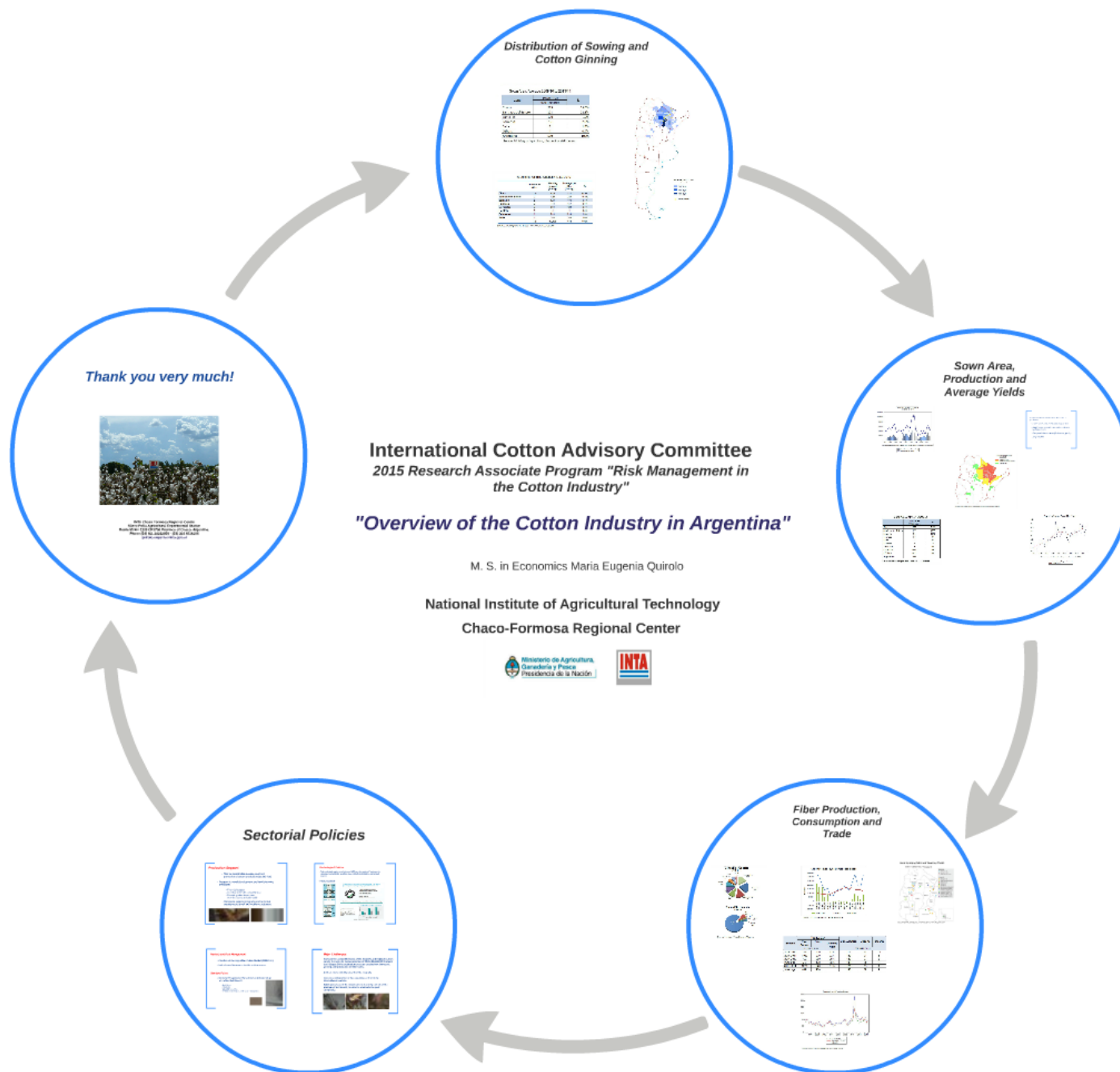
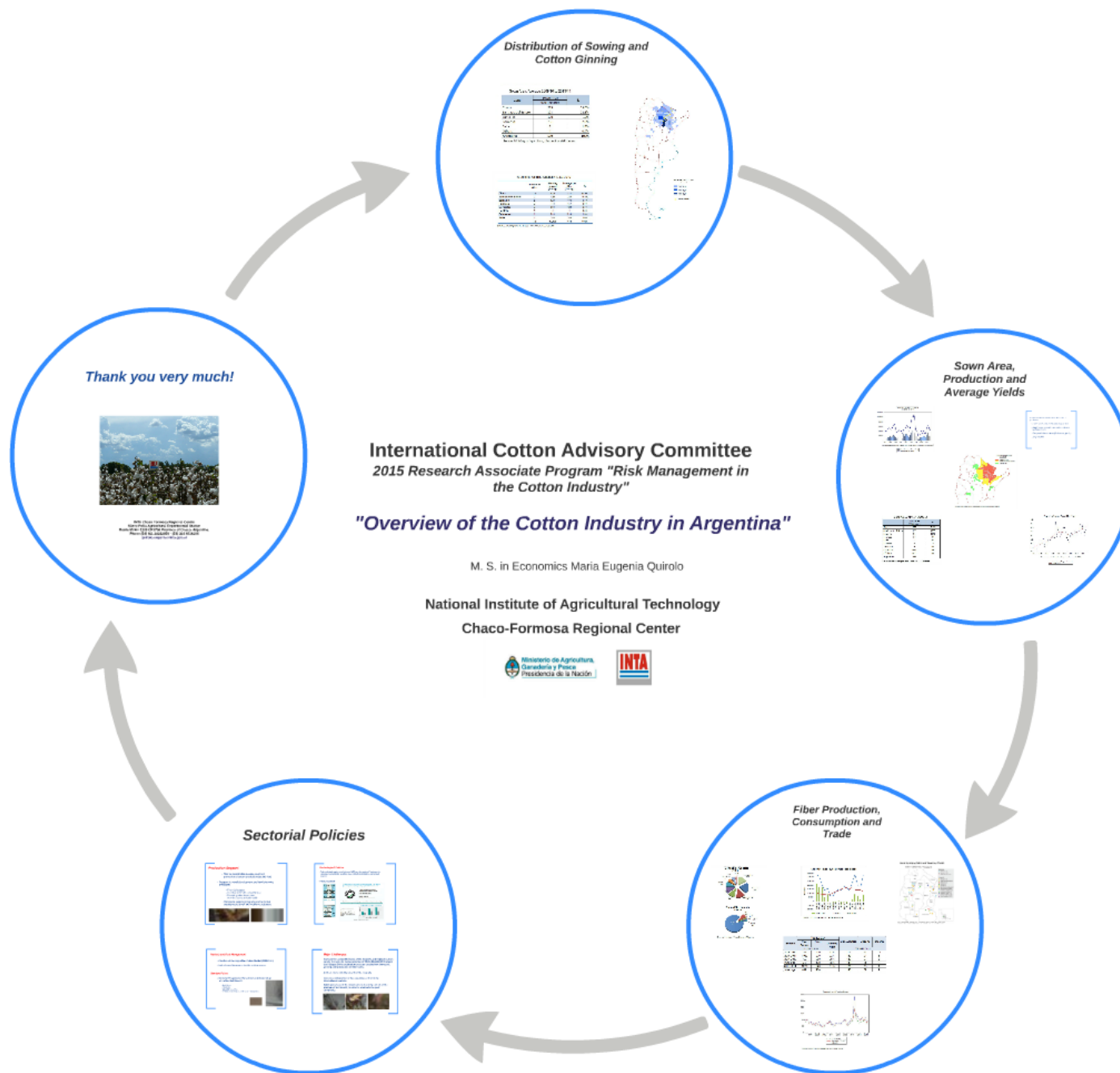






