

The South African cotton crop.

Cotton SA is a non-profit company founded in 1998 in terms of the provisions of the Marketing of the Agricultural Products Act, 1996 (Act 47 of 1996 as amended) following the dissolution of the former Cotton Board. Cotton SA's activities are funded, amongst others, by a statutory levy imposed on all the cotton lint produced by ginners. The ginners deduct these levies from the farmers. Other income is generated through grading services, letting office space and external grant funding by the private and public sectors for the delivery of services.

Other statutory measures administered by Cotton SA are the compulsory registration of all producers, purchasers, processors, importers, and exporters of cotton and the mandatory submission of monthly returns by these parties, excluding producers.

Cotton SA's main objective is to establish an internationally competitive local cotton industry and to create and maintain an environment in which the Southern African cotton industry can develop to deliver an important contribution to the development of the country. Cotton SA's core function is to provide an analytical quality service, and the Cotton SA Quality and Grading laboratory was the first in the world to receive Bremen accreditation. As in the years prior, the Quality Control Division maintained its international accreditation from ICA Bremen, keeping the laboratory the only accredited testing facility in Africa. We receive local samples and samples from all over Africa and sometimes from other countries abroad.

The Quality Control Division took part in two international check test programmes:

- Monthly - HVI Check Level Program (organised and administrated by the US Department of Agriculture (USDA, AMS, Cotton, and Tobacco Program)
- Trails organised and administrated by the ICAC with samples sent from USDA.
 - 2 Samples per month (April 2022 up to March 2023) were received and tested with results sent to USDA.
 - Quarterly - Commercial Standardization of Instrument Testing of Cotton (CSITC)

Regular visits were undertaken to five of the 7 local cotton ginneries to issue them with Cotton SA compliance certificates. The compliance checklist ensures that ginneries operate within laid down industry standards and consists of the following: correct module storage, moisture and micronaire instrument calibration, contamination measures, and weigh bridge calibration.

Transformation and training are focal points for Cotton SA. Apart from the allocation of 20% of the income obtained from the statutory levy intended for transformation, the applications are made for input costs and infrastructure maintenance for different projects in the flagship project at Nkomazi (Mpumalanga), Nokaneng/Matlerekeng (Mpumalanga) and in the Makhathini (KZN). Funding for smallholder projects is granted after submission of business plans to government (DALRRD) for the respective provinces, often in collaboration with private institutions, and AgriSETA for mentorship. For the 2022 reporting year, a total of R22 332 643 was raised for smallholder development.

The 2022-2023 fiscal year was a challenging year. Like every other industry, the cotton industry has also faced many challenges during the past year, especially seen in the light of competition with other cash crops such as soya and maize which enjoyed more offtake. The exceptional above-average price for the last year of approximately R35 per kg lint (approximately US 88 c/lb) -has presented the farmers with a benefit in preference to other crops, together with a focus on cotton as a competitive crop in comparison with other rotational crops. Farmers receive around 60 % of their payment on seed cotton when they pass the weighbridge at the ginnery. The price presented was around R13,50 per kg seed cotton (approx. 0,75 US cents per kg or 0, 34c/lb). They get a second payment when ginning fees and other costs are deducted, based on quality of lint achieved.

The advantage of cotton as a preferred dryland crop has been better realised. In South Africa, cotton is mainly rotated with maize, soya, sugarcane, sunflower, and wheat. Producers have now realised the value of looking after the stewardship of soil health. The past year the industry has experienced some disruptions with regard to issues arising at certain ginneries, and producers have realised that contract ginning can present them with some opportunities. More options are available with the marketing of the crop, with regard to participating in the pool marketing system or on the spot marketing, and a new awareness is developing of the value that can be unlocked if the quality of the crop is focussed on.

The importance of structures and the role that representation in the industry can play, to promote issues of common interest for the producer has come more to the fore. In August 2022 new representation on structures was elected on a provincial level for the South African Cotton Producers Organization. These producers participate in the national structure that enjoys representation on the Cotton SA board.

The focus was placed on the improvement of participation and coherence between role players in the industry. Several meetings were held with seed companies, patent holders, and applicable government groups, in order to get access to third-generation technology and alternative plant genetics. Currently all the cultivars, of which only 2 are planted by commercial farmers and one by smallholders, has got Bollgard 2 (bollworm resistance) and glyphosate tolerance, expressed by the Roundup Ready Flex technology. Before patent holders will invest in third generation technology, the production needs to increase to make it worth their while to invest. Cotton is healthy at its core but continues to perform far below its potential, and there is a need to unlock the potential for dryland production. With the promising weather forecasts where cotton as a dryland crop can be a crop of choice, and the historically high average lint price, Cotton SA remains optimistic about restoring steady growth in the nearby future. Cotton production in South Africa has experienced a decline since 2018, but has then started to show a slow increase in the number of lint bales produced annually.

Hectarages were low, and for the past season (2023) production season, the total expected hectarage has increased to 19 864 ha of which the hectares planted under irrigation is 13 556 ha, and 6 309 ha under irrigation. There was an increase of just over 1000 ha from the previous season. Dryland areas promise to unlock their full potential in the North West Province, of reaching 200 000 ha just for the area. Unfortunately access

to cultivars with a short seasonal growth is the restrictive factor. Areas like Schweizer-Reneke has a water table, and cotton has reached yields of over 3 tonnes per ha seed - cotton, but the planting window is very small and farmers need new cultivars for this area.

Total lint bales expected is around 80 000 (200 kg stat bales) of which around 10 000 is contributed by smallholders. The weighted average for the national crop of cotton planted under irrigation is 4 327 kg seed cotton per ha, while for dryland it is 1 287 kg seed cotton per ha. South Africa's best quality cotton comes from the Northern Cape – Lower Orange River area and yields for irrigated cotton is mostly 6-7,5 tonnes seed cotton per ha.

Cotton planted by about 150 commercial farmers are machine picked and the quality is good. On average the fibre shows an average length of 1.13 HVI length ($1''^{5/32}$), an average micronaire of 4.1, an average Strength of 29,17 grams per text, and an average uniformity index of 80,81.

Percentages achieved for USDA grade (colour) showed that 21.8 % of the samples falling within GOOD MIDDLING; 15.7 % within STRICT MIDDLING, 24,2 % were MIDDLING, and 27.2% in STRICT LOW MIDDLING, with the smaller portion of the crop, falling in the lower grades.

Cotton planted by around 2062 smallholders are hand-picked and they plant a particular hairy cultivar called Paymaster which is a somewhat shorter fibre, but the strength is over 30 gms/tex. Direct markets with the 3 local spinners, Prilla, Standerton Mills and Trade-link is sourced to increase local uptake. For the past season, local consumption from locally produced cotton was only 4 776 metric tonnes lint.

SADC agreements for duty-free importation of lint, is not assisting markets for local producers. Most of the cotton is exported, around 14 635 metric tonnes lint in 2022 season, and 6 850 metric tonnes in 2023. Local consumption was 19 480 metric tonnes in 2022, and 14 648 metric tonnes in 2023.

Cotton SA has established solid partnerships with seed companies such as Mahyco in India, and the current patent holder and collaboration is continuing to promote production. South Africa wants to make use of the opportunity to thank the continuous support and assistance provided by the Indian company Maharashtra Hybrid Seeds Company Mahyco. Through private partnerships, with government support and a new Agricultural-Agro-Processing masterplan for cotton, which is supported by government, we hope to grow the production side and the textile industry in South Africa.