



USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Template Version 2.09

Voluntary Report - Public distribution

Date: 10/2/2007

GAIN Report Number: PK7026

Pakistan

Agricultural Situation

Cotton Update

2007

Approved by:

Margaret E. Thursland
Agricultural Counselor
U.S. Embassy

Prepared by:

Mohammed Shafiq Ur Rehman
Agricultural Specialist

Report Highlights:

It is now estimated that about 40% of Pakistan's MY 2007/2008 cotton crop is planted to illegal Bt cotton varieties. There are no bioengineered crops approved for commercial planting in Pakistan. While the GOP is taking steps to fast track the commercial use of genetically engineered cotton varieties, it will likely take two to three years for new varieties suited to Pakistan's agricultural conditions to be commercially available. Pakistan is expected to remain a net cotton importer this marketing year, with continued strong demand for U.S. upland and pima cotton.

Includes PSD Changes: No
Includes Trade Matrix: No
Annual Report
Islamabad [PK1]
[PK]

Illegal Bt Cotton Comprises Nearly 40% of Crop

It is now estimated that nearly 40 percent of Pakistan's MY 2007/2008 cotton crop is planted to illegal Bt cotton varieties. The GOP maintains an optimistic crop estimate of over 11 million bales with approximately 4 million bales expected from the illegal biotech varieties. Some of the Bt cottonseed was likely obtained from local institutes where new genetically modified cotton varieties are being developed. However, most illegal Bt cottonseed has been smuggled into Pakistan from India, China and Australia.

GOP Taking Steps to Allow Commercialization of GM Cotton

While the GOP is taking steps to fast track the commercial use of genetically engineered cotton varieties, it will likely take two to three years to develop, test and gain environmental release approval of new varieties suited to Pakistan's climate, insect pests and plant diseases. The illegal Bt cottonseed is generally resistant to bollworm but is not effective against mealy bugs and cotton leaf curl virus (CLCV) which pose serious threats to Pakistan's cotton crop.

A Federal Committee has been formed to promote cooperation between international biotechnology companies and Pakistan's research institutes.

Pakistan Expected to Remain a Net Cotton Importer in MY 2007/2008

Pakistan's cotton consumption for MY 2007/08 is forecast at about 12.6 million bales, indicating that it will once again be a net importer of cotton. The domestic textile industry maintains a strong import demand for high grade long staple cotton. Last year, 2.3 million bales of cotton were imported from different origins including the United States, Brazil, India and Uzbekistan. A similar volume of imports is expected for the current marketing year.

Pakistan remains one of the largest buyers of U.S upland and pima cotton. During the first seven months of 2007, Pakistan's imports of U.S. cotton increased nearly 100 percent over 2006 levels.