



PROCEEDINGS

of the 72nd Plenary Meeting



Emergent Challenges Facing the Cotton Value Chain

Cartagena, Colombia
September 2013



Discover
Natural
Fibres
Initiative

INTERNATIONAL COTTON ADVISORY COMMITTEE

PROCEEDINGS OF THE 72nd PLENARY MEETING

**“Emergent Challenges Facing the
Cotton Value Chain”**



ICAC
Washington DC USA

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FOREWORD

On invitation from the Government of Colombia, the 72nd Plenary Meeting of the International Cotton Advisory Committee (ICAC) took place from September 29 to October 4, 2013 in Cartagena de Indias.

The International Cotton Advisory Committee is an association of governments having an interest in the production, export, import and consumption of cotton. It is an organization designed to promote cooperation in the solution of cotton problems, particularly those of international scope and significance.

The functions of the International Cotton Advisory Committee, as defined in the Rules and Regulations, are

- To observe and keep in close touch with developments affecting the world cotton situation.
- To collect and disseminate complete, authentic, and timely statistics on world cotton production, trade, consumption, stocks and prices.
- To suggest, as and when advisable, to the governments represented, any measures the Advisory Committee considers suitable and practicable for the furtherance of international collaboration directed towards developing and maintaining a sound world cotton economy.
- To be the forum of international discussions on matters related to cotton prices.

MEMBER GOVERNMENTS

Argentina
Australia
Belgium
Brazil
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Cameroon
Chad
Colombia
Côte d'Ivoire
Egypt
France
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Statements of the Meeting, which are an integral part of the full record of the meeting, are available at
<https://www.icac.org/mtgs/Plenary/72nd-Plenary/Presentations>

STATEMENT OF THE 72ND PLENARY MEETING

“Emergent Challenges Facing the Cotton Value Chain”

1. The International Cotton Advisory Committee (ICAC) met in Cartagena de Indias, Colombia, during September 29 to October 4, 2013 for its 72nd Plenary Meeting since the establishment of the Committee in 1939. Participation was 395 including representatives from 35 governments and 10 international organizations.

2. Government Policy is Distorting Production, Consumption and Trade: The Secretariat reported that world cotton consumption in 2013/14 is projected to be below production for the fourth consecutive season, and stocks are expected to reach a record level. The Secretariat observed that cotton prices are above their long-term average, supported by the procurement policy of the government of the largest cotton producing and consuming country in the world. This policy maintains domestic cotton prices at approximately 50% above current international prices. Stocks held in the national reserve of this country account for approximately half of world stocks. By artificially supporting prices, this policy is undermining the long-term competitiveness of the cotton industry and creating much uncertainty. When and how these stocks are liquidated is the key unknown factor that will define the fundamentals of the world cotton market over the next several years.

3. Meeting the Challenge of Interfiber Competition: The ICAC's Task Force on Competing Fibers reported that cotton's market share continues to decline and that cotton would face strong competition from alternative fibers for the rest of this decade. The Task Force listed several factors that undermine the competitiveness of cotton and put forward a number of suggestions for government, industry and ICAC action:

- a. Governments should avoid interventions in cotton markets, since the damaging consequences can increase price volatility, endanger contract sanctity, disrupt trade and cause a loss of market share to fibers with more stable prices.
- b. Governments should heighten transparency in cotton policies, and improve systems of providing statistics; uncertainty regarding government policies and inadequate statistics contribute to uncertainty and lead to poor decision-making.
- c. Governments should ensure that industry has access to tools of price risk management.
- d. Governments should introduce and/or enforce fiber content labeling requirements to enable consumers to exercise preferences in favor of cotton.
- e. The cotton industry itself should communicate the positive attributes of cotton for the environment, economy and human health and wellbeing.
- f. The cotton industry and governments should strengthen efforts to improve efficiency by adopting standardized instrument testing, developing a standardized bale identification system, and adopt the FAO model phytosanitary certificate.
- g. The ICAC Secretariat should take a more proactive role in answering public criticisms of the cotton industry.

The plenary session approved the suggestions and requested that the Standing Committee give further consideration to each during the next year.

4. Metrics for Sustainability: The ICAC received a report from its Expert Panel on the Social, Environmental and Economic Performance of Cotton Production (SEEP), “Measuring sustainability in cotton farming systems: Towards a guidance framework.” SEEP provided recommendations about the indicators that should be used to measure sustainability in cotton production. The recommended indicators cover the three pillars of sustainability: social, environmental, and economic. There was a consensus among plenary meeting participants that any framework for measuring sustainability needs to be implemented on a country-by-country basis, and that committees should be formed in each country to create the initial framework of metrics and to ensure that the framework is updated as production practices evolve.

The Plenary Meeting accepted the recommendations, recognizing that discussions of sustainability are ongoing, and the Committee asked the SEEP Panel to complete its report on measuring sustainability for consideration by the ICAC. Representatives of governments and the private sector pledged to consider how best to implement the recommendations of SEEP in their countries.

5. Land Tenure Affects Agricultural Productivity: The ICAC was informed that in many countries more than half of the land used to grow cotton is rented or held in common at the village level, with negative implications for investments in irrigation, soil conservation practices, and other infrastructure. Governments can facilitate investments in land productivity by ensuring that farmers have clear, enforceable titles or leases to land, by encouraging long term leases in place of annual leases, and by ensuring that producers have access to training, financing and inputs to enable them to be productive. Governments are encouraged to ensure that systems of land tenure are developed via an inclusive process of dialogue and consensus with all segments of society.

6. Encouraging Young Entrepreneurs in Cotton: The average age of cotton farmers in many countries is rising. It was noted that young people often see greater economic opportunities in urban professions and that in many countries public services are better in urban than in rural areas. Furthermore, farming is often held in low esteem. Governments discussed how career opportunities in the cotton value chain could be enhanced through access to credit, mentorships, increased education, expanded mechanization, by encouraging the formation of cooperatives, and with policies to provide greater security of land ownership.

7. Increasing the Visibility of Women in the Cotton Industry: Specialists noted that women provide most of the labor in smallholder cotton production, including planting, weeding, spraying, and harvesting. However, women often lack access to inputs, credit, extension services and markets, and that work-life balance issues often place greater stress on women than men in jobs within the value chain. Governments were encouraged to ensure that women have access to credit and inputs, are eligible for land ownership, and are supported with gender-sensitive

technical support. Established cultural expectations that limit the roles of women in agriculture can be changed through public education campaigns. The Secretariat was requested to establish a “Women in Cotton Network” to exchange information and raise awareness of gender issues.

8. Completion of the Doha Round: ICAC members affirmed that the issues discussed in the Doha Round remain important and must be resolved. The Committee continues to support the World Trade Organization (WTO) for its role in promoting openness and facilitating the rule of law in trade matters, for the Dispute Settlement Understanding and for its contributions to economic development, and continues to urge governments to honor their WTO commitments regarding subsidies in sectors that compete with cotton. ICAC Members reiterated that cotton is an integral part of the Doha Development Agenda (DDA) and that there can be no successful conclusion of the DDA without an agreement on cotton. Many members supported the long outstanding request of the C4 for an end to direct subsidies that distort production and trade in cotton.

9. Cotton Identity Programs: The Committee received a report from its Task Force on Cotton Identity Programs, set up to analyze and compare various cotton based initiatives. The Task Force reported that production of cotton under organic, Fairtrade, BCI and Cotton made in Africa amounted to nearly 4% of world cotton production in 2011/12. The Committee expressed an interest in staying informed on developments as regards these and other identity programs. The Secretariat was instructed to work with the Task Force to ensure efficient collection of information about production, marketing and pricing under each program, and to determine the future role of the Task Force. The full report of the Task Force is available on the Secretariat’s web site.

10. Promoting Efficiency in Cotton Trade: The Committee’s Private Sector Advisory Panel (PSAP) informed governments that universal adoption of the model phytosanitary certificate that has been prepared by the Food and Agriculture Organization of the United Nations (FAO), harmonization of Electronic Bills of Lading, and implementation of a common system of bale identification would increase efficiencies in world cotton trade.

11. Multiple Voices: The PSAP noted that the European Union has expressed an interest in joining the ICAC. The PSAP urged governments to take care that the multiple voices from the private sector continue to be heard by members of the ICAC.

12. Trade Disruptions Undermine Profitability: The PSAP reported that contract enforcement underpins profitability and urged governments to avoid trade-distorting measures. Disruptions to cotton marketing exacerbate problems of contract defaults, create unfair competition, and have negative long-term impacts on the cotton value chain worldwide as spinners respond to such disruptions by reducing cotton use in favor of other fibers.

13. The Committee received a report from the Government of Argentina about a program called PROCALGODON. This program is an effort to ensure that the Argentine cotton industry is implementing recommendations from the ICAC and the Private Sector Advisory Panel. The program works to improve transparency and bale traceability, improve cotton quality and eliminate contamination, improve farmer incomes through optimal input use, and implement standardized instrument testing of cotton.

14. New Executive Director: Member Governments expressed their appreciation to the outgoing executive director, Terry Townsend, for his work during 25 years with the Committee, including 15 as executive director. They wished him well in his new endeavors beginning January 1, 2014. Governments gave a warm welcome to Mr. José Sette as the incoming executive director. Mr. Sette was chosen based on merit by a task force composed of representatives from 21 member countries of the ICAC. Mr. Sette will be the sixth executive director since the Secretariat was formed in 1947.

REPORT OF THE COMMITTEE ON COTTON PRODUCTION RESEARCH

1. **Overcoming the Period of No-Growth in Yields:** Scientists reported that by the end of the 21st century, global climate change is projected to increase temperatures, change rainfall patterns and increase the incidence of drought. This will alter production management practices and the geographical regions suitable for cotton production. Higher CO₂ levels will enhance photosynthesis in cotton. Research programs will have to be reoriented to develop cultivars with increased thermo- and drought- tolerance. Scientists noted that cotton's genetic base is narrowing, but they note that genomic studies, molecular marker assisted breeding and other biotechnological approaches provide feasible options to handle biotic and abiotic stresses.

2. **Planting Seed Nomenclature:** Researchers reported that the nomenclature used to describe planting seed quality standards differ from country-to-country. There are four categories of planting seed, but each category is named differently in different countries. The Committee approved a recommendation from the Committee on Cotton Production Research of the ICAC that the following nomenclature should be used in referring to planting seed for cotton. The recommendations are restricted to nomenclature only; individual countries determine purity, germination and certification standards according to domestic conditions.

- a. **Breeder Seed** - This will be the seed produced or supplied by breeders for multiplication purposes only. Seed may be multiplied in the public or private sectors, but under the supervision of a breeder. Breeder supervision will constitute certification, if required.
- b. **Foundation Seed** - This is the seed produced from the crop of Breeder Seed. Foundation seed will be used to multiply on a large scale to supply growers with seed for the next generation. Certification will be mandatory, either by a neutral agency or by self-certification.
- c. **Certified Seed** - This is the seed produced from Foundation Seed that will be supplied to growers. Certified seed purity should be close to 99%.
- d. **Registered Seed** - This is the seed produced from Certified Seed by a farmer under his/her own supervision for self-planting or to supply to other farmers for planting. It should carry the label 'not certified' and purity should be no less than 98% if used for planting.

In addition to the four categories of planting seed, the term Commercial Seed should refer to cottonseed destined for oil production or livestock feed. This category is not recommended for planting.

3. The Secretariat reported that the International Cotton Researchers Association (ICRA) has been incorporated, an Executive Committee has been constituted, bylaws have been formed and a web page has been developed. The ICRA has applied for tax exempt status with the US Government. ICRA is functional and currently focused on web improvement and developing a strategic work plan. The mission of ICRA is to strengthen facilitation among cotton researchers and serve as an international voice on cotton research.

4. The Round Table for Biotechnology in Cotton in its final report, observed that technology fees associated with biotechnology and the need for biosafety protocols are hindering the spread of biotechnology. The existence of specific constraints to cotton production, including the Cotton Leaf Curl virus in Pakistan and the boll weevil in South America, limit the economic value of varieties with biotech traits in regions where such diseases or pests are dominant. Development of resistance by insects to Bt toxins and weeds to the herbicide glyphosate is of concern to all biotech cotton producing countries. Round Table members urged technology developers to ensure that all regulatory approval processes are completed in a timely manner in consuming markets.

5. The Committee on Cotton Production Research voted to hold the 2014 Technical Seminar on the topic of, "Enhancing the Mechanism of Input Interaction in Cotton Production." The Committee also discussed the possibility of holding a breakout session on the topic of, "International Exchange of Cotton Germplasm."

6. **Appreciation for the Hospitality of Colombia:** The Committee thanked the people and Government of Colombia for their hospitality in serving as host of the 72nd Plenary Meeting. Delegates commented on the warmth of friendship and quality of the venue provided for the plenary meeting.

7. **Future Plenary Meetings:** The Committee has accepted an invitation from the Government of Greece to host the 73rd Plenary Meeting in Thessaloniki, from 2 to 7 November 2014.

8. MEMBER GOVERNMENTS

Argentina, Australia, Belgium, Brazil, Burkina Faso, Cameroon, Chad, China (Taiwan), Colombia, Cote d'Ivoire, Egypt, France, Germany, Greece, India, Iran, Italy, Kazakhstan, Kenya, Korea, Mali, Mozambique, Nigeria, Pakistan, Paraguay, Peru, Poland, Russia, South Africa, Spain, Sudan, Switzerland, Tanzania, Togo, Turkey, Uganda, United States, Uzbekistan, Zambia, Zimbabwe.

**ICAC****SUPPLY AND DISTRIBUTION OF COTTON****October 2, 2013**

Seasons begin on August 1

	2008/09	2009/10	2010/11	2011/12	2012/13 Est.	2013/14 Proj.
	Million Metric Tons					
BEGINNING STOCKS						
WORLD TOTAL	12.257	11.942	8.676	10.081	15.204	18.38
CHINA	3.321	3.585	2.688	2.087	6.181	9.61
USA	2.188	1.380	0.642	0.566	0.729	0.85
PRODUCTION						
WORLD TOTAL	23.503	22.247	25.869	28.041	26.875	25.54
CHINA	8.025	6.925	6.400	7.400	7.300	6.70
INDIA	4.930	5.185	5.865	6.354	6.095	6.37
USA	2.790	2.654	3.942	3.391	3.770	2.81
PAKISTAN	1.926	2.070	2.408	2.311	2.204	2.03
BRAZIL	1.214	1.194	1.960	1.877	1.275	1.50
UZBEKISTAN	1.000	0.850	0.910	0.880	1.000	1.00
OTHERS	3.617	3.369	4.385	5.827	5.232	5.13
CONSUMPTION						
WORLD TOTAL	23.862	25.520	24.502	22.796	23.482	23.51
CHINA	9.265	10.192	9.580	8.635	8.290	8.04
INDIA	3.872	4.300	4.509	4.340	4.930	5.02
PAKISTAN	2.519	2.393	2.100	2.217	2.416	2.46
EAST ASIA & AUSTRALIA	1.714	1.892	1.796	1.646	1.858	1.92
EUROPE & TURKEY	1.458	1.600	1.549	1.495	1.533	1.58
BRAZIL	1.000	1.024	0.958	0.888	0.887	0.85
USA	0.771	0.773	0.849	0.718	0.751	0.76
CIS	0.596	0.604	0.577	0.550	0.576	0.60
OTHERS	2.666	2.743	2.583	2.306	2.241	2.28
EXPORTS						
WORLD TOTAL	6.609	7.798	7.636	9.894	10.098	8.50
USA	2.887	2.621	3.130	2.526	2.902	2.26
INDIA	0.515	1.420	1.085	2.159	1.734	1.33
BRAZIL	0.596	0.433	0.435	1.043	0.938	0.86
AUSTRALIA	0.261	0.460	0.545	1.010	1.345	1.00
CFA ZONE	0.469	0.560	0.476	0.597	0.790	0.91
UZBEKISTAN	0.650	0.820	0.600	0.550	0.653	0.57
IMPORTS						
WORLD TOTAL	6.647	7.928	7.725	9.760	9.884	8.50
CHINA	1.523	2.374	2.609	5.342	4.426	3.18
EAST ASIA & AUSTRALIA	1.714	1.989	1.825	1.998	2.191	2.26
EUROPE & TURKEY	0.862	1.170	0.972	0.724	1.000	0.74
PAKISTAN	0.417	0.342	0.314	0.173	0.430	0.46
CIS	0.231	0.209	0.132	0.098	0.208	0.08
TRADE IMBALANCE 1/ STOCKS ADJUSTMENT 2/	0.038	0.130	0.089	-0.135	-0.214	0.00
	0.007	-0.122	-0.051	0.013	0.000	0.00
ENDING STOCKS						
WORLD TOTAL	11.942	8.676	10.081	15.204	18.383	20.41
CHINA	3.585	2.688	2.087	6.181	9.607	11.44
USA	1.380	0.642	0.566	0.729	0.848	0.63
ENDING STOCKS/MILL USE (%)						
WORLD-LESS-CHINA 3/	57	39	54	64	58	58
CHINA 4/	39	26	22	72	116	142
COTLOOK A INDEX 5/	61.20	77.54	164.26	100.01	88	

1/ The inclusion of linters and waste, changes in weight during transit, differences in reporting periods and measurement error account for differences between world imports and exports.

2/ Difference between calculated stocks and actual; amounts for forward seasons are anticipated.

3/ World-less-China's ending stocks divided by world-less-China's mill use, multiplied by 100.

4/ China's ending stocks divided by China's mill use, multiplied by 100.

5/ U.S. cents per pound.

«Возникающие вызовы, стоящие перед хлопковой промышленностью»

4 октября 2013 г.

11.00

1. В период 29 сентября - 4 октября 2013 г. в г.Картагена де Индиас, Колумбия, состоялось 72-е пленарное заседание учреждённого в 1939 г. Международного консультативного комитета по хлопку (МККХ). В заседании приняли участие 395 человек, в том числе представители 35 правительств и 10 международных организаций.
2. **Правительственная политика искажает производство, потребление и торговлю.** Секретариат сообщил, что в 2013-14 г., мировое хлопкопотребление может остаться ниже производства уже 4-й сезон подряд, а запасы могут достичь рекордного уровня. Секретариат отметил, что цены на хлопок находятся на уровне выше своего долгосрочного среднего значения, что поддерживается политикой закупок со стороны правительства крупнейшей в мире стране-производителе и потребителе хлопка. Такая политика сохраняет внутренние цены на хлопок примерно на 50% выше нынешних международных цен. На запасы, хранящиеся в государственном резерве этой страны, приходится примерно половина мировых запасов. Путём искусственной поддержки цен эта политика подрывает долгосрочную конкурентоспособность хлопковой промышленности и создаёт значительную неуверенность. Когда и как такие запасы будут ликвидированы и есть ключевой неизвестный фактор, который будет определять основы мирового хлопкового рынка в течение последующих нескольких лет.
3. **Преодоление вызовов межволоконной конкуренции.** Созданная МККХ Рабочая группа по конкурирующим волокнам сообщила, что доля хлопкового рынка продолжает уменьшаться и что до конца этого десятилетия хлопок будет сталкиваться с сильной конкуренцией со стороны альтернативных волокон. Рабочая группа определила несколько факторов, подрывающих конкурентоспособность хлопка, и наметила ряд предложений для работы правительств, хлопковой отрасли и МККХ.
 - а. Правительства должны избегать вмешательства в хлопковые рынки, так как разрушительные последствия могут увеличить колебания цен, угрожать исполнению контрактов, нарушать торговлю и приводить к потере рыночной доли в пользу волокон с более стабильными ценами.
 - б. Правительствам следует повысить прозрачность политических тенденций в отношении хлопка и улучшить системы предоставления статистической информа-

ции; неуверенность относительно правительственной политики и неадекватные статистические данные приводят к неопределённости и способствуют принятию неверных решений.

в. Правительства должны обеспечить возможность доступа хлопкового сектора к механизмам управления ценовым риском.

г. Правительства должны разработать и/или применять требования маркировки содержания волокна в текстиле с тем, чтобы потребители почувствовали предпочтение в пользу хлопка.

д. Сама хлопковая индустрия должна сообщать положительные черты хлопка по отношению к окружающей среде, экономике, здоровью людей и их благосостоянию.

е. Хлопковая отрасль и правительства должны усилить меры по повышению эффективности путём принятия процедуры стандартного механического испытания, разработки стандартной системы идентификации кип, а также принять модель фитосанитарного сертификата, созданную в рамках ФАО.

ж. Секретариату МККХ нужно играть более активную роль при реакции на общественную критику хлопковой промышленности.

Пленарное заседание утвердило эти предложения и поручило Постоянному Комитету в дальнейшем рассматривать каждую из них в течение следующего года.

- 4. Использование метрической системы мер для достижения устойчивости.** МККХ заслушал доклад Экспертной группы по социальным, экологическим и экономическим характеристикам хлопкопроизводства (СЭЭХ) под названием «Измерение устойчивости систем выращивания хлопка: на пути к управленческой схеме». СЭЭХ представила рекомендации относительно показателей, которые следует использовать при измерении устойчивости хлопкопроизводства. Эти рекомендуемые показатели охватывают три столпа устойчивости: социальный, экологический и экономический. Участники пленарного заседания пришли к единому мнению о том, что любую структуру измерения устойчивости нужно внедрять в разных странах по-разному, причём в каждой стране должны быть сформированы комитеты для создания первоначальной структуры метрической системы мер, а также обеспечения обновления этой структуры по мере разработки производственных методов.

Пленарное заседание приняло указанные рекомендации с учётом того, что дискуссии относительно устойчивости продолжаются, причём Комитет попросил группу СЭЭХ закончить свой доклад относительно измерения устойчивости, который будет рассмотрен МККХ. Представители правительств и частного сектора обещали рассмотреть методы наиболее эффективного внедрения рекомендаций СЭЭХ в своих странах.

5. **Землевладение влияет на производительность сельского хозяйства.** МККХ сообщили, что во многих странах более половины земельных угодий, используемых для выращивания хлопка, арендуются или находятся в совместном пользовании на сельском уровне с отрицательными предпосылками для инвестиций в орошение, сохранность грунта и другую инфраструктуру. Правительства могут содействовать инвестициям в производительность земельных угодий путём обеспечения наличия у фермеров ясных и подлежащих исполнению прав на землю или договоров об её аренде путём содействия заключению долгосрочных договоров об аренде вместо годовых договоров и обеспечения возможностей для производителей получить доступ к обучению, финансированию и производственным ресурсам для поддержания их производительности. Правительства просят удостовериться в том, что системы землевладения разрабатываются с помощью комплексного процесса диалога и достижения консенсуса со всеми сегментами общества.
6. **Содействие работе молодых предпринимателей в хлопковом секторе.** Средний возраст хлопкоробов во многих странах увеличивается. Было отмечено, что молодёжь часто видит лучшие экономические возможности в городских профессиях и что во многих странах государственные должности оплачиваются лучше в городских районах по сравнению с сельскими. Более того, часто работа крестьян считается менее почитаемой. Правительства обсудили методы, с помощью которых можно расширить карьерные возможности в хлопковой промышленности путём предоставления доступа к кредитам, наставничества, улучшения образования, расширения масштабов механизации, создания кооперативов и реализации политических тенденций, направленных на повышение безопасности владения земельными угодиями.
7. **Повышение уровня видимости женщин в хлопковой промышленности.** Специалисты отмечают, что на долю женщин приходится большинство ручного труда, используемого в производстве хлопка мелкими хозяйствами, включая посевы, прополку, распыление и уборку урожая. Однако часто женщинам не хватает доступа к производственным ресурсам, кредитам, услугам по распространению передовых знаний и рынкам, причём часто вопросы жизненного трудового баланса оказывают больший стресс на женщин, чем на мужчин при выполнении работ по всей цепи производства хлопка. Правительства попросили обеспечить предоставление женщинам доступа к кредитам и производственным ресурсам, а также прав землевладения при обеспечении поддержки при оказании технической помощи, чувствительной к гендерным вопросам. Установившиеся культурные ожидания, ограничивающие роль женщин в сельском хозяйстве, можно изменить с помощью проведения кампаний общественного образования. Секретариат попросили подготовить программу «Женщины в хлопковой сети» для обмена информацией и повышения уровня информированности женщин относительно гендерных вопросов.
8. **Завершение Дохийского раунда переговоров.** Члены МККХ ещё раз заявили, что вопросы, обсуждаемые в Дохийском раунде переговоров, остаются важными и должны быть решены. Комитет по-прежнему поддерживает Всемирную торговую организацию (ВТО) и отмечает её роль в деле обеспечения открытости и содействия правовым нормам в вопросах торговли, понимания урегулирования споров и определения вклада

в экономическое развитие, а также продолжает призывать правительства выполнять свои обязательства по отношению к ВТО, касающиеся субсидий в тех секторах, которые конкурируют с хлопком. Члены МККХ подтвердили, что хлопок является неотъемлемой частью повестки дня развития в Дохе (ПРД) и что не может быть успешного завершения ПРД без достижения соглашения по хлопку. Многие страны поддержали давнюю просьбу четвёрки стран (С4) положить конец выделению прямых субсидий, искажающих производство и торговлю хлопком.

