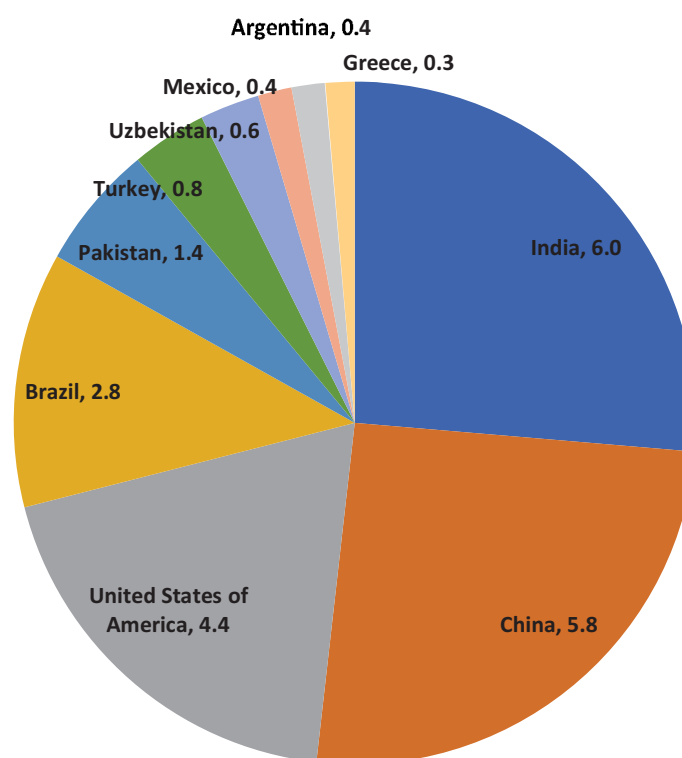




Sushil Kumar*

Approximately 26 million farmers grow cotton in 75 countries which provide livelihood to approximately 100 million families worldwide¹ and it is the source of livelihood to over four million farmers in Africa, of which around one million are located in the Cotton-4 countries². In 2019-20, total worldwide cotton production was 25.92 million metric tons, it is dominated by few countries as Figure 1 shows that in 2019-20, India produced 6 million metric tons (23 per cent) followed by China 5.8 million metric tons (22 per cent), United States of America 4.4 million metric tons (17 per cent) and Brazil 2.8 million metric tons (11 per cent). Total production by these countries has accounted 87.88 per cent of the world total.

Figure 1: Cotton Production by top 10 Countries 2019-20 (million metric tonnes)



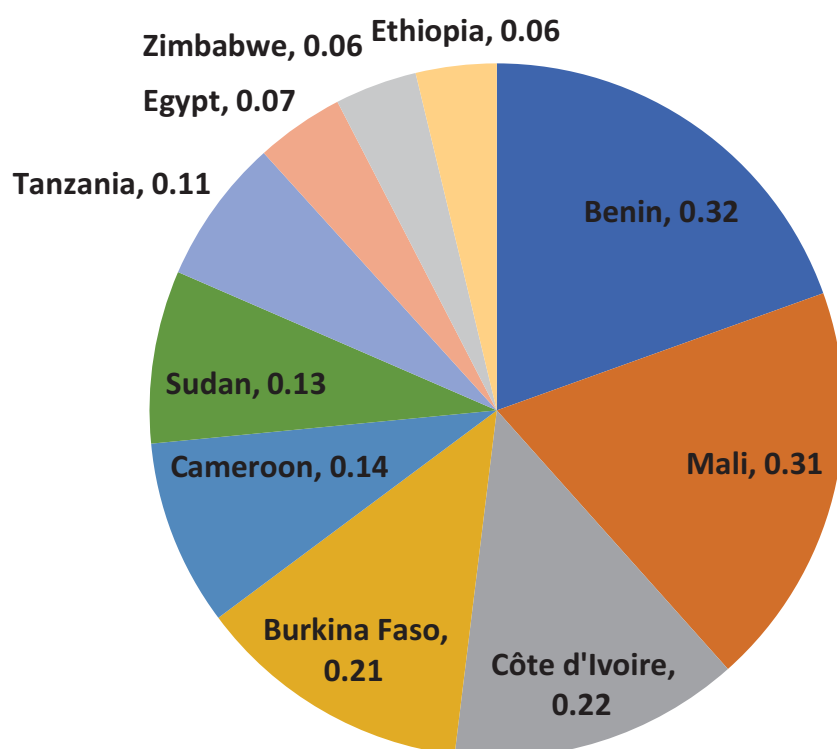
Source: Author's calculation based on ICAC data.

