop is within the base micronaire range and 40% in the premium range.

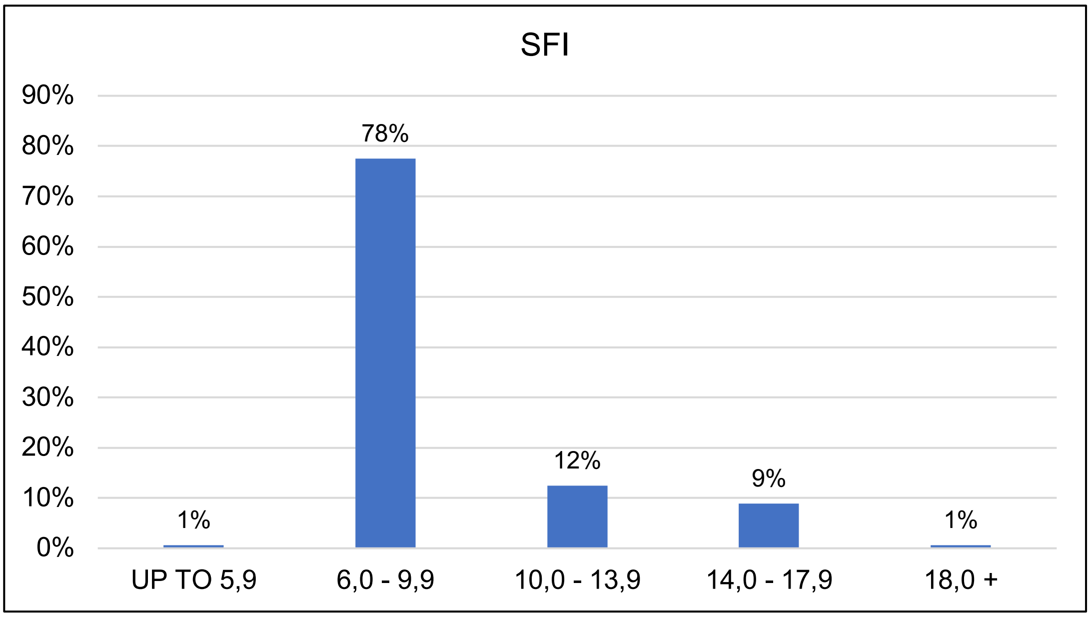


Figure 4: Short Fibre Index (SFI) performance 2021/22 marketing year

This graph shows that 79% of the South African cotton crop falls within the low range of short fibre content (up to 9%). This is as expected with the volumes of longer staple fibres in the South African cotton crop.

