

81ST PLENARY MEETING

MUMBAI, INDIA

2-5 December 2023

Cotton Value Chain:
"Local Innovations for Global Prosperity"



Report of the Chairman of the Standing Committee

COTTON VALUE CHAIN:
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Honourable Delegates and Guests,

It is my pleasure to address you from Mumbai, India, for this 81st Plenary Meeting of the International Cotton Advisory Committee (ICAC). On behalf of the members of the Standing Committee, I would like to express my sincere gratitude to the Government of India for welcoming the cotton community to this magnificent venue. I congratulate India and all members of the Organising Committee for their hard work. The ICAC has a long history dating from 1939 when 10 cotton producing countries came together to discuss the problems in the global cotton economy of that era. The ICAC was formed out of that meeting, and the organisation has been working to foster cooperation to address challenges faced by cotton producing and consuming countries for the past 84 years.

The past year has been very challenging for me and my colleagues in the Standing Committee. However, despite the challenges, I continue to believe in the importance of ICAC's mission. During my travels the past year, I have been ICAC's ambassador to potential and existing Members. I have been especially focused on reaching out to African countries to encourage them to join or re-join the ICAC. I'm pleased to see today the return of Kenya, Cameroon, and Brazil as ICAC Members, and I'd also like to welcome our friends from the Association of African Cotton Producers who are here today to our Plenary Meeting. With the central role of the ICAC and all its work for the cotton industry, I am confident that many more countries will see the value proposition of the ICAC and will join the organisation.

Another important task has been to recruit, select, and elect a new Executive Director. I am pleased to present today, Mr Eric Trachtenberg, the new Executive Director of the ICAC. He has more than 25 years' experience working as on agricultural development, international trade, commodity analysis, and with international organisations such as the Food and Agriculture Organisation. In his last position, he led design and oversight of investments worth more than \$800 million to improve food security and strengthen land productivity at a major development agency. He started his tenure in August 2023 and has been very active in meeting all the Member States. We are looking forward to working with him and the Secretariat to address the many challenges faced by the cotton value chain.

After a long virtual hiatus during the Covid-19 pandemic, our Plenary Meeting is in-person for the first time in four years. At the same time, the ICAC has resumed its full array of programming around the world to support the cotton economy. Most recently, the ICAC Secretariat was on the ground to support World Cotton Day to raise the profile of the world's most widely used natural fibre. The World Cotton Day programme in Vienna included keynote speeches from Mr Gerd Müller, Director-General of United Nations Industrial Development Organization, Ms Ngozi Okonjo-Iweala, Director-General of the World Trade Organization, and a virtual address from Mr. Qu Dongyu, Director-General of the Food and Agriculture Organization. World Cotton Day continues to be a success in highlighting the value of cotton to support sustainability and the livelihoods of millions of people around the world. It also provides an opportunity to tell the truth about cotton and to dispel the myths that unfairly hurt its reputation.

The challenges facing the cotton community have continued to evolve, especially in the aftermath of Covid. One the most pressing issues continues to be climate change, which

gravely threatens both our health and prosperity. While agriculture's use of natural resources to produce food, feed, and fibre places it firmly at the centre of the climate issue, agriculture also could be part of the solution by mitigating negative climate effects through more sustainable practices. These can reduce resource use, cut pollution, and provide new opportunities for carbon sequestration. To advance these priorities, the ICAC will continue its important work in both the Social, Environmental & Economic Performance (SEEP) committee and by moving further into agricultural development work and traceability.

Another challenge is faced by small farmers, who are affected by both climate change and poverty. To strengthen the global cotton economy, we must promote technology to help the most vulnerable people in our industry: smallholder cotton farmers in the least-developed countries. The ICAC continues to roll out our dynamic, voice-based ICAC Cotton Expert app, which is designed specifically for illiterate farmers. The app uses voice commands, images, and animations to help farmers learn global best practices for cotton cultivation. It was recently upgraded with the integration of artificial intelligence, which allows farmers to upload photos of any insect or potentially diseased plant to enable identification and guide interventions. The ICAC has also continued rolling out the Virtual Reality Cotton Training Programme, which creates a three-dimensional sphere around the user to assist trainers in transferring knowledge of best practices more effectively. Beyond these initial steps, the ICAC intends to further pursue work in agricultural development to support vulnerable farmers, especially in Africa and South Asia.

A third challenge faced by the cotton economy is competition from synthetic fibres. In recent years, we have seen market share for cotton in textiles fall below 23%. To address this issue, the ICAC will be stepping up its engagement with the value chain downstream from the farm to include textiles, brands, retail, and promotion to consumers, in collaboration with our Members and other stakeholders. To support this effort, the ICAC plans to release new reports on textiles that will provide an exhaustive overview of the sector, from cotton to finished products. Given the importance of textiles to export-oriented growth in numerous countries, the ICAC will be unveiling some additional new initiatives to support the textiles value chain, such as a Data Portal. Other initiatives focussed downstream from the farm are also in the planning stage. By building new relationships all along the value chain from farm to consumer, the ICAC can help strengthen the global cotton economy.

At the same time, the ICAC continues its work to gather, analyse, and publish data, statistics, and forecasts to inform stakeholders and support markets in the global cotton supply chain. The ICAC continues to refine and update its Data Portal, which offers powerful tools to query, visualise, and understand the data. The goal is to provide greater insights into the global cotton situation for Member governments and other stakeholders. To further strengthen the cotton economy, the ICAC just released the Speciality Cotton Report and will be looking at other major topics of interest to our stakeholders, such as labour.

Finally, to help ensure the organisation stays focussed on the most pressing issues facing the cotton community today, the ICAC continued its work with the Private Sector Advisory Council (PSAC), which has representation from every sector of the cotton and textile supply chain. This year, the PSAC focused on the topic of traceability and examined approaches from the United States, Canada, Mexico, and EU, and some available traceability solutions such as the US

Cotton Trust Protocol and Better Cotton. Based on this work, the PSAC has prepared 'Private Sector Recommendations on Policy Making on Traceability', which will be presented during this Plenary Meeting.

In closing, I would like to express my sincere appreciation and thanks to my colleagues in the ICAC Standing Committee for their active participation in the functioning of the organisation. I would also like to thank the ICAC Secretariat for all their hard work to help advance the global cotton economy. I understand the ICAC has an ambitious agenda for the future – and I look forward to seeing all that we can do for the global cotton economy together.

H.E.M. Aly Touré
Chairman of the Standing Committee
International Cotton Advisory Committee