

The ICAC's 80th Plenary Meeting



Report of the Executive Director

DRIVING SUSTAINABILITY THROUGH
INNOVATION AND LEADERSHIP

29 November – 1st December 2022



Chair, honourable delegates, colleagues and friends.

Just over one year ago I made a routine visit to my doctor for my annual medical. Yes, I was a little overweight, feeling tired and not sleeping well but apart from that I really felt - okay. Within one hour of me walking through the door I was rushed to my local accident and emergency department by ambulance. The coronary consultant who examined me told me in no uncertain terms that if I had not visited the doctor that day I would have almost certainly have been dead by the end of the year. We then had that difficult conversation where he asked me about my lifestyle; how much alcohol did I drink, did I exercise? My working hours, how much sleep was I getting etc etc.

As he went through the list of questions, I realised that these were some of the many indicators that I should have picked up on to tell me that things were not going as well as I thought.

Externally, I looked and I felt healthy so I never thought to look for any internal warning signs to my health.

One year on, I feel great, as you can see I've lost 30 kg in weight and I now have a completely different outlook towards life.

This is a very good reason why we should have an annual medical. So that we can make comparisons over the year and we can make sure that we are on track for a healthier lifestyle in the future.

So even when everything seems to be going well we should always take stock and look back and evaluate our performance over the year and make adjustments for the forthcoming year. This is exactly why we have a strategic plan.

Everyone who knows me, will tell you that I always work in five year cycles. So now is as good a time as ever to look at my last five years and conduct an organisation health check to see what has gone well and how we can continually improve for the future.

So let me take you back to the beginning when I was appointed executive director in September 2017. It would be fair to say that the ICAC then was an organisation that wasn't well known on the international stage and was basically just standing still.

So, what did we put in place?

Well, the list would be far too long to discuss here so let me give you some of the key points. First of all the most important thing to do before implementing any changes was to put steps in place to change a culture to being one of dynamism and innovation. In short, 2nd to none.

I have spent the last 20 years implementing change into large organisations and changing their cultures so this problem was very easy to spot but not so easy to change. There is always a 'pain barrier' as some staff feel that the way they have always been doing things is the best so it requires leadership and a vision of the future that genuinely excites people and makes them want to be part of the journey. Because that is exactly what it is - a journey.

So let me remind you of what we all agreed that vision should be;



It was to create *Prosperity through a sustainable cotton industry*

And we were going to achieve that by *servicing the cotton and textile community through promotion, knowledge sharing, innovation, partnerships and providing a forum for discussion of cotton issues of international significance.*

I want to read that last sentence of our mission statement again because this has been our focus for the last 3 years:

Servicing the cotton and textile community through promotion, knowledge sharing, innovation, partnerships and providing a forum for discussion of cotton issues of international significance.

Textile value chain

The ICAC has throughout its history always concentrated on just the cotton production value chain but our remit has always been to serve the cotton textile value chain as well. We have just never done it.

This is an incredibly important part of the value chain as it is here that most jobs and wealth are created. The figure we often hear quoted is that for every tonne of cotton produced, 5 people are employed in the value chain.

The majority of those people are employed in the textile value chain. But to get a sense of how big this part of the value chain is let's consider its value compared to cotton production.

The cotton production chain in terms of ginned cotton is worth an estimated \$18 Billion, whereas the textiles sector is worth an incredible \$903 Billion. So cotton is just 2% of the entire textiles sector, so it was absolutely right that last year we recruited Mr Kanwar Usman from Pakistan to become the ICAC's first Head of Textiles, to help drive forward our strategy of developing a sustainable cotton value chain, particularly in Africa. And if you are amazed about the textiles sector being worth \$903 billion the retail value is worth 3-7 times that amount and in some cases, high-end brands can fetch 20 times their value.

Promotion

Everyone in the cotton and textile value chain benefits from increased demand, especially farmers in least developed countries. So, it was important that we developed a way to put the focus on cotton, to not only increase demand for cotton but also to counteract the myths and negative publicity about cotton and also counteract competition from synthetic fibres. To do that we did two things.

1. We created a series of videos called the Truth about Cotton and secondly
2. We came up with the idea of World Cotton Day. What better way to promote cotton than by officially celebrating it on the global stage. And, as you know we launched World Cotton Day in 2019 with our partners, the WTO, UNCTAD, ITC and FAO and last year it was added to the United Nations calendar as a UN officially recognised day, to be celebrated globally on October 7th each year.

But increased demand goes hand in hand with the need for increased production, so it was important that we developed strategies that helped countries to increase their yields and therefore their production thus increasing revenues for farmers.



To do this we launched our 'Four Simple Steps to Sustainable Cotton' programme specifically aimed at developing countries in Africa and Asia in particular where we could realistically guarantee to double yields within 3 – 5 years.

