



**REPUBLIC OF MOZAMBIQUE
MINISTRY OF AGRICULTURE AND FOOD SECURITY
MOZAMBIQUE INSTITUTE FOR COTTON**

STATEMENT OF MOZAMBIQUE TO THE 77TH ICAC PLENARY MEETING

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Honourable Representatives of the Government of Ivory Coast

Honourable Chair of the Standing Committee of the ICAC,

Distinguished Delegates of the member countries,

Distinguished Observers and Speakers

Ladies and Gentlemen,

All protocol observed

First of all please accept salutations of the Mozambican Delegation that represents the people and Government, especially the cotton stakeholders of the Republic of Mozambique. Mozambique is deeply honoured by this singular opportunity to address the 77th Plenary Meeting of the ICAC, taking place here in Abidjan, Ivory Coast. The Government of Mozambique through the Ministry of Agriculture and Food Security congratulates the Government of Ivory Coast for its courage and promptitude to host this important event.

Historically, cotton farming has been part of the Mozambican culture and will remain an important cash crop for Mozambique's economy. Despite the diversification of the economy and emergence of new and very dynamic commodities in general and somehow with high priced agricultural products, cotton remains the 7th most important export commodity in general and ranks the 3rd amongst traditional export commodities, sharing approximately 20% of the agricultural GDP.

It is also a special crop for rural livelihoods and development, ensuring cash incomes for more than 1.5 million of rural citizens, representing 52 to 83 percent of household's income and creates more than 20.000 job opportunities along the value chain, contributing for poverty relief, generating around US\$35 million

annually. Its importance is also recognized on food security and human health, by reasons well known by this audience.

The cotton sector in Mozambique is organized into a concessionary system whereas the private companies are given exclusive rights to run a cotton concession area. Each company is assigned an exclusive geographical area in which they promote cotton production, supply all inputs on credit and purchase seed cotton by the end of the growing season. The farmers know they need to increase the production and productivity in order to make profit and delivery the output to the respective private company. The government make sure that each player fulfils its duty and promotes transparency, dynamism and sustainability of the cotton value chain.

The Mozambique Institute for Cotton (IAM) is a public institution under the Ministry of Agriculture and food security, which is in charge of policy, regulation and strategy development, leading dialogue and coordination amongst the actors, basically National Cotton Producers Forum (FONPA) and Mozambique Cotton Association (AAM).

Such as most others countries in the world, the cotton industry is influenced by several factors that undermine the sector's growth : national policies, management and technical assistance to farmers, exchange rate, pests, diseases, climate change and mostly the dynamics of the international market. As a consequence, it's noticed frequent variations of the national output, ranging between 25,000 to 35,000 tons of lint, with 38% of ginning out turn, which is far below the peak production of 67,000 tons of lint obtained in recent past growing season 2011/12.

For the growing season 2017/18, Mozambique expects to produce about 30,000 tons of cotton lint. Reasons behind these poor figure are, amongst others, unfavourable weather conditions along the seasons, farming inefficiencies, as well as market inefficiencies of our private sector and the volatilities of price and exchange rate, which affect the minimum price of seed cotton.

Pricing is crucial to strengthen the competitiveness of cotton production in the context of the global cotton market, and thereby to ensure long-term, sustainable and equitable of the Mozambique cotton sector. To mitigate the impact of price volatility on the cotton sector, Mozambique has developed a price setting and smooth mechanism. However, tools to implement these policies still remain a challenge.

Therefore, we take this meeting as an opportunity to learn from experience of other member countries on how to improve these figures and we are committed to be an active member in order to fulfil our duties and obligations within the platform the best way as we can.

Ladies and Gentlemen

The theme “of this year’s event is “cotton challenges: smart and sustainable solutions”, addressing critical topics, such as climate change, rapidly increasing microfiber pollution, innovative new technologies from throughout the value chain, is a timely discussion as the sector is prone to these challenges that need to be addressed, both at global and local levels. This makes us believe that sustainability of the cotton in our countries will depend on the ability of the parties to coordinate and cooperate, rather than in competition.

The above theme calls the parties involved, to work together as to keep cotton alive, vivid and competitive. This is the right time to have farmers implement cotton promotion and competitiveness programs, such as better cotton initiative amongst others, in order to raise their income and sustainability of the operation and minimize the impact of weather risks and other adversities mentioned above.

Within the framework of the Cotton Value Chain Revival Program that Mozambique has been implementing, we take this opportunity to highlight our ambitions for the next 10 years : (i) to achieve a production of 76,000 tons of lint; (ii) to increase actual yield of 230 kg/ha to 1000 kg/ha of lint; (iii) about 50% of total cotton production from commercial farmers; and (iv) increase the actual yield of 550kg/ha to 1200 kg/ha of seed cotton. We are very sure that these figures might be lower by far in comparison to other countries but we have to start from somewhere towards the full exploitation of the cotton value chain

Regarding the competitiveness of the Mozambican cotton, we have started an ambitious process of modernization of the three cotton classification laboratories in terms of infrastructure, equipment and training of the classifiers that are in the final stage to its implementation. In a near future the country will start using instrumental fiber classification in all these laboratories. Furthermore the country has been working on establishing a barcode system in order to track the national fiber. The country has been also trying to mobilize resources to put in place hospital cotton and handcrafted initiatives. From this meeting, we also expect to lure more projects to Mozambique and create more partnerships towards implementation of the projects above.

Distinguished Delegates of the member countries

Mozambique understands the need for sustainability along the cotton value chain, as call for parties to work together as cotton fraternity to produce, obtain and share benefits from cotton production for endless number of generations.

Currently, one of the biggest challenges is availability, in quality and quantity, of cotton seed as a basic technology, but we believe that if we solve this issue we can improve our figures in at least 70%. Efforts to run a seed program has been made but there is a big gap between plan and realization.

So, you are all invited to come to Mozambique and support us the implementation of this program, especially on a commercial basis that will help the country to quickly increase the production and productivity. Currently in Mozambique, the market for cotton seed production and multiplication is very fertile and the demand is very huge. Possible many of businessmen in your countries would be interested to come to Mozambique and invest in such business opportunity.

Finally, we would like to appreciate the efforts of ICAC to keep us together to attend this meeting. It is a great opportunity for us in different perspectives of learning, exchange experience and develop common goals in order to develop the cotton industry.

Thank you very much for your kind attention. We deeply appreciate the support that we been receiving from the organizing committee since our departure from home.