

Cotton in the World Economy

Agricultural Policy
Landscape
Symposium

WTO
Geneva
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Chair, DNFI

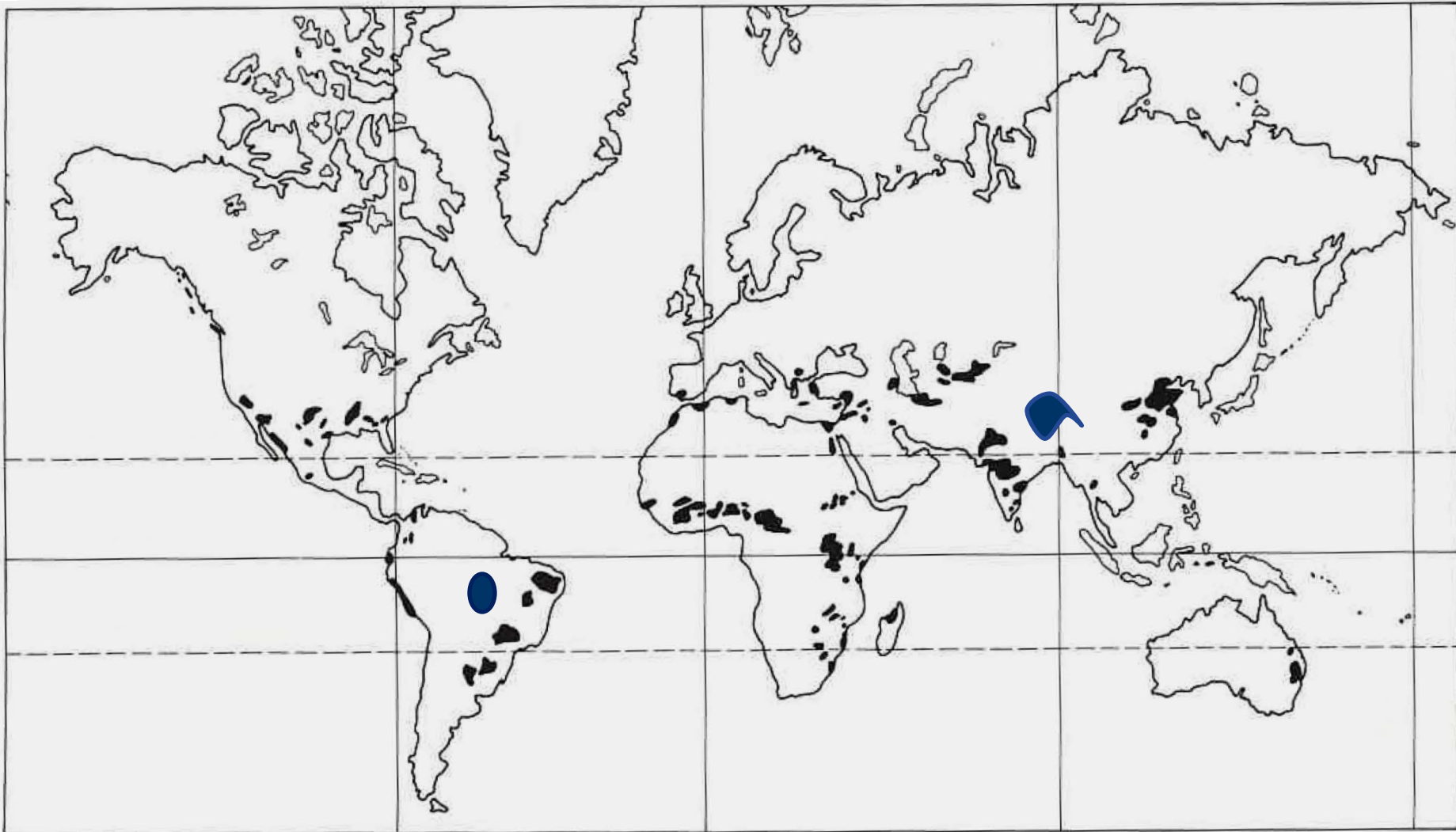


Why Cotton?

