**NATIONAL ASSEMBLY**

**WRITTEN REPLY**

**QUESTION 1529**

**INTERNAL QUESTION PAPER [No 15-2021 SIXTH PARLIAMENT]
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**1529. Prof C T Msimang (IFP) to ask the Minister of Agriculture, Land Reform and Rural Development:**

What is the (a) current status of cotton production in the Republic for the 2020-21 financial year, in terms of yields and (b) viability of the cotton production, given the current importing trends of cotton products?  **NW1732E**

**THE MINISTER OF AGRICULTURE, LAND REFORM AND RURAL DEVELOPMENT:**

1. The major production areas for cotton in South Africa are Kwa-Zulu Natal, Limpopo, Mpumalanga, Northern Cape and North-West Provinces. The 2020/21 cotton crop is just over 80 000 lint bales for April 2021, which is considerably lower compared to the 2019/20 of 134 230 lint bales. This is largely because some cotton farmers have switched to food crops because of relatively good prices and the lateness of the marketing of the previous season’s crop that contributed to a contraction in planted area. In certain production regions, excessive wet and adverse conditions during planting season led to scaling down of number of hectares for cotton. Therefore, the 2020/21 cotton plantings are considerably lower compared to the previous season, which led to lower cotton crop volumes. The table below is an illustration of the status of cotton in the country.

|  |  |  |
| --- | --- | --- |
| **Production**  | **2021/21 estimate** | **2019/20****estimate** |
| Hectares irrigated | 5 836 | 11 543 |
| Hectares dryland | 11 122 | 16 132 |
| **Total ha** | **16 958** | **27 675** |
| Yield: seed cotton kg per ha |
| Yield irrigated | 4 542 | 4 393 |
| Yield dryland | 1 577 | 1 206 |
| **Total production of 200kg lint bales** | **80 235** | **134 230** |

1. South Africa is known for producing good quality cotton despite many challenges it is facing. It is true that the increase in volumes of imported cotton threatens the viability and sustainability of the cotton industry in South Africa. Government and stakeholders in the cotton sector established the Sustainable Cotton Cluster (SCC) in June 2014 led by the Department of Trade, Industry and Competition. The SCC connects the entire cotton value chain under one umbrella: farmers, gins, yarn manufacturers, weavers and knitters, dyers, finishing plants and retailers. In the six years it’s been in operation, cotton production and processing has increased 800% and almost 50,000 jobs have been created or maintained in the cotton sector.

The outbreak of Covid 19 had a negative impact on this good initiative. During the lockdown harvesting and processing continued, but exports were suspended, striking a severe blow to the sector. Since then, export restrictions have been lifted, but global demand for cotton is decreasing and so are global prices. With around 80% of locally produced cotton being exported, this has significant implications for the sector. At the same time, severe financial strain on retailers is adding pressure. One of the main purposes of the SCC is to increase consumption of cotton by local retailers, aiming to increase local procurement from the pre-Covid average of 45% to 63% by 2030. Government is positive that by addressing the challenges, growth could be restored in 2021/22 and beyond.