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Beyond the bale: Can Pakistan's cotton sector be rebuilt from the ground up?

Pakistan's cotton sector has long been the backbone of the country's economy. The textile industry contributes roughly eight percent to national GDP and provides livelihoods for nearly 10 million people. But the crop that once powered Pakistan's economy is now in deep crisis.

In 2004, Pakistan produced more than 14 million bales of cotton. Two decades later, national output has fallen to between 4.8 and 5.6 million bales, depending on the season — a decline of roughly 60 to 70 percent from its peak.

The decline has several interconnected causes. Farmers are increasingly abandoning cotton because of poor yields, volatile prices and competition from crops such as sugarcane and rice. More than 90pc of Pakistan's roughly 1.5 million cotton farmers cultivate less than five hectares, making it difficult to afford modern machinery, improved techniques or absorb losses from a bad season.

The effectiveness of Bt cotton, which dominates Pakistan's cotton cultivation, has also declined, leaving farmers increasingly exposed to pests such as pink bollworm. Heatwaves, erratic rainfall and water shortages have added further pressure, particularly in Sindh.

The crisis is also a crisis of livelihoods. An International Labour Organisation study found widespread labour exploitation across the cotton supply chain, including inadequate wages, insecure employment and limited social protection. Women perform much of the manual work but face barriers to training, resources and decision-making. Child labour also remains common.

Several initiatives are attempting to reverse the decline. The Better Cotton Initiative (BCI), the world's largest cotton sustainability programme, promotes better practices in pesticide use, water efficiency, soil health, biodiversity and decent work.

In Pakistan, the National Rural Support Programme (NRSP), through the Rural Support Programmes Network, has been implementing a BCI project in Dera Ghazi Khan since March 2025. The project has registered 6,000 small cotton farmers, 20pc of them women, cultivating 16,000 acres. Farmers have received training, soil testing, demonstration plots and guidance on climate-resilient seed varieties, bio-pesticides, mulching and laser levelling.

An external audit in early 2026 assessed the registered farmers against BCI standards, resulting in a Permission to Trade certificate that enables their cotton to be traded with approved ginneries. Such certification can help connect farmers with international buyers increasingly demanding traceable and sustainably produced cotton.

However, certification alone cannot solve the sector's deeper problems. The 6,000 farmers covered by the project represent only a fraction of the country's 1.5 million cotton farmers. Farmers still struggle with seed quality, water scarcity, affordable credit, mechanisation and market access.

Finance may be the most critical missing link. Smallholders often depend on informal lenders and cannot afford the inputs, machinery or working capital needed to benefit fully from training and certification. Credit and certification therefore need to move together.

Pakistan's cotton revival will require coordinated action by government, agriculture departments, financial institutions, ginneries, textile manufacturers and development organisations. Affordable

credit, mechanisation, climate-smart technology, stronger seed regulation, better water management and realistic pricing policies must advance together.

The Dera Ghazi Khan project demonstrates that training, farmer field schools and certification can work at pilot scale. The challenge now is to take these lessons to the 1.5 million farmers outside such programmes.

Pakistan's cotton sector is in crisis, but it is not beyond recovery. What it needs is investment and coordination at the scale the crisis demands.

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