9. **Программы марочного хлопка.** Комитет заслушал доклад Рабочей группы по программе марочного хлопка, цель которой заключается в анализе и сравнении различных инициатив, относящихся к хлопковой отрасли. Рабочая группа сообщила, что на программы производства органического хлопка, обеспечения справедливой торговли, специальных хлопковых инициатив и произведенного в Африке хлопка приходилось в 2011-12 г. почти 4% хлопкопроизводства. Комитет выразил свой интерес в получении информации об изменениях в этих и других программах марочного хлопка. Секретариату поручили работать с этой группой для обеспечения эффективного сбора информации о производстве, маркетинге, ценообразовании по каждой программе, а также обозначить будущую роль данной Рабочей группы. Полный доклад группы помещён на веб-сайте Секретариата.
10. **Повышение эффективности торговли хлопком.** Созданная при Комитете Консультативная группа по частному сектору (КГЧС) сообщила правительствам, что единое принятие модели фитосанитарного сертификата, который был подготовлен Продовольственной и сельскохозяйственной организацией ООН (ФАО), гармонизация электронных коносаментов и внедрение общей системы идентификации кип будут способствовать повышению эффективности мировой торговли хлопком.
11. **Различие мнений.** КГЧС отметила, что Европейский Союз выразил интерес к вступлению в МККХ. КГЧС призвала правительства принять все меры для того, чтобы члены МККХ всегда прислушивались к различным мнениям представителей частного сектора.
12. **Искажения торговли подрывают прибыльность.** КГЧС сообщила, что исполнение контрактов способствует прибыльности и призвала правительства избегать меры, которые искажают торговлю. Разрушение маркетинга хлопка усугубляет проблемы дефолта контрактов, создаёт несправедливую конкуренцию и оказывает отрицательное долгосрочное воздействие на цепь хлопкового производства во всём мире, так как прядильщики реагируют на такие разрушения путём сокращения масштабов использования хлопка в пользу других волокон.
13. Комитет заслушал доклад правительства Аргентины о разработке программы под названием «ПРОКАЛГОДОН», которая помогает добиться того, чтобы аргентинская хлопковая промышленность выполняла рекомендации МККХ и КГЧС. Эта программа работает в направлении улучшения прозрачности и процесса отслеживания кип,

повышения качества хлопка и устранения загрязнений, повышения доходов фермеров путём оптимального использования производственных ресурсов, а также применения стандартных методов механического испытания хлопка.

- 14. Новый исполнительный директор.** Правительства-члены выразили большую благодарность покидающему свой пост исполнительному директору Терри Таунсенду за его 25-летнюю работу в Комитете, включая 15 лет в должности исполнительного директора. Они пожелали Терри всего наилучшего в его новой работе начиная с 1 января 2014 года. Правительства тепло приветствовали г-на Жозе Сетте в качестве нового исполнительного директора. Он был избран на основании своих заслуг рабочей группой, состоящей из представителей 21 страны-члена МККХ. Г-н Сетте будет шестым исполнительным директором со дня образования Секретариата в 1947 году.

ДОКЛАД КОМИТЕТА ПО НАУЧНЫМ ИССЛЕДОВАНИЯМ В ОБЛАСТИ ХЛОПКОПРОИЗВОДСТВА

- 1. Преодоление периода отсутствия роста урожайности.** Учёные сообщили, что к концу 21-го столетия прогнозируется изменение глобального климата в направлении повышения температур, изменения тенденций дождевых осадков, а также увеличения случаев засухи. Это изменит методы производственного управления и географические регионы, пригодные для хлопкопроизводства. Более высокие уровни CO₂ улучшат фотосинтез в хлопке. Нужно будет переориентировать научно-исследовательские программы с целью разработки сортов с повышенной термо- и засухотолерантностью. Учёные заявили, что генетическая база хлопка сужается, но они отметили, что геномные исследования, молекулярное селектирование с помощью маркеров и другие биотехнологические приёмы обеспечивают наличие приемлемых вариантов выдерживания биотических и абиотических стрессов.
- 2. Перечень категорий посевных семян.** Исследователи сообщили, что категории, используемые для описания стандартов качества посевных семян, в разных странах трактуют по-разному. Имеется четыре категории посевных семян, но каждую категорию в различных странах называют иначе. МККХ одобрил рекомендацию созданного при нём Комитета по научным исследованиям в области хлопкопроизводства о том, что при описании посевных семян для хлопка следует использовать приведенные ниже категории. Эти рекомендации ограничены только конкретной категорией; чистота, прорастание и стандарты сертификации определяются отдельными странами в соответствии с внутренними условиями.
 - а. Семена селекционеров** – это семена, полученные или поставляемые селекционерами только с целью размножения. Семена могут размножаться в государственном или частном секторах, но под наблюдением селекционера. Это наблюдение будет представлять собой сертификацию, если таковая потребуется.
 - б. Семенной фонд** – это семена, полученные из урожая семян селекционера. Семенной фонд будет использоваться для размножения в крупных масштабах с целью снабжения хлопкоробов семенами для следующего

поколения. Обязательными условиями будет сертификация нейтральным агентством или самосертификация.

- в. **Сертифицированные семена** – это семена, полученные из семенного фонда, которые будут поставляться хлопкоробам. Рекомендуется поддерживать чистоту этих семян порядка 99%.
- г. **Зарегистрированные семена** – это семена, полученные из сертифицированных семян фермером под его/её собственным надзором для самопосева или поставок другим фермерам с целью проведения посевных кампаний. На них должна быть навешена этикетка «несертифицированные», причём их чистота должна быть не менее 98%, если они используются для посевов.

Кроме указанных четырёх категорий посевных семян, термин «**Коммерческие семена**» должен относиться к хлопковым семенам, которые пойдут на производство масел или корма для крупного рогатого скота. Эта категория не рекомендуется для посевов.

- 3. Секретариат сообщил, что Международная ассоциация исследователей в области хлопка (МАИХ) была зарегистрирована, что был сформирован Исполнительный комитет, подготовлен устав и разработан веб-сайт. МАИХ подал в правительство США заявку на получение статуса организации, освобождаемой от уплаты налогов. МАИХ уже функционирует, причём в её работе особое внимание уделяется улучшению веб-сайта и разработке стратегического рабочего плана. Цель МАИХ заключается в укреплении сотрудничества между исследователями в области хлопка и в исполнении роли международного содействия хлопковым исследованиям.
- 4. В своём окончательном докладе участники круглого стола по биотехнологии в хлопковом секторе отметили, что связанный с биотехнологией технологический платеж и необходимость наличия инструкций по биобезопасности мешают распространению биотехнологии. Существование особых ограничителей хлопкопроизводства, в т.ч. вируса закручивания хлопковых листьев в Пакистане и американского долгоносика в Южной Америке, ограничивает экономическую ценность сортов с биотехнологическими характеристиками в тех регионах, где подобные болезни или вредители являются доминирующими. Развитие сопротивляемости насекомых к Бт-токсинам и сорнякам к гербицидному глисофату является предметом озабоченности всех стран-производителей биотех-хлопка. Участники круглого стола призвали разработчиков технологии обеспечить своевременное завершение всех процессов утверждения нормативов на потребительских рынках.
- 5. Комитет по научным исследованиям в области хлопкопроизводства решил провести технический семинар 2014 года на тему «Создание механизма взаимодействия производственным ресурсам в хлопкопроизводстве». Комитет также обсудил возможность организации секционной сессии на тему «Международный обмен зародышевой плазмой хлопка».

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- 6. Выражение благодарности за гостеприимство Колумбии.** Комитет поблагодарил народ и правительство Колумбии за проявленное гостеприимство при проведении 72-го пленарного заседания. Делегаты отметили теплоту, дружбу и высокое качество помещений для проведения мероприятий пленарного заседания.
- 7. Будущие пленарные заседания.** Комитетом было принято приглашение правительства Греции об организации 73-го пленарного заседания в г.Салоники в период с 2 по 7 ноября 2014 г.

8. СТРАНЫ-ЧЛЕНЫ КОМИТЕТА

Австралия, Аргентина, Бельгия, Бразилия, Буркина-Фасо, Германия, Греция, Египет, Замбия, Зимбабве, Индия, Иран, Испания, Италия, Казахстан, Камерун, Кения, Китай (Тайвань), Колумбия, Кот-д'Ивуар, Мали, Мозамбик, Нигерия, Пакистан, Парагвай, Перу, Польша, Корея, Россия, США, Судан, Танзания, Того, Турция, Уганда, Узбекистан, Франция, Чад, Швейцария, ЮАР.

إضافة إلى الفئات الأربع لتقاوى الزرع، يجب أن يشير المصطلح "تقاوى تجارية" إلى تقاوى القطن المقصودة لإنتاج الزيت أو لأعلاف الماشية. هذه الفئة لا يوصى بها للزراعة.

3 - ذكرت الأمانة العامة أنه قد تم تسجيل الجمعية الدولية لباحثي القطن (ICRA) كما تم تأسيس لجنة تنفيذية لها إضافة إلى وضع اللوائح الداخلية لها مع تطوير موقع إلكتروني خاص بها. و قامت إكرا بتقديم طلب للحكومة الأمريكية من أجل منحها صيغة الإعفاء الضريبي كما أصبحت إكرا عاملة تصب اهتمامها حالياً على تحسين موقعها الإلكتروني وتطوير خططها الاستراتيجية للعمل. ويُذكر أن مهمة إكرا هي تقوية التسهيلات بين الباحثين في مجال القطن والخدمة كصوت دولي بخصوص أبحاث القطن.

4 - لاحظت المائدة المستديرة للتكنولوجيا الحيوية في القطن في تقريرها الختامي أن رسوم التكنولوجيا المرتبطة بالتكنولوجيا الحيوية و الحاجة إلى بروتوكولات للسلامة الحيوية تعيق انتشار التكنولوجيا الحيوية. إن وجود عقبات محددة في إنتاج القطن بما فيها الفيروس المتسبب في تجعد أوراق نبتة القطن في باكستان ودودة "بول ويفل" (Boll Weevil) التي تفتك بلوزة القطن و المعروفة أيضاً بخنفساء القطن و المنتشرة في أمريكا الجنوبية تحد من القيمة الاقتصادية للأصناف ذات سلالات البيوتيك في المناطق التي تُهيمن فيها تلك الآفات والأمراض. وتطوير المقاومة في الحشرات للمواد السامة في قطن البيوتيك وفي الأعشاب في مادة غلايسوفيت المبيدة للأعشاب هي أمور تدعو إلى القلق في كل البلدان التي تُنتج قطن البيوتيك. هذا وقد حث أعضاء المائدة المستديرة مطوّري التكنولوجيا على ضمان اكتمال كل الإجراءات للموافقات التنظيمية في الوقت المناسب في أسواق الاستهلاك.

5 - أدلى أعضاء المائدة المستديرة لباحثي إنتاج القطن بأصواتهم لعقد الندوة الفنية لسنة 2014 بعنوان "تعزيز آلية تفاعل المستلزمات أو المدخلات في إنتاج القطن" كما بحثت اللجنة إمكانية عقد جلسة جانبية حول موضوع "التبادل الدولي للمكون الجيني للقطن".

التوصيات المرفوعة من اللجنة الخاصة بأبحاث إنتاج القطن التابعة للجنة الاستشارية الدولية للقطن (ICAC) و التي تفيد بأن التسميات التالية يجب أن تستخدم عند الإشارة إلى تقاوى الزرع للقطن. وهذه التوصيات تخص حصرا التسمية فقط و الدول مرفردة هي التي تقرر النقاوة والإنهات ومقاييس التوثيق بشهادة بحسب الظروف المحلية فيها.

أ - تقاوى التربيغ (الربلية):

هي التقاوى التي تُنتج أو التي يزودها المربون لأغراض الإكثار فقط. و يجوز لها أن تتكاثر في قطاعات عامة أو خاصة ولكن تحت إشراف أحد المربين، وإشراف المربين هذا يُمثل شهادة، إن لزم الأمر.

ب - تقاوى الأساس:

هي التقاوى التي تُنتج من محاصيل تقاوى الربلية. وسوف تستخدم هذه التقاوى للتكاثر بقدر كيو بغية تزويد المزارعين بالتقاوى للموسم القادم.

ج - التقاوى الموثقة بشهادة:

هي التقاوى المنتجة من تقاوى الأساس و التي سوف يتم تويدها للمزارعين. نقاوة التقاوى الموثقة بشهادة يجب أن تصل إلى قرابة 99%.

د - التقاوى المسجلة:

هي التقاوى المنتجة من التقاوى الموثقة بشهادة على يد المزارع و تحت إشرافه / إشرافها لزراعته الخاصة به أو بغية تزويدها لمزارعين آخرين لزراعتها. ويجب أن تحمل علامة "غير موثقة بشهادة" و أن لا تكون درجة نقاوتها أقل من 98 % إذا استخدمت للزراعة.

اللجنة الاستشارية الدولية للقطن

البيان الختامي للجلسة العمومية الثانية والسبعين

"التحديات الناشئة التي تواجه سلسلة القيمة للقطن"

تقرير من اللجنة الخاصة بأبحاث الإنتاج

4 أكتوبر/ تشرين الأول 2013

الساعة الحادية عشر صباحا

1 - التغلب على فترة اللانمو في الغلات:

ذكر العلماء أنه من المتوقع أن تؤدي التغيرات المناخية في العالم إلى ارتفاع درجات الحرارة و التغير في أنماط هطول الأمطار مع ازدياد في حدوث الجفاف. كل هذه ستعمل على تغيير ممارسات إدارة الإنتاج وتوزيع المناطق الجغرافية الصالحة لإنتاج القطن. و المستويات الأعلى في ثاني أكسيد الكربون سوف تعزز التكوين الضوئي في القطن. لذلك فإنه من الواجب أن يعاد توجيه برامج البحث نحو تطوير أصناف للزراعة تزيد فيها قدرة التحمل على الحرارة و الجفاف. كما ألمح الباحثون إلى أن قاعدة المورثات الجينية للقطن أخذت في الانقباض و لكنهم ذكروا أن الدراسات في مجموعة العوامل الوراثية والواسمات الوراثية الجزيئية ساعدت التربية كما أن المقاربات الحيوية الأخرى توفر خيارات مجدية للتعامل مع الاجهادات الحيوية و تلك التي لا تمكن على الحياة.

2 - تسميات تقاوى الزرع:

ذكر الباحثون أن التسميات المستعملة لوصف معايير جودة تقاوى الزرع تختلف من بلد إلى آخر. فهناك توجد أربع فئات من تقاوى الزرع و لكن تسمية كل فئة تختلف من بلد إلى آخر. ولقد وافقت اللجنة على

قبلت اللجنة الاستشارية الدولية للقطن (ICAC) الدعوة التي وجهتها حكومة اليونان لاستضافة اجتماعات الجمعية العمومية الثالثة و السبعين في الفترة بين الثاني والسابع من شهر نوفمبر / تشرين الثاني سنة 2014 في مدينة تيسالونيكي.

17 - الدول الاعضاء:

الأرجنتين، استراليا، البلجيك، البرازيل، بركينا فاسو، الكامرون، تشاد، الصين (تاوان)، كولومبيا، ساحل العاج، مصر، فرنسا، ألمانيا، اليونان، الهند، إيران، إيطاليا، كازاخستان، كينيا، جمهورية كوريا، مالي، موزمبيق، نيجيريا، باكستان، باراغواي، البيرو، بولندا، روسيا، إفريقيا الجنوبية، اسبانيا، السودان، سويسرا، تنزانيا، توغو، تركيا، أوغندا، الولايات المتحدة الأمريكية، أوزباكستان، زامبيا، زيمبابوي.

13 - تلقت اللجنة تقريراً من حكومة الأرجنتين حول برنامجها المعروف باسم "بروكال غودون" "PROCAL GODON". وهذا البرنامج ما هو إلا جهد يضمن أن صناعة القطن الأرجنتينية تنفذ توصيات اللجنة الاستشارية الدولية للقطن و هيئة القطاع الخاص الاستشارية. ويعمل البرنامج على تحسين الشفافية وتعقب البالات وتحسين جودة القطن مع إزالة التلوث و تحسين دخل المزارعين عن طريق الاستخدام الأمثل للمستلزمات وتنفيذ اختبار القطن بالآلات المعيارية.

14 - المدير التنفيذي الجديد:

أعربت الحكومات الأعضاء عن تقديرها للمدير التنفيذي المنتهية ولايته السيد تيري تاونسند لعمله خلال الخمس وعشرين سنة الماضية مع اللجنة بما فيها خمس عشرة سنة بمنصب المدير التنفيذي. كما أعرب الأعضاء عن تمنياتهم الطيبة له في مساعيه الجديدة ابتداء من اليوم الأول من شهر يناير/ كانون الثاني من سنة 2014. كذلك أبدت الحكومات ترحيبها الحار إلى السيد خوسيه ستيي المدير التنفيذي الجديد الذي جرى اختياره على أساس جدارته من قبل لجنة عمل مكونة من ممثلين عن واحد وعشرين من الدول الأعضاء في اللجنة الاستشارية الدولية للقطن (ICAC). هذا وسيصبح السيد ستيي المدير التنفيذي السادس منذ تشكيل الأمانة العامة في سنة 1947.

15 - تقدير لضيافة كولومبيا:

تقدمت اللجنة الاستشارية الدولية للقطن (ICAC) بشكرها إلى شعب وحكومة كولومبيا لحسن الضيافة التي أبدوها لدى استضافتهم اجتماعات الجمعية العمومية الثانية والسبعين. كما أعربت الوفود عن ثنائها لكفاءة البلد المضيف في تهيئة اجتماعات الجمعية العمومية والدفء الشخصي الذي يتمتع به الشعب الكولومبي.

16 - الاجتماعات العمومية في المستقبل:

وأعربت اللجنة عن اهتمامها في البقاء على دراية بالتطورات في برامج أقطان الهوية هذه. وأعطيت الأمانة العامة توجيهات للعمل مع فرقة العمل لضمان الكفاءة في جمع المعلومات الخاصة بالإنتاج والتسويق والتسعير في كل واحد من هذه البرامج ولتقرير الدور الذي ستلعبه فرقة العمل في المستقبل. أما التقرير الكامل الذي قدمه فريق العمل فهو متوفر على الموقع الإلكتروني الخاص بالأمانة العامة.

10 - تشجيع الكفاءة في تجارة القطن:

أبلغت هيئة القطاع الخاص الاستشارية (PSAP) التابعة للجنة الحكومات أن الاعتماد العالمي للنموذج الخاص بشهادة الصحة النباتية التي وضعتها منظمة الأغذية والزراعة الدولية التابعة للأمم المتحدة وكذلك الانسجام في بوليصة الشحن الإلكترونية و تنفيذ نظام مشترك لتعريف البالات من شأنها أن تزيد في كفاءة التجارة العالمية في القطن.

11 - أصوات متعددة:

أشارت هيئة القطاع الخاص الاستشارية (PSAP) إلى أن الاتحاد الأوروبي أعرب عن اهتمامه في الانضمام إلى اللجنة الاستشارية الدولية للقطن (ICAC). كما حثت هيئة (PSAP) الحكومات على أن يتنبه إلى أن أصواتا متعددة من القطاع الخاص تظل قيد استماع أعضاء اللجنة الاستشارية الدولية للقطن.

12 - تعطيلات التجارة تقوض الربحية:

وذكرت هيئة (PSAP) أن تنفيذ العقود يُعزز الربحية وحثت الحكومات على تفادي إجراءات من شأنها تشويه التجارة ذلك لأن التعطيلات في تسويق القطن من شأنها أن تفاقم المشاكل في التخلف عن الوفاء بالعقود وتولد المنافسة المجحفة ويكون لها آثار سلبية بعيدة المدى على سلسلة القيمة في القطن في أرجاء العالم إذ يستجيب الغازلون على مثل تلك التعطيلات بخفض استخدام القطن وذلك بتفضيلهم الألياف الأخرى.

وخدمات الإرشاد و الأسواق كذلك فإن مسائل التوازن بين أمور الحياة و الشغل غالبا ما تلحق إجهادا أكبر على النساء منه على الرجال في مراحل سلسلة القيمة. وعليه فإن الحكومات تشجع على ضمان حصول النساء على القروض و المستلزمات إضافة إلى أن يكنّ مؤهلات لملكية الأراضي ومدعومات بدعم تقني مؤات لهن. ومن الممكن تغيير التوقعات الثقافية القائمة و التي تحد أدوار النساء في الزراعة عن طريق حملات تعليمية عامة. وقد طُلب من الأمانة العامة أن تؤسس "شبكة للنساء في القطن" من أجل تبادل المعلومات و رفع مستوى الوعي بين الجنسين.

8 - إكمال دورة الدوحة:

أكد أعضاء الهيئة الاستشارية الدولية للقطن (ICAC) أن المسائل التي بُحثت في دورة الدوحة تظل على أهميتها ويجب العمل على حلّها. واللجنة ستستمر في دعم منظمة التجارة العالمية لدورها في تشجيع الانفتاح وتسهيل سيادة القانون في الأمور التجارية ولأجل تفهم حل المنازعات ولمساهمتها في التنمية الاقتصادية، كما تواصل في حث الحكومات على تكريم التزاماتها تجاه منظمة التجارة العالمية بالنسبة للدعم الذي يقدم لقطاعات تنافس القطن. كذلك أعاد أعضاء المنظمة الاستشارية الدولية للقطن (ICAC) التأكيد على أن القطن هو جزء لا يتجزأ من جدول أعمال دورة الدوحة وأنه لا يمكن أن يكون هناك خاتمة ناجحة للدورة بدون الاتفاق على موضوع القطن. و لقد دعمت عدة بلدان الطلب المُقدم من دول C-4 (دول غرب أفريقيا الأربع) الذي طال أمده والداعي إلى إنهاء الدعم المباشر الذي من شأنه تشويه إنتاج القطن والإتجار به.

9 - برامج أقطان الهوية:

تلقت اللجنة تقريراً من فرقة العمل الخاصة بتعريف هوية القطن التي شكلت لتحليل ومقارنة المبادرات القائمة على أساس القطن. وذكرت الفرقة أن إنتاج القطن العضوي، وفيرتريد (Fairtrade) وقطن المبادرة الأفضل (BCI) و القطن المصنوع في أفريقيا كان 4 % من إنتاج القطن العالمي لسنة 2012/2011.

5 - حيازة الأراضي تؤثر على الإنتاج الزراعي:

أبلغت اللجنة الاستشارية الدولية للقطن (ICAC) أن أكثر من نصف الأراضي المستخدمة في زراعة القطن في العديد من البلدان هي أراضي مستأجرة أو تُعتبر مشاعاً على مستوى القرى، الأمر الذي يتمخض عن ملاسبات سلبية على الاستثمارات في مجالات الري، وصيانة التربة و البنى التحتية الأخرى، و يمكن للحكومات تسهيل الاستثمارات في إنتاجية الأرض عن طريق الضمان بأن يحصل المزارعون على صكوك ملكية واضحة يمكن تنفيذها أو بعقود استئجار الأراضي عن طريق تشجيع العقود طويلة المدى بدل الاستئجار السنوي و ذلك بضمان قدرة المنتجين على الحصول على التدريب و التمويل و المستلزمات أو المدخلات كي يتمكنوا من الإنتاج. كذلك تشجع على ضمان تطويي نظم حيازة الأراضي من خلال عملية حوار و إجماع يشمل كل قطاعات المجتمع.

