

Bt cotton adoption and variety market development: The Chinese case

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In China, Bt-cotton varieties are widely adopted since 1997 to help control attacks of *Helicoverpa armigera*, a major pest on cotton crop. Most studies have related this adoption only to the specific advantages of Bt-cotton, e.g. in terms of reduction in pesticide use. This reason appears not to be sufficient as this specific advantage has been put into question in more recent papers, which also raised the issue of seed prices.

By referring to datasets seldom used in earlier analyses, we argue that Bt-cotton use in China has benefitted a lot from the development of the cotton variety market and it could suffer if this development is not effectively regulated. Since mid-1990s, a favourable legal framework has been set up and it resulted in the development of a competitive variety market. But free-wheel development led to the current stiff competition which is responsible for quality uncertainty and possibly for high seed pricing. The profitability and continued use of Bt-cotton is under threat, as well as the pursuit of the development of the variety market. Actions have been conducted to regulate this market, but their effectiveness is debatable.