International Cotton Advisory Committee

2015 Research Associate Program "Risk Management in the Cotton Industry"

"Overview of the Cotton Industry in Argentina"

M. S. in Economics Maria Eugenia Quirolo

National Institute of Agricultural Technology
Chaco-Formosa Regional Center



Distribution of Sowing and Cotton Ginning

Sown Area. Average 2009/10 to 2013/14

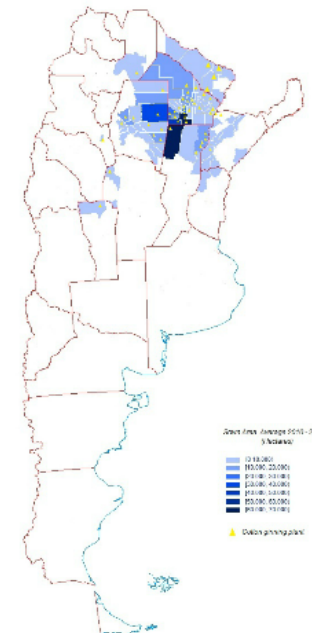
Zone	Sown Area	%
	000 Hectares	
Chaco	289	53,6%
Santiago del Estero	123	22,8%
Santa Fe	100	19%
Formosa	15	2,9%
Salta	8	1,4%
Others	4	0,7%
Argentina	539	100%

Source: Ministry of Agriculture, Livestock and Fisheries

Argentina: Ginning Capacity. Data 2010

	Number of Gins	Ginning Capacity (Tn/day)	Average per Gin (Tn/day)	%
Chaco	48	9005	188	68,6%
Santiago del Estero	9	1980	220	15,1%
Santa Fe	6	620	103	4,7%
Formosa	3	410	137	3,1%
Corrientes	3	360	120	2,7%
Córdoba	1	50	50	0,4%
Catamarca	1	200	200	1,5%
Salta	1	500	500	3,8%
	72	13.125	182	100%