6 - تشجيع الشباب في ريادة المقاوله في مشاريع القطن:

إن معدل العمر في ارتفاع بين مزارعي القطن في كثير من البلدان. وقد دُكر أن الشلبب غالباً ما يجدون فرصاً اقتصادية أكبر في المهن الموجودة في المدن و أن الخدمات العامة في كثير من البلدان هي أفضل في المناطق الحضرية مما هي عليه في المناطق الريفية. و الأكثر من ذلك أن الزراعة يُنظر إليها غالباً بنظرة احتقار. و لقد ناقشت الحكومات كيف يمكن تدعيم فرص المسار الحرفي في مراحل سلسلة القيمة للقطن عن طريق الحصول على قروض و فرص التوجيه من مُلقنين وزيادة التعليم و التوسع في الميكنة وذلك من خلال تشكيل التعاونيات و بسياسات من شأنها توفير المزيد من الأمن في مجال ملكية الأراضي

7 - زيادة حضور النساء في صناعة القطن:

ذكر الأخصائيون أن النساء يوفرن معظم العمالة في إنتاج القطن عند أصحاب المزارع الصغيرة تتمثل في الزرع و التعشيب والرش و الحصاد. غير أن النساء غالباً ينقصهن الوصول إلى المستلزمات، والاستقراض

و - كذلك على صناعة القطن و الحكومات أن تقوي الجهود لتحسين الكفاءة عن طريق اعتماد آلات اختبار معيارية، ووضع نظام قياسي لتعريف البالات، مع اعتماد نموذج شهادة الصحة الرئائية التي نشرتها منظمة الزراعة والأغذية العالمية.

ز - و ينبغي على الأمانة العامة التابعة للجنة الاستشارية الدولية للقطن (ICAC) أن تلعب دورا أكثر استباقا في الرد على الانتقادات العامة لصناعة القطن.

هذا ووافقت الجمعية العمومية على الاقتراحات والطلب الداعي إلى قيام اللجنة الدائمة بأخذ المزيد من الاعتبار لكل واحد من الاقتراحات المذكورة خلال السنة القادمة.

4 - تقييس الاستدامة:

تلقت اللجنة الاستشارية الدولية للقطن (ICAC) تقريراً من هيئة الخبراء حول الأداء الاجتماعي و البيئي و الاقتصادي لإنتاج القطن (SEEP) بعنوان "قياس الاستدامة في نظم زراعة القطن: نحو إطار إرشادي". ورفعت هيئة الخبراء (SEEP) توصيات حول المؤشرات التي يجب استخدامها في قياس الاستدامة في إنتاج القطن. و تغطي هذه المؤشرات الموصى بها الأركان الثلاثة للاستدامة ألا وهي الأركان الاجتماعية و البيئية و الاقتصادية. وكان هناك إجماع بين المشاركين في الجلسة العمومية على أن أي إطار لقياس الاستدامة يجب أن يتم تنفيذه على صعيد كل بلد على حدة، وأنه يجب تشكيل لجان في كل بلد لوضع الإطار الأولي للتقييس ولضمان تحديث الإطار كلما تطورت ممارسات الإنتاج.

هذا وقد قبلت الجلسة العمومية تلك التوصيات مدركة أن النقاش حول الاستدامة مستمر. كذلك طلبت اللجنة الاستشارية الدولية للقطن (ICAC) من هيئة السيب (SEEP) أن تكمل تقريرها الخاص بقياس الاستدامة لكي تنظر فيه اللجنة. و لقد تعهد ممثلو الحكومات و القطاع الخاص باعتبار الكيفية المثلى لتنفيذ توصيات الهيئة في بلدانهم.

من عدم اليقين. أما متى وكيف سيتم تصفية هذا المخزون فما هو إلا العامل الرئيسي المجهول الذي سوف يحدد الأسس لسوق القطن العالمي خلال السنوات العديدة القادمة.

3 - مواجهة التحديات من المنافسة بين الألياف:

ذكرت لجنة العمل التابعة للهيئة الاستشارية الدولية للقطن (ICAC) الخاصة بالألياف المنافسة أن نصيب القطن في السوق يستمر في الانخفاض وأنه سيواجه منافسة قوية من الألياف البديلة طوال الفترة المتبقية من هذا العقد. ووضعت لجنة العمل قائمة شملت عدة عوامل من شأنها تقويض تنافسية القطن و طرحت عددا من التوصيات لكي يتم تبنيها من قبل الحكومات، و الصناعة و اللجنة الاستشارية الدولية للقطن (ICAC):

أ - ينبغي على الحكومات أن تتفادى التدخل في أسواق القطن، طالما أن العواقب الضارة يمكنها زيادة تقلبات الأسعار، وتهدد حرمة العقود و شغل التجارة وتتسبب في خسارة نصيب القطن في السوق لمصلحة الألياف ذات الأسعار المستقرة.

ب - على الحكومات أن تزيد الشفافية في السياسات القطرية، وتحسن نظم توفير الإحصائيات وعدم اليقين فيما يتعلق بسياسات الحكومات ذلك أن الإحصاءات غير الملائمة تسهم في عم اليقين و تؤدي إلى ضعف في اتخاذ القرارات.

ج - على الحكومات أن تضمن أن يكون للصناعة قدرة الوصول إلى الآليات التي من شأنها إدارة مخاطر الأسعار.

د - و يجب على الحكومات أن تقدم و/أو تُنفذ متطلبات وضع العلامات الخاصة بمحتوى الألياف بغية تمكين المستهلكين ممارسة أفضليتهم و تحبيذهم للقطن.

هـ - كما ينبغي على صناعة القطن نفسها أن تروج لهزايا القطن الإيجابية في مجال البيئة و الاقتصاد وصحة البشر و رفاههم.

اللجنة الاستشارية الدولية للقطن

البيان الختامي للجلسة العمومية الثانية والسبعين

"التحديات الناشئة التي تواجه سلسلة القيمة للقطن"

4 أكتوبر/ تشرين الأول 2013

الساعة الحادية عشر صباحا

1 - اجتمعت اللجنة الاستشارية الدولية للقطن (ICAC) في مدينة كرتاهينا دي إيندياس في كولومبيا في الفترة بين التاسع و العشرين من شهر سبتمبر / أيلول إلى الرابع من أكتوبر / تشرين الأول 2013 في جلستها العمومية الثانية و السبعين منذ إنشاء اللجنة في سنة 1939. و قد اشترك في الاجتماعات 395 ممثلا من بينهم ممثلون عن 35 حكومة و 10 منظمات دولية.

2 - السياسات الحكومية تشوّه الإنتاج، و الاستهلاك و التجارة:

ذكرت الأمانة العامة أنه من المتوقع أن يكون استهلاك القطن العالمي في السنة 2013/2014 أقل من الإنتاج للموسم الرابع على التوالي وأن يصل المخزون إلى مستوى قياسي. و لاحظت الأمانة العامة أن أسعار القطن هي أعلى من معدلها على المدى الطويل مدعوما بسياسات المشتريات لدى الحكومة الأكبر إنتاجا واستهلاكاً للقطن في العالم. هذه السياسات تُبقي على أسعار القطن فوق نسبة الـ 50% من أسعار القطن الدولية، و حجم المخزون المحفوظ لدى تلك البلاد هو نصف المخزون عالميا تقريبا و عن طريق الدعم المصطنع للأسعار تعمل هذه السياسات على تفويض تنافسية صناعة القطن على المدى الطويل و خلق الكثير

Inaugural Session

9:00 hr. Monday, September 30, 2013

Mr. César Pardo, President of Conalgodón, (Colombia), in the Chair

The CHAIR welcomed participants to Colombia, a country with great multiethnic diversity and biodiversity, where entrepreneurship and hard working people helped the economy to grow to the 31st position in the world. He noted that cotton production and trade are important industries in Colombia and help to pay 9 million salaries. He indicated that the textile industry in Colombia has 100 years of history, and entrepreneurial spirit helps its leaders to overcome rising challenges. He welcomed participants to Cartagena, the city facing the Caribbean Sea, and he thanked the former director of Conalgodón for her excellent work in organizing the meeting.

Mr. Ruben Dario Lizarralde, Minister of Agriculture and Rural Development of Colombia presented inaugural remarks on behalf of the President of Colombia, Juan Manuel Santos. He welcomed all the guests and speakers to the 72nd Plenary Meeting. He said that he honors the work of Dr. Terry Townsend and his contribution to the world cotton industry over the years of his service. He said the theme of the meeting “Emergent Challenges Facing the Cotton Value Chain” is very appropriate in this city declared a city of world heritage. He noted that cotton remains important not for just the largest producers, such as China, India, USA, Brazil and Australia, but also for smaller economies such as Colombia, where about 4,000 producers are involved in cotton production. Cotton faces many challenges, among which competition from chemical fibers and quality issues are the most important. He said that it is necessary to define clear policies and strategies to make the cotton sector more competitive. He described cotton production in Colombia and noted the potential for investments in the textile industry. He highlighted the importance of issues that will be discussed at this Plenary Meeting, including challenges from competing fibers, the supply and use situation, trade agreements, identity programs, efficiencies leading to higher yields and lower production costs, sustainability of cotton production, efforts to better organize small producers, the need to respect human rights and to eliminate child labor. He highlighted again the great work by Dr. Terry Townsend in linking governments with the private sector and wished him success in his future endeavors. He welcomed participants to Colombia and wished a successful meeting.

The delegate of ARGENTINA presented welcoming remarks on behalf of all delegates. He said that it was a great honor to speak on behalf of all delegates. He thanked the Minister of Agriculture and Conalgodón for their work in organizing this Plenary Meeting. He also thanked

all the delegates for participating in the meeting and wished all a good discussion of cotton issues, such as efficiencies and sustainability in cotton production, emerging challenges and the role of women in cotton cultivation. He thanked the Colombian people for their hospitality and citizens of Cartagena for preserving the historical sites of the city.

The delegate of GREECE congratulated the Organizing Committee and Government of Colombia for an excellent plenary meeting. On behalf of the Greek government and the Greek Ministry of Rural Development and Food she said Greece will be honored to host the 73rd Plenary Meeting of ICAC in Thessaloniki, Greece on November 2-7, 2014. Greece has been a member of ICAC since 1947 and organized the 27th Plenary Meeting of ICAC in Athens in 1968. She said that agriculture is still important for the Greek economy, accounting for 7% of the country's GDP, while cotton cultivation has a long tradition. She noted that cotton has high social and environmental impacts in Greece, and that the cotton value chain of Greece is among the 10 most important in terms of production, yield and exports. The delegate noted that Greece and the city of Thessaloniki are heirs of world heritage sites of ancient Greece, the Roman and Byzantine Empires and nearly four centuries of Ottoman rule. The delegate thanked the Committee for an opportunity to organize the 73rd Plenary Meeting and assured that discussions at the meeting will be interesting and stimulating. She showed an invitational video on Greece.

The CHAIR of the Standing Committee, Mr. François Schmidt of Switzerland, reported that the most important activity of the Standing Committee since the 71st Plenary Meeting was the hiring of a new executive director. He said it was a pleasure to report that Mr. José Sette of Brazil was chosen by the Standing Committee, based on a recommendation from the Task Force on Executive Director Search, to serve as the next executive director of ICAC. Mr. Schmidt said that he was sure that Mr. Sette will do an excellent job and that the best interests of ICAC members and the cotton industry will be served during his tenure.

Mr. Schmidt said that during the past year the Standing Committee had approved the budget and work program of the Secretariat, approved the agenda of this plenary meeting, approved the terms of reference and membership in two new working groups on identity cottons and competing fibers, and served as a bridge between plenary meetings by conducting a seminar on Meeting Cotton's Competitive Challenges. He noted that the Standing Committee also met with a representative of the European Commission to explore the potential for EU membership in the ICAC.

Mr. Schmidt endorsed the nominations of Dr. Chris Parker of Australia as Chair of the Standing Committee, Mr. Luiz Felipe Schmidt of Brazil as First Vice Chair and Ms. Wei-jiun Liao of Taiwan as Second Vice Chair for the next year, and he urged that their nominations should be approved.

Mr. Schmidt expressed his appreciation to Standing Committee members in Washington for their support, professionalism, interest in the work of the ICAC and good humor during the past year. He praised the ICAC Secretariat for their excellent work throughout the past several years. And he expressed his very sincere thanks to the Government of Colombia and the Organizing Committee for the excellent arrangements they made for the 72nd Plenary Meeting. The Report of the Chair of the Standing Committee is available on the ICAC web site as a statement of the meeting.

The incoming Executive Director, Mr. José Sette was introduced. Mr. Sette said that he had previously visited Cartagena when working for the coffee industry, but now it is an opportunity to learn more about the cotton industry of Colombia. He said that he is deeply honored at being chosen as the next Executive Director of the International Cotton Advisory Committee, a body with such a rich history of service to the world cotton community. He noted that ICAC is the world's oldest international commodity body, predating even the Food and Agriculture Organization of the United Nations. He confessed that his selection came as a surprise even to him, however, after recovering from the joy at being selected, he has come to see this appointment as the outcome of a process that began more than thirty years ago, when he first came into contact with an international commodity body. Since then, his career has spanned both the public and private sectors, but somehow always seemed to revolve around international organizations of one type or another. He said that his experience has also shown him that agricultural commodities face many similar challenges: transition to sustainable practices throughout the supply chain; insufficient basic and applied research; inadequate access to risk management instruments; inefficient value chains; barriers in access to credit; limited empowerment of women; aging farmers; need for adaptation and mitigation to climate change; low value addition; and so on, and he is confident that the knowledge he has acquired can be fruitfully applied to cotton. He expressed his satisfaction with the transition arrangements and thanked Dr. Terry Townsend for his outstanding contribution as executive Director and wished him the best of fortunes in his future endeavors. He noted that ICAC can be considered a model in terms of its existing structure and the services it provides to members

and the task of the incoming Executive Director is therefore not to embark on a wide-ranging restructuring of its activities, but rather to adjust and fine tune a fully functional organization. He said that upon taking office, he intend to embark on a wide-ranging process of consultation with all governments, in order to find ways in which to strengthen the organization even further. He assured that he will do everything in his power to correspond to the trust and confidence placed in him, so as to maintain the relevance of ICAC in the changing world in which we live.

The CHAIR said that ICAC started recognizing a cotton researcher of the year in 2009. Applications for the ICAC Researcher of the Year are accepted during February 1 to March 31, and a winner is announced on May 1. The Selection Committee comprises of six anonymous judges outside the ICAC Secretariat. The judges are changed every two years.

The 2013 ICAC Researcher of the Year is Dr. Ibrokhim Abdurakhmonov from Uzbekistan. He is a biotechnologist and currently serves as a Director of the Center of Genomics and Bioinformatics, Ministry of Agriculture and Water Resources of Uzbekistan. Dr. Ibrokhim has received numerous awards and honors from the Government of Uzbekistan and from international organizations. He is a member of the Executive Committee of the International Cotton Researchers Association (ICRA), and is on the editorial boards of many journals. Dr. Ibrokhim's research is focused on genomic studies. His team has made major contributions in developing marker-assisted technologies for use in cotton breeding programs. He developed several molecular methods that are efficient, simple and can analyze large numbers of samples within short periods. He is a leader in the field of cloning and characterization of several important cotton gene families. Dr. Ibrokhim will present a paper in the 5th Open Session on Wednesday.

The executive director reviewed the history of the ICAC briefly. He noted that over the years the ICAC had progressed from being focused on providing information to being more forward focused on cooperation and interaction. He said that he is sure that ICAC will continue to change and improve under the direction of his successor José Sette from Brazil. He acknowledged the member governments of ICAC who have supported a Secretariat that is focused on productivity and have approved and participated in changes in work programs, modes of action and meeting styles so that the ICAC could be the innovative, progressive organization that it is.

He said it has been a great pleasure to work with a succession of excellent Standing Committee officers over the years, including Mr. François Schmidt of Switzerland, Dr. Chris Parker of Australia, Mr. Vinay Kwatra of India and Mr. James Johnson of the USA this past year. He also thanked all members of the Secretariat with whom he had served since 1987.

The executive director said that a theme that he wishes to be remembered by is that industry competitiveness is not foreordained. He said that industries could influence market conditions through collaboration to facilitate technology development and adoption, through targeted efforts to build a positive industry impression among consumers, through cooperation to facilitate trade by reducing market "friction," and by speaking coherently to government officials on trade matters so as to reduce distortions caused by interventionist policies.

He wished to highlight that this plenary meeting provides a platform by which the world cotton industry can begin to develop an agreed set of metrics by which "sustainable" cotton production will be defined and measured. These agreed metrics would have a powerful influence on the structure, conduct and performance of the cotton industry in the decades to come. Therefore, producers and all stakeholders in the cotton value chain have a vital interest in ensuring that "sustainable" cotton production is defined both ambitiously and pragmatically based on an inclusive process of consultation and extensive dialogue. He thanked the members of the Expert Panel on Social, Environmental and Economic Performance for their work and said that the work of SEEP is proving crucial to the fulfillment of the mission of the ICAC, which is to assist governments in fostering a healthy world cotton economy.

The executive director also thanked participants in the many workgroups of the ICAC, including the Private Sector Advisory Panel, Commercial Standardization of Instrument Testing of Cotton, Round Table on Biotechnology in Cotton, Task Force on Identity Cottons and Task Force on Competing Fibers, and the International Forum for Cotton Promotion. He observed that the activities of these workgroups provide tangible benefits to the ICAC and the world cotton industry, and he thanked member governments for their support and vision in approving the formation of each of these groups over the last decade.

He welcomed participants from non-member countries of the ICAC to the plenary meeting. He concluded by thanking governments for the honor of serving as executive director. The Report of the Executive Director is available on the ICAC web site as a statement of the meeting.

Approval of the agenda of the Plenary Meeting: The delegate of Brazil proposed to include a report of the Task Force on Identity Programs in the agenda of an open session. The Secretary General noted that there were no other comments on the Proposed Agenda, and he said that the suggestion by Brazil would be incorporated into the agenda. With this amendment, the agenda was approved.

The delegate of the UNITED STATES on behalf of other delegates recognized Dr. Terry Townsend and expressed their sincere gratitude

for the service he has provided to the ICAC over the past 26 years. He recalled first meeting Terry 20 years ago in his role as a statistician and recalled that he was very dedicated to ensure that the ICAC analyses and forecasts were sound and reliable. He has known Terry in the role of ED for 14 years and did not witness any person who approaches their job with more energy, drive and commitment than Terry. Terry has become somewhat of an icon in cotton circles, and his name synonymous with ICAC and cotton, also because of his knowledge of the industry and strong leadership abilities. He said that over the years Terry has been a visionary leader for the ICAC with accomplishments such as formation of the IFCP and facilitating international efforts to standardize instrument testing of cotton and rules for international trade, he helped to expand work plans to appeal specifically to the interests of spinners and consuming countries. Terry has successfully guided the ICAC through many challenges during his tenure and his performance was exemplary. He has also been extremely approachable for all countries, and he has worked hard to balance diverse interests of member countries demonstrating courtesy and refined diplomatic skills. On behalf of all delegates and member countries he sincerely thanked Terry for his service to the ICAC and for being a passionate friend and proponent for cotton and wished him the very best in all of his future endeavors. The delegate said that the ICAC will certainly miss Terry, and he felt that all hope that he will return to visit with us often.

He then read a letter from the Secretary of Agriculture of the United States, Tom Vilsack. The letter said:

"Dear Dr. Townsend:

On behalf of the United States Department of Agriculture, please accept our thanks for your long service with the International Cotton Advisory Committee (ICAC) ending December 2013. Your 26 years of service with the ICAC has been remarkable. The global cotton industry has undergone extreme change and transition over this time. Your efforts at the ICAC have helped countries and cotton industries all over the world understand, adapt and shape this change for the benefit of its citizens. During your tenure we have seen the advent of the WTO, phase out of the Multifiber Arrangements, major shifts in global cotton trading patterns and leaps and bounds in technology utilized in producing, processing and marketing cotton. There are not many people who understand how all these developments have come together as well as you, and very few who exhibit the passion you have for this industry and the people who rely on it for their livelihood.

Our USDA staff, the U.S. cotton industry and cotton industries in developed and developing countries around the world have benefitted from your expertise, dedication, and institutional memory as well as the outstanding working

relationship you have cultivated.

Please accept my personal thanks and best wishes for your future endeavors.

*Sincerely yours,
Tom Vilsack, Secretary*

Dr. Rafiq Chaudhry on behalf of the Secretariat said that many of Dr. Terry Townsend colleagues

in the Secretariat know him well for many years, and probably only his wife, Norma, knows him longer. Terry is a good colleague and the best way to describe his qualities is that he is a great human being. He is very neat at his thoughts and was honestly devoted to the work of the ICAC. On behalf of the Secretariat he thanked Terry for what he did for the Secretariat. The Secretariat is

very proud of Terry because he made themselves proud of the work they do. The Secretariat is very thankful to Terry for the respect he earned for the staff. He wished Terry good luck with his future endeavors and presented a souvenir (a painting of picking cotton in a field).

The CHAIR adjourned the session at 11:45 hrs.

First Plenary Session

Statements

13:45 hr. Monday, September 30, 2013
Mr. Mario Rodriguez Rico, Conalgodón,
(Colombia), in the Chair

The CHAIR invited French Agricultural Research Centre for International Development (CIRAD) to speak.

The delegate from CIRAD explained that it is a French State-owned organization working in international cooperation for agricultural research in tropical and sub-tropical areas. The delegate noted that research has allowed us to meet the past and emerging challenges such as climate change and the increasing cost of non-renewable inputs. The delegate stated that from CIRAD's own experiences, sustainable solutions need to take into account the dynamics of the systems involved. For example when producers target a specific pest, this may lead to a shift in the ecosystem that leads to new damage. The delegate stressed that researchers are important and a new generation is needed just as much as a new generation of farming entrepreneurs. The delegate noted that researchers often worked like entrepreneurs since they needed to procure funding and compete with other researchers for such funds. However, researchers may not be able to supply the research needed by the cotton industry because the adoption of research depends on other factors not just the intrinsic value of the finding and funders tend to discard ideas that are not adapted to the current global environment. The delegate concluded that new research ideas should be taken up through a systemic vision aware of the dynamic interactive nature of agricultural systems. CIRAD's report is available on the ICAC web site as a statement of the meeting.

The delegate from BCI, a global public private partnership to transform the way cotton is produced stated that the industry needs to go further with its multi-stakeholder group (business, NGOs, farmers, international development agencies) to develop standards to quantify their objectives that have been launched recently. Specifically, he stressed that it is a mainstream initiative with practices able to be adopted in any market, data that allows standards to be captured over time is needed and these standards should be based on productivity and yield improvement

(rather than getting a premium price). The delegate stated that during the last harvest season, about 220,000 farmers in 5 countries received Better Cotton training and while results vary across countries, the average yield was 17% greater, water usage 8% lower and profitability at farm level was 32% greater for participants in BCI's program. The delegate stated that its objective for 2020 is to have these standards adopted by 5 million farmers from around world and that 30% of world cotton production consists of BCI cotton. BCI's report is available on the ICAC web site as a statement of the meeting.

The delegate from the IFCP noted that it does not engage in promotion activities directly but instead, is a coordinator. The delegate explained that it also catalogues ads and will take a more active role in responding to attacks on cotton. The delegate stated that cotton is a global brand and is technology neutral. The delegate stressed that polyester is the true competition and attacks by one type of cotton on another only benefits polyester. The delegate concluded that the challenge was to improve cotton's market share, which needs a unified approach to be discussed at the IFCP lunch. IFCP's report is available on the ICAC web site as a statement of the meeting.

The delegate from the International Cotton Association (ICA) noted that the majority of cotton contractual disputes occur under the ICA and an unprecedented number of contracts received arbitration awards of approximately 1.1 million dollars each. The delegate noted however that a significant percentage of these were defaulted on. The delegate stressed that member states are reminded of their responsibilities to ensure that measures aren't put in place to prevent or frustrate the enforcement of valid international arbitral awards.

The delegate from the African Cotton and Textile Industries Federation (ACTIF), a regional trade board incorporated in 2005. The delegate noted that it has grown to 23 member countries and 52 associations covering all regions of Africa. The delegate stated that Africa currently produces 1.3 million tons of cotton lint, which is 6% of production. The delegate noted that Africa only consumes 1.5 % of world production as it exports 75% of its production but wants to add value

and create jobs. The delegate concluded that there is renewed interest in Africa due to Asia's rising costs and because of the benefits from free trade under AGOA, ACTIF is actively lobbying to extend AGOA which expires 2015 to 2030.

The delegate from the Food and Agriculture Organization of the United Nations (FAO) noted that it has finalized the review of its strategic framework in 2013, which focuses on poverty, hunger, and increasing social, environmental and economic performance in the agricultural sector. The delegate highlighted FAO's work on 1) farm capacity building programs 2) technology transfers through south-south cooperation 3) reducing risks to health and environment from pesticides 4) enhancing the value chain by working closely with ICAC, and 5) the SEEP report, which was presented in the first open session and will be discussed in the world café.

