



**10<sup>th</sup> Meeting of the Latin American Association for Cotton Research and  
Development - ALIDA  
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Ladies and gentlemen, it is an honor for me to represent the International Cotton Advisory Committee (ICAC) at this meeting. I would like to thank CONALGODON and CORPOICA for the invitation and kind hospitality. I also thank Colombia, in particular Dr. Jorge Cadena of CORPOICA for hosting the 10th Meeting of the Latin America Association for Cotton Research and Development (ALIDA).

Ladies and gentlemen, 2004/05 is a special year for cotton. We still have a couple of months to go in the season but the latest ICAC estimates indicate that total production in the current season will reach 26.1 million tons. World has never produced this much cotton in the past. The world average yield will also set a new record of 728 kg of lint per hectare. No doubt some countries contributed more than others but in general production and yields increased in most countries.

Biotech cotton is spreading and 24% of the world area was planted to biotech varieties in nine countries in 2004/05. 35% of world production and 31% of world exports came from biotech varieties. Colombia took the lead and adopted biotech varieties two years ago. Brazil is going to plant biotech cotton for the first time in 2005/06.

Ladies and gentlemen, the technology has tremendous applications. It is not always inserting foreign genes into cotton, the 'RNA interference' technology has produced allergic free soybean. Nutritional enhancements are being explored in many crops. These are just examples but similar applications are being pursued in cotton.

Unfortunately, record production is not matched by similar increases in consumption. Higher production than consumption will push world ending stocks to almost 10.5 million tons thus depressing international cotton prices. As of today, all indications are that the Outlook A Index will average at 53 cents per pound at the end of 2004/05.

Ladies and gentlemen, lower prices do not lower cost of production for farmers but they do affect farmers' income which has already squeezed due to ever increasing costs of inputs. Producers do not control prices but they can better manage their production costs. Later on in the conference I will present to you the cost of production in the world in general and in this region in particular. The message is that a lot needs to be done to improve sustainability of cotton production. Sustainable production integrates three main goals-- environmental health, economic profitability, and social and economic equity. However, the

ultimate goal is producing cotton at lower costs for bring higher income to cotton growers.

At the end, on behalf of ICAC, I would like to thank organizers once again for all the arrangements for this meeting. I also thank all delegates from other countries for coming to the meeting. ALIDA is the most active network among all regional networks supported by ICAC, let us make it even more active.