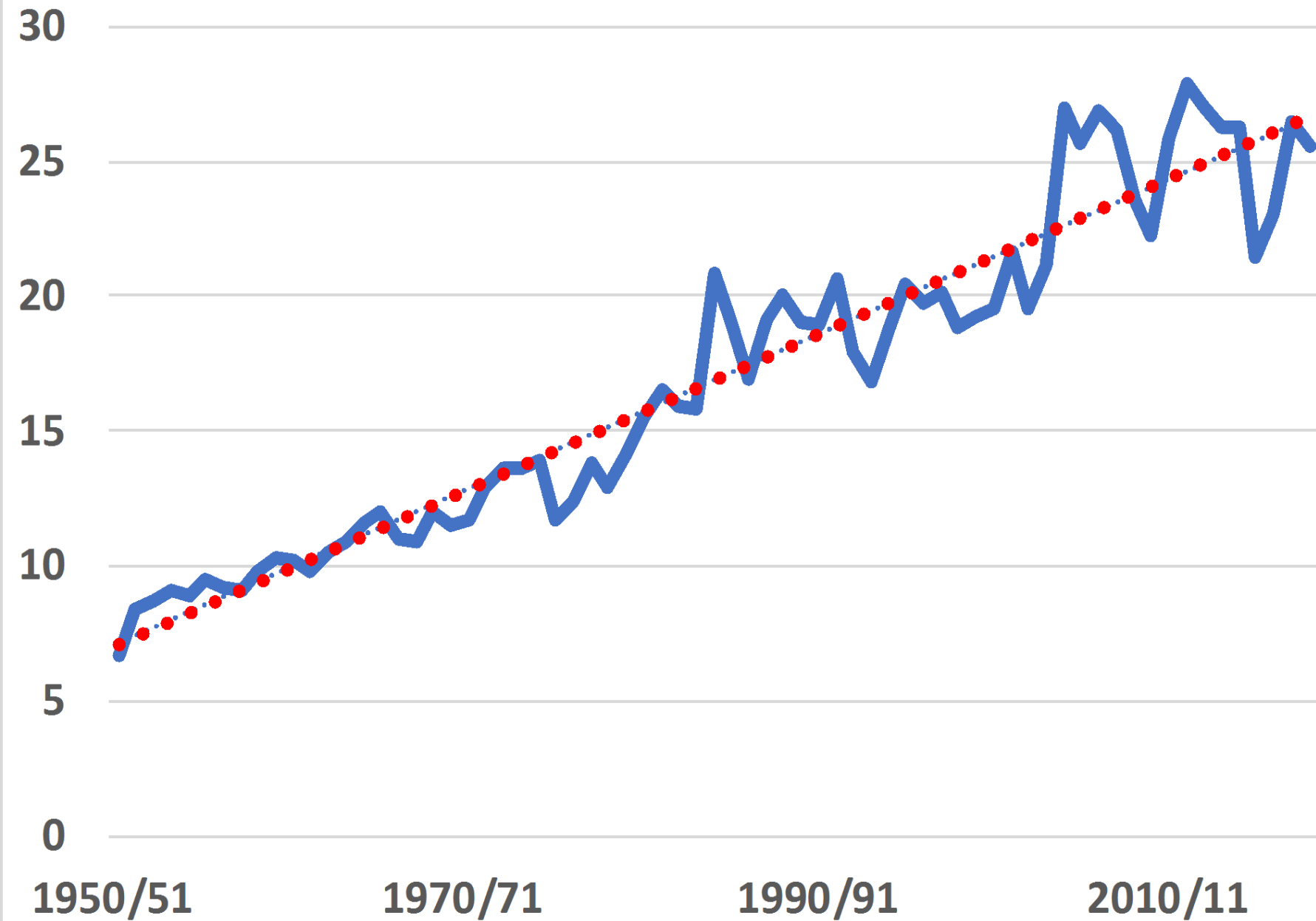
- **Connects People to Markets**
- **Drives Economic Growth**
- **Contributes to Food Security**

- Storable
- Durable
- Shippable
- Woody Perennial
- Cash Crop
- 4%-5% of SSA

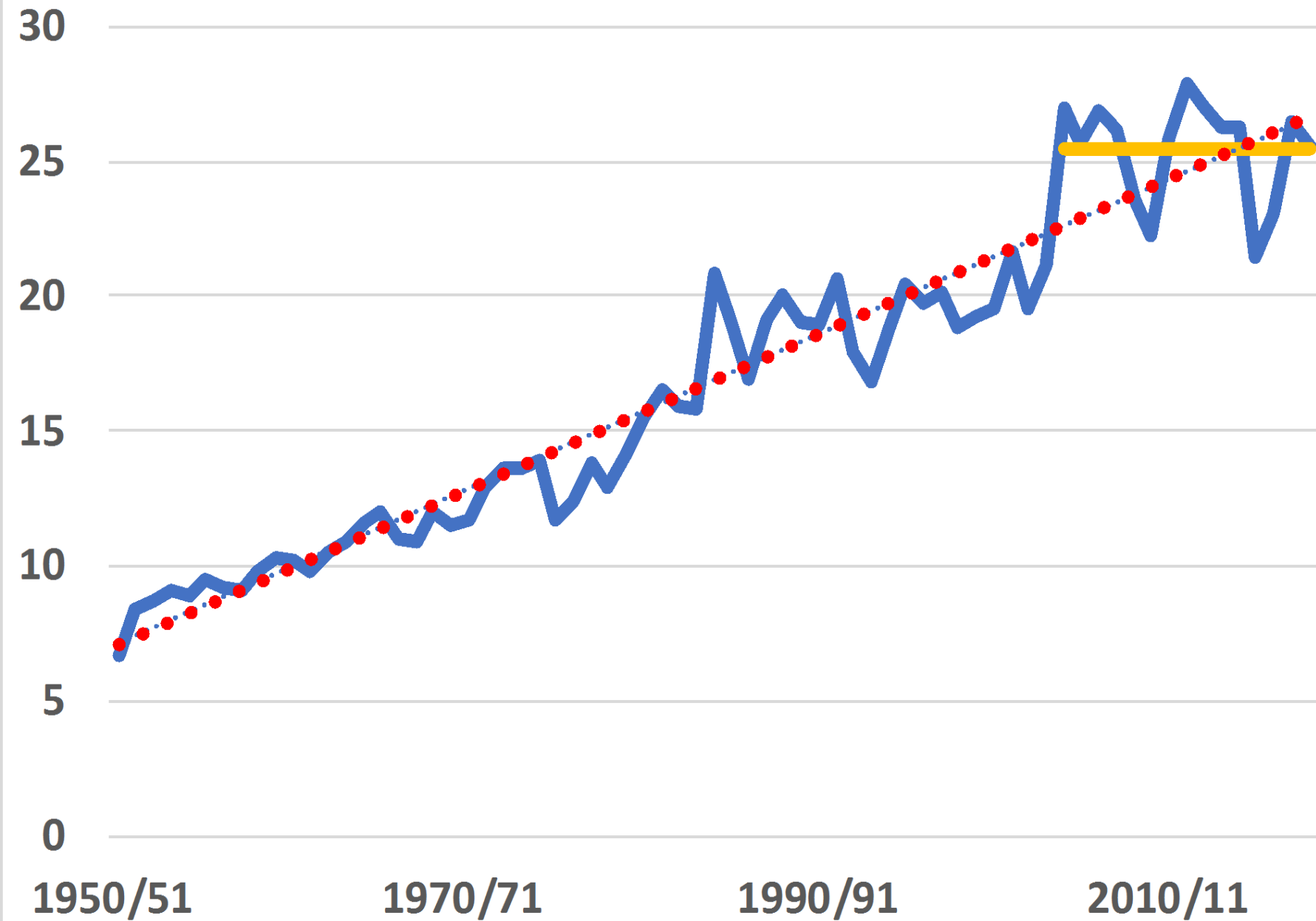
Cotton Production: Frontiers of Global Economy