The delegate from the International Trade Centre (ITC) noted that its technical assistance is purely trade-related and 100% Aid for Trade. The delegate stated that it has several projects funded by the European Union such as supporting regional economic communities in implementing cotton to clothing strategies, building closer linkages between cotton ginners and cotton-consuming spinning mills, promoting African cotton in world markets and promoting low capital-intensive transfer of fiber information technologies through south-south cooperation. The delegate concluded by announcing that it is developing a project to support women in the cotton sector in Zambia and is also in the final stages of developing the south-south cooperation project "Cotton to Clothing: Enhancing African capacity and trade through the use of Turkish know-how." The delegate noted that funding has not been secured yet. ITC's report is available on the ICAC web site as a statement of the meeting.

The representative of the CFC recalled the joint activities between CFC and ICAC over more than twenty years in the field of cotton development, addressing cotton-focused problems and perspectives in a broad range of member countries of the ICAC and the Common Fund. The joint cotton portfolio of some 26 projects reflects a total financial incentive for cotton development of approximately US\$70 million,

including some US\$ 30 million contributed by the Fund and some US\$ 40 million in counter-part funding and co-financing contributions. He reported that the Common Fund is going through a period of adjustments in terms of modalities of operations, and the Fund is now focusing on loan-based commodity development activities having the private sector as the core actor in its new projects. Requests for CFC support can be made through submission of proposals following the twice-yearly Call for Proposals. Details can be found on the Fund's website (www.common-fund.org). The representative described current cotton projects, including a project to address seed cotton contamination. He also expressed his appreciation for co-operation with the ICAC team under Terry Townsend. He noted that the newly elected Executive Director, Mr José Sette is well known to the CFC from his time at the International Coffee Organization. CFC's report is available on the ICAC web site as a statement of the meeting.

The delegate of CHAD stated that cotton is important to Chad's trade balance as it is one of the main traded items, but that the instability of domestic cotton prices has created problems. The delegate stated that Chad is creating the New Society Cotontchad Sn with 10 billion USD in capital, 51% of which will be owned by the state and 49% by the private sector. The delegate stated that in 2012/13 34,000 tons of fiber were produced and all production was exported. In 2013/14, 215,000 hectares were planted despite prolonged rainfall, but the rain should improve production with an expectation of 41,000 tons of cotton lint in 2013/14. The delegate concluded that he hoped to hear about ways to improve the value chain of cotton and to stress that the countries involved in the cotton industry need to think deeply about solutions to these challenges. Chad's country report is available on the ICAC web site as a statement of the meeting.

The delegate of CAMEROON stated that cotton was introduced to Cameroon in 1949 and is mostly cultivated in the extreme north. Since 1973, the cotton sector has been led by SODECOTON (the Society for Development of Cotton in Cameroon), which is parapublic group focused on cotton promotion. The delegate stated that while production had increased since 1973/74, it peaked in 2004/05 at 306,000 tons and in 2007/08, it fell to 115,000 tons due to the significant decrease in world cotton prices and the increase in the price of inputs such as fertilizer. Despite this, production increased in 2011/12. Because of the crisis in the cotton sector in 2006, the government established a stabilization fund, which would help producers get inputs. The delegate noted that it is also promoting through partnerships with CIRAD and the Institute of Agricultural Research for Development that would help create new varieties, improve soil fertility and also fight against bio-aggressors. The delegate concluded that

as cotton is a main contributor to Cameroon's economy it hopes its new institute will improve its capacities and help overcome constraints such as managing flooding and financing. Cameroon's country report is available on the ICAC web site as a statement of the meeting.

The delegate of SOUTH AFRICA stated that lint cotton production by South African ginner is expected to decrease by 46% to 6,800 tons in 2013/14 compared to last season and will be their smallest crop since the 1960s. The decrease in the current crop is mainly due to relative lower cotton prices and favorable circumstances for competing crops. The delegate noted that cotton is a labor intensive sector, especially for the smallholders but the cotton sector also has the potential to provide a lot of jobs and raise incomes. The delegate stated that rural development is a top priority for South Africa in part in order to reduce the number of people migrating to urban areas and also to improve competitiveness of the domestic value chain. The delegate said that South Africa looked forward to the report from the expert panel on SEEP, and that South Africa continues to be affected by subsidies. South Africa's country report is available on the ICAC web site as a statement of the meeting.

The delegate of BURKINA FASO noted that cotton is very important to its economy and development as cotton creates income for rural areas and develops industrial activities. The delegate noted that cotton was 10% of Burkina Faso's GDP and exports of cotton were a huge source of hard currency. The delegate stated that in the last nine seasons, Burkina Faso has produced 180,000 thousand tons on average. The delegate noted that the government and players in the cotton sector are working together to improve cotton's competitiveness, but the effects of their efforts are limited by the continuing subsidies in the developed countries. The delegate states that these subsidies should be stopped in order to make a more equitable international trading system and that it's regrettable that the Doha Round has not come out with a single conclusive result. Burkina Faso's country report is available on the ICAC web site as a statement of the meeting.

The delegate of COTE D'IVOIRE stated that cotton is the economic engine in the northern region. The liberalization of the cotton sector starting in 1988 has not concluded and in 2002 there was a social crisis that caused a decrease in domestic cotton prices for 8 years while the cost of inputs increased during this time. This caused production of seed cotton to decrease dramatically from 400,000 tons in 1999/00 to 120,000 tons in 2007/08 with a corresponding decrease in yields. The delegate noted however, that in the last 3 seasons production increased with an expectation of at least 360,000 tons of seed cotton in 2013/14 (155,000 tons of lint), which is due to an increase in prices to the producer and the

reorganization of the cotton sector. The delegate noted that the government of Cote d'Ivoire has set up several government organizations such as a regulating body to professionalize the sector and build capacity in order to make cotton producers more credible producers and improve their living situation. The delegate stated that it adopted new measures for the cotton sector in March 2013 they will be implemented in the 2014/15 season, which include improving producers' access to quality seed, supplying inputs to producers, a better zoning system and a mechanism to set the price of seed cotton so that the producer receives 60% while the rest is shared by stakeholder. Cote d'Ivoire's country report is available on the ICAC web site as a statement of the meeting.

The delegate of EGYPT noted that as one of the founding members of ICAC it cares deeply about the discussions and hopes they will be fruitful. The delegate noted that the cost of production of cotton has increased while revenues have decreased. The delegate further noted that fluctuation of prices from one season to another and competition with polyester have negatively affected cotton production in Egypt. In 2012/13, cotton area was 143,000 hectares producing about 110,000 tons with an average yield of 768 kg/hectare. The cotton area in 2013/14 is estimated at 122,811 hectares, which is expected to produce 100,000 tons of lint cotton. The delegate stated that the Egyptian government is now introducing an integrated plan for advancing agriculture, including a national campaign to promote the cotton and textile industries and encourage spinning and textile factories to invest in Egypt through free trade agreements. The delegate concluded by noting that Egypt has new varieties of cotton such as Giza 92, which is one of the strongest cotton varieties and that it also has varieties that are extra-long and of very fine texture. Egypt's country report is available on the ICAC web site as a statement of the meeting.

The delegate of AUSTRALIA stated that cotton is one of the most important economic activities for many regional communities. The delegate noted that its production is only 3% of world production, but nearly 99% of its production is exported and mostly to Asia. The delegate further noted that in the past two seasons, it had 2.5 times the yields compared to the rest of world and a record of 2.267 tons per hectare in 2012/13, which was 14% increase from last year. The delegate stated that responding to challenges from competing fibers should be a global response and Australia's response has been to make its cotton a premium crop that is sustainable and able to meet consumer demand for particular looks and feel. The delegate stated that it also supports IFCP and the cotton identity programs. The delegate stressed however, that contract defaults are a major issue and also urges fellow government members to make reductions in tariffs and subsidies that distort trade in cot-

ton. Australia's country report is available on the ICAC web site as a statement of the meeting.

The delegate of SUDAN stated that cotton is one of its main crops and the main foreign exchange earner. The delegate noted that it is a social crop, employing more than three hundred thousand families in the Sudan. The delegate stated that in order to positively affect cotton's competitiveness, Sudan is using biotechnology to improve the varieties it grows and the irrigated cotton sector has made fundamental changes to the types it grows in order to reduce the high cost of production. The delegate noted that in addition to these measures, it is also increasing research, improving infrastructure and encouraging farmers to cultivate natural fiber cotton by entering into partnerships with investors in the private sector. The delegate stated that Sudan has adopted several policies such as modernizing irrigation systems to reduce water use and establishing technology transfer centers. The delegate noted that the Sudan government is in the process of issuing the laws interpreting the act on modernizing agriculture in Sudan, which is important as 20% of state revenue is in the agriculture sector. The delegate maintained that Sudan's policy aims at a complete cancellation of taxes because agricultural products like cotton are exported goods that are considered as strategic. Sudan also has a current research project to make improvements in genetic engineering of cotton. Sudan's country report is available on the ICAC web site as a statement of the meeting.

The delegate to TURKEY noted that there were a lot of good examples discussed in this meeting to take home and consider. The delegate stated that cotton is crucial for Turkey in the textiles and apparels sector, which has seen significant increase in consumption. As Turkey's production cannot meet domestic demand, Turkey requires large imports of cotton and after China is the 2nd largest importer of cotton. The delegate stated that because manmade fiber will continue to improve and its production increase, the cotton sector will need to remain competitive such as through creating demand with new innovative products to arouse attention. The delegate stressed that the comfort and health benefits of cotton should also be stressed to consumers so that cotton will be the preferred fiber. The delegate concluded that a fair, free non-biased trade system is necessarily and protectionism hurts not just economies but also individuals at end of the day. Turkey's country report is available on the ICAC web site as a statement of the meeting.

The delegate of ZAMBIA noted that cotton is an important resource for poor farmers and a significant contribution to smallholders' income. The delegate stated that between 1990 and 2000, agricultural gross domestic product grew at an average rate of 3.9%, which was faster than population growth. The delegate stated that the Zambian government has enacted several new laws and policies to support cotton and in

2012/13 included cotton as one of the five crops under its Farmer Input Support Programme. The delegate noted that cotton production grew from 28,456 tons in 2009 to 104,000 in the 2012 harvest year. However, the current season production is threatened by local seed cotton pricing and higher prices for other crops, causing 2012/13 lint production to plummet to 38,000 tons. The delegate stated that other concerns include low yields for cotton, poor production leading to reduced competitiveness on the world market. The delegate stated that lint consumption has also been very low since the collapse of the domestic textile industry caused by obsolete equipment, and an increase in 2nd hand clothing consumption, but the government is looking to address these issues. The delegate stated that it has three varieties of medium staple cotton and has been able to command a premium on the world market due to efforts seeking to minimize contamination of lint. Zambia's country report is available on the ICAC web site as a statement of the meeting.

The delegate of POLAND stated that natural fibers, contrary to manmade, are completely sustainable and environmentally friendly. The delegate noted that the industry not only needed to project but also enhance the image of cotton through avenues such as its environmentally-friendly aspect, which enhances its image and the personalization of textiles to match consumer demand. The delegate concluded by pointing participants to its report on the website which has interesting statistics concerning textiles and apparel. Poland's country report is available on the ICAC web site as a statement of the meeting.

The delegate of NIGERIA said that the theme of this plenary is very apt because of agricultural resilience is in the global spotlight because of climate change and unstable markets. The delegate stated that Nigeria had a system where agriculture used to be a powerhouse but faces challenges from poor infrastructure, massive dumping and counterfeiting by Asian countries. The delegate noted that Nigeria has come up with reforms to help improve the cotton sector along its value chain such as creating 6 local varieties of cotton that will have an improved yield and registering farmers into a database that currently has 200,000 registered and 18 ginneries have also joined as production hubs. The delegate noted Nigeria has many success stories such as a revival of 25 textile companies after the government injected money into the textile sector and reducing contamination by stamping out the use of plastic bags. The delegate concluded that by next year, Nigeria should have a lot to report. Nigeria's country report is available on the ICAC web site as a statement of the meeting.

The CHAIR adjourned the First Plenary Meeting at 15:45 hrs.

16:15 hr. Monday, September 30, 2013
Mr. Andres Felipe Garcia, Vice Minister of

Agricultural and Rural Development (Colombia) in the Chair

After warm opening remarks, the CHAIR invited Mr. Alois Schönberger, Chair of the Private Sector Advisory Panel (PSAP) to deliver the report of the PSAP to the Plenary Meeting. Mr. Schönberger noted that the reserve policy of the Government of China has many impacts on the world cotton market: prices remain above average even though stocks are record high; prices of cotton are above those of competing fibers and cotton's share of world fiber use is being negatively affected; market participants are not sure how long the current reserve policy will continue, thus adding uncertainty to the world market. The PSAP observes that disruptions to cotton marketing exacerbate problems of contract defaults and distort markets by causing imbalances between supply and demand, and defaults on contracts remain a significant problem in the world cotton industry. Such policies are rarely, if ever, imposed on chemical fiber trade. The PSAP urged governments to (1) ensure transparency in policies by informing all market participants of changes in policies and programs in a timely fashion; (2) avoid policies that disrupt markets as such policies often have unintended consequences which result in a weakening of the cotton value chain; (3) jointly with the cotton industry, strengthen efforts to enhance demand for natural fibers, including cotton; (4) ensure that valid international arbitral awards are automatically enforceable, as provided by the provisions of the New York Convention of 1958; (5) take heed of an annual report by The World Bank, "Doing Business," and in particular to improve the procedures for enforcement of contracts in countries where contract enforcement is difficult, time consuming and expensive; (6) be aware of the list of firms reported to have failed to fulfill awards resulting from arbitrations conducted by CICA Member Associations when determining eligibility for programs funded by governments; (7) avoid abrupt and retroactive application of trade distorting measures. The PSAP expressed concerns that membership of the EU in the ICAC on the basis of one country, paying one assessment, and exercising one voice or one vote within the ICAC would restrict the participation of cotton industry bodies in the work of ICAC working groups. PSAP's report is available on the ICAC web site as a statement of the meeting.

The delegate of TAIWAN reported that the Taiwanese textile industry is utilizing novel technology to produce high value-added and best-quality products. Taiwan's textile industry is now comprised of 4,375 textile manufacturers; and when combined with related companies, the industry now employs a total of 144,977 people. In each of the past 12 years, more than 70% of Taiwan's total textile production value was exported. At the same time, the textile industry has been shrinking. Between 2001 and 2012, the sector lost 1,132 manufacturers and employment

in the sector fell by 67,620 people. Taiwan depends on imports for all of its raw cotton needs. Taiwan imported 210,000 tons of raw cotton in 2011 at a value of US\$568 million. In 2012, cotton imports increased to 226,000 tons, while the value fell to US\$417 million. The United States was the largest supplier of raw cotton to Taiwan in 2012, accounting for 40% of total imports by value, followed by Brazil (16%) and India (10%). Cotton yarn exports totaled 138,000 tons in 2012, up 33.6% from the 103,000 tons shipped in 2011. During the same period, the value of exports increased 5.0%, to US\$388 million. Taiwan's textile industry is undergoing developments to innovate various high value-added materials as a means of creating product differentiation, focusing on functional applications, and promoting the use of eco-fibers. Taiwan and China formally signed the Economic Cooperation Framework Agreement (ECFA) on June 29, 2010, which took effect on September 12, 2010. The agreement enables Taiwan's textile industry to compete on equal terms with ASEAN countries in the China market and puts Taiwan's industry in a more favorable position when compared to other major international competitors. In addition, with the ECFA's duty-free concessions, Taiwan textile producers should be able to remain highly competitive, making it possible for manufacturers to continue to use Taiwan as their base of operation as they seek to expand their exports. Taiwan's country report is available on the ICAC web site as a statement of the meeting.

The delegate of INDIA explained that cotton is one of the most important commercial crops cultivated in India. An estimated 5.8 million cotton farmers and 40-50 million people engaged in related activities such as cotton processing & trade earn a living out of the cotton industry. Cotton continues to be the dominant fiber in the Indian textile industry. In the raw material consumption basket of the Industry, the ratio of the use of cotton to man-made fibers and filament yarns is 59:41. The textile industry contributes significantly to the Indian economy in terms of industrial output, employment generation and the export earnings of the country. It contributes about 4% to GDP, 14% to industrial production and 11% to the country's export earnings. The textile sector is the second largest provider of employment after agriculture. India is the second largest producer of cotton after China, and is also the second largest consumer of cotton after China. Approximately 62% of Indian's cotton is produced on rainfed areas and 38% on irrigated lands. The acreage under Bt cotton accounted for around 88% of the total area of 11.76 million hectares in 2012/13. Cotton production amounted to 5.78 million metric tons and mill use (both organized and small scale spinning units) reached 4.54 million in 2012/13. With the weakening of the Indian Rupee vis-à-vis the US Dollar and the stockpiling policy of China, cotton exports reached a record level of 2.19 million tons in 2011/12, which is unlikely to be

observed in 2012/13. Indian imports of cotton are estimated at 0.25 million tons in 2012/13. Imports are mainly comprised of Extra Long Staple (ELS) cotton. Substantial efforts are being made to implement an instrument-based quality evaluation system in India. The Cotton Corporation of India is selling cotton based on quality parameters. The ginning and pressing factories as well as private traders have also started quoting the selling prices indicating the staple length and other parameters of varieties/grade as against the earlier practice of mentioning only the variety. The Government of India has promoted Integrated Cotton Cultivation (Contract Farming), to improve extension services and the availability of quality inputs to farmers. The Cotton Corporation of India undertook contract-farming in 2012/13 on 48,147 hectares in all the cotton growing States involving 15,285 cotton farmers. The Corporation has continued contract farming into 2013/14. Taiwan's country report is available on the ICAC web site as a statement of the meeting.

The delegate of TANZANIA reported that cotton supports the livelihood of 40% of the Tanzanian population by direct involvement in its cultivation activities, transportation, processing and the allied sectors in oil extraction and textile manufacturing. On average, 400,000 hectares are sown to cotton by small-scale farmers ranging from 350,000 – 600,000, depending on the season. Farm sizes range between 0.5 to 5 hectares, and productivity is constrained by a number of factors such as low utilization of inputs due to lack of credit, inadequate extension services, low adoption of new technologies and low level of mechanization. The average yield is 750 kilograms of seed cotton per hectare. Cotton area amounted to 420,000 hectares in 2012/13, 26% lower than in 2011/12. The decline in cotton area was due to a fall in a farm gate prices in the preceding season and to a postponement of Contract Farming, which was rolled out in the Western Cotton Growing Area (WCGA). During 2013/14, output is expected to drop from 357,000 to 250,000 tons of seed cotton, due to farmer's reaction to lower farm gate prices and attacks of unchecked insect pests (farmers failed to spray cotton in the aftermath of the suspension of Contract Farming). Contract farming is expected to be re-instated in 2014/15. The major export destinations of Tanzanian cotton are Indonesia, Vietnam, Bangladesh, China, and India. Tanzania's country report is available on the ICAC web site as a statement of the meeting.

The delegate of MOZAMBIQUE explained that a new program focusing on the cotton value chain is being implemented in Mozambique to boost production, productivity, quality, trade and processing of cotton. The goal of the program is to put cotton production in Mozambique on a sustainable path, which only produced 100,000 tons of cotton in 2012/13. Boosting yields in small-scale farms and promoting investments to expand big scale cotton farming are among

the top priorities of the program. Mozambique recognized the need for further research in cotton to develop appropriate seeds and technologies, and welcomed the creation of the International Cotton Researchers Association (ICRA). The delegate highlighted the support of Mozambique to the task forces on challenges from competing fibers and cotton identity programs. The government of Mozambique strongly supports MOZAZIMA and ICAC, and expressed an intention to host a Plenary Meeting in or after 2016. Mozambique's country report is available on the ICAC web site as a statement of the meeting.

The delegate of GERMANY highlighted that within the last decade, the volume of raw cotton imports shrank by two-thirds because of decreasing demand for cotton and declining production volumes of cotton yarn and clothing. While cotton lost market share to synthetic fibers in yarn production, its share in the production of woven fabrics rose. The German fashion industry retains the design, logistics, manufacturing of samples and quality assurance in Germany, but it has shipped production abroad. On the contrary, production of technical textiles for modern applications in the fields of construction, communications, medicine, protection and transport, is growing in Germany, and currently accounts for almost half of all textile production in Germany. Fifty-six percent of technical textiles are exported. The delegate reflected on the more than 60 years of membership of Germany in the ICAC, and contemplated the possibility that this could be the last Plenary Meeting for Germany as member on its own, since the EU plans to accede to membership in the ICAC in representation of all EU countries. Germany supports the accession of the EU to the ICAC. Germany's country report is available on the ICAC web site as a statement of the meeting.

The delegate of BRAZIL noted that the high volatility of cotton prices and the increasing cost of production incentivized the planting of alternative crops such as soya and corn in Brazil. This resulted in a sharp reduction in the area planted last season. Assuming prices will remain high and stable, Brazilian cotton production would return to more traditional levels. The delegate said that the stockpiling policy in China places a ceiling on prices, but this does not guarantee stability. Brazil looks forward to a successful outcome of the Doha Round, as it refers to cotton, as well as a speedy resolution of government policies in some countries, which create uncertainty and stress in the cotton fraternity. Brazil plans to continue playing a major role in the world cotton market, not only for its domestic textile industry but also satisfying the needs of international customers. Brazil supports the creation of cotton consumption promotion programs, which benefit all cotton producing countries. Brazil's country report is available on the ICAC web site as a statement of the meeting.

The delegate of PARAGUAY expressed the

interest of Paraguay in reactivating its cotton sector and re-entering the international cotton market after experiencing a collapse in its cotton sector during the 2000s. The major drivers of the collapse were (1) bad domestic policies; (2) substitution of successful national seed varieties with low quality and low yielding imported planting seeds; (3) generalized infestation with boll weevil; (4) low profitability; (5) fiber contamination from polypropylene bags used in the collection of seed cotton. The Ministry of Agriculture in collaboration with the private sector is implementing a plan to reactivate the cotton sector. Ninety percent of the cotton crop is harvested manually in small-scale farms, and since farmers currently use 100% cotton bags to collect cotton bolls, contamination is minimal. In 2012/13, the first season when officially approved biotech cotton seeds were available, cotton area in Paraguay amounted to 45,000 hectares and production amounted to 10,500 tons of cotton lint. Paraguay is interested in training scientific researchers, celebrating bilateral cooperative agreements, and implementing public-private partnerships to select suitable planting seeds for its soil and climate. Paraguay's country report is available on the ICAC web site as a statement of the meeting.

The delegate of UGANDA indicated that a public-private sector partnership between the Government of Uganda, represented by Cotton Development Organization (CDO), and the umbrella body of the Uganda Ginners and Cotton Exporters' Association (UGCEA) continued to support cotton production through provision of affordable services to farmers: provision of cotton planting seed; provision of other production inputs (fertilizers, pesticides and spray pumps); provision of cotton targeted extension services; farmer mobilization, sensitization and training on improved agronomic practices for increasing production; productivity and quality using demonstration fields; mechanization of land preparation through provision of ox-drawn ploughs and tractor hire services for facilitating timely operations and increases in cultivated acreages. During 2012/13, Uganda produced 18,751 tons of lint compared to 47,577 tons of lint produced in 2011/12. This drastic fall in production was attributed mainly to: (1) drop in cotton prices in the 2011/12 season compared to 2010/11; (2) negative publicity resulting from drop in prices; (3) adverse weather conditions, drought during the early part of the growing season (May – July 2012) and heavy rainfall at harvesting time (December 2012 – January 2013). The CDO acquired a new HVI machine for its Classing Laboratory. About 10% of the lint samples received from ginners were classed using the new HVI machine. CDO continues to participate in the Commercial Standardization of Instrument Testing of Cotton (CSITC) and ICA-Bremen Round Trials. The Government of Uganda and the CDO acknowledges with thanks the support to the cotton sub-sector by

the Government of India in the cotton Technical Assistance Program (TAP), which is being implemented under the 2nd India Africa Forum Summit. The TAP is a three-year program funded under a grant by the Government of India. The TAP activities are aimed at strengthening the cotton value chains in seven countries in Africa (Benin, Burkina Faso, Chad, Mali, Nigeria, Malawi and Uganda). The TAP is implemented on behalf of the Government of India by the Agency "IL&FS Cluster Development Initiative" based in New Delhi. The CDO is the National Nodal Coordinating Agency of the TAP activities in Uganda. Uganda also appreciates the support, guidance and information extended to the cotton sub-sector by the ICAC and the International Trade Center (ITC) for the strengthening of its cotton value chain. Uganda's country report is available on the ICAC web site as a statement of the meeting.

