



INTERNATIONAL COTTON ADVISORY COMMITTEE

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Report of the Private Sector Advisory Panel Presented to the 65th Plenary Meeting Goiania, Brazil 13 September 2006

John Mitchell, Cargill Cotton Chair

1) The PSAP considered proposals from the executive director to increase involvement in the ICAC and further the success of the ICAC as a forum for communication and cooperation. It was noted that the role of the private sector in the cotton industry is expanding, and that formal participation of the private sector could further expand cooperation within the cotton industry. It was also pointed out that ICAC plenary meetings are often largely financed by the private sector.

Consideration was given to the creation of an associate membership category for the private sector as a means to increase participation in the committee. The executive director observed that some other international commodity bodies have already granted limited membership rights to the private sector.

Members of the PSAP stressed that any new category of membership must not impinge on the essential nature of the ICAC as an intergovernmental organization. There was concern that over time some governments might consider resigning their membership in the ICAC if their private sectors could join. The PSAP requested the executive director to study the risks and benefits further and to gather more information from other international organizations.

2) The PSAP believes that membership of governments in the ICAC is of great importance. It thanked the Standing Committee for its work in encouraging membership, and members of the PSAP noted that in most cases governments maintain their support for the ICAC at the encouragement of the private sector. Therefore, it is necessary that the private sector actively supports the work of the ICAC and encourages non-member governments to consider joining.

3) The PSAP discussed the issue of excess moisture in baled cotton. It was noted that excess moisture is a growing problem from many origins. This problem places an entire countries reputation at risk and on a global level can disadvantage cotton relative to man-made fibers. It was noted that the technology for accurate and fast measurement of bale moisture is limited and that it would be difficult to establish an international standard. The PSAP believes the technical issues are best addressed by the CSITC and the ITMF testing committee. However, members emphasized that excess bale moisture, particularly by adding liquid water after ginning, does not improve fiber quality and suggest that governments should prohibit these destructive systems.

4) The PSAP discussed the work of the International Forum for Cotton Promotion (IFCP). The PSAP strongly believes that the work of the IFCP is necessary and important and that the ICAC should continue to support the IFCP through the business plan. However, it was noted that since the inception of the IFCP, no countries have formed national associations to conduct demand enhancement activities. There was a suggestion that the IFCP not limit its efforts to national, fully developed marketing plans and consider small-scale, regional or low-budget activities that may be implemented at a sub-national scale.

5) Members of the PSAP renewed their view that an appropriate role of the ICAC is to produce objective, science-based research about the economic, social and environmental impacts of cotton production. It was noted that there is an increase in the number of inaccurate, negative statements in the press regarding cotton production, including negative statements from advocates of organic cotton who unfairly distort the effects of conventional cotton production. The PSAP recommends that the IFCP, working through its constituent organizations, be more active in addressing these inaccuracies by disseminating balanced, unbiased information regarding renewable and sustainable cotton production.

6) The PSAP agreed that its mid-year meeting in 2007 might be in an Asian country if a suitable location could be found. The ICAC executive director and PSAP chair will confer to fix a suitable date and location.