

Issues with Cotton Production

What is the issue?

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The requirement of cotton for the textile industry is projected to grow and it needs improvement in agronomic practices.

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What are the benefits?

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- Cotton has been successfully used as a multiple purpose crop as -

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1. Edible oil for human consumption

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2. de-oiled cake as an animal feed

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3. Fabric making fibre.

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- 65 lakh farmers in India cultivate more than one crore hectares of cotton annually, mostly under rainfed conditions.

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- India's share in global cotton production is a whopping 25% and an estimated 6 crore people depend on cotton for their living.

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- Cotton seed industry forms about 20% of the total seed industry in India.

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- The cost of cotton seed is less than 5% of the revenue of the cotton farmer and has remained very affordable.

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How does it influence textile industry?

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- Availability of good quality cotton throughout the year at an internationally competitive price is essential to achieve a sustained growth rate in the textile industry.

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- The Indian textile industry is predominantly cotton based with almost 75 % of the spun yarn in the country being produced from cotton.

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- The cotton seed industry has played a pivotal role here by continuously investing in research, developing new hybrids, developing and introducing Bt cotton technology.

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- This has played a huge role in making required quantity and quality of cotton available to the textile industry.

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- The size of the textile industry grew six times to Rs. 10 lakh crore, exports more than tripled to Rs. 2.5 lakh crore and spun yarn production almost doubled since 2000.

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- India has become largest exporter of cotton yarn in the world with its value chain holding the potential to achieve 12 per cent CAGR as against 6 per cent CAGR achieved so far.

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What are the concerns?

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- The textile industry projects their cotton requirement as between 570 lakh bales and 940 lakh bales by 2028.

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- This requires introduction of next generation traits like Bt3, Bt4, Herbicide Tolerance, Water Use Efficiency, Nitrogen Use Efficiency, High density planting system, mechanical harvesting system etc.,

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- But the flow of new technologies into cotton seed research has been affected by -

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1. stalemate in the regulatory approval process
 2. price control on GM seeds
 3. confusion on the intellectual property situation of traits
 4. hostile environment towards using modern science technology in seed.

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- This has made technology providers completely discouraged with the direction in which the biotechnology policy of the government is progressing.
- Many companies have either scaled down or closed down their technology development centres in India or have deferred their plans.

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What will be its impact?

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- **Effectiveness** - Farmers will have to go back to heavy use of chemical pesticides to control the dreaded bollworms, once the technologies currently used in cotton will lose their effectiveness.
- This will increase the cost of production and makes him uncompetitive.
- **Cost** - Labour scarcity will make farmers unable to manage the weeds in their fields and will not be able to pick cotton, affecting yields and economics.
- The cost of picking cotton has already touched 10% of the revenue of the farmer and will go up further.
- Stagnation in cotton production can jeopardise the commercial prospects, employment generation and export potential of the textile industry.
- It can lead to a huge increase in imports of cotton at increased cost, which could affect both the farmers and consumers of India.
- **Effect on states** - The States which dominate textile manufacturing like

Tamil Nadu, Andhra Pradesh, Maharashtra will see a huge loss of economic opportunity.

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- The States which dominate cotton crop cultivation like Maharashtra, Gujarat, Andhra Pradesh will lose heavily in terms of farmers' welfare and rural prosperity.

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- It could also threaten the prominent position India holds in the global cotton exports.

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- Thus a comprehensive review regarding the policy directions involving the Ministry of Textiles, cotton growing states and the textile manufacturing states is the need of the hour.

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Source: Business Line

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