The delegate of the UNITED STATES presented an outlook for the U.S. cotton sector, according to which U.S. upland cotton production for the 2013 crop (2013/14 August/July marketing year) is forecast at 2.8 million tons, 22 percent less than in 2012/13, and below the 5-year average of 3.2 million tons. Planted area in 2013/14 totaled 4.05 million hectares, 17 percent below the previous year. Harvested area is forecast at 2.8 million hectares, which suggests an abandonment rate of 30 percent. Yield per harvested hectare is forecast at 913 kilograms, above the 5-year average of 900 kilograms. Relatively lower prices, especially relative to competing crops, induced farmers to plant less acreage, but yields are projected to be better because last year's crop was more severely affected by drought conditions. In 2013/14, mill use of upland cotton is projected at 756,000 tons, slightly higher than mill use in 2012/13. U.S. mill use has declined almost every year from the record high of 2.4 million tons in 1997/98. Upland raw cotton exports were 2.7 million tons for 2012/13, a 12 percent increase from the previous year. The top export destination was again China, to which the U.S. exported 1.0 million tons, representing 39 percent of all upland exports. The other top ten upland markets, were Turkey, Mexico, Vietnam, Pakistan, Indonesia, Thailand, Taiwan, South Korea, and Peru. The top ten destinations represented 83 percent of upland cotton exports. In 2013/14, upland cotton exports are projected at 2.3 million tons, a 17 percent decrease from the previous year. The U.S. share of world exports of all cotton is expected to remain at 29 percent. The 810,000 tons of beginning stocks in 2013/14 are down 62 percent from the 40 year high seen in 2008/09. Ending stocks for 2013/14 are forecast at 610,000 tons, 220,000 tons less than in 2012/13, despite declining import demand in China and lower U.S. production. The overall retail-level market share of cotton in the United States was about 36 percent, below the previous 3-year average of nearly 40 percent. U.S. per capita consumption of cotton decreased to an

estimated 11.8 kilograms per person in calendar 2012, 0.45 kilograms below 2011 and the lowest since the early 1990s. USA's country report is available on the ICAC web site as a statement of the meeting.

The delegate of ZIMBABWE reported that seed cotton production decreased from 350,703 tons in 2011/12 to 140,702 in 2012/13. This reduction in production can be attributed to: (1) lower producer prices paid in the past season: average prices moved downwards from 85c/kg in 2011 to 35c/kg in 2012 hence the shift from cotton to other crops such as tobacco and soybeans; (2) unfavorable weather conditions, i.e. erratic rainfall distribution on mostly rainfed production; (3) poor yields due to inadequate and late distribution of inputs to farmers. Zimbabwe has allowed non-commercial testing of Bt varieties under the supervision of the Biotechnology Authority of Zimbabwe, but it has yet to legalize the commercial production of Bt Cotton. At the beginning of each marketing season, the Cotton Ginners Association (CGA) and the Farmers Unions meet to discuss and negotiate seed cotton producer prices. The prices are determined by taking into consideration the farmers' cost of production, the ginners' cost of production as well as the current world market price of cotton lint. Over the past years, lint consumption by local spinning mills has been on a downward trajectory since most spinners have closed or are highly distressed due to foreign competition and high operating costs. Zimbabwe's textile industry is currently composed of eight spinners. About 98% of the lint produced in the country is exported to foreign mills. Zimbabwe's country report is available on the ICAC web site as a statement of the meeting.

The delegate of KENYA noted that cotton is considered as one of the most important industries to implement long-term development initiatives and industrialization strategy in Kenya. Hence the government is implementing revival strategies of the sector that started in 2005. The Kenyan government is not providing subsidies to cotton growing or price support for producers or for ginning or marketing. Instead, the government is providing targeted support to smallholder farmers in the form of provision of planting seeds as a food security measure, advisory service through public irrigation schemes to reinstate irrigated cotton production (as a rotational crop) and other food crops production. Alongside provision of irrigation water, the government aims to increase the efficiency of water use by embracing modern production techniques of conservation and management. The government has embarked on development of an infrastructure to support reliable testing of cottons through an instrument based classing system to promote transparency in cotton marketing and prices. This will form a foundation for a conducive structure for a transparent price formation process for both seed cotton and

lint that is effective for producers, ginner and spinners in the country. The system will pave the way for branding of Kenyan cottons. The delegate of Kenya expressed concerns about the lack of progress on global trade initiatives under the WTO negotiations. Kenya's country report is available on the ICAC web site as a statement of the meeting.

The delegate of PERU highlighted the economic and social relevance of cotton in Peru. A strong export-oriented textile industry developed in Peru based on high quality Peruvian-grown cotton. Exports of Peruvian apparel amount to US\$2 billion yearly. The textile industry currently employs 450,000 people directly and 1.35 million people indirectly. However, the textile industry has disassociated from domestic cotton production recently and has come to rely on imported cotton mainly. Cotton area in Peru declined from 275,000 hectares in 1962 to 28,800 hectares in 2013. Peruvian cotton represents, at most, 22% of the blend of cottons used in the domestic textile industry. The historical factors behind the reduction in competitiveness of Peruvian cotton are: (1) trade distortions through subsidies in major cotton producing and consuming countries that distort price signals in the international market; (2) the Free Trade Agreement subscribed with the United States that eliminated tariffs for imported US cotton; (3) the reduction of import tariffs for cotton from other countries; (4) the lack of development programs for the Peruvian cotton sector; (5) the weak participation of farmers in producers associations/cooperatives; (6) the lack of negotiation power from cotton producers against other links of the textile value chain. Demand for extra-fine cotton follows an increasing trend, but is satisfied with imported cotton. The government of Peru declared the Value Chain of Cotton Produced in Peru of national interest in 2012, in an attempt to strengthen and foster the development of each of the links of the value chain, from cotton growing through marketing the final textile good.

The delegate of PAKISTAN reported that cotton is cultivated on over 3 million hectares, accounting for 14 percent of the cropped area in the country. It accounts for more than 55 percent of export earnings and about 60 percent of domestic food oil production. Cotton farming is the principal source of raw material for the textile industry, which is the largest industry, employing 40% of the industrial labor. Pakistan is the fourth largest cotton producer in the world after China, India and the USA. Despite an improvement in the size of the cotton crop, yield per hectare has not improved during the second half of the 2010s, mainly due to: (1) the ravages of cotton leaf curl virus (CLCV) disease; (2) poor management practices due to lower crop prices;

(3) climate change; (4) irrigation water shortage; and (5) small and uneconomic land holdings. Commercial varieties of CLCV resistant varieties developed by the Central Cotton Research Institute (CCRI), Multan, fell prey to a new mutated form of CLCV, commonly known as Burewala strain of cotton virus (BSCV) during 2012. Efforts are under way to breed varieties resistant to BSCV through classical breeding, mutation breeding, inter-specific hybridization and genetic engineering technologies. Pakistan is the 3rd largest consumer of cotton in the world, the 3rd largest yarn producer, the 2nd largest yarn exporter and the 3rd largest cloth exporter with 14 percent share in the world cloth exports. The government of Pakistan is taking steps to upgrade the ginning sector of the industry. Establishment of cotton standards through the Pakistan Cotton Standard Institute (PCSI), and setting up of a Ginning Institute are positive steps towards the right direction. The Engineering Development Board in collaboration with the Field Wing of the Punjab Agriculture Department is developing an improved version of gin stands. Pakistan's country report is available on the ICAC web site as a statement of the meeting.

The delegate of UZBEKISTAN highlighted the significance of the Researcher of the Year award given to a recognized Uzbek scientist, and commented on the planned activities by the government of Uzbekistan to provide for steady growth of the domestic cotton economy. The pillars of the plan rely on the dynamism of the general economy of Uzbekistan, enhancing the competitiveness of the cotton sector, developing new seed varieties, fostering research efforts, investing in new infrastructure (a network of zonal terminals in conformity with the highest international standards), and development of the cotton business through applied science. The delegate invited all members to the International Cotton Textile Fair to be held in Tashkent on October 16-17, 2013.

The delegate of COLOMBIA reported that cotton area fell by 28% to 31,600 hectares in 2012/13, a record low for Colombia, due mainly to a lack of industrial demand. Other factors that contributed to the reduction of the cotton area since 2009 are adverse climatic conditions, poor adaptability of biotech seeds to local conditions in several regions, the stagnation or decline in yields across regions, and the increasing difficulties to finance production and marketing operations. Adoption of biotech cotton increased by 8% in 2013/14 mainly due to insufficient availability of conventional planting seed. Average national yields remained unchanged at 748 kilograms per hectare, but yields in the coastal region declined for a sixth consecutive year. The appreciation of the Colombian peso over the last few years resulted in higher costs of production

in US dollars, hurting the competitiveness of Colombian cotton in the international market. For 2014/15, the domestic textile industry projects a need for 45,000 tons of Colombian cotton, and producers should be able to supply that volume, especially after having negotiated more favorable contract clauses with the textile industry. Starting in May 2012, the Free Trade Agreement between Colombia and the United States eliminated all tariffs for the import of US cotton into Colombia and also an old clause that required that the textile industry purchase the entire domestic cotton crop before importing cotton. The result was a substantial increase in cotton imports from the United States and a surplus of Colombian cotton, which is currently shipped to Central America and Peru. The main challenges for the Colombian cotton sector are to improve and homogenize yields across regions, and to reduce the costs of production. The Colombian government is calling upon all sectors to convene for a national pact on agriculture and rural development that would settle the medium- and long-term goals for the cotton sector (among other sectors). Colombia's country report is available on the ICAC web site as a statement of the meeting.

The delegate of Mexico presented a brief description of the Product Cotton National System, which is a vision to increase cotton production two-fold between 2012/13 and 2014/15 by reactivating cotton production in many states of Mexico and maintaining high yields. The delegate reported that the use of biotech cotton resulted in the number of pesticide applications falling from 12-13 to 1-2 per season. Mexico's country report is available on the ICAC web site as a statement of the meeting.

The delegate of Bangladesh presented a historical overview of the evolution of the cotton sector and the textile industry in the country. At present there are 416 spinning mills in Bangladesh (22 units in the public sector and 394 units in the private sector) with a production capacity of 2 million tons. Additionally, 777 weaving mills and 1,065 specialized textiles and power looms are in operation with a production capacity of 2,100 and 400 million meters, respectively. Moreover, there are 148,342 units of handlooms with a fabric production capacity of 837 million meters. The spinning sector uses 800,000 tons of cotton annually, imported mostly from India, Uzbekistan, Turkmenistan, Tajikistan, Australia, Pakistan, and the United States. The delegate highlighted the damage that price volatility brought upon the textile industry in Bangladesh since 2010/11. Bangladesh's country report is available on the ICAC web site as a statement of the meeting.

The session was adjourned at 17:45 hrs.

First Open Session

Interfiber Competition: Meeting the Challenges of Competing Fibers

11:00 hr. Monday, September 30, 2013

Mr. Peter Ottesen, Department of Agriculture, Fisheries and Forestry (Australia), in the Chair

The CHAIR welcomed everyone to the first open session on meeting the challenge of competitive fibers. The Chair noted that at the last plenary meeting there was a lot of conversation concerning the challenges facing cotton, and the Task Force on the Challenges from Competing Fibers was created because of this challenge and particularly, polyester's increasing market share.

The CHAIR invited Mr. Kevin Latner, executive director of Cotton Council International, who led the task force to present its findings and recommendations from its recently completed report.

Mr. Latner explained that over the past 5 years, cotton has lost 7% of its share in the fiber market and 12% in textiles while synthetic fibers have increased by 20%. Mr. Latner reported that the task force has investigated both the magnitude of this problem and potential solutions that governments and industry associations could implement. Mr. Latner identified the price volatility, quality controls and the value of cotton in the market as 3 areas that affect the competitiveness of cotton.

Mr. Latner further explained that while price volatility caused by factors such as weather, speculation or changes in demand impacts the price of cotton, government policies and direct interventions had the biggest impact on price volatility. Mr. Latner reported that the task force recommends having a high level of transparency in governments' policies and improved information.

Mr. Latner's explained that improving quality control through testing and identification helps improve cotton's competitiveness. Mr. Latner reported that the task force recommends continued support of the Commercial Standardization of Instrument Testing of Cotton (CSITC) task force's work on standardization of HVI, which is a leadership role for ICAC.

Mr. Latner explained that cotton has an invaluable story of creativity, innovation, quality and in general being a better product than competing fibers. Mr. Latner stated that to improve cotton's value in the market consumers need to know what they are buying (why labeling is important) and the cotton industry needs to promote the social and environmental benefits of cotton by using the results of the Expert Panel on Social, Environmental and Economic Performance of Cotton Production (SEEP) and coordinating promotion efforts through International Forum for Cotton Promotion (IFCP).

Mr. Latner concluded that that we can stop cot-

ton's loss of market share, and possibly regain it in the long-term, by continuing to use ICAC as the platform for disseminating information and by having a unified message on cotton promotion coordinated by the International Forum for Cotton Promotion (IFCP).

The CHAIR asked that given that cotton's market share is down, what optimism is there that this decline can be stopped and potentially reversed. Mr. Latner responded that the industry should be optimistic and active as the research examined by the task force showed that consumers really love cotton and there are excellent products for consumers.

The delegate from BRAZIL stated that labeling should be emphasized by governments, since consumers will not know otherwise what they are consuming.

The delegate from ARGENTINA asked for a clarification on Mr. Latner's statement that consumers love cotton. Mr. Latner explained his colleagues from Cotton Inc. carried out research in some countries (the United States, Europe, Japan, and Brazil) that showed that approximately 90% of consumers prefer cotton to other fibers. The delegate from Argentina asked how often and to what extent does the price of garments affect consumer preferences.

Mr. Latner responded that the task force has tried to see how we can turn this love into an impulse to buy cotton, but the answer depends on the specific market in question, so it would be beneficial to use IFCP to coordinate our cotton promotion message since solutions are specific to the country.

The USA delegate thanked the task force for its work and fully endorsed the report and recommendations, particularly the point that governments should heighten transparency of cotton policy and encourage content labeling.

The CHAIR invited the Secretariat to present its report on cotton supply and use. Dr. Alejandro Plastina explained that consumption of all textile fibers increased from 15 million tons in 1960 to a projected 82.2 million tons in 2013, which correlates strongly with population. He noted that not all fibers experienced the same rate of growth of consumption and in the case of cotton, it has increased linearly since 1960 averaging 300 tons annually while synthetic fiber consumption increased exponentially, averaging an increase of 1.7 million tons per year since 1995.

He explained that as a result, the market share of cotton declined from about 50% in the 80's and the early 90's to about 40% in the early 2000s, and dipped to 29.8% in 2012. The ICAC Secretariat forecasts that with a stronger

demand for cotton from industrial countries and assuming that cotton does not lose further price competitiveness to other fibers, the market share of cotton will remain stable at around 30% until 2014. However, if demand from industrial countries does not materialize or cotton prices go up then the market share could fall again a few percentage points. The relative price of cotton to polyester is one of the drivers behind cotton's declining market share, and 95% of the time when cotton prices were higher than polyester prices, the market share of cotton declined, but when polyester was higher, cotton regained its market share only 60% of the time. Price volatility is also a major factor and although cotton price volatility been below average the past two seasons, it is expected to return in the future. Furthermore, in comparison, the volatility of polyester prices in China tends to be less than the volatility in prices of cotton, especially since 2009/10, making it more attractive to the textile industry.

Dr. Plastina noted that the top 10 cotton-consuming countries at the retail level accounted for 2/3 of world cotton apparel consumption in 2010 and for those with high levels of income per capita, the market share of cotton is stable at around 43%. But for low income per capita levels, increases in income are associated with declines in the market share of cotton. However, cotton is not only competing with other textile fibers, but textiles are also competing with other classes of goods. For example, clothing and household textiles became a smaller proportion of consumers' budgets in the EU between 1995 and 2011, while electronics, housing, energy and medical care all gained shares. Clothing also became a smaller proportion of consumer's budgets in Japan between 2003 and 2012. The long-term projection is that while total cotton consumption will continue to grow, the market share of cotton among all textile fibers will continue to decline, possibly to 25% by 2025. Short term projections depending on prices and overall world economic growth are that cotton mill use will remain stagnant this season, and in 2014/15 will increase by 4% with India, Pakistan, Bangladesh and others expected to offset the decline in China's consumption.

Mr. Andrei Guitchounts explained that there is a strong correlation between prices from the previous season and world cotton area for the current season, and cotton area is projected to decline by 4% in 2013/14. He noted that average world yields stayed stable during the past decade because of a lack of a new breakthrough technology. He said that in 2013/14 the world yield is projected to decline by 2% to 768 kg/ha, mostly because of unfavorable weather in China.

As a result, world cotton production is projected to decline to 25.1 million tons in 2013/14, down 6% from the previous season. He illustrated in a chart that this decline in production will mostly come from China, the United States, and Pakistan. Although world production is projected to decline in 2013/14, production will still remain above mill use as illustrated in the chart showing a projected gap of 1.6 million tons of cotton that will go into the stock this season. He noted that world cotton stocks are projected to reach a record of nearly 20 million tons in 2013/14, accounting for 83% of world mill use. The biggest reason for the large quantity of stocks is China's stock reserve policy. The current size of its reserve is estimated at about 7.4 million tons, which is projected to peak at 14 million tons this season. He said that China has started buying more cotton this September. The stock could decline to 12 million tons by the end of season after auctioning, which would account for 68% of world stocks. Although there is a large quantity of cotton stocks, in 2012/13 the Cotlook A Index averaged 88 cents per pound, which although lower than during the previous two seasons, is substantially higher than the historical average. The reason the price has stayed high is because the quantity of stocks outside China has declined. World cotton imports are projected to decline by more than 1 million tons to 8.9 million tons in 2013/14. Although imports by Turkey, Indonesia, Vietnam, and Bangladesh are expected to increase this will not offset the decrease caused by China. Additionally world exports are projected to fall, particularly in the United States, India, Brazil and Australia. Lastly, biotech cotton is estimated to account for 62% of exports, mostly exported by the United States, India, Australia and Brazil. Mr. Guitchounts noted that there are no price differentials for biotech and non-biotech cotton fiber or textiles containing biotech cotton and in practice, markets do not identify biotech cotton content, but rather evaluate cotton properties based on quality characteristics. Their presentation is available on the ICAC web site as a statement of the meeting.

Mr. Sabri Ünlütürk, President of Aegean Textiles and Raw materials Exporters' Associations, Turkey presented his reaction to these presentations. Mr. Ünlütürk stated that cotton is important for many people at all levels of the value chain and it is for this reason that what happens in the world cotton environment is important. For decades, cotton had an undisputed position second to none but now its market share is declining and

we are called to take action to stop this dramatic decline, which the task force appropriately considered. Mr. Ünlütürk offered several remarks for consideration to help develop a strategy. Price volatility, weak and decelerating economic growth in developed and developing countries are reasons for ICAC's finding that cotton share is down since 2007. Specifically, with regard to price volatility, traders prefer to avoid entering contracts for commodities like cotton that have high volatility. Additionally, weak economic growth means weaker purchasing power, which in turn affects consumer spending. Both polyester's consistent fiber quality and also its significant price advantage have contributed to its increase in market share. Mr. Ünlütürk said that price volatility caused by government intervention is the biggest threat to the future of cotton, but some volatility should always be expected. Additionally, a reasonable degree of speculation is healthy, but should not be excessive. Further, governments should be urged to encourage players in the cotton trade to enjoy easy access to hedging mechanisms without unnecessary costs or financial restrictions. Lastly, labeling can make a significant difference in consumer choices. Mr. Ünlütürk's report is available on the ICAC web site as a statement of the meeting.

In response to a question about whether the consumption and market share data were specific to spun yarn, Dr. Plastina replied that the data did not include non-wovens, but mill use data was based on spun cotton and market share was related to cotton in apparel.

The USA delegate asked whether the comparisons relate to staple fiber only or staple and filament. He also asked if the data concerning textile's share of consumers' budgets were a steady decline or due to the economic situation in the comparison years. Dr. Plastina responded that the market share was calculated on both staple and filament yarn. With regard to textile's share in consumer budgets, the data are from the consumer price indices and the increases in electronics share during this time suggests that textile's decline was not due to the economic situation at the time.

A delegate asked if whether the last couple of years' data seemed to say that all decline in mill use is mostly accounted for by China. Dr. Plastina confirmed that this is correct. The delegate noted that given this decline in consumption it is strange that China is stockpiling such a large reserve.

The Chairman of the IFCP noted that one of the conclusions from the report is to use the IFCP to build markets and that promotion is important. He also noted that he is less pessimistic because even with a 25% share in 2025 more production will be needed then now because cotton's total consumption will grow.

The delegate from EGYPT asked about the production of extra fine cotton. Mr. Guitchounts noted that the share of extra fine is 2% of total world production and the yield he discussed in his presentation was a world average. He noted however, that barbadense has a much higher yield and that there is a large variation in yields across countries.

Dr. Plastina noted that the IFCP chairs comments were correct, as cotton production will need to increase to meet the predicted market share in the future.

A delegate asked about the effect of changes to China's current policy from stockpiling to direct subsidies. Mr. Guitchounts responded that there are several possible scenarios. One example is if China will reduce its reserve by 6.4 million tons, increases consumption, reduces imports and exports the excess reserve resulting in the rest of the world importing more and an increase in free world stocks. The projected price would range from 56 to 82 cents per pound with a midpoint of 67 cents per pound.

A delegate from ARGENTINA asked if there was any work done to see if consumer knows what it means if all apparel will have label 100% cotton. Mr. Latner responded that this question depends greatly on the experience of the individual countries Mr. Latner explained that a strong promotion program and ensuring that labels carried information on the content of garment created a positive response by consumers in the United States and more will be explained later in the meeting.

The representative of the ITC asked about the impact of 2nd hand clothing consumption on cotton consumption on world mill use. Dr. Plastina explained that the impact would be minimal using the example of Africa where 40% of apparel is 2nd hand. In Africa, the average per capita consumption is slightly less 2 kilograms, so eliminating all 2nd hand clothing consumption would at best increase cotton consumption to 2.8 kg per capita in Africa.

The Session was adjourned at 12:45 hrs.

Second Open Session

Part 1: Land Tenure and Implications for Agriculture Productivity

Part 2: Report of the Expert Panel on SEEP

Part 3: PROCALGODON: A Comprehensive Program for Improving Argentine Cotton

9:00 hr. Tuesday, October 1, 2013

Mrs Cecilia López Moñtano, President, CISoe (Colombia), in the Chair

Land Tenure and Implications for Agricultural Productivity

The CHAIR noted that land ownership is an important issue in light of an ongoing debate about the roles of small and large farmers in agriculture and their profitability. She noted that over half of agricultural production is accounted for by two billion small farmers, who face a number of challenges, including climate changes, price shocks, limited financing, access to healthcare and nutrition. She said that small farmers have tremendous potential, and if they receive help they could feed the world.

The CHAIR recognized José Leibovich Goldenberg, Adviser, Colombia to present a report on land tenure and implications for agricultural productivity. Mr. Leibovich said that demand for food and agricultural products is growing, driven by increasing populations and income especially in Eastern Europe, Asia and emerging economies in Africa and South America. The same process takes place in Colombia. However, agricultural growth is lower than the general economic growth rate, thus agriculture is declining as a share of the country's economy. He said there is a great potential for the development of agriculture because Colombia is using only a quarter of the potentially arable land. There are other necessary resources needed in agriculture, such as water, labor, and favorable climate, though these resources are not evenly spread around the country, and there is a trend of migration of population from rural to urban areas for better income or security. Colombia is working on developing models of a more diversified agriculture and an efficient use of land, labor and raw materials could make agriculture more productive and competitive. In the era of globalization, trade agreements play an important role in development. In some areas in Colombia there is abundant labor, but a lack of capital or land tenure makes small farmers less productive than other small farmers who have their land tenure formally settled. He highlighted the importance of formalizing land tenure for small farmers, research and development of new climate resistant varieties, improved access to financing and insurance to improve profitability for small farmers. In some regions of Colombia, like the eastern highlands, large-scale agriculture could develop if uncertainty about land ownership is resolved. Government should implement models of land concession systems for state owned lands. Mr. Leibovich's report is available on the

ICAC web site as a statement of the meeting.

The CHAIR recognized Alvaro Balcazar, advisor, Colombia. Mr. Balcazar said that land tenure is important and is related to productivity. He suggested that large-scale farmers are not necessarily more efficient than small-scale farmers and it is important to have flexibility in being able to shift land from less efficient to more efficient farmers. Property rights and certainty of the status of the land are important factors in the efficient operation of the market, and he said that it is not necessary to own the land to be a productive operator. There is a need for a system assuring and clarifying property rights and its transfer between parties for efficient use of arable land. He pointed to negative experiences in Colombian Atlantic coast areas, where short leases for land resulted in poor efficiencies and negative incentives. He indicated that long-term leases lead to better productivity. He said that there is a need to simplify the system of land redistribution so that more efficient farmers have better access to land through leases or other forms of land acquisition.