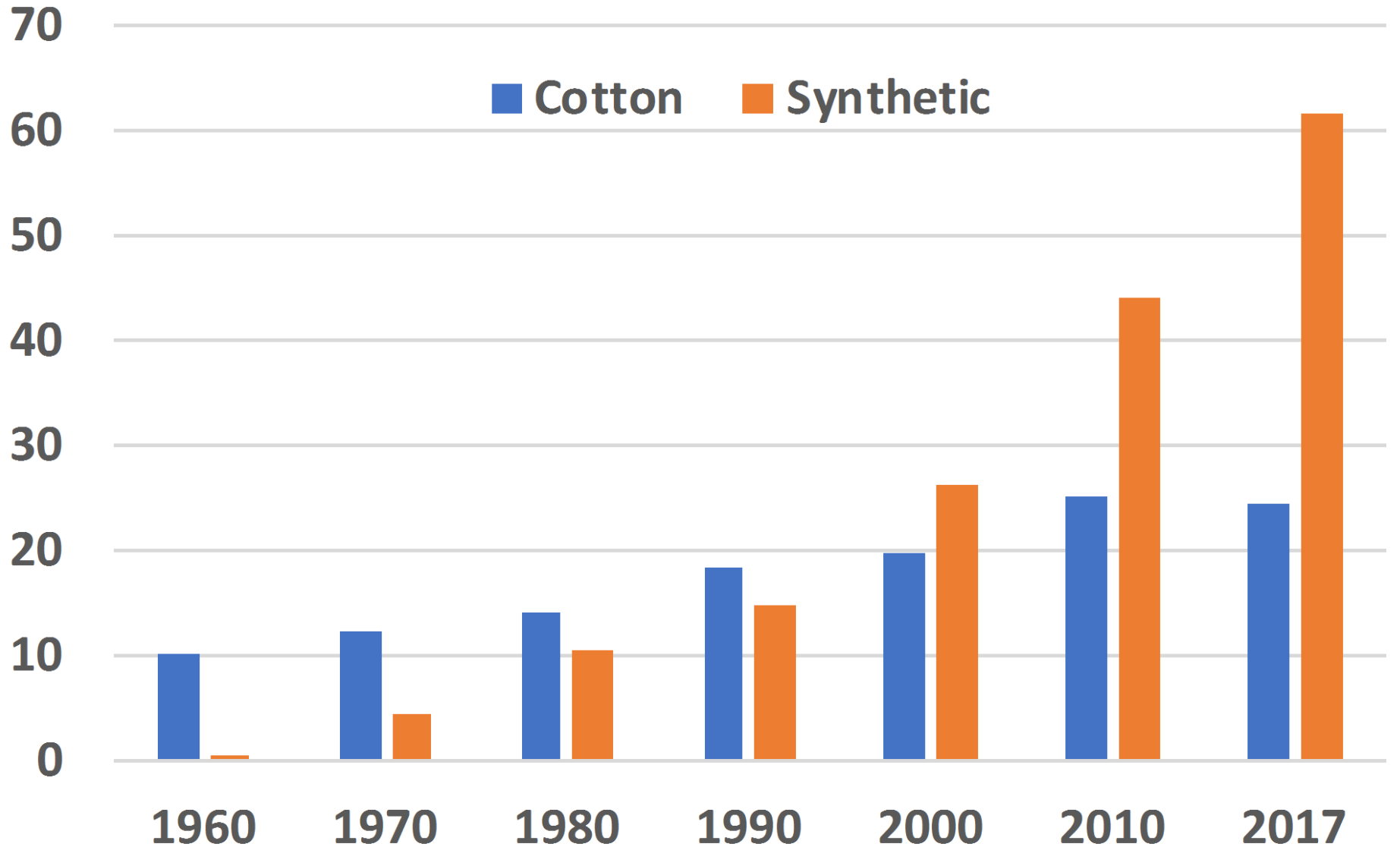
World Cotton Production, Million Tons



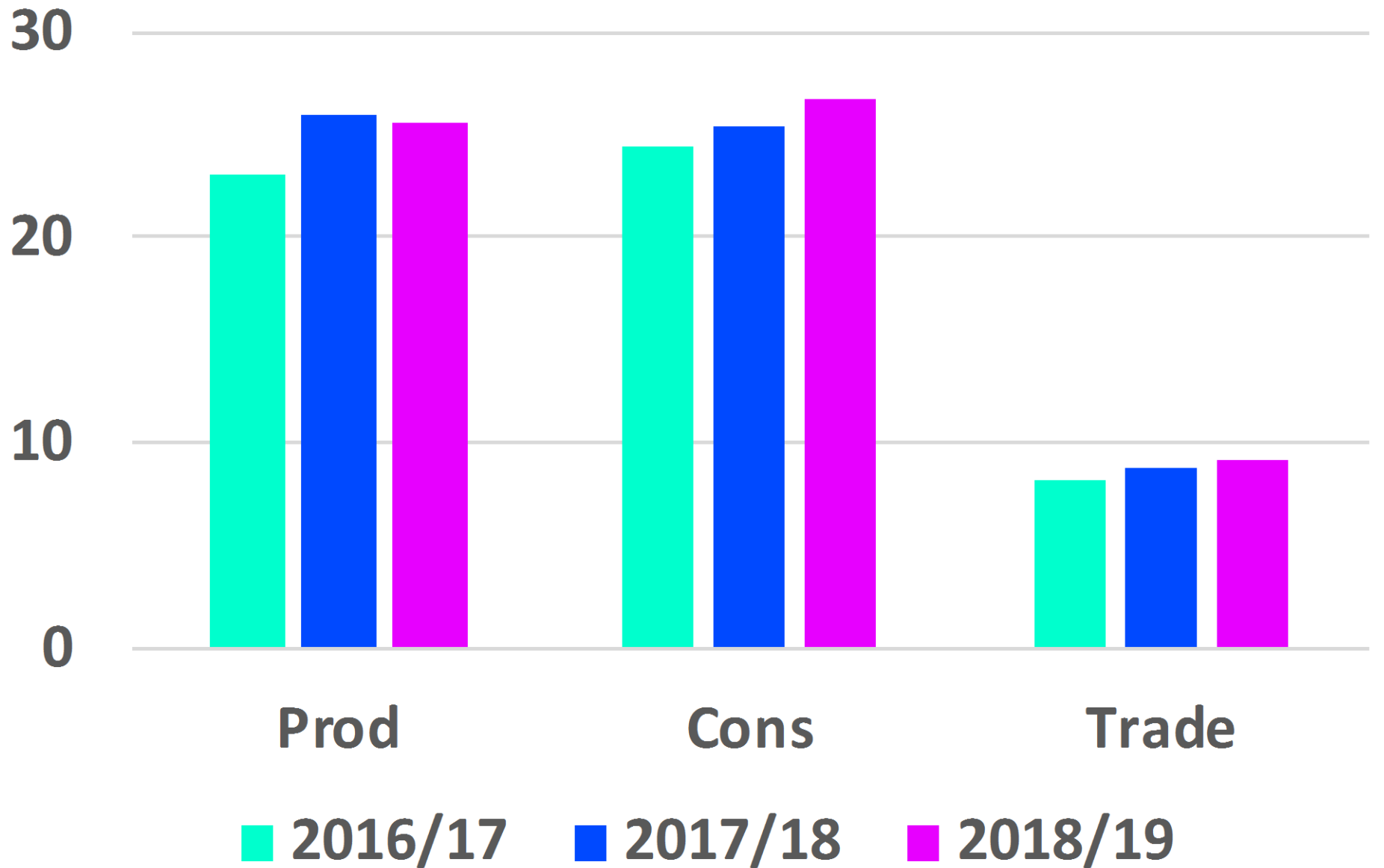