Source: Pellegrino et. al (2011) / PROCALGODON



3,6%

2,8%

19%

2,9%

1,4%

0,7%

100%

%

68,6%

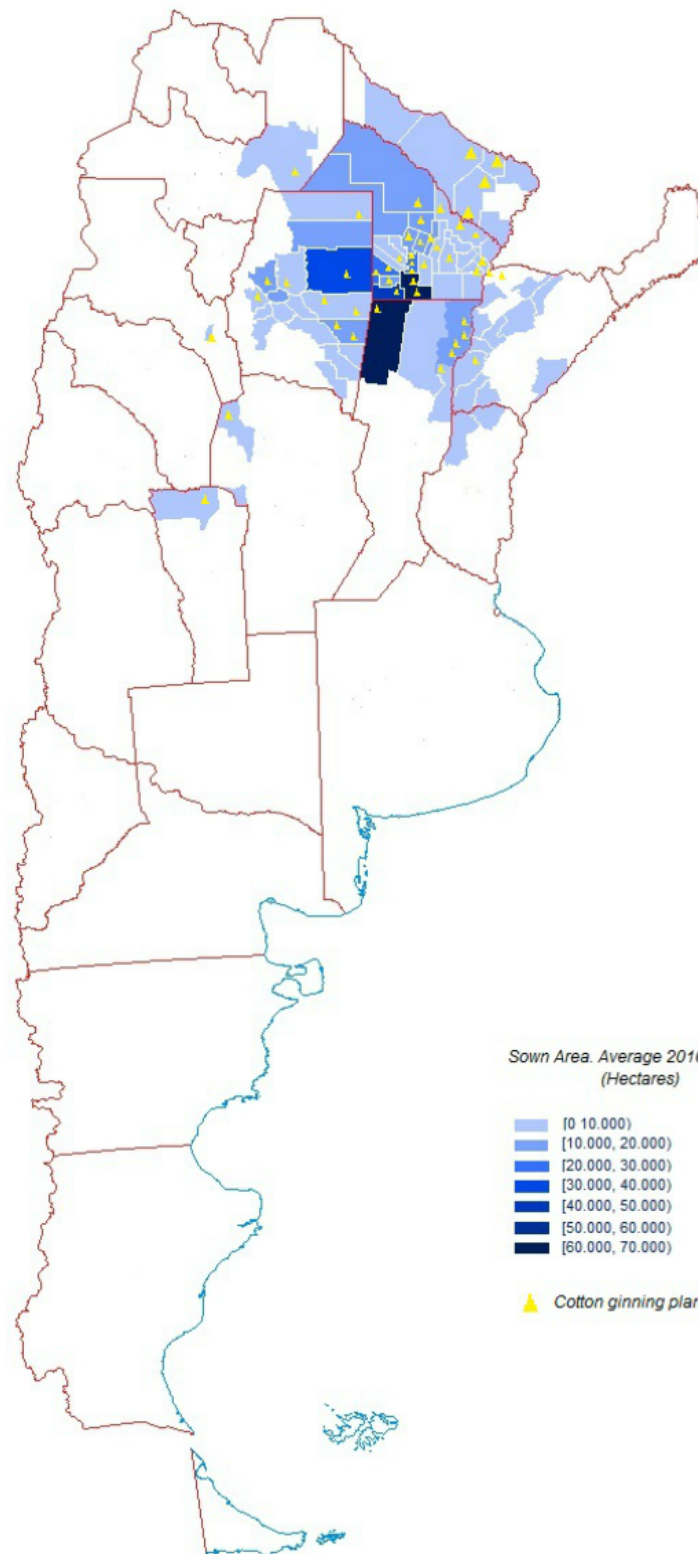
15,1%

4,7%

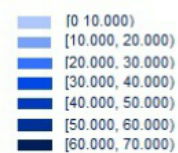
3,1%

2,7%

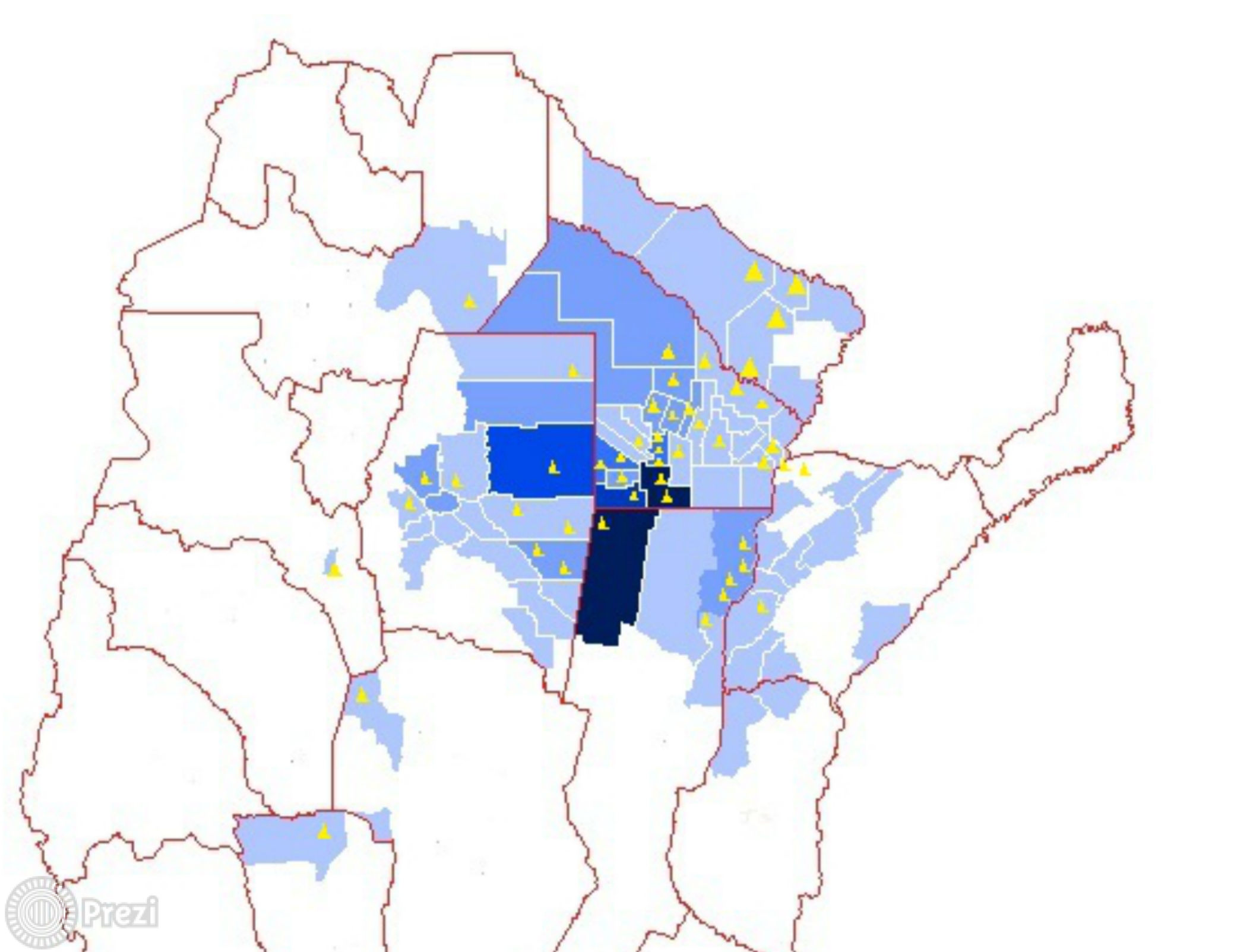
0,4%



Sown Area. Average 2010 - 2014
(Hectares)