The CHAIR recognized Samuel Amehou, former Ambassador of Benin in Geneva. Mr. Amehou said that rural development and support to small-scale agricultural production are important issues for Africa. He noted that a lack of proper land ownership rules leads to a crisis. He said that very often legislation does not reflect the needs set by realities in the field, and there is a strong need for strategies on how to assure legal rights for land not just for individuals, but for collective units as well. He said that government land tenure reform should be implemented faster, while civil societies and the private sector should be involved in the process in order to reach a consensus. Land tenure policies should have a long-term approach and should provide security for small farmers and help to improve socioeconomic factors. He pointed to the World Bank study and indicated that large-scale acquisition of fertile lands by foreign governments and multinational corporations since the crisis of 2008 is incompatible with traditional production systems in Africa. He said the large-scale acquisition of land hurts small farmers and leads to poverty. Mr. Amehou's report is available on the ICAC web site as a statement of the meeting.

The delegate of ARGENTINA said that the issue of land tenure is very important and congratulated organizers and speakers for this discussion. He asked how the speakers foresee government policies aimed at fostering the development of 20 million hectares in the Eastern Plains of Colombia.

The delegate of Burkina Faso asked panelists on their view on agricultural credit access and on ways to mobilize financing.

Mr. Leibovich said the Colombian government is looking into the potential of developing large-scale agricultural production on 3.5 million hectares of land that is currently classified as wasteland. A matter of concern for these areas is a potential large acquisition of land by foreign governments that could undermine the country's food security. On the other hand, development of the wasteland will require substantial investments. The issue of land ownership will require a complex debate.

Mr. Balcazar said that lands in Eastern Plains will require substantial investments to make them productive, and individual farmers may not be able to raise such financing. It may be necessary to organize farmers, consolidate and harmonize efforts to assure investment flows.

Mr. Amehou said that each farmer should have a property title for land to be able to receive financing from the bank, which will provide security to farmers.

Report of the Expert Panel on SEEP

Mr. Allan Williams, Chair of SEEP, indicated that the report 'Measuring sustainability in cotton farming systems: towards a guidance framework' was commissioned in the belief that standardizing the indicators by which the performance of the global cotton industry is measured will allow for more focused data collection, and thereby improve the ability of the cotton industry, as a global entity, to understand, report on, and improve its social, environmental and economic performance. Better data on the impacts of cotton production will also better enable the cotton industry to identify and defend its achievements.

Mr. Williams noted that other links of the supply chain are developing tools to assess the performance of cotton growing as part of assessing the impacts of the whole range of raw materials used by them. He cited (1) the clothing 'footprint' calculator developed by the Waste and Resource Action Plan out of the UK; (2) Made By's environmental benchmark for fibers, out of the Netherlands; and (3) the Higg Index originally developed by Nike and later adopted by the Sustainable Apparel Coalition, out of the United States. SEEP considers that there is an opportunity for cotton demand expansion if the cotton sector can provide good quality data on the improvements being made in how cotton is produced.

The Measuring Sustainability Report proposes a set of recommended indicators that could act as the starting point for anyone working with cotton farmers – governments, industry organizations, development agencies, funders and voluntary standards initiatives – as the basis for their reporting. Mr. Williams stressed that the list of recommended indicators is not being proposed as mandatory, neither with the objective to provide a pass/fail grade, neither that all recommended indicators need to be collected by any one country or initiative. The report provides sufficient details to enable readers to undertake their own prioritization of indicators based on their individual circumstances.

The list of recommended indicators was compiled from a list of nearly 200 indicators using three criteria:

Their relevance: how well does the indicator align with sustainable development priorities at the global level, and for the cotton industry more specifically?

Their feasibility: how practical is it to actually collect the information, considering: the costs involved, the availability of information and the likely accuracy of the data collected?

Their usefulness: how well does the indicator link the activity being measured and the outcomes sought: is it a logical and significant link, and is the information comparable?

The scores for each of these criteria were then assessed for 'balance', i.e. if there was too large a difference between average scores for the three different criteria for an indicator; the indicator was assessed as 'unbalanced' and potentially less relevant. Lastly, the inclusion or exclusion of each indicator was reviewed by SEEP.

Dr. Williams said that the next steps will be to discuss the framework during the world café, and later a survey will be conducted by the ICAC Secretariat to seek the opinion from member countries as to which are the most important indicators from their country perspective. Ideally, it would be useful to test the framework: so there could be pilot projects with government departments, international organizations, or NGOs interested in testing the framework, with a view to assessing the ability to identify appropriate good practices linked to the indicators, the feasibility of collecting the indicators,

and the effectiveness of the good practices and the indicators in improving the sustainability of cotton growing.

SEEP urged member countries to develop an agreed set of key performance indicators, and more importantly, an agreed focus for collecting and reporting on information at a global scale. Mr. Allan Williams acknowledged the efforts of the members of SEEP, the ICAC Secretariat, the FAO, and the GIZ (German Agency for International Cooperation) who provided funding for the project.

The delegate of BRAZIL said that Brazil initiated the SEEP in the expectation that the major focus of its work would be placed on economic performance, and he suggested that retailers need to balance their approach to this aspect of performance for all sides of the value chain.

The delegate of INDIA said that in the process of implementation of the SEEP recommendations and the needs of cotton producers should be taken into account from the prospective of developing countries.

Mr. Williams said that all three pillars of sustainable production should be addressed and the economic one is very important. He said that SEEP is not proposing a new compliance program, but rather that SEEP is recommending a list of indicators by which sustainability in cotton production can be defined and measured. He suggested that the cost of compliance should be considered against the cost of doing nothing.

The report "*Measuring sustainability in cotton farming systems: towards a guidance framework*" is a document of the meeting.

Presentation by Argentina: PROCALGODON

Speakers:

- Lucrecia Santoni, Agriculture National Director, Ministry of Agriculture, Livestock and Fishery
- Luis Pellegrino, Adviser, Ministry of Agriculture, Livestock and Fishery
- Diana Piedra, Coordinator National Project, INTA
- Eduardo Delssin, Director, INTA

The speakers presented a detailed description of PROCALGODON, a certification program of the Ministry of Agriculture, Livestock and Fisheries of Argentina to improve the quality of cotton lint, while improving productivity and cotton technology from field to marketing of cotton in the domestic as well as international markets, improving traceability and raising the competitiveness of the national cotton sector. Four protocols have been developed under PROCALGODON: (1) quality seed for sowing, fodder, and industry; (2) planting and cotton crop management; (3) harvesting, module building, transportation and storage; (4) fiber sampling and use. Field trials were conducted in commercial plots and professionals of the private sector audited the implementation of protocols. In 2008/09, 269 bales (54 tons of lint) were PROCALGODON certified, while in 2009/10 and 2010/11 the number of certified bales climbed to 1,000 and 3,950, respectively. Over those three seasons, yields per hectare of PROCALGODON cotton were 10% to 56% higher than the national average yield. Eighty percent of PROCALGODON cotton was stripper harvested. On average, HIV parameters for certified cotton were similar to national average values for length and strength, but certified cotton obtained better micronaire values. After three years of field trials, Argentina is confident that a certification system can be implemented, and PROCALGODON will consider alternative strategies to roll out the program into commercial scale and create a label to better position Argentine cotton in the world market and add value to farm production.

The Secretary General noted that PROCALGODON is an outgrowth of efforts to ensure that the Argentine cotton industry is implementing recommendations from the ICAC and the Private Sector Advisory Panel to improve transparency and bale traceability, improve cotton quality and eliminate contamination, improve farmer incomes through optimal input use, and implement standardized instrument testing of cotton. The Secretary General thanked the delegation of Argentina for their efforts. The report of PROCALGODON is available on the ICAC web site as a statement of the meeting.

The Session was adjourned at 11:15 hrs.

Third Open Session

Cultivating a New Crop of Entrepreneurs

11:30 hr. Tuesday, October 1, 2013

Mrs. Luz Amparo Fonesca, Ex Executive President of Conalgodón (Colombia), in the Chair

Citing the case of China in promoting a new generation of farming entrepreneurs, Dr. Michel Fok of CIRAD, stated that there is a huge gap in the per capita income in the rural and urban areas, thus making farming less attractive to Chinese people. In China, most farmers have a small holding of 0.4-0.7 ha and often depend on additional income from other sources. In 1978, an average farmer made over 80% of his income from farming and less than 20% from other sources, but now an average farmer makes almost 60% of his income from other sources and only about 40% from farming. Surveys indicate that youngsters have little interest in farming, and almost 40% of the farmers in China are between 46 and 55 years of age. Only 13% of farmers are less than 35 years of age. Dr. Fok mentioned that the Government of China has taken substantive measures to promote an interest in farming. The Government supports land use by those who are most committed to farming, promotes cooperatives and mechanization, and provides necessary training for successful farming. The 'family farmers' program, introduced by the Government of China in late 2012, provides more incentives both in terms of land security and financial help so that farmers continue to take an interest in farming. However, farmers must submit applications, family members must provide the main source of farm labor, applicants must farm permanently, their production plans must be in compliance with local political objectives, and farmers are not allowed to grow whatever they want in order to meet eligibility requirements for the program.

Dr. Fok mentioned that no program would be successful until farmers' incomes are increased relative to off-farm sources of income. As far as China is concerned, there is a need to increase farm size to over 12 hectares and to accelerate the mechanization process, provide specific advice on crop husbandry and increase subsidies in order to raise incomes. Local authorities are very critical to the survival of farming systems in China as the central Government provides only 14% of the total subsidies. Different slogans are displayed to attract more people to farming but two important issues that have still not received attention from the Government are maintenance of the onerous residential registration system and the absence of a welfare system and social programs such as health care and pensions to improve farmers' social and economic status. Dr Fok's report is available on the ICAC web site as a statement of the meeting.

Dr. Carlos Valderrama, Fundación País Futuro,

Colombia, commenting on the presentation stated that Dr. Michel Fok had provided a rich account of what farmers, including cotton producers in China, face today and will likely face in the future. China has made great achievements in agricultural production, which strengthened food security. Yet, according to Dr. Valderrama, there is a negative aspect of farming in China that is shared in various degrees by growers in a good number of countries. There is a large income differential between rural and urban China, there is a lack of free or affordable access by farmers to basic public services such as health care, and the new generation is not interested in farming. A number of government initiatives were mentioned indicating how China is concerned about who will farm in the future, promoting rural-urban integration based on promotion of cooperatives, speed up mechanization and educational programs with specific training. Dr. Valderrama agreed with Dr. Fok and questioned the sustainability of various programs and their geographical diffusion to inner provinces because their success lies on important subsidy efforts from local authorities (representing 3/5 of the family farmers' average income). He agreed that the Government of China is on the right track in providing multi-dimensional support to farmers. Dr. Valderrama suggested enhancing involvement of rural communities in the policy decision-making process. Dr. Valderrama concluded that the agricultural sector today needs more entrepreneurs and fewer monopolists, and he said that ignoring the issue will only maintain the status quo that is resulting in the erosion of sustainable rural development and rural communities. Dr Valderrama's report is available on the ICAC web site as a statement of the meeting.

Mr. Aribé Achimugu of Nigeria agreed with Dr. Fok that there is a huge difference in income between rural and urban sectors that forms the basis for the lack of interest in farming. He said that the lack of interest from the younger generation burdens old age farmers to continue farming. Mr. Achimugu added that negative perceptions about farming are a major obstacle to encouraging a new generation of entrepreneurs. He stated that the Government of Nigeria has heavily invested in many sectors to encourage agriculture as a profession, and these investments helped him to become a successful young entrepreneur. The Government introduced a US\$625 million Cotton, Textile and Garment Fund for direct lending to the cotton sector at an interest rate of 6% compared to a commercial rate of 20%. The Federal Ministry of Agriculture and Rural Development launched an Agriculture Transformation Agenda that provides growers with easy access to fertilizers and seeds. The cotton farmers get three bags of fertilizer at a 50% subsidy. The Bank of Agriculture of the Ministry of Agriculture has been funded for easy lending to farmers. Mr.

Achimugu mentioned many other government programs in agriculture that are very important for encouraging agriculture, including cotton. Nigeria plans to increase the number of farmers to 3.8 million by 2020. Mr. Achimugu concluded that governments have a very important role to play in various sectors of farming, including land use acts and other policy enactments that keep people farming and attract new farmers. Mr Achimugu's report is available on the ICAC web site as a statement of the meeting.

Mr. German Alberto Chaves Correal of the National Service of Learning (Servicio Nacional de Aprendizaje - SENA) Colombia explained how farmers in different centers in the country are trained in an integrated fashion. Special attention is paid to the development of human capital and a new generation of farmers. Twenty-seven centers that have an average area of 101 ha each are fully equipped with industrial biotechnology, precision agriculture, mechanization and a number of other important aspects of farming systems. Young people avoid low quality employment in rural areas, and parents do not want their children to continue to do what they have been doing to survive in poorly served rural areas. There is a need to increase social justice to stop migration to urban areas. SENA continuously monitors how many people have been trained and how many of them remain employed in agriculture.

When the CHAIR opened the floor for questions, the delegate of ARGENTINA asked Dr. Fok if the huge stocks of cotton currently held in China were in any way related to the support programs for farmers mentioned in his presentation. Dr. Fok responded that he did not study this aspect of China's policies, but he said that cotton area in general is declining in China.

A member of the delegation of PERU hoped that such a huge gathering of cotton experts would hopefully provide answers to the problems faced by growers in developing countries. He noted that subsidies paid in some countries affect farmers in all countries.

Another speaker noted that more efforts must be made to utilize cotton byproducts from seed and stalks so as to enhance the incomes earned from cotton farming.

The CHAIR concluded by noting that governments have a crucial role to play in encouraging young people to take an interest in agriculture. She said that other countries should consider pilot projects such as the examples from China. She urged that training/education programs be accelerated, credit facilities be extended and more incentives be provided in rural areas to keep cotton viable.

The Session was adjourned at 13:00 hrs.

Fourth Open Session

Making Women Visible: Gender Issues in Cotton

14:00 hr. Tuesday, October 1, 2013

Ms. Patricia Biermayr-Jenzano, Georgetown University (USA), in the Chair

The CHAIR invited Ms. Aselly Mwanza, Gender Coordinator at the Cotton Association of Zambia (CAZ) to make her presentation. Apart from maize, cotton is the most important smallholder crop in Zambia, supporting around 3.6 million rural livelihoods (about 30% of Zambia's population). Of the 254,670 cotton farmers in the last farming season, only 20% (50,934) were female. Women are disempowered when it comes to making decisions at any level of the production chain, including the distribution of money after cotton sales, despite doing 80% of the labor (planting, weeding, spraying, picking, packing and even land preparation in some cases). Tradition and culture prohibit women from owning land and making decisions on planting and managing field operations. For women, access to financial services is even more difficult than for men because of low literacy levels and lack of access to property titles that can serve as collateral. Women on average obtain lower yields than men and this can be attributed to the lack of access to extension services.

The CAZ promotes self-financing through savings and credit groups called CASALA, and provides women with information on cotton price formation. Through CAZ's initiatives, the establishment of farmer owned ginneries is underway as well as plans to introduce handlooms and seed pressing machines for farmers. CAZ is lobbying for the participation of emergent farmers -especially women- in seed multiplication. CAZ provides extension services to over 25,800 farmers (36.7% female) using a concept called study circle groups. Services include training in cotton production and land use management, farmer exchange visits and linking farmers to technology centers and research institutions. CAZ promotes crop rotations with legumes to provide a good source of protein and enhance food security, especially among female headed and HIV/AIDs affected households. CAZ promotes the use of minimum tillage using either Magoye Ripper (ripped furrows) or hand hoe (planting basins), which stretches the period of land preparation (compared to the conventional practice) from as early as May to September, giving smallholder farmers -especially women- ample time to prepare land as well as attend to other community responsibilities. CAZ also promotes the use of ultra low volume sprayers that require only 10 liters of water and 1.5 hours to cover a hectare and are particularly adequate for women farmers.

Responding to a question from an observer, Ms. Mwanza indicated that the shareholding

structure of the first-ever only Zambian- (and farmer-) owned ginnery, namely the Mumbwa Cotton Ginning and Pressing Company, was: 60% of shares owned by farmers, 20% of shares owned by the Citizen Economic Commission (CEC), and 20% of shares owned by CAZ. After two years, the CEC and the CAZ will pull out and 100% of the shares will be fully owned by farmers. Ms Mwanza's report is available on the ICAC web site as a statement of the meeting.

The CHAIR invited Ms. Brigitte Gaedeke, Trader at Otto Stadlander GmbH (Germany), to make her presentation. Ms. Gaedeke presented several examples where gender bias was absent in the corporate world and the political establishment, and several other examples where women's share of the target population in specific professions or educational programs was substantially lower than 50%. Gender bias in the latter set of examples was attributed to cultural, sociological, and historical reasons. Women tend to be associated with soft skills and face a more challenging work-life balance than men. Ms. Gaedeke stated that she does not experience any disadvantage in the trade, and urged women to be confident in their skills, to stay focused on their goals, and to remain visible.

After a request for clarification from the Secretary General, Ms. Gaedeke explained that the growth in the percentage of women in the DAX 30 Board of Executives in Germany from 0.5% in 2009 to 7.8% in 2012 was due to changes in one or two positions in a small pool of employees. Ms Gaedeke's report is available on the ICAC web site as a statement of the meeting.

The CHAIR invited Ms. Luisa Fernanda Melo, Manager at Remolino (Colombia) to make her presentation. Ms. Melo noted that according to the 2011 report by the United Nations Development Program, the participation of women in agriculture is underestimated: 31.1% of female agricultural workers are considered unpaid assistants and their activities are not reported as employment. The percentage of women employed in the agricultural sector of Latin America increased from 32.4% in 1990, to 43.9% in 2000, to 47.5% in 2010. However, that percentage is still about 40 percentage points below the corresponding value for men in 2010. The explanations that Ms. Melo offered for that gap were that (1) women historically have been in charge of unpaid household chores, keeping them invisible on the job market; (2) women work longer and earn less income than men; (3) the job market and the formal education system are more demanding of women than on men, and tend to exclude them more quickly; (4) social programs for women keep them in a condition of dependency. In Colombia, unem-

ployment is higher among women than among men. Fifty-two percent of working women work in the informal sector. Colombian Law 731 of January 2002, the first in history that focuses exclusively on rural women, establishes standards to improve the quality of life of rural women and devote specific measures to foster equality between men and rural women. However, in some Colombian regions, land ownership is only assigned to men among married couples, and only the male head of household is electable to benefit from collective land allotments. Among the 51 cotton companies operating in Colombia, 8 managers, 2 assistant managers and 3 staff are female. Ms. Melo concluded that it is crucial that women enhance their visibility in the job market. Ms Melo's report is available on the ICAC web site as a statement of the meeting.

The CHAIR summarized the information presented in the session, and noted that gender barriers are a social construction. She said that the women empowerment index developed by USAID, the University of Oxford, and IFPRI is a very powerful tool for gender analysis. Dr. Biermayr-Jenzano proposed five areas to pursue for future studies in relation to gender and cotton production: (1) labor: picking, planting, catering and playing managerial roles. Accrued time can be used to educate, care for children/elderly, leisure and wage-labor; (2) pesticide's impacts on soil and water, non-target pests, and human health; (3) information flow: access and spread of useful information for decision making (cell phones, other IT); (4) empowerment: work patterns (from field to trading), provide access to value chains, markets and cash; (5) entry-point and visibility: evaluate the entry point of women to the textile chain and evaluate why they become "invisible". Finally, the Chair recommended that the ICAC Secretariat in collaboration with other institutions continue analyzing the topic of gender in cotton production.

The delegate of Mexico indicated that three organized groups of women operate in the National Council for Sustainable Development of Mexico; one composed of 3,200 women and the other two composed of 2,700-2,800 women each.

The delegate of BURKINA FASO made two observations: (1) women have an important role to play in the family farm, while respecting social norms in order to consolidate family life and farm activity; (2) women in rural areas in developing countries face similar gender issues as women in urban areas of developed countries. Therefore, efforts should focus on improving the situation of all women in the cotton value chain.

A female cotton farmer and president of an as-

sociation of producers in Peru highlighted the critical role of women both at home and in the farm. In particular, she focused on the problems faced by single mothers and widows whose family land is taken away from them to repay family debts. She requested that the topic be given consideration by the international community to protect that particular group of women.

The delegate of BRAZIL asked the panelists whether there are laws that discriminate among men and women. The panel responded that

The delegate of SOUTH AFRICA congratulated the panel for representing producers, researchers and merchants, and requested clarification on the way forward to increase visibility of women in the cotton sector. The Chair commented that measures must be location- and cultural-specific,

but she was of the opinion that the first step should be to understand the point of entry of women into the cotton value chain. Ms. Melo was of the opinion that education is critical, as well as self-reliance.

The delegate of Argentina thanked the Organizing Committee for including gender issues in the agenda of the Plenary Meeting and supported the conclusions of the panel.

The session was adjourned at 15:15 hrs.

Fifth Open Session (Technical Seminar)

Overcoming the Period of No-Growth in Yields

11:30 hr. Wednesday, October 2, 2013

Mr. Juan Lucas Restrepo, Corpoica (Colombia), in the Chair

The Round Table for Biotechnology in Cotton finalized its report, and Dr. Keith Menchey, Chair of the Round Table for Biotechnology in Cotton presented highlights of the report to the Committee on Cotton Production Research of the ICAC. Dr. Menchey observed that technology fees associated with biotechnology and the need for biosafety protocols are hindering the spread of biotechnology. The existence of specific constraints to cotton production, including the Cotton Leaf Curl virus in Pakistan and the boll weevil in South America, limit the economic value of varieties with biotech traits in regions where such diseases or pests are dominant. Development of resistance by insects to Bt toxins and weeds to the herbicide glyphosate is of concern to all biotech cotton producing countries. Round Table members urged technology developers to ensure that all regulatory approval processes are completed in a timely fashion in major consuming markets. Dr. Menchey's report is available on the ICAC web site as a statement of the meeting.

The issue of resistance to toxins and the residual effects of biotech genes were discussed. It was observed that the resistance problem is understood, and the measures required to overcome this problem are known. Commercial seed is exported only in very limited quantities so it should not be of concern to countries that do not produce biotech cotton. Ultra low gossypol cotton developed using biotechnology is close to commercialization. Gossypols have been reduced to a minute level in the seed of plants only; gossypols remain at normal levels in the green parts of plants.

Dr. Ibromkhim Abdurakhmonov of Uzbekistan, ICAC Researcher of the Year 2013, presented a paper on 'Role of Genomic Studies in Boosting Yields.'

The development of the 'omics' science involved

a considerable amount of effort, and achievements were made to develop large genetic and genomics resources for cotton through characterization of novel genes of agronomic importance and development of molecular markers. Genetic mapping of complex traits, development of better germplasm and decoding the entire cotton genome sequences are challenging but carry a great potential for improving yields in cotton. Genetic diversity of breeding germplasm in general and commercially cultivated varieties specifically has been shrinking, thus limiting variability for better selection opportunities. Dr. Abdurakhmonov stated that the science of biotechnological approaches requires a higher level of coordinated efforts, wider international collaborations, and better funding and investment for accelerated achievements. The Government of Uzbekistan has upgraded its genomic research facilities and developed stronger collaboration particularly with US researchers.

Uzbekistan has developed the technology to produce high quality fiber upland cotton. Wild species of cotton carry useful genes that need to be utilized, but interspecies barriers prohibit the use of desirable genes from the un-cultivated species. Dr. Abdurakhmonov's report is available on the ICAC web site as a statement of the meeting.

The Secretariat presented a report on the cotton planting seed industry. Planting seed has 4 or 5 categories, but each category is named differently in different countries. On advice from the 71st Plenary Meeting in 2012, the ICAC Secretariat undertook a study on planting seed nomenclature used to describe seed quality standards. The Committee on Cotton Production Research of the ICAC approved the following nomenclature for cotton planting seed. The recommendations are limited to nomenclature only, purity, germination and certification standards are all for countries to decide depending upon their conditions. The objective is to standardize planting seed nomenclature.

Breeder Seed - This will be the seed produced or

supplied by breeders for multiplication purposes only. Seed may be multiplied by either the public or private sectors but under the supervision of a breeder. Breeder supervision will be the certification, if required.