World Cotton Production, Million Tons



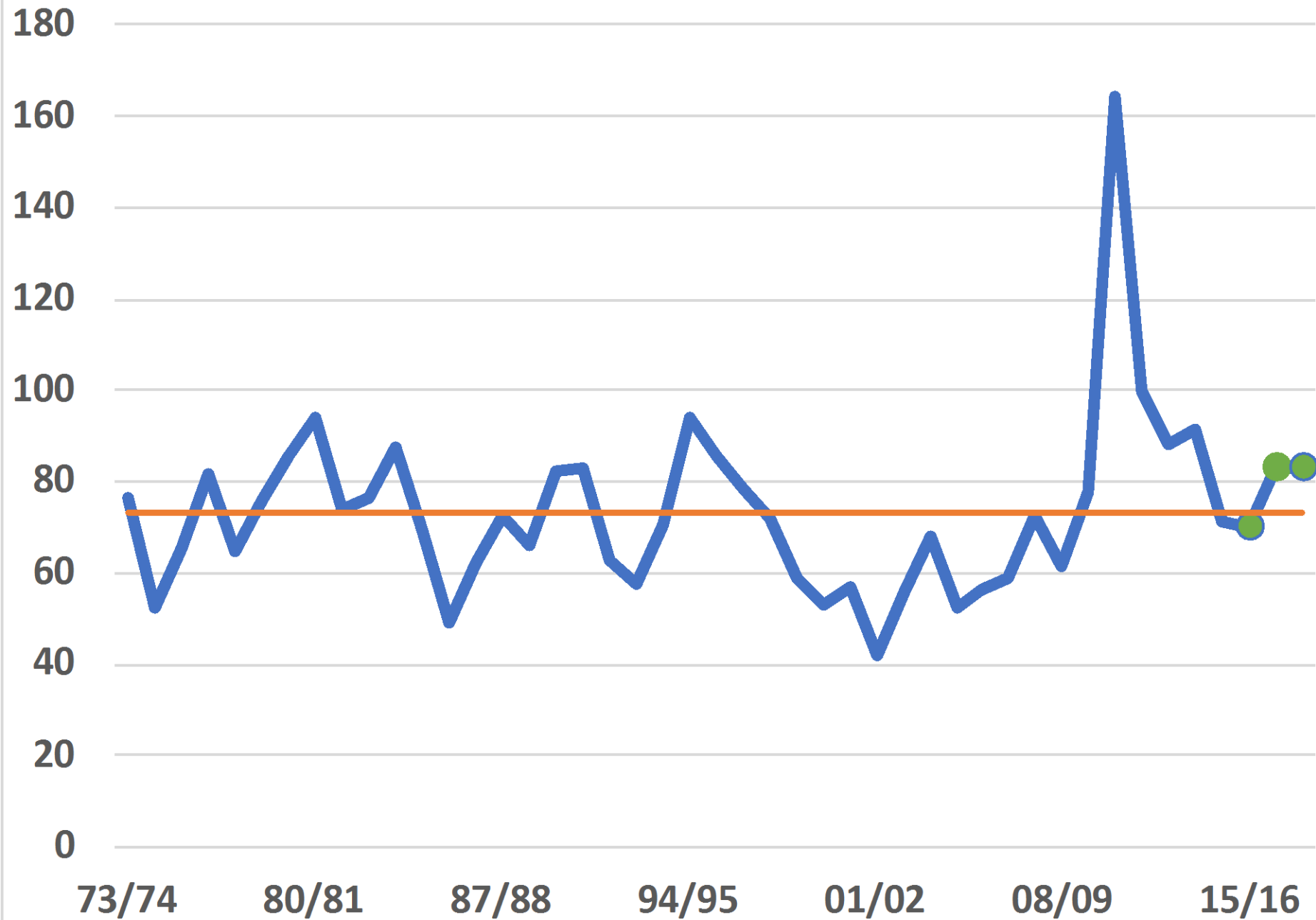
World Fibre Consumption, Million Tons



