

GROUND-BREAKING SURVIVAL STRATEGY FOR COTTON INDUSTRY

By Mike de Klerk

Faced with the rapid winding down of tariffs on cotton imports from fellow countries in the Southern African Development Community (SADC), the 30-year low in the dollar price of cotton and the high level of subsidies given to many cotton growers abroad, South Africa's cotton farmers are fighting for survival. As a result, cotton production has dwindled to a dismal 70 000 bales in 2003 – the lowest since 1964 and only a fraction of South African textile manufacturers' needs.

Cotton farmers have approached the Director-General of Agriculture, Ms Bongiwe Njobe, for help. Drawing on the recommendations of a report commissioned from the HSRC, she asked the growers to formulate a strategy for the development of the South African cotton industry as a whole, bearing in mind the interests of SADC. Under the Department's wing, a working group representative of all role-players in the industry – input suppliers, farmers (commercial and emerging), ginners, spinners and textile manufacturers – forged a strategy, facilitated by the HSRC.

The strategy aims to preserve and expand employment in the agricultural sector, including 80 000 farm jobs and 200 000 jobs in processing. It not only takes into account the needs of the country's 50 large farmers, but also those of the 250 medium and approximately 3 000 small farmers, of whom about 40% are women. Because small farmers face the greatest difficulties, the national strategy focuses largely on revitalising small-scale production through training, research, technological transfers, land allocation and



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management, investment and education on debt consolidation, and financial management.

The strategy also aims to help develop the SADC cotton industry by continuing the tariff wind-down and promoting its collective lobbying power in international trade forums, thus contributing to the broader goals of the New Partnership for Africa's Development (NEPAD). It recognises that for SADC to improve its competitiveness, internal barriers to the flow of trade, capital and human resources must be eliminated.

Another goal is to boost the size of the South African cotton crop to take advantage of export opportunities offered through the US African Growth and Opportunities Act. The strategy aims to increase farm output to a stable 370 000 bales per annum by 2007 – with 100 000 bales from small farmers – and to expand exports in terms of value, diversity, country of destination and client base. Growers will liaise with textile manufacturers

to meet world-class production standards, increase sales and employment, develop the skills base, expand capital investment, achieve empowerment goals and comply with international environmental standards.

The Department of Agriculture's Executive Committee has endorsed the strategy. At a cotton awards ceremony, Njobe announced the Government's acceptance of the partnership and its commitment towards the implementation of the strategy. A full-time co-ordinator has been appointed to drive implementation and a Cotton Development Council has been formed.

The Department is now considering similar processes to develop inclusive, sustainable growth strategies for other sub-sectors, such as grain, poultry and potatoes.

Recently, the importance of the development of such action plans was emphasised by Agriculture and Land Affairs Minister, Thoko Didiza. She said at the 2003 Agricultural and Information Conference that they "focus on the key outcomes ... and set up a ... basis for collaboration between Government and its agencies and the industry involved". •

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HSRC review

www.hsrc.ac.za **1** VOLUME No. | NOV
04 | 2003



Human Sciences Research Council

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