Foundation Seed - This is the seed produced from the crop of Breeder Seed. Foundation seed will be used to multiply on a large scale to supply growers with seed for the next generation. External certification by a neutral agency or self-certification will be mandatory.

Certified Seed - This is the seed produced from Foundation Seed and it is the seed that will be supplied to growers. It is recommended to maintain purity close to 99%.

Registered Seed - Seed produced from Certified Seed by a farmer under his own supervision for self-planting or to supply to other farmers will be called Registered Seed. It should carry the label 'not certified' and its purity should be no less than 98%, if used for planting.

The Commercial Seed is not recommended for planting. It should go to oil production or livestock feed.

The report from the Secretariat is available on the ICAC web site as a statement of the meeting.

Dr. Eduard Barragan of the CORPOICA, Colombia, spoke about the physiological constraints and solutions to improve yields. He stated that photorespiration, low density of stomata, particularly on the fruiting parts and stem, inability of the fruit to provide food for its growth and poor translocation of photosynthates are some of the physiological limitations for improving a plant's ability to produce more fiber. Floral bracts being close to the boll could provide more photo assimilates for boll growth, but their rate of photosynthesis is very low. Balanced nutrition for the plant is important; the higher photorespiration rate in cotton cause consumption of much higher amounts of nitrogen that is actually needed. Solutions lie in minimizing nutrient deficiencies, triggering optimum use of available nutrients in the soil, enhancing the

photosynthesis rate for improving leaf growth and extending the longevity of leaves. According to Dr. Barragan, challenges are complex due to intricate genetic controls and even some time-negative correlations among the desired features. Results can be expedited through national and international collaboration. Dr Barragan's report is available on the ICAC web site as a statement of the meeting.

By the end of the 21st century, climate change is projected to increase temperatures, change rainfall patterns and increase drought. Dr. Derrick Oosterhuis of the University of Arkansas, USA stated that this will alter production management practices and geographical regions of suitability for cotton and other crops. Research has shown that higher levels of CO₂ are associated with increased photosynthesis, reduced stomatal conductance and increased water use efficiency. Cotton yields have shown positive responses to higher levels of CO₂ due to a higher photosynthetic rate. But, because cotton exhibits lower stomatal conductance, extreme weather like flooding or drought and a rise in average temperatures, will make cotton vulnerable to net losses in yields. High temperatures affect all stages of plant growth, and cotton is most sensitive during the reproductive stage as pollination and fertilization are occurring.

Participants discussed at length the use of potassium on cotton and the consequences of high temperatures and rising CO₂ levels. The rising CO₂ levels may currently be benefitting cotton, but the long-term impact will probably not be desirable. A rise in temperatures and the CO₂ level is forecast to increase pests, increase demand for potassium and increased vegetative growth. Dryland cotton could be affected more than irrigated. The need for potassium use was emphasized because it affects fiber elonga-

tion and reduces short fiber index. However, a balance among nutrients must be maintained. Extremely high temperatures affect pollen tube growth after fertilization, which results in fewer seeds per bolls and lower yields. Dr Oosterhuis' report is available on the ICAC web site as a statement of the meeting.

Dr. Dean Ethridge, a member of the Executive Committee of the International Cotton Researchers Association (ICRA) presented a report on the activities and programs of the Association. He stated that ICRA has been incorporated, an Executive Committee has been constituted, bylaws have been formed and a web page has been developed. The ICRA has applied for tax-exempt status with the US Government. The ICRA is functional and currently focused on web improvement and developing a strategic work plan. The mission of ICRA is to strengthen facilitation among cotton researchers and serve as an international voice on cotton research. Dr Ethridge's report is available on the ICAC web site as a statement of the meeting.

Mr. Luiz Renato Zapparoli, President, Cotton Growers Association of the State of Goiás, Brazil briefed the Committee on Cotton Production Research of the ICAC on preparations for the World Cotton Research Conference-6 (WCRC-6). The Conference will be held in the city of Goiânia, State of Goiás, Brazil, from June 20-24, 2016. The WCRC 6 will be a joint initiative of the Brazilian institutions (AGOPA, EMBRAPA, ABRAPA FIALGO, the Goiás Foundation) and ICAC. The Conference will be held under the auspices the International Cotton Researchers Association. Mr. Zapparoli said that it is a great honor for South America and Brazil to host an event of such a magnitude. In addition to welcoming cotton specialists from all over the

world, Brazil will open heartedly share knowledge and experience in production practices that contribute to high yields in Brazil. Brazil strongly believes in solutions and innovations through continuous research. Mr. Zapparoli urged all governments to plan on sending the maximum number of researchers to the WCRC-6. Mr Zapparoli's report is available on the ICAC web site as a statement of the meeting.

The Committee on Cotton Production Research of the ICAC considered a proposal from the Secretariat to hold the 2014 technical seminar on one of three topics: 1) Measures to Improve Sustainability of Cotton Production, 2) International Exchange of Germplasm and 3) New Developments in Fiber Quality Measurements. Many countries supported topics 1 and 2; however, more countries supported topic no. 1 but wanted it to be more specific. The chair amended the topic to 'Enhancing the Mechanism of Input Interaction in Cotton Production' as the topic for the 2014 Technical Seminar. A Breakout Session will be organized on the topic 'International Exchange of Germplasm,' a topic that had been supported by a large number of countries.

Before adjourning the meeting, the Chair invited Mr. Achamau Fahala to make a statement on behalf of the African Cotton Association. Mr. Fahala explained the objectives, mandate and working of the Association. Active members of the Association are cotton companies in Africa that deal with production, ginning and marketing of cotton. The African Cotton Association works through five technical committees on production, ginning, transportation, marketing, and classification. Mr. Fahala invited all participants to the 12th annual meeting of the African Cotton Association to be held in Côte d'Ivoire from March 12-15, 2014.

Sixth Open Session

Special Session on Identity Cottons

11:00 hr. Wednesday, October 2, 2013
Dr. Terry Townsend, Executive Director of ICAC, in the Chair

The CHAIR invited Mr. Mark Messina to deliver the Report of the Task Force on Cotton Identity Programs. Mr. Messina thanked all members of the Task Force and the Secretariat for their efforts to produce this report. The report summarized the activities of the Task Force since its creation in early 2013 and noted that the first two objectives of its Terms of References were accomplished: (1) to serve as an objective statistical observer of the cotton identity programs, enhancing transparency; and (2) to serve as a clearinghouse for technical information on identity cottons.

Mr. Messina noted that the Task Force struggled to find a consensus definition of "cotton identity programs," but there was agreement that these programs are often multi-faceted, involving international efforts, agricultural production systems, stakeholders, and marketing identities.

Mr. Messina reported selected results of a survey conducted of the organic sector, Cotton Made in Africa and the BCI, highlighting that data are self-reported by the initiatives and the Task Force did not verify any of the data in the report. The full report is available at https://www.icac.org/cmtc/TFCIP_Reports. Mr. Messina's presentation is available at <https://www.icac.org/mtgs/Plenary/72nd-Plenary/Presentations>.

Mr. Messina urged the Advisory Committee to

consider only tasks related to the collection of objective data in assigning any further work to the Task Force or transferring the data collection function permanently to the ICAC Staff. The Task Force encourages ICAC members to learn about these organizations from the survey results presented in the Report, and to follow up directly with these organizations to learn more and foster collaboration.

The delegate of BRAZIL thanked the Secretary General for moving the presentation from the First Breakout Session to this 6th Open Session, congratulated the Task Force for the report, and encouraged the Task Force to continue its efforts to collect more information.

The delegate of the UNITED STATES congratulated the Task Force for serving its goals well, and recommended endorsing the recommendations of the Task Force, and moving further work of the Task Force to the Secretariat.

After a request for clarification from the delegate of ARGENTINA, the delegate of the United States recommended that in the case that further work is requested from the Task Force, it be confined to its first two objectives, and any other topics be transferred to the ICAC Secretariat.

The delegate of UGANDA inquired about the full list of countries producing organic cotton, besides India, Turkey and China that jointly

account for 92% of world organic production. Mr. Messura read the list from the full report: Benin, Brazil, Burkina Faso, Egypt, India, Israel, Kyrgyzstan, Mali, Nicaragua, Paraguay, Peru, Senegal, Tajikistan, Tanzania, Turkey, Uganda, and the United States.

The delegate of ARGENTINA requested information about the prices received at farm level by cotton producers across countries, and whether they cover the additional costs or efforts required from the farmers to shift away from conventional to organic production. Mr. Messura noted that, although price information is valuable, it was not included in the survey. The Secretary General indicated that the Secretariat will collect this

information from member countries and report it to its constituency.

Following a question from the delegate of INDIA, Mr. Messura indicated that detailed information about the chain of custody and verification beyond field and gins is available in the full report.

The delegate of BRAZIL proposed that the Chair of the Task Force discuss with the Executive Director the future of the Task Force, focusing on avoiding overlap with other task forces and avoiding overburdening the Secretariat staff.

The meeting was adjourned at 11:30 hrs.

Meeting of the Steering Committee

13:45 hr. Thursday, October 3, 2013

Mr. François Schmidt, Chairman Standing Committee, in the Chair

The CHAIR called the Steering Committee Meeting to order and asked if there were comments or suggestions to the preliminary agenda of the meeting. Seeing none, the Chair found that the agenda was approved.

Election of the Standing Committee Officers, Working Paper I

The CHAIR invited Mr. James Johnson of the United States, Chair of the Nominating Committee, to report on the nomination process for Standing Committee officers. Mr. Johnson noted that the Nominating Committee had met in May 2013. It was confirmed that Dr. Chris Parker of Australia, the current First Vice Chair, would be available to serve as Chair during 2013-14; accordingly, Dr. Parker had been nominated to serve as Chair.

Mr. Johnson explained that the current Second Vice Chair, Mr. Vinay Kwatra of India, will not be stationed in Washington during 2013-14 and so will not be available to serve as First Vice Chair. Based on geographical rotation, representation to importing and exporting countries, ability, interest and participation in the work of the Committee and timely payment of assessments, the Nominating Committee had nominated Mr. Luiz Felipe Schmidt of Brazil to serve as First Vice Chair and Ms. Wei-jiun Liao of Taiwan to serve as Second Vice Chair. Mr. Johnson reported that the Standing Committee at its 524th Meeting had endorsed the three nominations.

The CHAIR asked if there were comments on the report of the Nominating Committee, and seeing none he found that Dr. Parker, Mr. Schmidt and Ms. Liao were confirmed as Chair, First Vice Chair and Second Vice Chair of the Standing Committee, respectively, for the period from the end of the 72nd Plenary Meeting to the

end of the 73rd Plenary Meeting. All delegates congratulated the incoming officers. Working Paper 1 is attached.

Report of the Task Force on Executive Director Search

The CHAIR asked Mr. Johnson, who had also served as Chair of the Task Force on Executive Director Search, to report on the process of hiring a new executive director.

Mr. Johnson noted that during the 71st Plenary Meeting in Interlaken, the Advisory Committee had delegated the responsibility and authority for hiring a new executive director to the Standing Committee, and the Standing Committee had formed a Task Force on Executive Director Search. Mr. Johnson reported that the Task Force had advertised the position between November 2012 and February 2013, and that 26 qualified applications had been received. He reported that the Task Force had reviewed the applications and asked nine candidates to interview via Skype. From these interviews, three finalists had been chosen for in-person interviews in Washington. Following the interviews, the Task Force had reached a consensus to recommend to the Standing Committee that Mr. José Sette be offered the position of executive director. Mr. Johnson said that the Standing Committee had accepted this recommendation during its 524th Meeting.

Mr. Johnson concluded by thanking Task Force members for their commitment to objectivity and dedication to identifying the best candidate for the future of the ICAC.

The CHAIR thanked Mr. Johnson and added that he agreed that the process had been transparent, that all members of the Task Force had demonstrated a strong commitment to the best interests of the ICAC, and that the decision represented the consensus view of the Standing Committee.

The CHAIR observed that there were no questions or comments.

Other Business: Update on EU Application for Membership in the ICAC

The CHAIR reported that he had received an e-mail on Monday morning, September 30, 2013 approximately 30 minutes prior to the start of the Inaugural Session of the 72nd Plenary Meeting. The e-mail contained a letter from the European Commission regarding EU accession to the International Cotton Advisory Committee. The Chair noted that the letter from the EC had been distributed to member governments that morning, October 3, 2013.

The CHAIR explained that he had conferred with Dr. Chris Parker, First Vice Chair, and the two of them had agreed that the letter from the EC had not been received in a timely fashion such that it could have served as a basis for discussion at the Plenary Meeting. The CHAIR reported that the issue of EU accession based on the letter received from the EC would be placed on the agenda of a future meeting of the Standing Committee in Washington.

The delegate of ARGENTINA asked when the letter had arrived and when had it been distributed to member governments. The CHAIR responded that the letter had arrived Monday morning, September 30, and that he and the First Vice Chair had conferred on the matter during Monday and Tuesday and had instructed the Secretary General to distribute the letter to governments on Wednesday October 2. Because of tasks related to the plenary meeting, the Secretariat had distributed the letter on Wednesday morning October 3.

The delegate of ARGENTINA said that the issues raised by EU application for membership in the ICAC were very important with implications for assessments paid by all members, representation within the ICAC and as a potential precedent for other groups of countries. The delegate insisted that member countries of the EU who had withdrawn from membership in the ICAC

without paying assessments in full must pay the amounts in arrears. The delegate emphasized that in his view, the EU membership in the ICAC must not result in an increase in assessments paid by other members and that the EU must pay an assessment equivalent to the combined assessment of the seven current members of the EU who are members of the ICAC.

The CHAIR assured all delegates that Standing Committee members understood the importance of the issues associated with potential EU membership in the ICAC. He said that these issues would be discussed in a serious and thorough fashion in the Standing Committee according to a process and timetable to be determined by the Standing Committee itself.

The delegate of SUDAN noted that he had not been informed that the EU had expressed an interest in membership in the ICAC, and he asked the Secretariat to ensure that all members were informed of such situations. The delegate noted that EU membership in the ICAC could set a precedent for other groups of countries, and he urged the Standing Committee to discuss the issues associated with EU membership carefully.

Seeing no other comments on the issue of EU membership, the CHAIR asked if there were other business, and seeing none declared the meeting adjourned at 14:30 hrs.

ATTACHMENTS

Working Paper I

Election of Standing Committee Officers

Recommendation from the Standing Committee

A nominating committee met in the office of the Secretariat on May 2, 2013 to propose a slate of officers for the Standing Committee for the coming year. Delegates from Australia, Germany, Greece, Russia, Switzerland, Taiwan, and USA attended the meeting. The executive director attended the meeting. Mr. James Johnson of the United States served as Chair.

The Rules and Regulations specify that when practicable, the First Vice Chair will be nominated to succeed the outgoing Chair and the Second Vice Chair nominated to succeed the First Vice Chair. The current First Vice Chair, Dr. Chris Parker, Minister-Counselor (Agriculture), Embassy of Australia, will be available in Washington during 2013-14, and there was a consensus to nominate Dr. Parker to serve as Chair.

However, the current Second Vice Chair, Mr. Vinay Kwatra, Minister (Commerce), Embassy of India, was unable to confirm his availability in Washington during 2013-14. Accordingly, the Nominating Committee felt obliged to nominate

both a First Vice Chair and Second Vice Chair during its meeting.

The Rules and Regulations say that the election of officers should take into account:

- Rotation on as broad a geographical basis as possible,
- Adequate representation to importing and exporting countries,
- Ability, interest and participation in the work of the Committee,
- Timely payment of assessments.

After consideration of these factors, the Nominating Committee agreed that Mr. Luiz Felipe Schmidt, Secretary, Embassy of Brazil, should be nominated to serve as First Vice Chair and that Ms. Wei-jiun Liao, Officer, Economic Division, Taipei Economic and Cultural Representative Office, should be nominated to serve as Second Vice Chair. Both Mr. Schmidt and Ms. Liao have demonstrated interest in the work of the ICAC through frequent participation in meetings. Officers representing Australia, Brazil and Taiwan will provide broad geographical representation, representation to both developed and developing countries, and representation to both importing and exporting countries. The governments of Australia, Brazil and Taiwan are all current in the payment of assessments to the Secretariat.

The nominations received provisional approval from the Standing Committee at the 524th Meeting on June 6, 2013.

Accordingly, the Standing Committee proposes the following slate of officers to the plenary meeting for the period from the end of the 72nd Plenary Meeting in 2013 to the end of the 73rd Plenary Meeting in 2014:

- Dr. Christopher Parker, Australia, Chair
- Mr. Luiz Felipe Schmidt, Brazil, First Vice Chair
- Ms. Wei-jiun Liao, Taiwan, Second Vice Chair

Working Paper II

Topic of the 2014 Technical Seminar

Proposals from the Secretariat to the Committee on Cotton Production Research

The following themes are suggested as possible topics for the 2014 Technical Seminar:

Measures to Improve the Sustainability of Cotton Production

The role of various inputs in producing cotton has changed during the last decade. There is no longer a heavy reliance on input applications, especially fertilizer and pesticides, rather the emphasis is on optimization of input use and

understanding the interactions among inputs. The high use of water, insecticides and fertilizer rendered cotton vulnerable to allegations of environmental harm and invited unrealistic yield claims from many quarters. Awareness of sustainability issues has grown substantially since the 1980s and 1990s. The process of improvement in production practices is continuous, and there are many more opportunities and options available to improve the sustainability of cotton production. Sustainability can be more than a catchword; sustainable production systems can improve the image and profitability of cotton production. A technical seminar on "Measures to Improve the Sustainability of Cotton" can address how best to meet plant needs, how to reduce yield losses due to over and under use of inputs, can provide concrete examples, and can address how farmers can be convinced to adopt sustainable production practices. The work of the Expert Panel on Social, Environmental and Economic Performance of cotton will be used as guidelines for making practical improvements.

International Exchange of Cotton Germplasm

Developments in the use of biotechnology are staggering. Recent advances include the identification of new genes that can be inserted into existing genotypes to improve plant performance, including improvements in pest resistance/tolerance, biotic or abiotic stress tolerance and fiber and seed quality improvements. Biotechnology events will always need the best genotypes to express their full potential. Intensive breeding limited to the existing germplasm within a country has led to a narrow genetic base that restricts the variation within a segregating population. A wide genetic variation always provides opportunities for transgressive features. As a result of the narrow genetic base around the world, the process of development of new varieties has slowed. There is currently only minimal international exchange of germplasm among countries, and now intellectual property rights covering genes have further limited the exchange of elite germplasm among countries. Conventional breeding will always be in the forefront of developing improved varieties, while biotech genes will only contribute specific features. The topic of, "International Exchange of Cotton Germplasm," is suggested for the 2014 Technical Seminar. The purpose of a technical seminar on this topic is to seek proposals to enhance the international exchange of cotton germplasm.

New Developments in Fiber Quality Measurement

Cotton may be biotech or non-biotech, produced under irrigated or rainfed conditions and it may be produced manually or with the help of machines under precision farming practices. Cotton is produced for the use of spinners who care more about its quality than its method of production. Fiber testing capabilities have

improved recently, but the industry is still struggling to separate micronaire into maturity and fineness, to improve the repeatability of all tests, to accurately measure short fiber content/percentage, and to measure neps, stickiness and other parameters. There is a need to expand the number of parameters measured and to improve the precision and accuracy of the parameters already being used. In addition, the cotton in-

dustry would become more efficient if cotton were bought and sold on the basis of the quality parameters desired by spinners, rather than on the basis of color grades, varieties, types and other descriptions that remain in common use. A technical seminar could be conducted on the topic of "New Developments in Fiber Quality Measurement." The ITMF International Committee on Cotton Testing Methods reviews

testing methods/instruments every two years. Members from the ITMF Committee and instrument manufacturers will be invited to discuss new developments. Producers, merchants and spinners will be invited to discuss how to increase the use of instrument testing values in the marketing of cotton.

Closing Session

11:00 hr. Friday, October 4, 2013

Mr. Cesar Pardo Villalba, Executive President, Conalgodón (Colombia), in the Chair

Reading of the Final Statement of the 72nd Plenary Meeting

The delegate of CHAD agreed that the statement be read. However, the delegates of BRAZIL and ARGENTINA indicated that the statement was available in five official languages and had been reviewed in detail by delegates during the meeting of the Drafting Group. The CHAIR concluded that it was not necessary to read the statement.

Closing Comments by the Outgoing Executive Director

Terry Townsend noted that the world cotton industry involves about 100 million families. He said that in the current season the farm value of cotton production is about \$40 billion, and the value of cotton yarn sold by spinners will be about \$70 billion. He further observed that cotton is a wonderfully diverse industry and is one of the few industries in the world that can be truly said to "touch" the lives of nearly every person on the planet almost every day.

Mr. Townsend noted that ICAC provides public infrastructure that enables industry improvement through industry action. He observed that the ICAC brings together governments and the private sector from producing, consuming and trading countries representing all stages of the value chain. Over its 7 decades of existence, the ICAC has contributed concretely to the lives of people in the cotton industry by improving government policies, providing information for decision-making and by disseminating technology. He asserted that world cotton yields are higher, earnings are greater and demand is stronger because of the work of the ICAC since 1939.

The outgoing executive director said that it had been an honor to work for ICAC for 25 years. He said he had visited almost every ICAC member country, had seen regions as diverse as Victoria Falls and Lubbock, that he had visited national capitals such as Paris, cotton centers such as Moundou, and even population centers such as Wee Waa. He remembered that he had been privileged to experience cultures as diverse as

Hindu shrines, Andean music and Liverpool football. He thanked member governments, individual delegates and the Secretariat and many, many friends in the cotton industry for their support and involvement and concluded by noting that it had been a great, great honor to work for ICAC.

Closing Comments by SWITZERLAND, Host of the 71st Plenary Meeting

The delegate commented on the beautiful beaches of Cartagena and interesting topics during the plenary meeting, and she thanked the Government and cotton industry of Cartagena for hosting the 72nd Plenary Meeting. She said that Switzerland appreciated the increased interaction during the World Café sessions of the plenary meeting and she thanked delegates for their common efforts to understand the metrics used in measuring sustainability in cotton production. She noted that there had been much interest in the report of the Task Force on Identity Cottons, as well as in the other sessions during the week. She expressed thanks to the outgoing executive director for his work and welcomed the incoming executive director, Mr. José Sette.

Closing Comments by Other Countries

The delegate of ARGENTINA said farewell to Terry Townsend, whom he had known since 1987, and thanked him for facilitating achievements by the ICAC. The delegate noted that he had sometimes experienced disagreements with Terry but that they had always been overcome. He expressed appreciation to the Secretariat, Gema Tours, the Hilton Hotel staff, the interpreters and Conalgodón and the Government of Colombia for all efforts to ensure the success of the plenary meeting.

The delegate of TURKEY thanked the government and people of Colombia. He said the agenda had been extensive and comprehensive, and he thanked delegates for their collegial spirit during the meeting of the Drafting Group. He concluded by thanking the Secretariat and the organizing committee, and he thanked Terry Townsend for his work.

The delegate of TOGO thanked the people and government of Colombia for their warm welcome. He praised Terry Townsend for his human

qualities, recalling visits to Togo to see farmers and gins, and he invited Mr. Sette to visit Togo at the earliest opportunity. He said that the cotton industry of Togo would work to implement the recommendations of the ICAC as part of worldwide efforts to improve cotton efficiency.

The delegate of BRAZIL said that he hoped that this would not be the final time that Terry Townsend spoke to the ICAC but that he would be invited to participate in future meetings.

The delegate of TANZANIA thanked and congratulated Colombia for a successful plenary meeting. He thanked Terry for his work leading the ICAC since 1999. He said that discussions had been fruitful and he joined Togo in pledging to implement the recommendations contained in the Statement of the Meeting in Tanzania. He said that the sessions on women in cotton, young entrepreneurs and land tenure were especially appreciated.

The delegate of INDIA said that he echoed the thoughts of others in thanking Colombia for successfully hosting the plenary meeting. He said the work of this plenary had been excellent and the discussions meaningful. He congratulated Mr. Townsend and welcomed Mr. Sette. He said that India was already looking forward to the 73rd Plenary Meeting in Greece.

The delegate of Colombia expressed his appreciation to delegates for their participation in the meeting. He said that Colombia was very pleased with the meeting's outcome. He thanked Mr. Townsend for his service as executive director. The delegate recalled that Mr. Dávila and Mrs. Fonseca, previous executive directors of Conalgodón, would be proud of the accomplishments of this plenary meeting. He expressed best wishes to Mr. Sette, and he looked forward to a new era of goals, objectives and achievements under a new executive director.