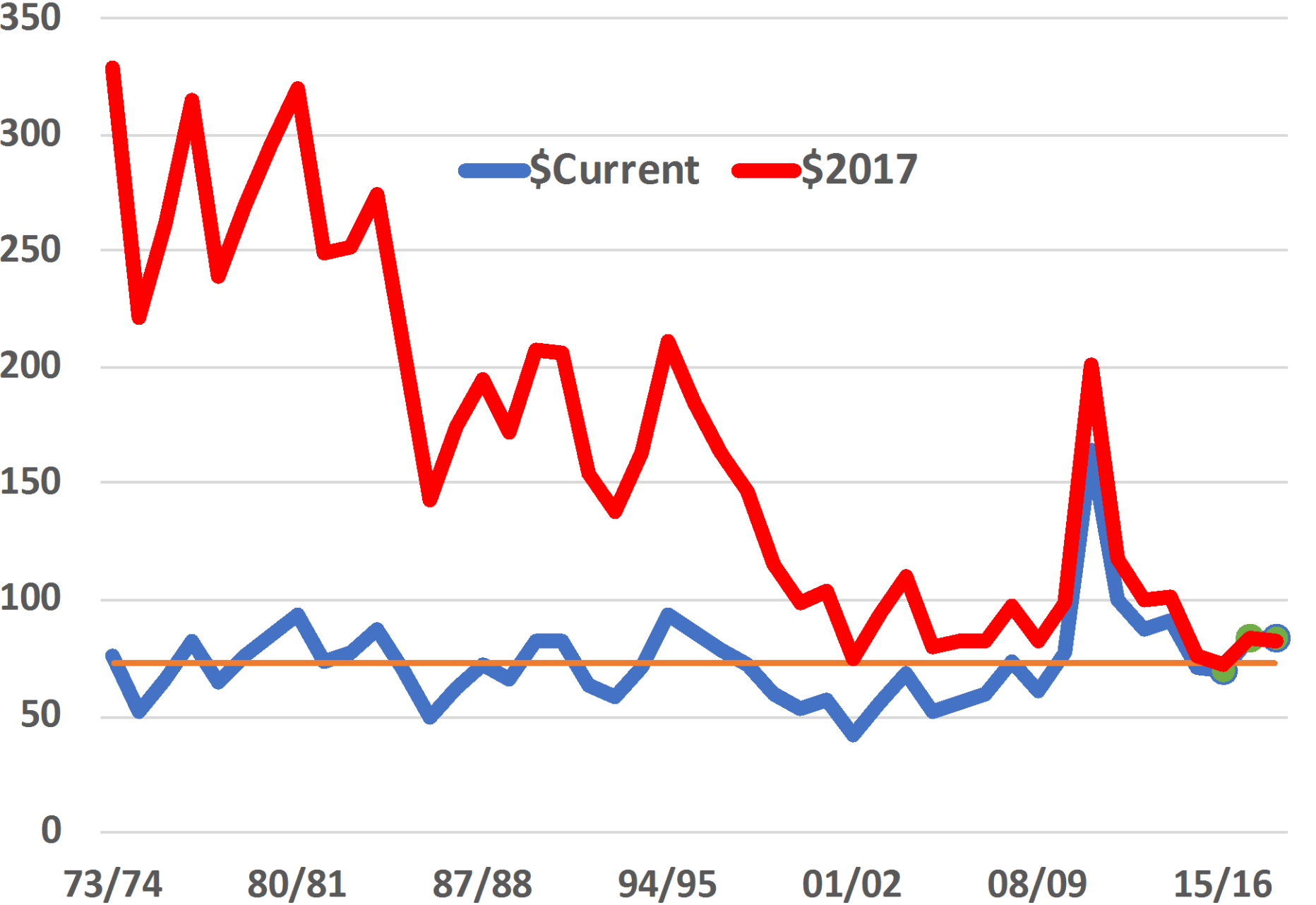
World Cotton, Million Tons



Cotlook A Index, ¢/lb.



Cotlook A Index, ¢/lb.