This programme isn't full of new concepts or ideas but is aimed at sharing proven best practices from around the globe with the specific aim of improving soil health and preserving the crop biodiversity. Soil health in particular is an important and critical part of this programme and has the added benefit of combatting the effects of climate change by sequestering more carbon dioxide out of the air and fixing it in the soil. With good soils, the cotton plant can sequester more carbon dioxide than it emits making it a real climate friendly crop.

Knowledge sharing

But it isn't enough to just come up with a programme like "Four Simple Steps to sustainability", we also need to be on the ground training farmers on how to implement the programme and listening and learning from them also. Each country and each area has its own peculiar variations and challenges. We have been implementing this programme in countries like, Uganda, Mozambique, Chad, Zambia, Cameroon and Burkina Faso, training researchers, farmers and extension officers, all made possible by funding from our partners. And here I would like to particularly mention GIZ, ITC and the EU and also highlight the initial results which have been simply amazing with yields increasing by between 20-40% in the areas where the programme has been implemented. This is also a 20-40% increase in revenues for small farm holders who are some of the poorest farmers in the world, and it is a great example of the ICAC really making a difference to people's lives.

In addition, we continue to make more and more information available to organisations and firms without the need for a subscription. Whilst we continue to produce our usual range of publications, some have been revamped and updated to make them more relevant to today's cotton sector and in addition we produced the Cotton Data Book; a massive 500 plus page book with statistics and information on every aspect of cotton production. This book continues to grow year on year and has really become everyone's 'must have' book on cotton and a book which can literally answer any question you may have on cotton production.

But perhaps the most exciting development is the way we now present our data. Our new Data Scientist, Matthew Looney, has created a platform which allows you to interact with data to get insights and intelligence instead of just numbers. So now you can play with the numbers and create different scenarios and use the numbers to create a story. Whilst elements of this data portal will be available to the general public the more powerful application will only be available to ICAC member governments.

Innovation

To back up our training programmes we launched two innovative 'world firsts' for cotton. Our Virtual Reality training and our interactive soil and plant health app called Cotton Expert. You will have heard me talk about them both many, many times before but it is worth highlighting how these technologies are making a huge difference to small farm holders in Africa.

The Virtual Reality training, which consists of two modules allows a farmer to undergo training at any time – 24 hours of the day 365 days of the year. No longer do we have to wait for a demonstration plot to be planted, flower and be harvested in order to show developments over a period of time. Now, we can put a farmer in a field and show that farmer how the crop develops before their eyes. One unexpected and unforeseen advantage is that we can bring the headsets



to the farmer which means that women farmers, who ordinarily may not be able to take time to travel in order to get training because of issues such as childcare, can now literally be trained on their doorstep and thus can also get access to training.

The interactive Soil and Plant health App has grown into the most comprehensive App on cotton we have ever seen. The initial two or three modules we envisaged have now grown into 10 with further ideas in the pipeline. The app is interactive and has already been translated into 26 different languages and dialects with more on the way. This has meant that for the first time knowledge can be accessed by illiterate farmers using the Siri or Alexa type function and they can get real-time answers and solutions to issues affecting their crop using a diagnostic algorithms backed up by AI. In fact, the database of photographs and videos collected by Dr Keshav Kranthi and Dr Uppender is the largest in the world.

One extremely important and exciting module that we have recently added to the cotton expert app is the module on identifying pesticides. This module uses AI learning and allows you to scan the label of a pesticide and immediately identify it. It can identify over 39,000 brand names linked to the 2,395 generic pesticides already entered into the App.

Partnerships and forum for discussion

I've already mentioned our partnerships with key funders such as GIZ and ITC but there are others such as Cotton Incorporated who helped fund the App and CIRAD and CottonConnect who are key partners on some of the projects we have been developing and then there are implementing partners such as African Cotton Foundation and the Cotton Development Trust and Cotton Board of Zambia from Zambia. Our project in Zambia in particular led by Martin Simasiku has achieved amazing results and these results have been instrumental in Zambia returning to ICAC membership.

Without partners we would not be able to do the things we do and working with key partners means that we have access to wider networks and expertise. Working in partnership is always greater than trying to work alone and has been instrumental to the way we do our business.

But one missing piece in this jigsaw has always been the private sector. Yes, we had a private sector advisory panel or PSAP, which consisted of a number of individuals representing the cotton world, but we needed something bigger and greater where we engaged not with 30 individuals but with organisations from the whole cotton value chain from production to merchant to the textile value chain and finally the brands and retailers.

Out of this seed of an idea the Private Sector Advisory Council was formed last year and came into being in November 2022. It held its first meeting in March 2022 and since then it's four permanent committees have held a total of eight meetings to discuss the private sector's response to emerging German and EU legislation which could have serious effects on the cotton supply chain and which will be debated later in this Plenary Meeting.

This is, the singular most important initiative in cotton for many many years. Not only does it create a direct link between governments the private sector which has never existed before but it has, for the first time, brought all the supply chain together to discuss common global issues affecting them and to propose common solutions.

