COST OF PRODUCTION OF RAW COTTON

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TECHNICAL INFORMATION SECTION

OBJECTIVES
1. Provide update on production research
2. Provide information on cotton research programs
3. Develop lines of communications among researchers
4. Supervise production research CFC projects

1. Provide update on production research

THE ICAC RECORDER
Technical Seminar at the Plenary Meetings
Review articles
Occasional reports

2. Provide information on cotton research programs

Current Research Projects - 2003
Cotton Production Practices - 2002
Cost of Production - 2001

3. Facilitate communications among researchers

World Cotton Research Conferences
WCRC-1, WCRC-2, WCRC-3, WCRC-4 (USA in 2007)
Regional Networks
Latin American Association for Cotton Research and Development - ALADA
Mediterranean & Middle East Cotton Network
Southern and Eastern Africa Cotton Forum - SEACF
Asian Cotton Research and Development Network - ACORDN

4. Supervise Common Fund for Commodities Projects

ICAC is a recognized Int. Commodity Body on Cotton
15 projects, over US$17 million grant
COST OF PRODUCTION

COST OF PRODUCTION - METHODOLOGY

• Pre sowing - Rent, presoaking irrigation, etc.
• Sowing - Seed, herbicides, fertilizers, etc.
• Growing - Thinning, weeding, fertilizers, insecti., etc.
• Harvesting - Picking, stick cutting
• Ginning - Transportation, ginning, classing
• Economic - Management, Interest, repairs, etc.
• Fixed - Tractors, power supply, etc.

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<tr>
<th>Operation/Item</th>
<th>Unit</th>
<th>Quantity/ha</th>
<th>Cost/unit</th>
<th>Cost in local currency</th>
<th>Cost in US$</th>
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<td>Pre sowing</td>
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<td>Land rent</td>
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INTERCOUNTRY COMPARISON LIMITATIONS

• Inputs are free or subsidized
• Complete/uniform data not available
• Farmers sell seedcotton vs lint
• Economic and fixed costs not determined
• Opportunity not determined

LAND RENT

US$/Ha

0 125 250 375 500

BJ1 BR1 IN5 PK1 SY TR1 US
LONG TERM CONCLUSIONS

• Inputs use has optimized - slow increases
• Increase in total cost will increase cost/kg
• High cost is more important than low yields
• Rainfed cost/kg is higher than irrigated