COTTON PRODUCERS

World: 35-60 million households

SSA: 3-4 million households

World: 150-190 million (2-3%)

SSA: 40-50 million (4-5%)

COTTON REVENUE

Average: \$1,000

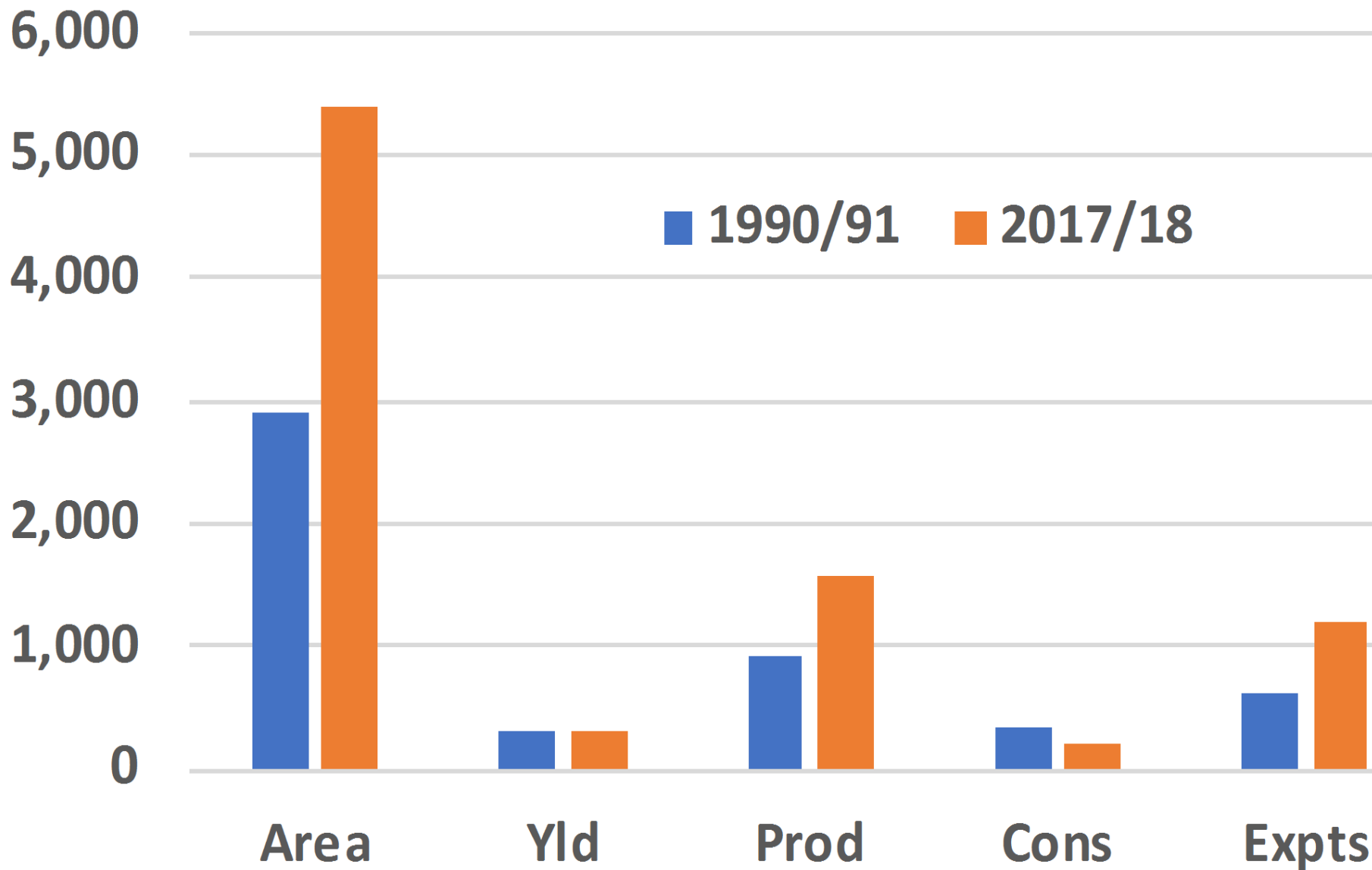
Range: \$400 to \$50 million

Typical small holder:

\$400 to \$1,000 in gross revenue;