▲ Cotton ginning plant



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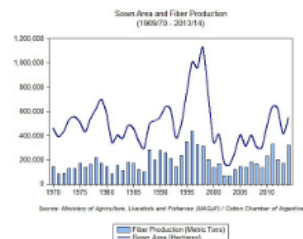
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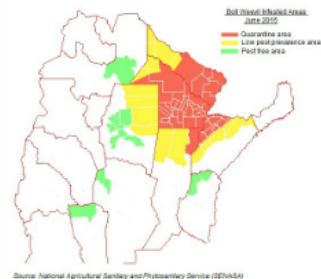
Source: Pellegrino et. al (2011) / PROCALGODON

Sown Area, Production and Average Yields



Main factors that contributed to the sharp drop in production:

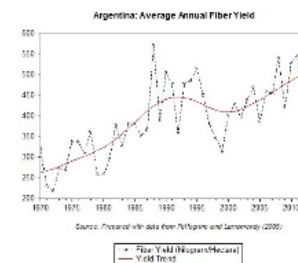
- Fall in domestic and international prices of cotton
- Switch to more profitable crops such as soybeans, sunflower or corn
- Fast spread of the boll weevil (*Anthonomus grandis*)
- Stagnant yields



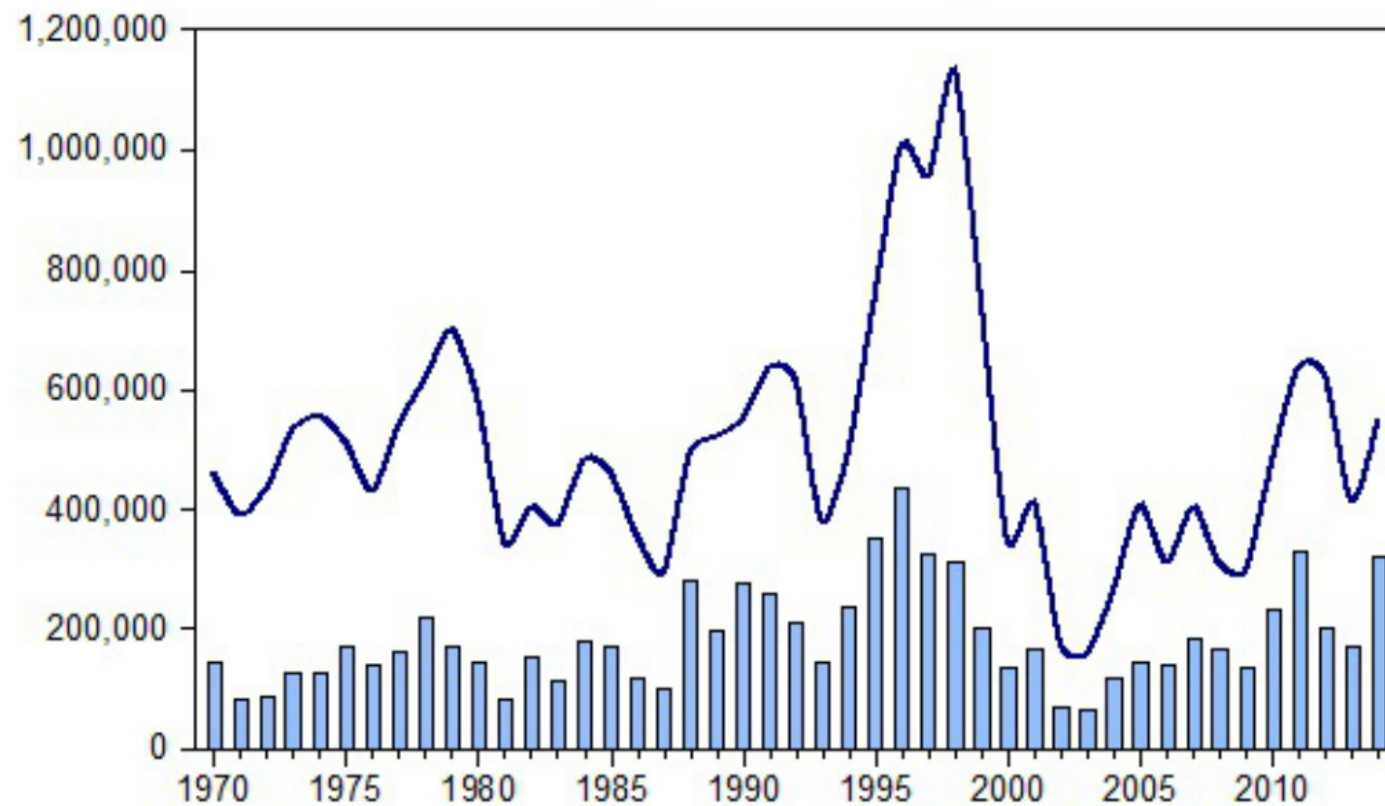
Sown Area 2014/2015 Season

	Sown Area 000 Hectares	%
Chaco	269	51%
Santiago del Estero	135	25%
Santa Fe	96	18%
Formosa	18	3%
Salta	9	2%
San Luis	3	1%
Entre Ríos	1	0%
Corrientes	0,48	0%
Córdoba	0,35	0%
Argentina	532	

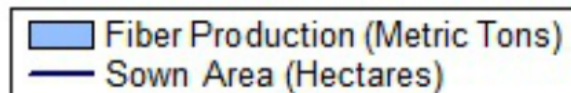
Source: Ministry of Agriculture, Livestock and Fisheries



Sown Area and Fiber Production
(1969/70 - 2013/14)