* Assistant Professor, RIS. Views expressed are personal.

Figure 2 shows that in 2019-20, the largest African producers were Benin, Mali, Côte d'Ivoire, Burkina Faso and Cameroon with total production of 1.61 million metric tons, accounting for 84 per cent of total African production. It is

important to note that Africa contributed only 7.4 per cent to world production in 2019-20 with a total volume of 1.92 million metric tons. As ITC³ pointed out that 37 of the 53 African countries produce cotton and 30 are exporters.

Figure 2: Cotton Production by top 10 Countries in Africa 2019-20 (million metric tonnes)



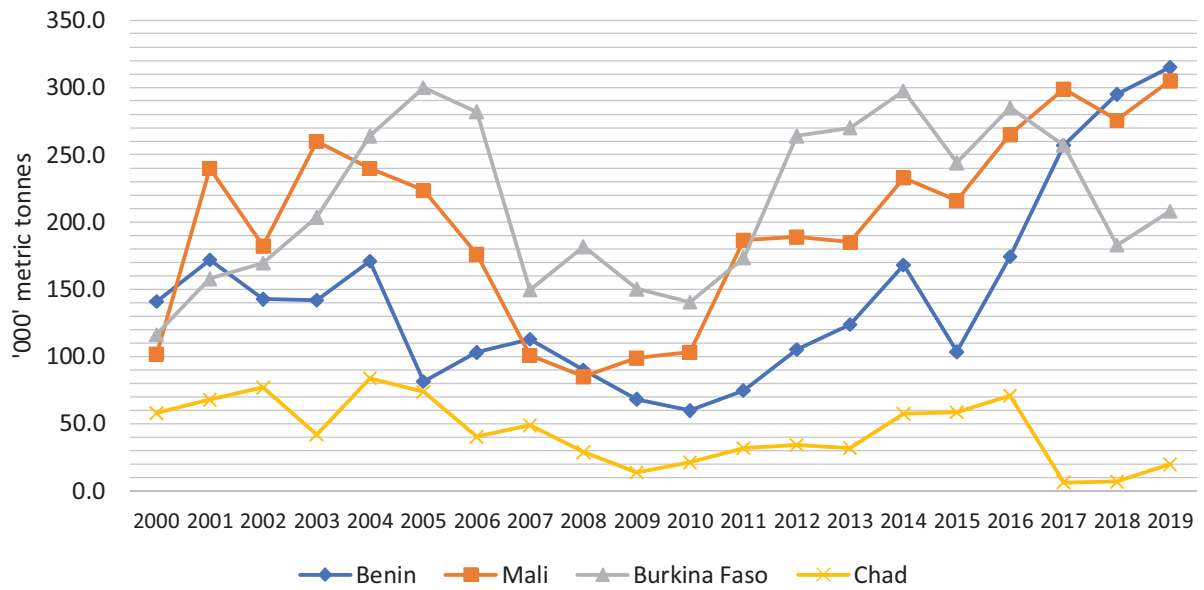
Source: Author's calculation based on ICAC data.

Cotton Production of C4 Countries

The importance of cotton for C4 countries as we can understand is that it represents between 8 to 12 per cent of the gross domestic product (GDP), 40 per cent of the total export revenue and 70 per cent of the agriculture export revenue⁴. It is important to note that 17 years ago C-4 (Benin, Burkina Faso, Chad and Mali) launched their sectoral initiative at

WTO in 2003 and a sub-committee on cotton was created in 2004. C4 countries have also demanded reduction of cotton subsidy in developed countries especially in USA⁵. As Figure 3 shows that Benin, Mali and Burkina Faso's cotton production increased respectively from 141 (thousand metric tons), 101 (thousand metric tons), 116 (thousand metric tons) in 2000 to 315 (thousand metric tons), 305 (thousand metric tons) and 208 (thousand metric ton).