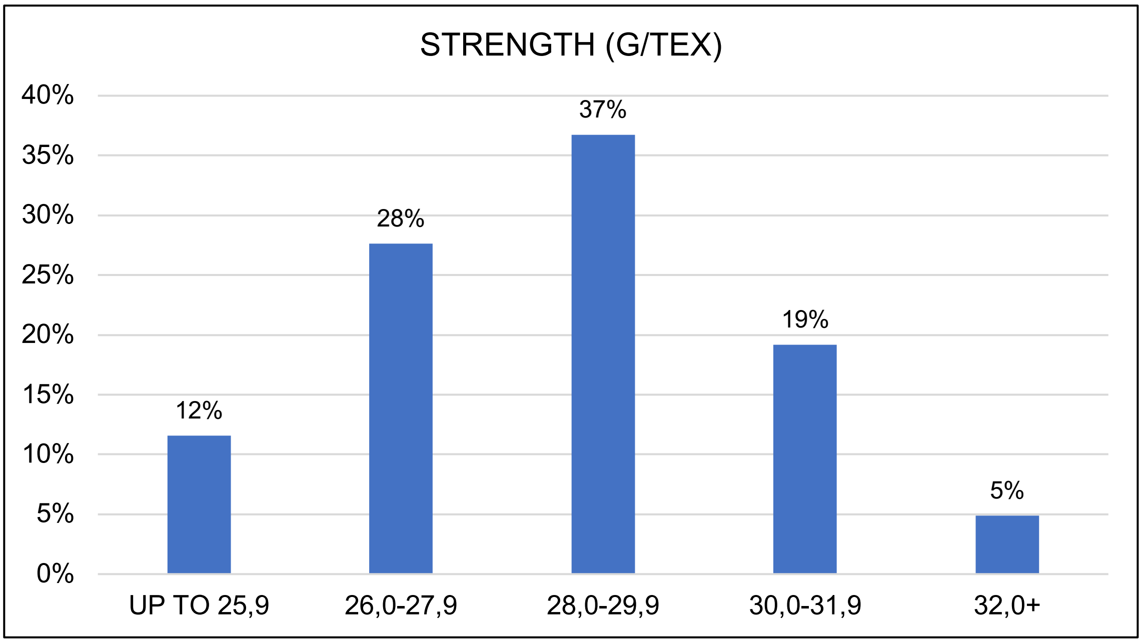


Figure 5: Strength performance (g/tex) 2021/22 marketing year

Overall higher fibre strength values were observed in the South African cotton crop, with 61% of the cotton crop above 28 g/tex.

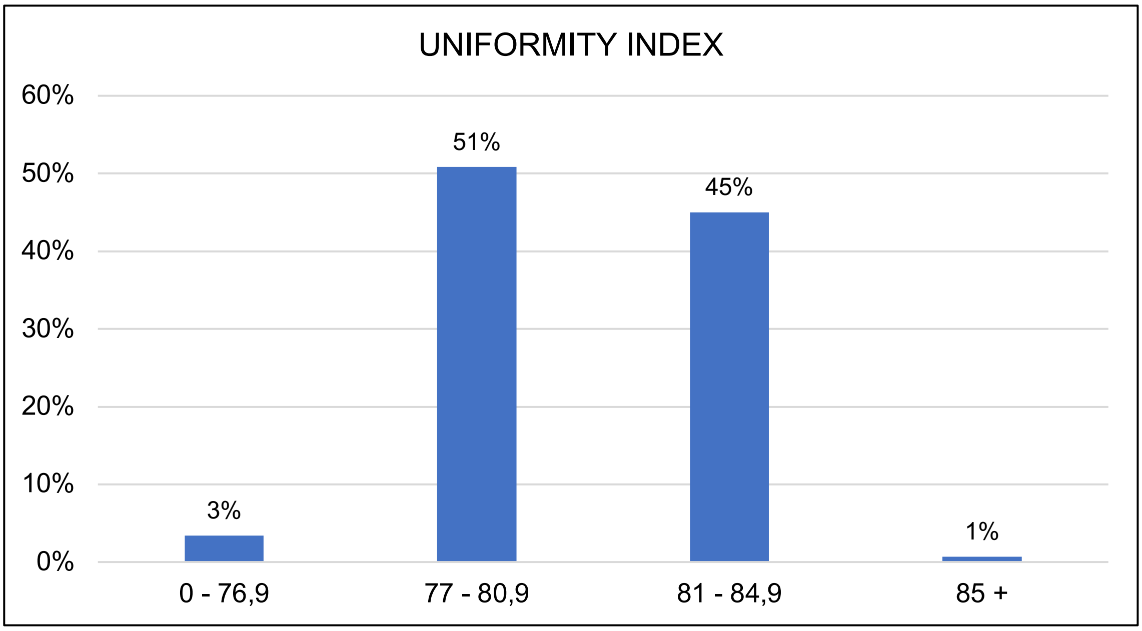


Figure 6: Uniformity Index performance 2020/21 marketing year

This graph shows that 46% of the South African cotton falls within the medium to high uniformity range (81% and better).