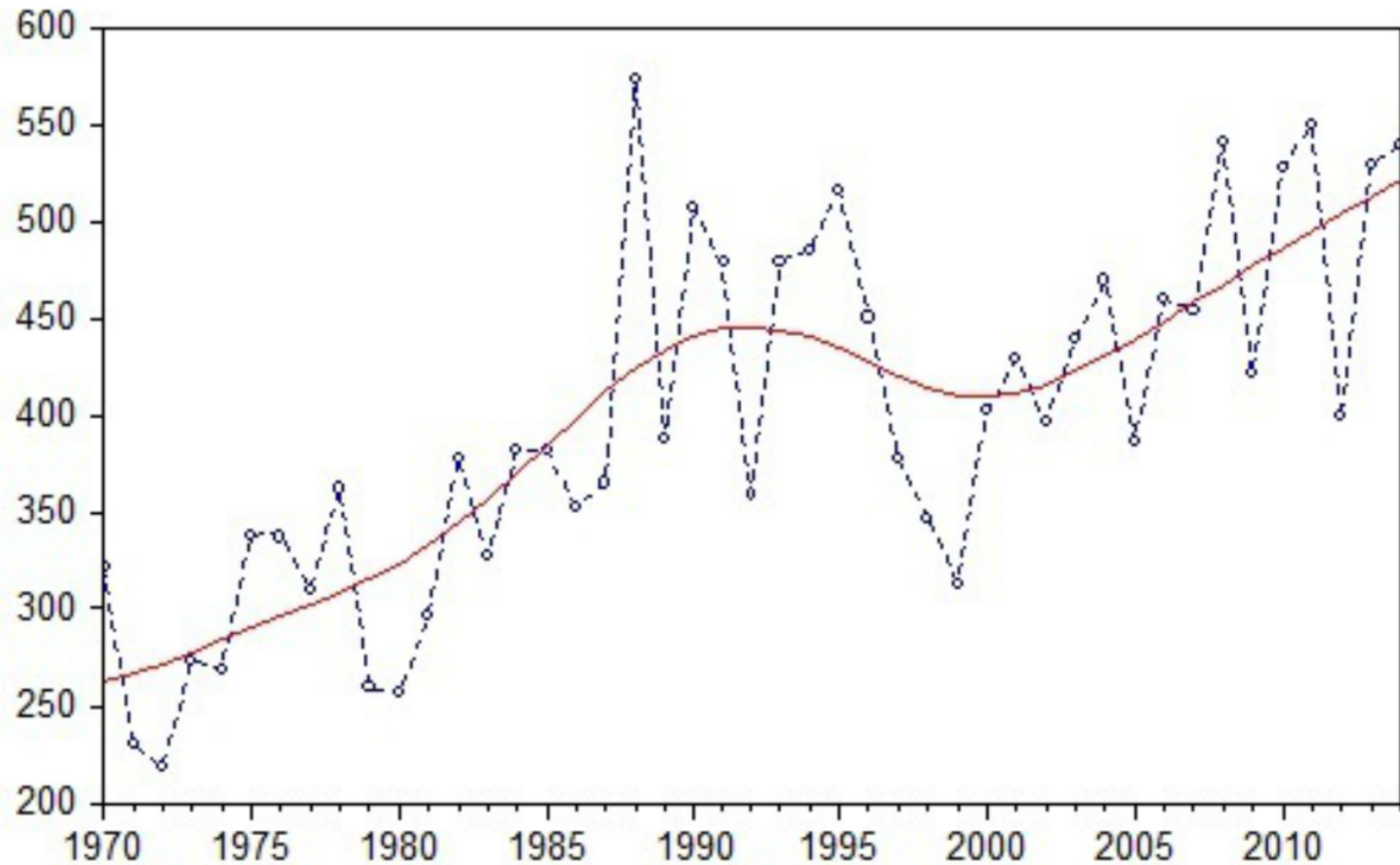
Source: Ministry of Agriculture, Livestock and Fisheries (MAGyP) / Cotton Chamber of Argentina