\$125 to \$300 net revenue

SSA Cotton, 000 Ha or Tons

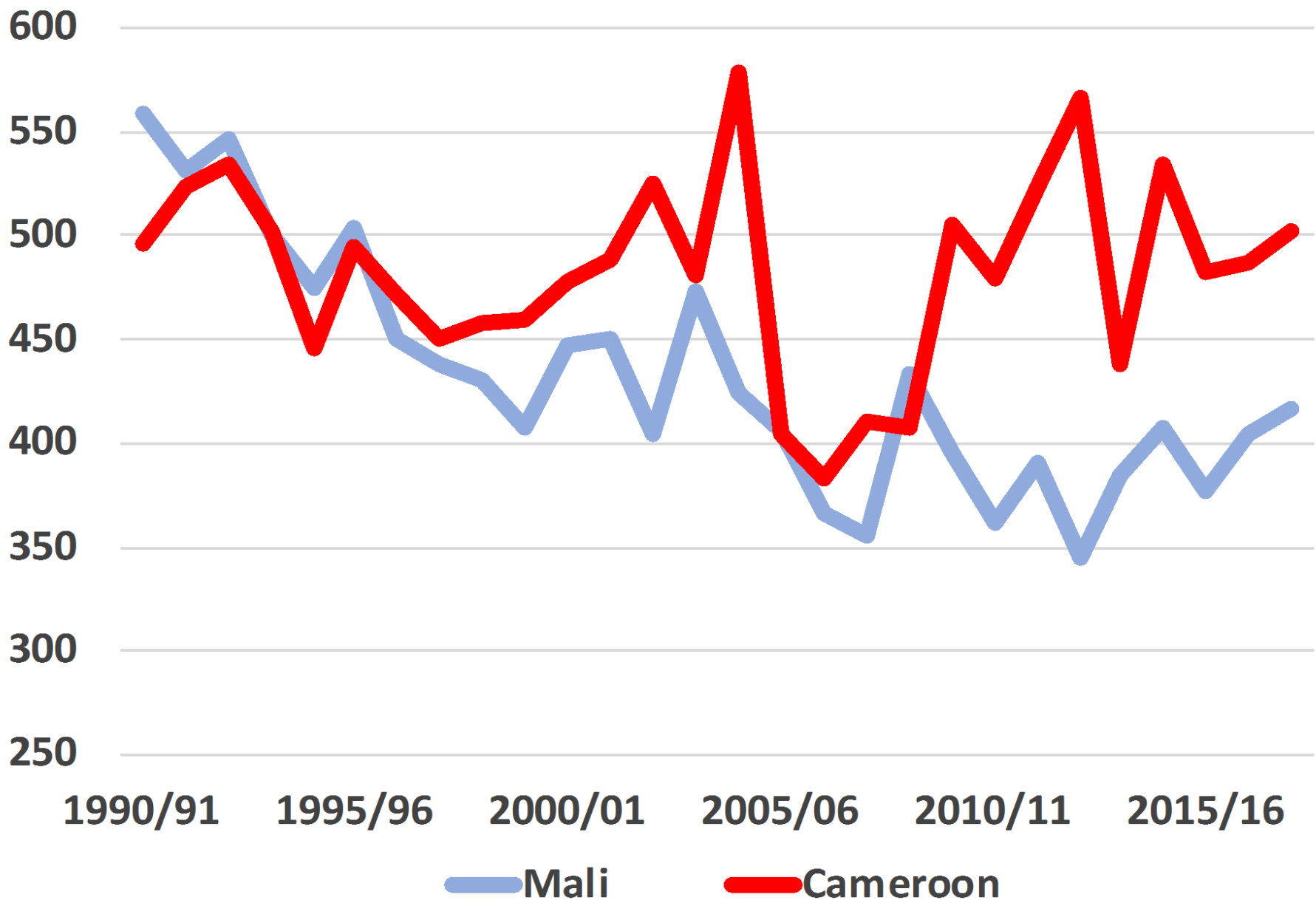


Courtesy of Kofi Nouve, WB (Session 1):

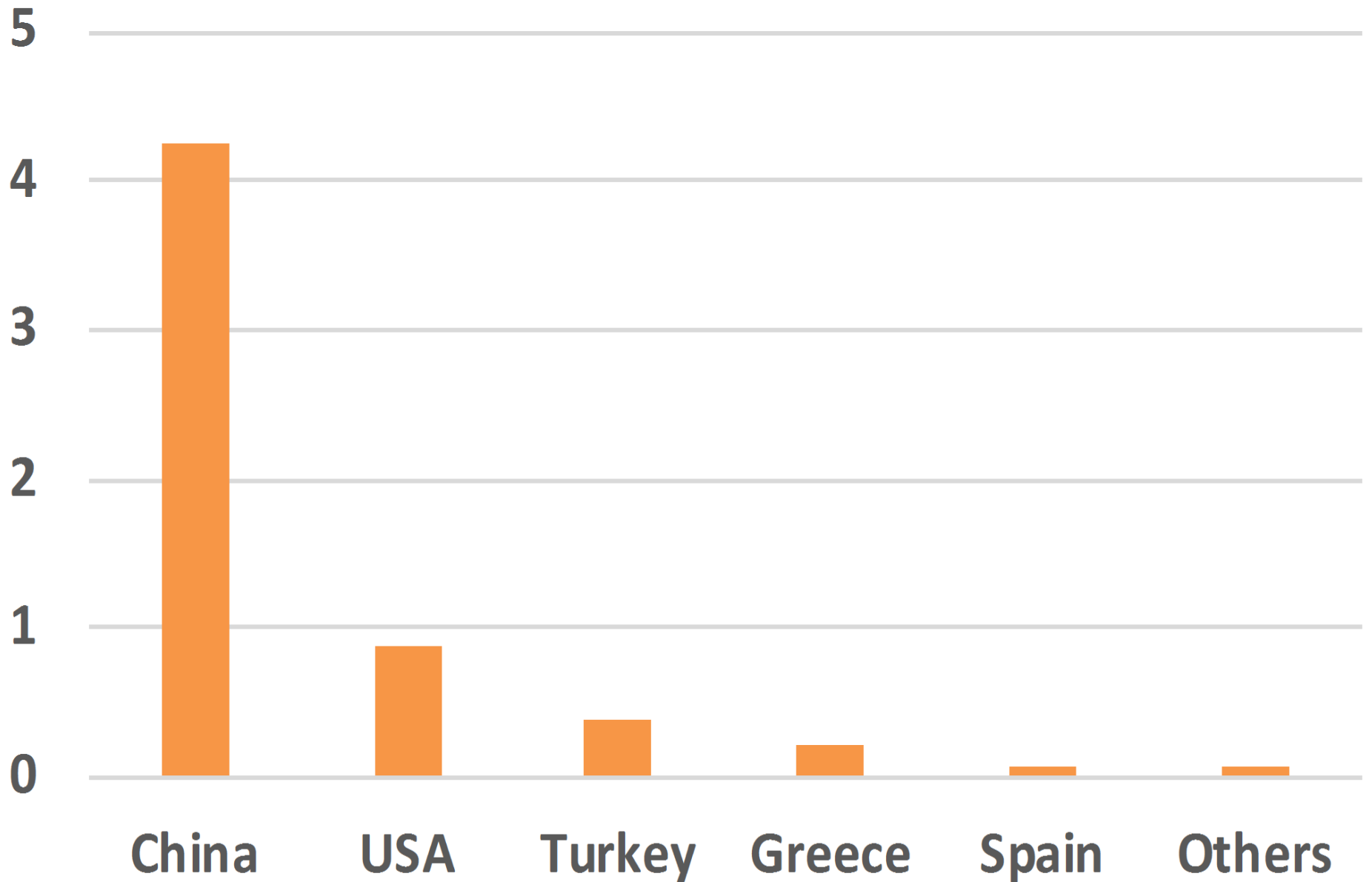
Fertilizer
(DTF max score = 100)



