12th Meeting of the Interregional Cooperative Research Network on Cotton for the Mediterranean and Middle East Regions

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Dear Dr. Ahmed Moustafa Mohamed, Chairman of the Cotton and Textile Holding Company, Egypt, Dr. Mohamed Al Bougry/Madam Eman Zaki, General Manager of CATGO, Dr. Mohammed Negm, General Coordinator of the Interregional Cooperative Network on Cotton for the Mediterranean and Middle East Regions, ladies and gentlemen, I have heard about Sharm el Sheikh for a long and it is great to be here in Sharm el Sheikh. On the very onset, let me thank the three hosts for their support and making arrangements for the meeting. I am sure Dr. Negm must have annoyed less people than he pleased through his devoted and sincere efforts to organize a successful meeting. Funds are always limited and everybody feels that he is the most suitable person to attend the meeting, particularly when it is in a city like Sharm el Sheikh.

In 2014/15, cotton was planted on 33.4 million hectares and with an average yield of 782 kg/ha production was 26.1 million tons. Consumption in 2014/15 that ended at the end of July was 24.5 million tons, which is 1.6 million less than production. For the last few years surplus production has been adding to the huge carryover stocks in the world. Latest data from the ICAC show that 21.8 million tons of stocks are lying in the world. This huge stockpile of cotton is almost double for normal carryover to the next crop year. Huge stocks are suppressing prices and consequently discouraging farmers to plant cotton.

China alone is holding close to 12.7 millions tons of cotton, while consumption in China is 2014/15 was 7.7 million tons. When China is going to sell this cotton is now known.

India had 2.2 million tons of cotton is stocks and is experiencing difficulty selling cotton. Buyers have a choice and are going for other cottons than Indian. China is the main destination for many exporting countries and because of the China situation, this year the exporting countries are looking for new markets.

Ladies and gentlemen, talking about the current season 2015/16, ICAC is forecasting that cotton will be planted on 31.1 million hectares, 2.3 million hectares or 7% less area. Consequently production will also be lower to 23.9 million tons, which is 2.2 million tons lower that 2014/15. Consumption will slightly go up and reach 25 million tons. This is the first year after many years that consumption will be higher than production.

Ladies and gentlemen
I have said many times before, to our member governments and at other forums, the world is stuck up in a period of no growth in yields. The world average yield has not increased for over five years now and we do not foresee an increase for many more years. How many years, I do not know. New technology developments will increase yields, and what is that technology, is probably going to be a mix of biotechnology and physiology. We have used biotechnology but not the physiological phenomenon of the plant. From where the maximum loss in yields comes from, it is bud shedding. The harvest index in cotton has to be improved, Convince and force the plant

not to shed buds. And, they are not shed, we already now how to nourish them and protect them from insect pests.

Ladies and gentlemen
Cost of production is rising and the average cost for every kilogram of cotton produced in 2012/13 was 1.50 US$. This means a cost of 68 US cents per pound of cotton. This cost is discounting the income from seed after ginning and assuming that a farmer owns land. How can a farmer afford to sell cotton at 67 US cents per pound when he is spending 68 US cents to produce a pound. Cost of production has to be reduced.

The two biotech traits have been utilized. Almost every country that commercialized biotech cotton has reached its adoption peak in area. Unfortunately, new traits have not come in. We heard about drought tolerance and nitrogen use efficient cotton but they do not seem to be commercialized in the next at least five years. We need new traits, not only new genes in the same trait.