Figure 3: Cotton Production of C4 countries

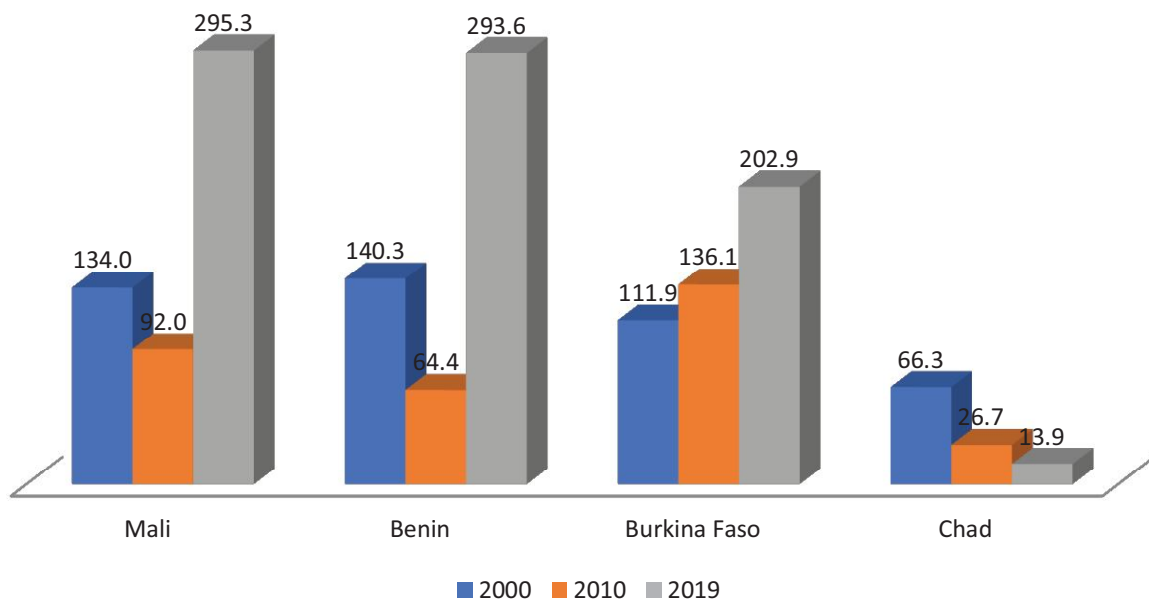


Source: Author’s calculation based on ICAC data.

Africa exported almost 87 per cent of its cotton and was the third largest exporter in the world in 2019-20. Africa exported 1.67 million metric tons (17.79 per cent of world exports) of cotton to the world in 2019-20, which is highest since 2000-01. It is important to note that C-4 countries accounted around half of Africa’s export in 2019-20 which was around 40

per cent in 2000-01. The major African exporting countries in 2019-20 were Mali, Benin, Côte d’Ivoire, Burkina Faso and Cameroon. As Figure 4 shows that combined cotton export of C-4 countries increased from 452.5 thousand metric tons in 2000 to 805.7 thousand metric tons in 2019.

Figure 4: Export of cotton by C4 countries ('000 metric tonnes)