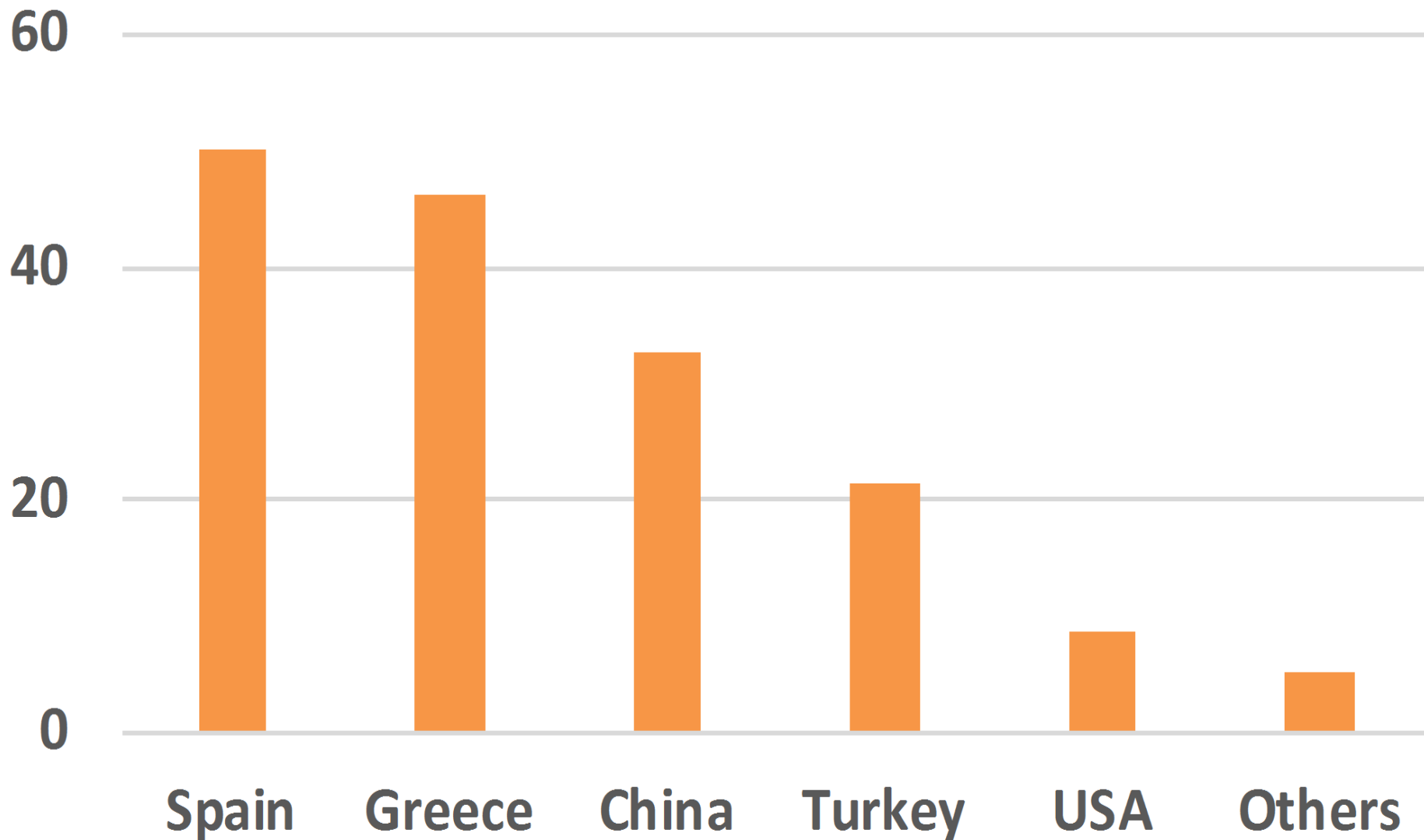
Cotton Yields, Kgs/Ha



Support to the Cotton Sector, US\$ Billions



Support to the Cotton Sector, US Cents/Lb. of Production



Means of Providing Support 2017/18

China:

- **Import Quotas & Tariffs**
- **Buffer Stock**
- **Direct Payments**

Means of Providing Support 2017/18

USA:

- **Revenue Insurance (STAX)**
- **Yield Insurance (Crop Ins.)**
- **Price Floor (Marketing Loan)**
- **Direct Payments (Gin Cost Shr.)**

Means of Providing Support 2017/18

Turkey & EU:

- **Direct Payments**

(Does not include decoupled payments in the EU)

Cotton in the World Economy

Summary:

- **Connects People to Markets**
- **Growing again, after 10 years**
- **Input supply is key to yields**
- **Government measures**

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