The delegate of SUDAN thanked the government and people of Colombia for their hospitality, friendship and good organization of the plenary meeting. He said the information obtained during the meeting was beneficial. He thanked Terry Townsend for his humanitarian and intellectual support of Sudan and cotton during his career, and he welcomed Mr. Sette as the next executive director.

The delegate of EGYPT thanked the government and people of Colombia. He said that the city of Cartagena was beautiful. He thanked Terry Townsend for his efforts and welcomed José Sette. He also thanked the Secretariat and the Organizing Committee.

Closing Comments by Colombia

The CHAIR thanked all delegates, observers and representatives of international organizations for their participation in the plenary meeting. He noted that the presence and participation of delegates had made it possible to hold a

successful plenary meeting, contributing to a better idea of the future of the cotton industry and cotton farming in Colombia. He noted that discussions about cotton farming, biotechnology, climate change, land tenure, trade, problems of international trade, and challenges faced by the textile industry were all highly relevant. He said that Colombia was at a turning point in the development of agriculture, and that the discussions at the plenary meeting would help to orient future government policies. He said that Colombian farmers are struggling for profitability. On

behalf of Conalgodón he expressed his thanks to all delegates for attending the meeting and contributing to discussions. He thanked Terry Townsend and the Secretariat for their assistance in preparation of the meeting, including logistics and the agenda. He welcomed Mr. Sette to the ICAC, noting that his broad experience in international organizations will enable him to develop the work of the ICAC. He concluded by saying farewell to all delegates until the ICAC meets again in Greece.

The Closing Session of the 72nd ICAC Plenary Meeting was adjourned at 11:49 hrs.

Round Table

Biotechnology in Cotton

14:30 hr. Sunday, September 29, 2013
Mr Keith Menchey (USA), in the Chair

Three papers and a summary of the Round Table for Biotechnology in Cotton were presented in the meeting.

Dr. Karin Berrada of Applied DNA Sciences

- Dr. Karin Berrada of a company named Applied DNA Sciences stated that they are using two techniques i.e. FiberTyping™ and SigNature® to track cotton and prevent counterfeiting.
- The SigNature® is an exogenous DNA or external mark that can be applied to raw cotton, yarn or fabric and detected at any later stage of processing. The DNA can be directly bonded to DNA of cotton or it could be bonded via a linker or binder.
- The SigNature DNA remains bound to cotton even after sequential washes with water and alcohol and, treatments with solvents.
- Results have also proven that the SigNature DNA is bound to the fibers and not to the natural wax coating. The SigNature DNA was detected in both the early and later phases of cotton production and in the finished goods made from cotton that has been tracked.
- The SigNature DNA is not mutagenic and neither it is cytotoxic.
- FiberTyping™ is an endogenous cotton DNA that can survive both maturity and textile finishing processes but can only distinguish between *G. barbadense* and upland cotton.

Dr Berrada's report is available on the ICAC web site as a statement of the meeting.

Dr. Kater Hake, Cotton Incorporated, USA

- Dr. Hake talked about the 'Prospects & Limitations to the Spread of Biotech Cotton.' He stated that some of the limitations for the spread of biotech cotton to more countries are the high costs of regulatory approval, technical complexities to have multiple traits assembled together, trait containment and consumer aversion to biotech crops.
- On the positive side, the capacity to create new biotech events is expanding, most research Universities have the scientific and laboratory capability to create biotech events, biotech cotton offers better yield protection, agronomic performance and grower management, and humanitarian uses

of certain features like ultra low gossypol cotton seed.

- The ultra low gossypol technology nearly removes gossypol, a natural plant protectant, from the seed but not the green parts of plants. This allows the use of beyond cattle feed, and expands cotton's role as a food crop.
- Lessons learnt from earlier mistakes are helpful to spread safe and sustained use of the technology.
- Some biotech traits like herbicide tolerance offer labor savings and stress tolerance by facilitating conservation-tillage and prevent soil erosion. However, lines are blurring between biotech and conventional breeding with marker aided selection and genome editing.
- Unofficial spread of biotech cotton will continue in countries where *Lepidopteran* pests reduce yields. This unofficial spread will encourage further regulatory approval. The official spread will be driven by high-value traits. Once a country adopts the 1st biotech cotton trait, subsequent traits of value will follow rapidly.

Dr Hake's report is available on the ICAC web site as a statement of the meeting.

Dr. Ibromkhim Abdurakhmonov, Center of Genomics and Bioinformatics, Uzbekistan

- Uzbekistan has not commercialized biotech cotton yet. Few reasons not to use biotech cotton are wide spread use of biological control, limitations to access varieties developed by third parties, lack of regulations for biotech crops which is under development in Uzbekistan, ecological concerns with introducing 'transgenics' and intentions to develop "own" biotech cotton with multiple agronomic trait effects.
- The Government of Uzbekistan has strengthened its capabilities in biotech research. Research centers in Uzbekistan have developed strong collaboration with reputed research centers abroad, particularly in the USA.
- Uzbekistan plans to finalize development and approval regulations for growing biotech crops as soon as possible. Uzbekistan has developed RNAi upland cotton varieties with fiber quality equivalent to barbadense.

Dr Abdurakhmonov's report is available on the ICAC web site as a statement of the meeting.

Dr. Keith Menchey, Chairman, Round Table for Biotechnology in Cotton (National Cotton Council, USA)

- The ICAC decided at the 69th Plenary Meeting held in Lubbock, TX, USA in September 2010 to constitute a Round Table on Biotechnology in Cotton. The objectives of the Round Table are to facilitate sharing of experiences on commercial production, marketing and regulation of biotech cotton. The Round Table was formed in April/May 2011 and has finalized its report, which is available at <https://www.icac.org/getattachment/mtgs/Plenary/72nd-Plenary/Documents/round-table-biotech.pdf>.
- Fifteen countries have commercialized biotech cotton and many other countries in Africa have conducted trials and are close to commercializing biotech cotton. The success story of biotech cotton in various countries is similar – increased yields, reduced pesticide use, less tillage, increased worker safety - but critics continue to raise issues that cannot be proven scientifically. It is important to encourage science-based decisions rather than politically motivated campaigns.
- Egypt has not commercial biotech cotton yet but biosafety system is in place that includes legal authorities delegated to various agencies, assurances that the use of biotechnology products is safe, systematic reviews of biotechnology products, and a mechanism for public feedback.
- In general there are no trade limitations on marketing biotech cotton but the Round Table noted that whatever the importing countries' policies are, they should be clear, and the industry must be aware of any such restrictions.
- The Round Table noted that the success of a biotech product could be hampered by local constraints and limitations like boll weevil in South America and the leaf curl virus disease in Pakistan.
- High cost of technology and development of resistance to bio genes is of concern to most countries. The development of secondary pests is also a common problem.
- A lot of work is also going on to deal with abiotic stresses that the cotton plant faces in the field. Drought tolerant cotton is among many new avenues being extensively researched and some of the new traits are close to commercialization.

Dr Menchey's report is available on the ICAC web site as a statement of the meeting.

First Breakout Session

Producing and Marketing Identity Cottons

9:15 hrs, Tuesday, October 1, 2013

Mr. Juan Carlos Garavito, Manager PTP (Colombia), in the Chair

Introduction and general information

Juan Carlos Garavito (JCG), Manager of the Productive Transformation Program (PTP, for its acronym in Spanish) welcomes the audience and highlights the efforts by the Ministry of Trade, Industry and Tourism of Colombia to take advantage of the Free Trade Agreements that aim at a more modern and prosperous Colombia.

The breakout session is a learning opportunity to show the experts the steps that Colombia is taking toward a more sustainable production, in view that consumers are increasingly demanding more and better information on product-related environmental and social aspects. Thus, Colombia has implemented the Productive Transformation Program, among other strategies, to generate the export supply into more markets together with 16 sectors of the Colombian economy that will help them become world-class sectors.

This session introduces the pilot project that emerged from the private sector interest in developing sustainable work areas and generating a differentiated supply. In partnership with the National Association of Colombian Entrepreneurs (ANDI, for its acronym in Spanish), we undertook this project to analyze the technical and economic viability of a sustainable production system and define a new direction in the country's strategies.

Presentation of Colombia Case Study

Alejandro Zapata, *Portafolio Verde* Executive Director, presents the project in general and highlights the three major components:

- Identify the state-of-the-art of organic/sustainable cotton in Colombia, and worldwide, to learn about what is currently happening in the markets;
- Perform two pilot tests in two Colombian departments;
- Identify actions focused on differentiation opportunities for the Colombian fashion system.

Eduardo Roman, Agricultural Engineer and Technical Coordinator of the project presents the elements relative to the crop agricultural establishment and management and notes that increasing costs of production were evident due to the impact of weed control labor and occasionally lack of input availability in the regions. Among other things, he recommends sowing with green manures and mechanizing as many tasks as possible (based on the desired protocol

or certification), to reduce labor costs. Also, it is advisable to look for areas in the country, for future establishments, with a lower incidence of the boll weevil (pests) to ensure better development conditions for the crop.

In general, sustainable cotton production in Colombia is viable; however, further studies are required to allow improving the technological package to ensure production profitability.

Currently, it is a clear trend that consumers are becoming increasingly responsible and look for support in the form of a certification that will boost their purchase confidence. This generates opportunities for products that can even reduce the carbon footprint. Therefore, the project aims at a cotton product that will reduce environmental and social impacts.

Discussion Panel

Juan Carlos Garavito Escobar, Productive Transformation Program Manager, chairs the panel. Panel members:

- Mark Messura (MME), Chair of the ICAC Task Force on Cotton Identity Programs
- Norberto Mahalambe (NMA), Mozambique Institute for Cotton Development
- Jens Soth (JSO), Helvetas
- Eduardo Roman (ERO), Consultant
- Alejandro Zapata (AZA), *Portafolio Verde* Director

What is the overall challenge faced by countries as regard to identity cottons? What do they think of the work under way around the world?

MME

- One of the biggest challenges for every country or region is to understand not only the technical information on growing this cotton, but even more importantly, the economic information for the producer; the cost to producers is fundamental to be able to attract and keep them linked to the identity program.
- Cotton products are difficult to recycle.

NMA

- It is a fact that we are witnessing a move toward producing and marketing cotton in a way other than conventionally grown cotton. However, it has to be clear that sustainability is not a point in time but a condition that should remain over time; it is a continuous improvement and building process.
- Doing a cross-sectional interpretation of identity cottons and creating a global fraternity, identifying the impact of identity

cottons and determining if they contribute to recover cotton market share vis-à-vis man-made fibers continue to be the challenges. But above all, the determining factor to keep a production system aligned with the cotton identity/certification program is to ensure economic conditions for the crop and returns for each production system.

JSO

- He commended the PTP for having implemented a project together with *Portafolio Verde*'s team of professionals that, albeit few resources, was able to develop two pilot tests for identity cottons with findings, conclusions and recommendations, which provides an insight into the issue's potential in Colombia. Three main conclusions are drawn:

- *Market Situation:* There is lack of clarity and uncertainty as to the profit that will be obtained at the end of the value chain and the fiber types that processors will require in the future. Therefore, it would not be very wise to put everything at risk on a single commitment. A strategy should be established, **but we must pursue different strategies based on this outlook.** This project is a good example. Attempts should be made to implement strategies and identity cottons that may be competitive, such as BCI and/or organic cotton. It could work well in a country like Colombia.

- Identity cottons can be a driving force in the textile industry to create innovation; that also represents a challenge.

- Colombia's competitiveness potential in the production sector is also worth noting. This allows growers and researchers to work together, and good developments in bio-pesticides are noted in the country. Colombia can benefit from this.

- In general, the work on identity cottons in Colombia should not be an isolated effort. Rather, it should be flexible in the future and tailored to different cotton identity strategies.

MME

- Refers to state-of-the-art issues included in the study:
 - As regard to recycling: cotton products are difficult to recycle; it is a technical manufacturing issue the resulting product of which consists in breaking down fibers. On the other hand, polyester products are melted and made into new fibers. In

reference to sustainable cottons, another emerging challenge is how to recycle cotton fibers and create new materials fit for other purposes, as in the case of the Blue to Green Program in the United States where denim is recycled into insulation material and used instead of fiberglass insulation. This generates a new market and keeps unwanted denim out of landfills.

- Unlike man-made fibers, cotton is biodegradable. Polyester products put in a landfill will stay for a long time, while cotton will degrade naturally.
- He agrees with the comments in the project about the BCI initiative because it is the right way to go. One of the strengths of the BCI program is its technologically neutral characteristic. Its focus is not limited to organic production but to developing technologies and practices that yield better results for the production system. Therefore, we clearly understand that the transformation towards sustainability is not necessarily based on organic production systems but also on conventional or biotechnology methods that pursue the improvement of the overall system.
- As regard to the consumer, he highlights the “green fashion” aspects; however, care must be exercised in that the sustainability issue extends beyond “fashion”. Also, the promotion of cleaner cottons must be transparent and avoid misleading the consumer when referring to the “benefits” of an organic product compared with the conventional product that “causes diseases”. This distorts the customer’s perception and is detrimental to conventional cotton, identity cottons like the BCI, among others.
- Our challenge in the industry is to ensure that sustainability is about so much more than just fashion.

For those involved in the Colombia case study, what do you think about the viewpoints of the panel members on sustainable cotton issues and the value chain sustainability in the long term? How can this become an opportunity for the Colombian economy?

ERO

- It is a matter of continuous improvement that should use all the best practice concepts that have an impact on the value chain, inputs, seeds, mills and clothing and fashion. This is a commitment to household production. It may be an alternative to weed control labor for small producers. Also, it can be aligned with food safety issues. It is not just a matter of producing cotton, but developing

sustainable systems that involve the entire value chain.

AZA

- As far as cotton recycling, another aspect worth noting is the product life-cycle analysis –find out what happens to the product after it is marketed and when it is no longer used. It is necessary to analyze how to manage each stage of the product lifecycle and, depending on its link in the value chain, develop sustainability strategies from the link to which the product belongs.
- Biopesticides become a critical success factor when managing sustainable systems.

Colombia is now opening to international markets where consumers are demanding elements of sustainability in the products. It is an important lesson for Colombia that the productive sector understands the benefits of sustainability and how it enhances competitiveness.

The panel mentioned the importance of communicating the economic aspects of these production systems and keeping producers within this initiative over time. In the Colombian case experience, the industry interest and support was a key factor, and when we see the development of sustainable processes, it is evident that the consumer recognizes that products with sustainable identity are more expensive. Is the market willing to pay the extra cost? Or, should we reduce production cost overruns no matter what?

MME

- Based on our organization’s experience, we have analyzed several surveys in the United States that dealt with the consumer’s willingness to assume the extra cost for the product identity. Two things stand out of this research:
 - When we talk about the environmental sustainability of cotton and garment, the identity is important, but other quality aspects of the garment stand out, such as size, appearance, style, color and price. These are the key factors rather than the environmental practice.
 - The willingness to pay a higher price is quite low because the other aspects are more relevant.

NMA

- The sustainability issue is a window of opportunity for market competitiveness; however, it should be seen as something necessary. Perhaps not necessarily at an extra cost, but recognized by the customer’s loyalty. Sustainability is the initial goal based on the fact that costs are covered.

- Processes must be developed with the support of government institutions.
- The best cotton programs are those that simultaneously focus on sustainability and productivity.

JSO

- He adds that producers must innovate and invest in systems that allow reducing the cost of production.
- We have to see the market as a challenge.
- The decision to choose sustainable options should be based on the product economic studies without having included organic production cost overruns.

MME

- Price sensitivity will always be a challenge. So, identity strategies need to be flexible.

How can we link manufacturers, innovation and identity cottons?

AZA: The value chain should pull the issue. If there are companies willing to explore new market niches and new products, there is a chain pull. There are already industries interested in developing those products.

MME: Innovation and sustainability = the strategy’s key success factors. He also notes the importance of the private sector interest, participation and support to the PTP project through ANDI Chamber of Textiles. These programs should involve diverse interest groups.

ERO: If we want to generate innovation across the value chain, we need a support system; if we want to produce cotton, we require research, marketing, operation, i.e. the support from the entire value chain.

NMA: Innovation has to be sustainable; people must recognize innovations that involve sustainability standards. The challenge is to develop sustainable cotton initiatives with national institutions that support the issue in the long run rather than in isolation.

General Conclusions

It is necessary to continue working on the environmental and social sustainability issue with farmers.

There are consumers who are willing to pay and design novel business models that allow paying the crop Premium. The general idea is that the cost of production is not recovered in the market. With the organic work, we are challenging the brands to pay a fair price not a premium price.

We have to continue our work on the test cost analysis. It would be advisable to move forward to a second pilot test to apply the recommendations made in the first one. The commitment of the different stakeholders is essential.

Second Breakout Session

Making Cotton Trade More Efficient

11:45 hrs, Tuesday October 1, 2013

Mr. Alois Shonberger, Chair of the PSAP, in the Chair

A breakout session was conducted during the 72nd Plenary Meeting of the ICAC in Cartagena, Colombia, on Tuesday, 1st of October 2013, on the subject of Improving Efficiency in Cotton Trade.

Ahmed Elbosaty, Modern Nile Cotton Company, Egypt, Iván Darío Arroyave, Bolsa Mercantil, Colombia, Carlos Salazar, Diagonal, Colombia, Greg Wakefield, and Wakefield Inspection Services, and Alois Schönberger, Cottonex Anstalt, Poland, spoke during the session.

The purpose of this session was to discuss proposals from the Private Sector Advisory Panel to improve the efficiency of trade in cotton.

Ivan Dario Arroyave emphasized the important role of the state in Colombia in efforts to increase efficiency in trade in cotton by modernizing the production system. Mr. Arroyave recommended that producers be given increased access to capital markets. He noted that 80% of producers are excluded from loans in Colombia. He advocated increased access to farm insurance in order to minimize price risks, improved competition and increased partnership between producers and traders.

Carlos Salazar from Diagonal, Colombia, underlined the importance of information technology for reaching more efficiency in cotton commerce. He mentioned the newly introduced information system in Colombia, containing Barcode labeling, HVI testing with web access and the establishment of a central cotton

database. Mr Salazar's report is available on the ICAC web site as a statement of the meeting.

The panel endorsed the use of electronic documents in cotton trade worldwide to avoid costly and bureaucratic procedures. The Secretariat was asked to work with the Standing Committee to standardize phytosanitary requirements for trade in cotton.

The panel recommended adoption of a worldwide system of bale identification using either barcodes or QR Codes to facilitate traceability and efficiency as the world moves toward 100% HVI testing. The bale identification system could incorporate information on quality, weight, origin, and shipment. It was suggested that the CSITC task force be asked to follow up on these recommendations.

Third Breakout Session

Global Warming and Cotton Production

14:15 hrs, Tuesday October 1, 2013

Dr. Derrick Oosterhuis, Professor Crop Physiology, University of Arkansas (USA), in the Chair

Climate change is a dynamic process that is affecting global temperatures and Carbon dioxide (CO₂) levels in the atmosphere. Lately, solar radiation quality, and heat stress has become a main concern of researchers and producers. The high temperatures can affect all stages of development, but cotton appears to be more suscep-

tible during the reproductive growth stage. High temperatures induce negative effects on plant physiology, lowering photosynthetic activity.

Rising CO₂ levels may currently be benefitting cotton, but the long-term impact will probably not be desirable. A rise in temperatures and the CO₂ level is forecast to increase pests, increase demand for potassium fertilizer and increase vegetative growth. Dryland cotton could be affected more than irrigated.

Genetic improvement and modification of agricultural tasks will be needed for crops to adapt to future climate conditions, and these include proper nutrition, the use of growth regulators, and varieties tolerant to heat stress, drought or salinity. Only through research and work experience related to agronomic and weather conditions can new management practices for cotton farming be formulated.

Fourth Breakout Session

Promoting Strategies to Effectively Meet the Challenges to Cotton Sustainability

9:15 hrs. Wednesday October 3, 2013

Mr Jeff Silberman, Executive Director IFCP, in the Chair

Speaker: Jaime Flores, Director of Supply Chain Marketing Latin America for Cotton Incorporated

A speaker session and Q & A session was organized by the IFCP.

Mr. Jaime Flores is the Director of Supply Chain Marketing, Latin America for Cotton Incorporated. Mr. Flores presented his experiences, including challenges and opportunities met when promoting cotton along the textile and retailing supply chain in Latin America. Cases included

examples of leading textile manufacturers and apparel retailers that focus on positioning cotton as the choice for the consumer. A question and answer period followed.

Key points of the discussion

- Mr. Flores gave a brief introduction about the economies of the Latin American countries, as well as 10 countries in S.A. (grouped), including Brazil, pointing out that it is a stable economy, a growing middle class, a young population, that is a fashion conscious group, with aspirational impulses.
- Mexico is the largest importer of fibers, yarns, textiles, garments, being second after Brazil.

- Mr. Flores discussed challenges and opportunities in the various markets for cotton.
- Investment in new technologies is quite slow, and creates a difficult problem.
- Some of the strengths mentioned include consolidated growth, and the desire for rapid modernization. Progress varies country by country.
- Opportunities for promotion at retail include training for department store sales personnel.
- Weaknesses included speed to market, current product portfolio, and product knowledge.

- The largest jeans manufacturing companies are looking to expand their customer base and seek help in doing so, especially the number of jeans owned per customer.
- Companies in the region look for suppliers around the world, and there is a constant effort to improve “velocity”, referencing speed to market. Exporting from the region to the EU is difficult due to logistics and price.
- During the 2010 cotton price spike, manufacturers began experimenting with alternative fibers, primarily polyester, but man-made cellulosic fibers to a lesser degree, which has resulted in blend levels not always favorable to cotton. Polyester is now more accepted by designers, due to its ability to resist high

temperatures and chemicals used in textile finishing. Organic cotton also made some inroads, but is not considered mainstream.

- Another trend is that companies are moving to finer yarns. There is price sensitivity, but people are focused on quality and natural fibers.
- The importance of fashion trends was stated, as well as Cotton Incorporated’s plans to expand their “emerging professionals” program to the region. It was pointed out that Cotton Incorporated, as well as Cotton Council International offer technical support at no charge for anyone seeking to improve their cotton products.

Conclusions

- Mr. Flores spoke for about 35 minutes, and a brisk question and answer period followed. The session ran from 9:15 to 10:30, and could have been extended. The attendees were very interested in cotton’s efforts in Latin American markets.
- The session was well attended with over 100 attendees.
- Promoting cotton as a natural fiber that creates quality products is effective in the Latin American markets.
- The U.S. Seal of cotton has over 80% recognition by consumers in the Latin American Market, and the Seal is associated with natural, quality, luxury, softness, and comfort. In many cases, the term “efficiency” replicates “sustainability”.

World Café Report

Challenges Facing Cotton

16:15 hrs. Wednesday October 3, 2013
Mr Jens Soth, Senior Adviser, Helvetas Swiss Intercorp., (Switzerland), in the Chair

Based on the SEEP report regarding metrics for sustainability the more than 160 participants discussed potential implementation approaches for the proposed indicators framework at 19 so called World Café tables in the 5 official ICAC languages on October 01.

Most of the discussion groups were agreeing on the following three aspects:

1. The measurement framework needs country-specific implementation structures. Seen with international perspective, the cotton sector is too heterogeneous to allow the same model to be rolled out in all cotton producing countries.
2. The implementation of the framework should not lead to any discrimination of any country or region within the cotton sector.
3. An idea that was developed by several group tables was to establish a national multi-stakeholder consultation board that

is jointly defining the implementation steps and also determines the roles of different national value chain actors in order to share the responsibilities of data collection.

Not unexpected for such a multi-faceted issue like measuring sustainability, there were also controversial issues listed by table reporters:

- Should the data collection be voluntarily or compulsory
- Should it work via self assessments or via third data assessments
- Does it aim to better compare cotton with other fibers or rather to compare different cottons within the sector internally;
- How far shall the data be internal or external? Internal or external data? Use of data? E.g. promotion potential, approved buyers’ lists, internal progress
- Weighting of indicators towards each other?
- Shall the numbers of indicators be reduced further ?

The groups came with creative and substantial suggestion, what measures could be taken to prepare the implementation of measurement of indicators:

- Conduct pilot studies to test out the feasibility of each indicator
- Compile an inventory of already existing national and local data gathering schemes in order to search for synergies
- Develop capacity building schemes for people that are assigned for data collection (eg as mandated by the national boards as mentioned in suggestion 3)
- Develop a scheme that allows to learn from the data aiming at improvements of the production.
- As second world café round, conducted in the forenoon of October 02, gave the discussion group the task to check the indicators set for potential candidates that should be left out or to identify indicators that were missing. The results will be fed into the further work of SEEP.