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- *Stagnant yields*

Argentina: Average Annual Fiber Yield

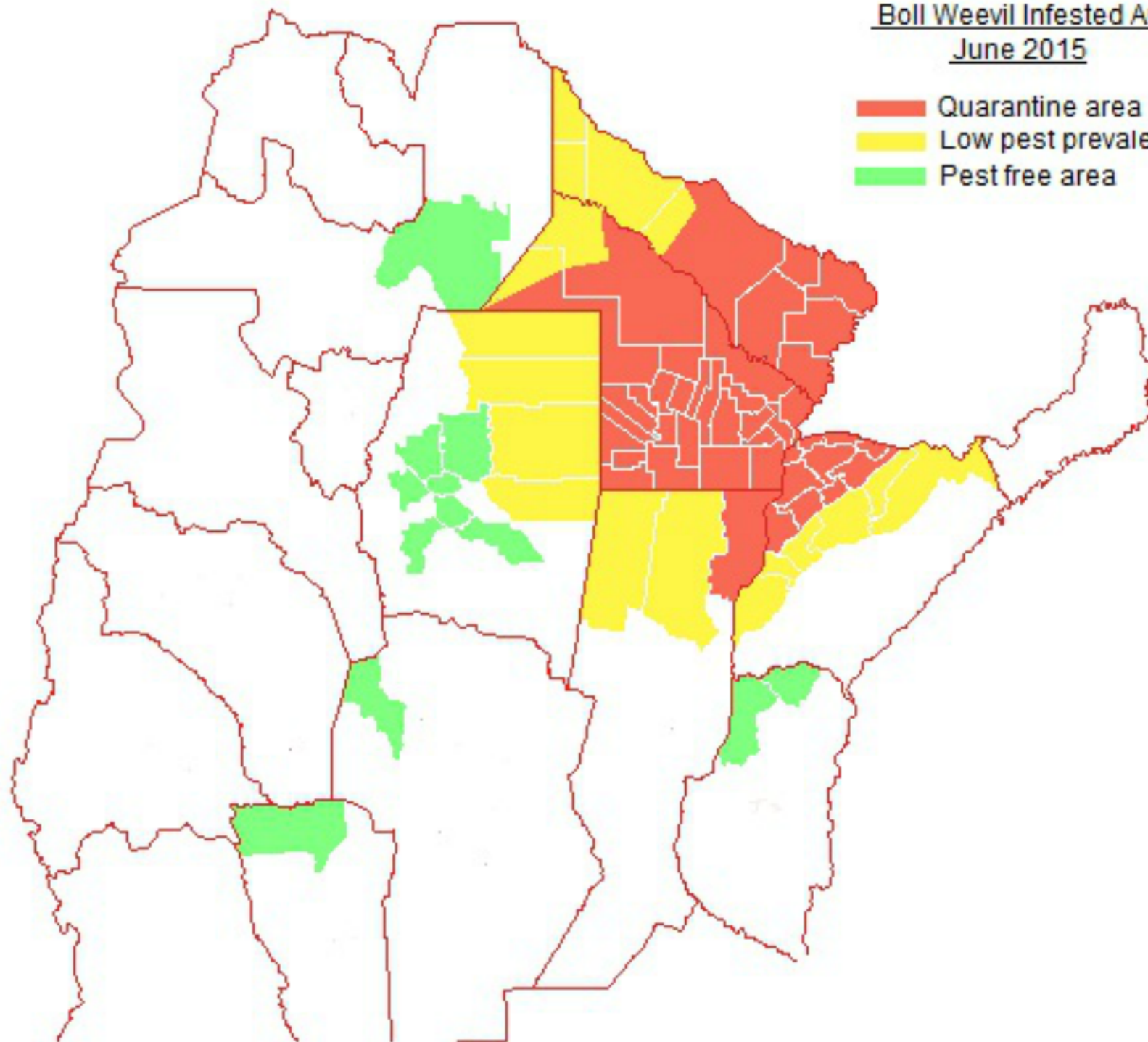


Source: Prepared with data from Pellegrino and Larramendy (2005)

--o-- Fiber Yield (Kilogram/Hectare)
— Yield Trend

Boll Weevil Infested Areas
June 2015

- Quarantine area
- Low pest prevalence area
- Pest free area



Source: National Agricultural Sanitary and Phytosanitary Service (SENASA)

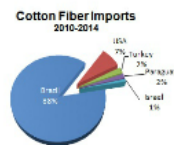
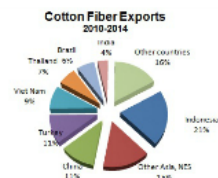
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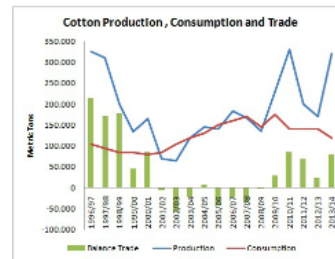


Source: Ministry of Agriculture, Livestock and Fisheries

Fiber Production, Consumption and Trade

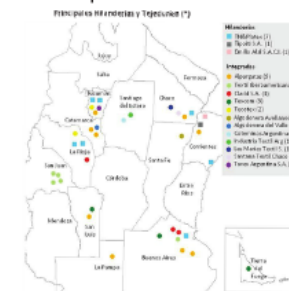


Source: UN Comtrade / Cotton Chamber of Argentina



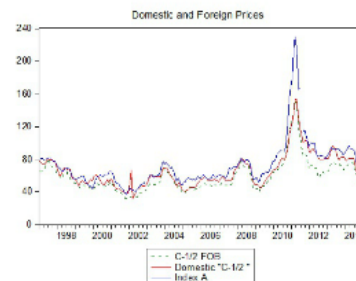
Source: UN Comtrade / Cotton Chamber of Argentina

Main Spinning Mills and Weaving Plants



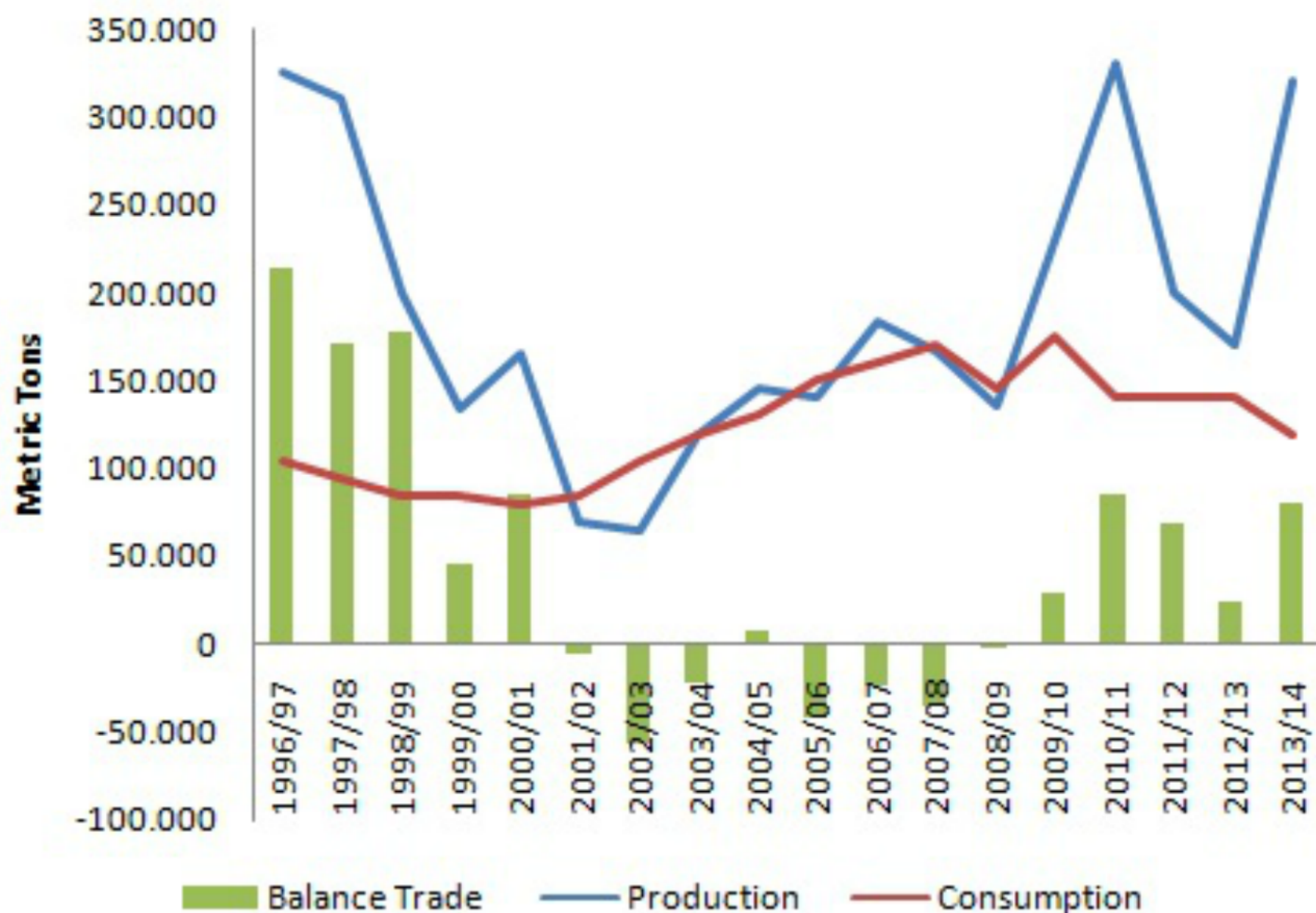
Source: Ministry of Economy, Secretary of Economic Programming