Source: Author’s calculation based on ICAC data

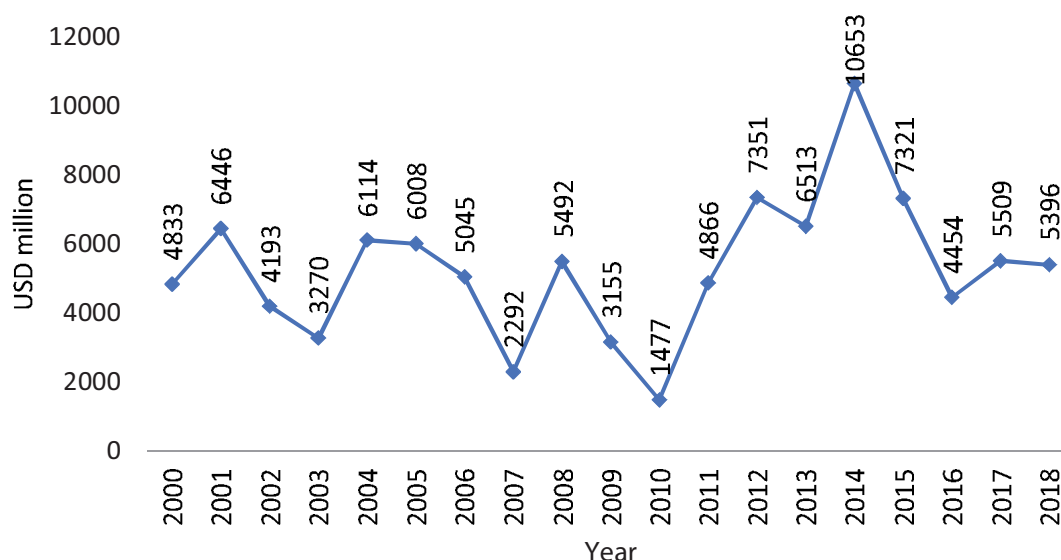
Estimated Assistance Provided by Governments to the Cotton Sector

Subsidies to the cotton sector⁶ have been estimated at USD 5.4 billion in 2018-19

which was USD 10.6 billion in 2014 (see Figure 5).

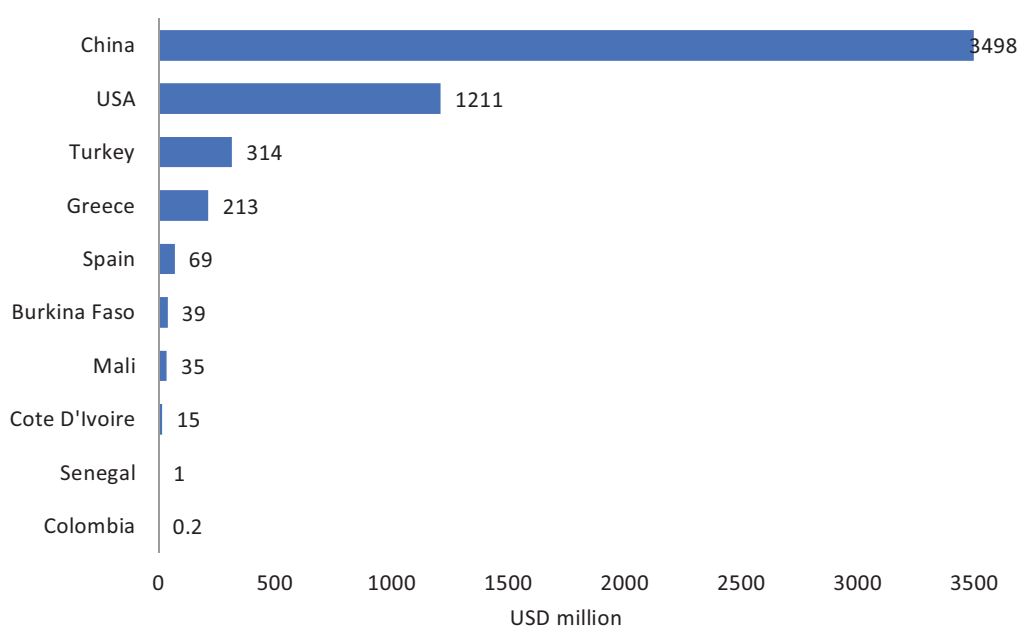
China and USA accounted 87 per cent of total world subsidies to cotton sector in 2018-19 (see Figure 6).

Figure 5: Estimated Assistance Provided by Governments to the Cotton Sector (USD million)



Source: International Cotton Advisory Committee⁷

Figure 6: Estimated Assistance Provided by Governments to the Cotton Sector in 2018-19 (USD million)



Source: International Cotton Advisory Committee