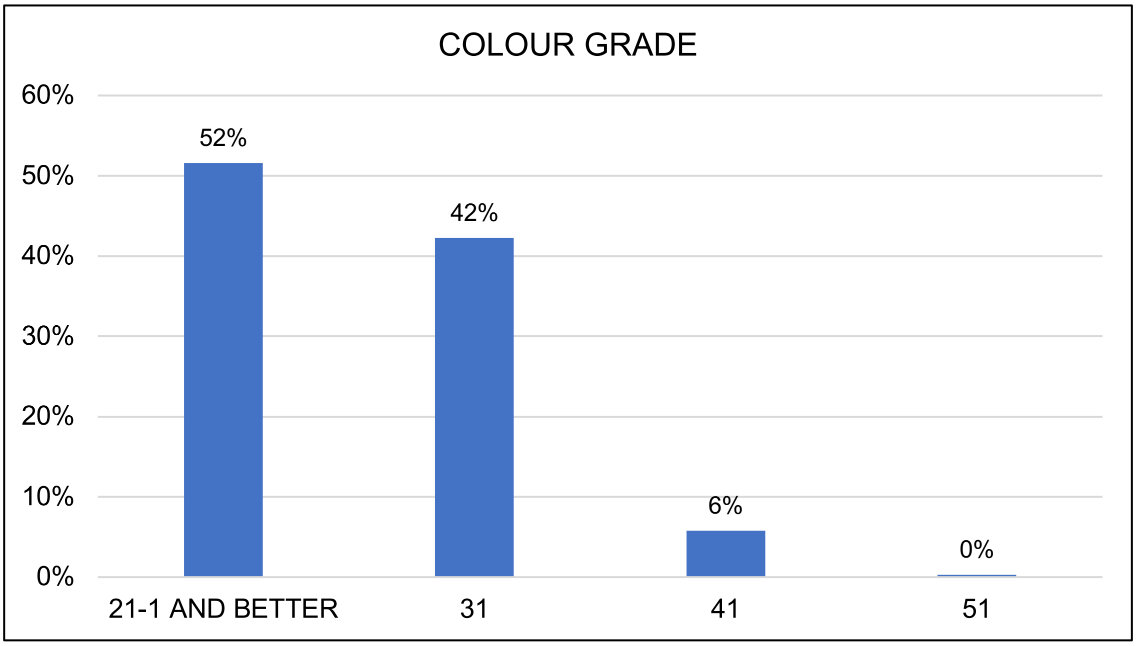


Figure 7: Colour grade ranges (HVI Colour Grade) 2021/22 marketing year

This graph shows that 94% of the South African cotton crop was classed in the higher (31 and better) colour grade categories.

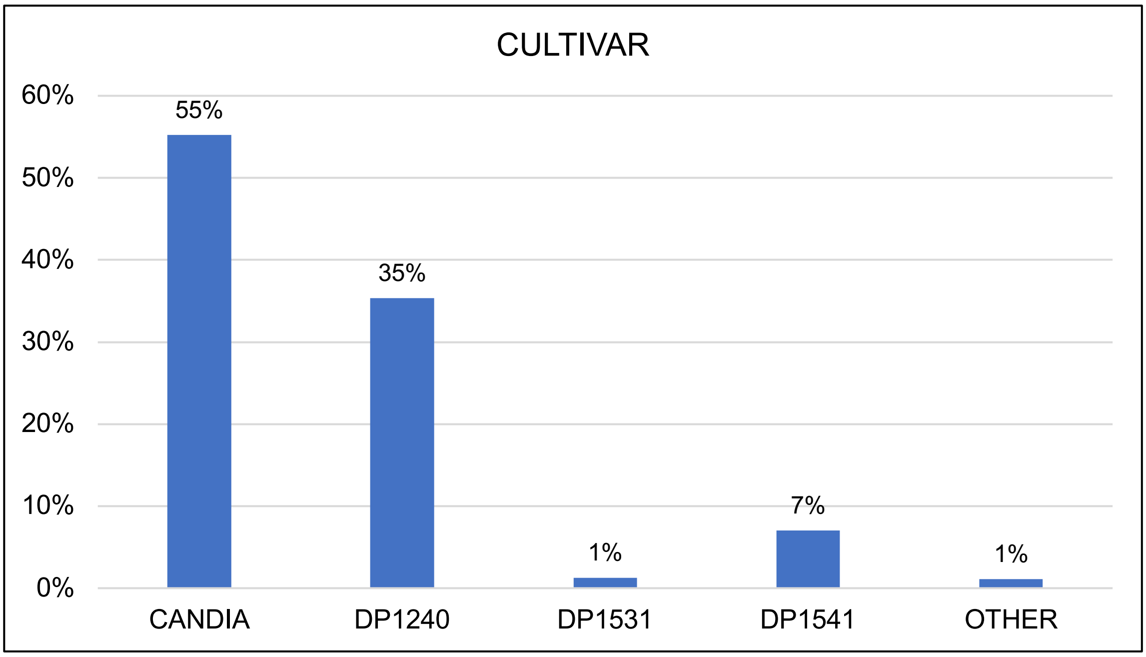


Figure 8: Cultivar adoption 2021/22 marketing year

All the cotton planted in South Africa is biotech cotton cultivars, with Candia cultivar comprises 55% of the crop. The Delta Pine cultivar DP1240 showed an increase to 35%, with the DP1541 cultivar at 7%.