Season	Producción			Consumption	Exports	Imports
	Raw Cotton	Fiber	Ginning Yield			
	'000 Metric Tons					
2009-2010	754	230	31%	175	63	14
2010-2011	1.033	330	32%	140	91	5
2011-2012	709	200	28%	140	77	8
2012-2013	520	170	33%	140	29	4
2013-2014	1020	320	31%	120	85	2
Average	807	250		143	69	7



Source: Cotton Chamber of Argentina and Outlook Limited

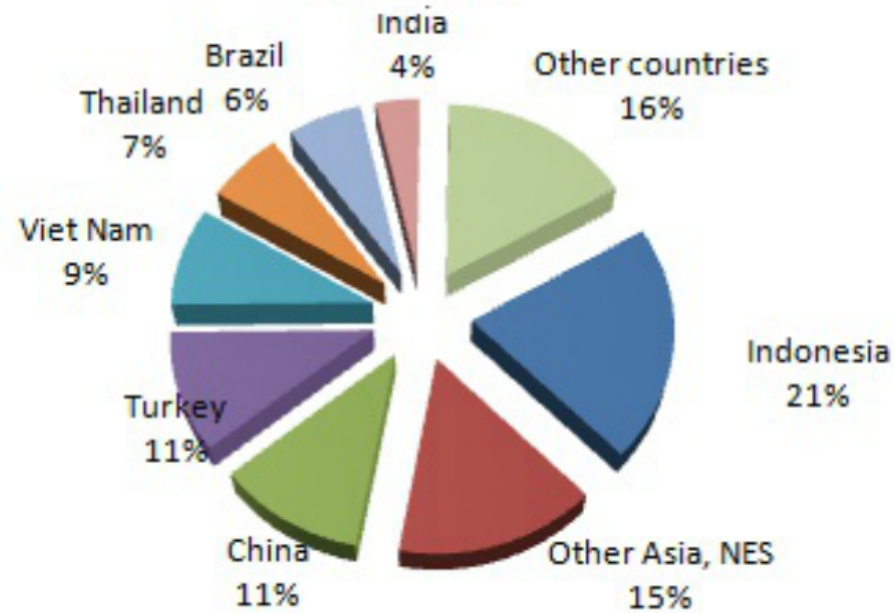
Cotton Production, Consumption and Trade



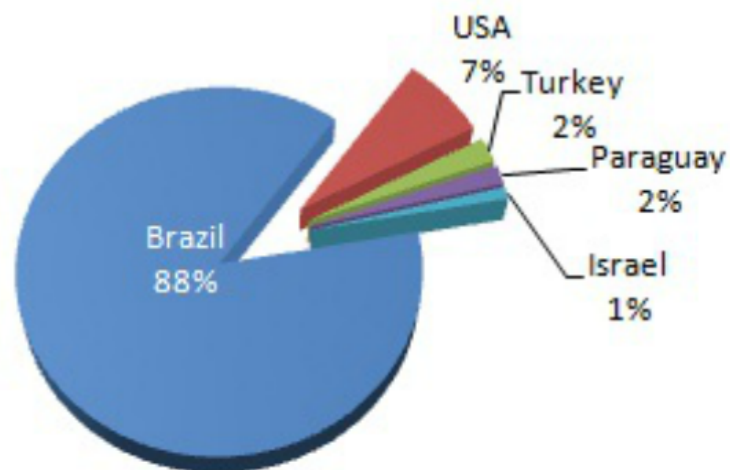
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Cotton Fiber Exports 2010-2014



