

BACKGROUND

Cotton SA was established in 1997, under the Marketing of Agricultural products Act, 1996. This commodity organisation was formed with major functions to represent industry stakeholders, develop industry intelligence to inform sector decision making, create awareness on cotton and its uses, promote and monitor quality standards and norms. Cotton SA also provides training, co-ordinate funding of research and facilitate the development and training of smallholder cotton farmers (Cotton SA, 2019).

In AgriSETA sub-sectors, cotton falls under the Fibre sub-sector committee (AgriSETA, Fibre Sub-Sector Plan, 2020-2021). Cotton producing areas in South Africa are as follows: Limpopo Province in the Springbok Flats from Bela-Bela to Mokopane, North West Province covering the areas of Taung, Stella, Delareyville and Maratsane, KwaZulu-Natal in the Makhathini Flats, Mpumalanga and Northern Cape in the Lower Orange River, Vaalharts, Douglas and Prieska districts. In addition, Bennett et al. (2019) reported that there is a total of 7 Ginners and 5 cotton spinners the producers in the country work with.

PRODUCTION

In South Africa, Cotton is grown under irrigation as well as in dryland conditions. Cotton SA (2019) has reported the fourth estimates showing that in the 2018/19 season, 23 324 ha of irrigated land were planted which Yielded 4694 kg/ha of Seed cotton per ha while 19 0 64 ha of dry land were cultivated and yielded 989 kg/ha of seed cotton. This is presented on table 1 below. Moreover, it is anticipated that the number of hectares under cotton production will increase to 100 000 ha over time (Bennett et al., 2019).

Table 1: Cotton planted and yield for RSA

Production Year	Total (ha)	Yield Irrigation (kg/ha)	Yield Dryland (kg/ha)
2018/19	42 388	4694	989

Source: Cotton SA, 2019

MARKET ANALYSIS

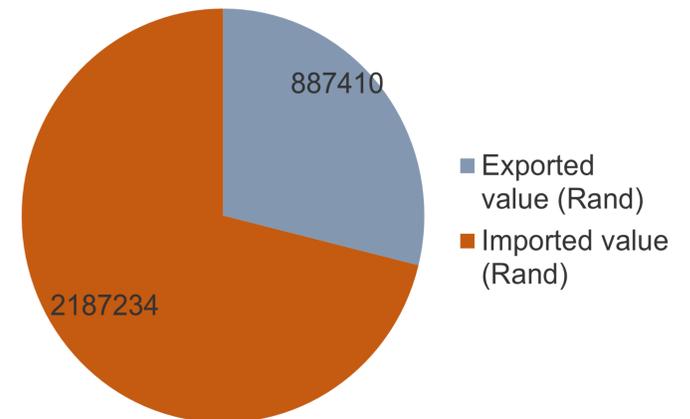
The average global price for the 2019/2020 season was expected to be between R22,30/kg and R34,47/kg, However the current average price for cotton was around R27,39/kg (Farmers weekly, 2019).

Acknowledgments

IMPORTS AND EXPORTS

The figure 1 below shows that the exported value of cotton in South Africa in 2019 amounted to R 887 410, whilst imported value amount to R2 187 234.

Figure 1: Cotton import and export value



Source: Trade map, 2019

SECTOR CHALLENGES

- COVID-19 had significant implications on the Cotton sub-sector. Due to the temporal ban of exports implemented in March 2020, the sector income was adversely affected. This is because around 80% of locally produced cotton is exported to international market, therefore with exports banning, marketing of cotton was hindered (VBK, 2020).
- High input cost, mainly due to cotton harvest. 75% of the cotton that is locally produced is harvested by hand, and that is more expensive when compared to harvesting using a machine (Malinga, 2019).

REFERENCE

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