The potential of the PSAC is huge. Already over 60 organisations have joined, which means 60 organisations joining together to promote cotton and all 60 organisations coming together to support our plenary meetings.



This does mean that the nature and structure of the plenary meeting will need to be adapted to accommodate the needs of the private sector.

And here I would like to publicly acknowledge the role of Mr Peter Wakefield for his leadership and help in establishing the PSAC and also Parkhi Vats for her tireless work in supporting me and the various committees. The next stage is to continue to grow the PSAC to reach over 100 organisations next year and to establish its own secretariat headed up by a Global Cotton Coordinator, funded by the Private Sector.

Research

Another major event that occurred this year was the postponed World Cotton Research Conference held in Cairo, Egypt in October and it was great to see the excitement on people's faces as they were able to get together face-to-face for the first time in several years. If anyone needed proof of the value of face-to-face meetings then this was it. 98 speakers from 28 countries presented at the conference. There were 10 plenary speakers and the event was attended by over 230 researchers making it an extremely successful conference and I must acknowledge and thank Dr Mohamed Negm, the chair of the local organising committee, and local organisations such as CATGO as well as the many sponsors who ensured that we were treated to a well organised and thoroughly enjoyable conference. I'm also delighted to announce that the next world Cotton research conference will be held in Uzbekistan in 2024.

Conclusion

So, as we take stock and look back, on the face of it we have been hugely successful. We have created a number of world firsts and we have transformed every aspect of the organisation. We have a dynamic, innovative team that is 2nd to none and without them none of these initiatives would have been possible. We also have many more new ideas, new ways of doing things and world firsts in the pipeline which I shall allude to shortly.

You could say that we are in good health, but there are still some worrying health signs if we wish to continue at this pace and continue to grow in the future. Money is the lifeblood of the organisation and without it the organisation will die. Therefore, it is imperative that we continue to work on adding value to member countries so that they pay their assessment fees on time as well as providing a value proposition that attracts new member countries. Yes, it is true that our focus has primarily been on least developed countries particularly in Africa over the last 3 to 5 years but this policy has proven to be the correct one especially in the wake of unforeseen events such as Covid. Shouldn't our aim always be to help those who need it most and by creating a strong cotton sector with strong demand for sustainable cotton we are not only helping small farm holders in Africa but everyone in the cotton value chain.

Likewise, if money is restricted then this will restrict the ability of the organisation to fulfil its mission, preventing it from growing and leading to other negative effects. What has also become evident is that the organisation needs to urgently look at its governance structures to ensure that it is led by those who can make strategic decisions on the future direction of the organisation are those persons who understand cotton, understand how not for profit businesses work and have a good **strategic** overview of the cotton value chain and the numerous factors that affect it.

As I mentioned earlier, looking forward there are many exciting things either in the pipeline or being planned. What is important is that we keep the momentum going and we continue to grow and we continue to innovate.



Developed countries now also need to see that membership of ICAC brings something of value to them and emphasis needs to be placed not only on retaining member countries but also in recruiting future member countries, especially amongst consuming countries.

We need to look at expanding our project teams not by recruiting more research staff but by using researchers from member countries where we are implementing projects. This has the added advantage of adding value to ICAC membership for that country.

We will be showcasing member countries via our textiles portal and also connecting businesses, both suppliers and buyers, within that portal. We are also proposing an International Textile Research Council which will put a focus on engaging with textile research institutions both public and private and creating a forum to share latest research and for the first time we will be planning our very own textiles plenary meeting.

Talking of Plenary meetings, next years meeting will be back to face to face meetings and it is essential that these meetings have a business plan that makes them self sufficient with minimum financial exposure and risk to the host country. To achieve this we need the support of the Private sector and the Private Sector Advisory Council will play a key role in helping develop these meetings so there is something for everyone, whether it is sessions designed to inform and develop global government policies, learning about the latest cotton or textiles research, providing the forum to network or promoting businesses via a trade event.

What is important to note is that this is an opportunity for the whole cotton and textiles value chain to come together – from governments, producers, ginners, merchants, spinners, weavers, knitters, machinery manufacturers, retailers and brands to name just a few of the core sectors in what is a very long and complex supply chain. What an amazing conference and associated trade event that would be. After decades of working in silos, for the first time we would be working together to address common issues such as sustainability and traceability and for the first time we have an opportunity to learn from each other to build a more resilient supply chain.

Finally, after a couple of years of reduced activity due to Covid our committees are now back up and running and I would like to thank the Chairs and members of those committees for their continued dedication and contributions.

I would also like to thank those ICAC member governments who believed in my vision and supported me in achieving it over the last few years and finally my grateful thanks to the members of my team who believed in me and have worked tirelessly to ensure that we achieved the vision.

Let me end with a quote from Joel A Barker, a famous American businessman

“Vision without action is merely a dream. Actin without vision just passes the time. Vision with action can change the world.”

So let’s continue to change the world and make a positive difference to so many peoples lives.

Thank you