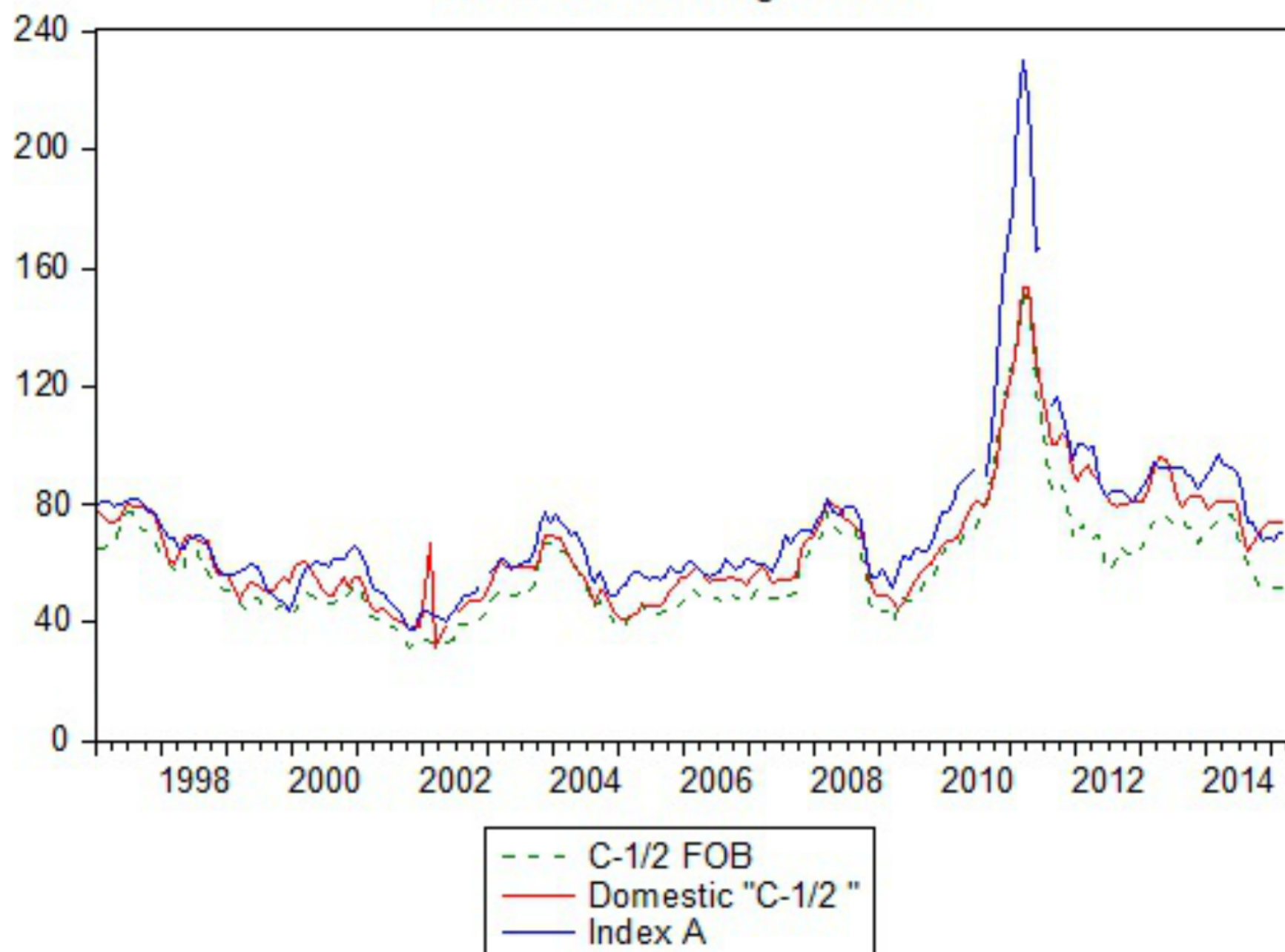
Cotton Fiber Imports 2010-2014



1



Domestic and Foreign Prices



Source: Cotton Chamber of Argentina and Cotlook Limited

Sectorial Policies

Production Support

- Plan for sustainable development and promotion of cotton production (26,060 Act)
- Program for rural development and family farming (PRODAF)
 - Financial support.
 - Training and technical assistance.
 - Fostering collective actions.
 - Provide access to bank credit.
- Provincial support programs and technical assistance to small and medium producers



Technological Policies

- Technological agreement between INTA and the cotton Provinces to develop a genetically modified seed variety resistant to cotton boll weevil.

PROCALGODON



Markets and Risk Management

- Creation of the Argentine Cotton Market (MERCAL)
- Index based insurance for the cotton sector

Sanitary Policy

- National Program for Prevention and Eradication of Cotton Boll Weevil

- Monitoring.
- Eradication.
- Quarantine control.
- Training and diffusion of the pest management.



Major Challenges:

Increase the competitiveness of the industry and improve cotton quality through the implementation of PROCALGODON Protocol at all stages of the production process: production, transport, ginning and production of fiber bales.

Achieve more stability of cotton fiber supply.

Increase participation of the Argentine cotton in the international markets.

Build awareness in the stakeholders about the extent of the problem of boll weevil, in order to eradicate the pest completely.



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Technological Policies

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- PROCALGODON



The Procalgodon was created with the aim of improving the quality of cotton fiber and increase competitiveness. It is a tool that helps to provide more fairness and transparency in the entire textile chain.

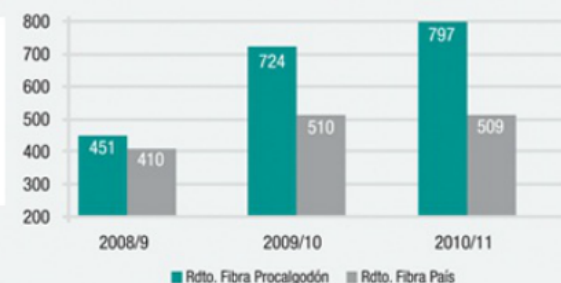


It has protocols for monitoring and control the entire production process:

- » Good Agricultural Practices
- » Harvesting and post-harvest
- » Ginning and storage
- » Sampling and assessing of raw cotton

Establishes assessment criteria through a network of laboratories with equipment High Volume Instruments (HVI) to unify criteria for marketing.

Average fiber yields. Procalgodon versus Argentina



Comparative Procalgodon fiber performance versus the national average. An increase in productivity of between 10% and 50% is observed. Data from Santiago del Estero, Corrientes, Santa Fe, Formosa and Chaco.

Contacto: procalgodon@correo.inta.gov.ar

Markets and Risk Management

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Thank you very much!



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Route 95 km 1108 CP3700 Province of Chaco, Argentina.
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Prezi