



INTERNATIONAL COTTON ADVISORY COMMITTEE

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Aide Memoire

To: Delegates to the Standing Committee, Coordinating Agencies and Members of the PSAP and Members of SEEP

From: Executive Director

Subject: Conference Call with the Private Sector Advisory Panel (PSAP)

Date: March 21, 2008

Members of the Private Sector Advisory Panel (PSAP) and the executive director participated in a conference call on March 20, 2008 to discuss the issues of child labor in cotton, the agenda of the plenary meeting in Ouagadougou, better methods of communication between the private sector and governments and ideas for the International Year of Natural Fibres. Participants included Romano Bonadei, Sebahattin Gazanfer, Richard Haire, Nikos Karagiorgos, Suresh Kotak, John Mitchell, Joao Luis Pessa, Alois Schoenberger, and Jorge Vartparonian.

John Mitchell serves as Chair and Sebahattin Gazanfer serves as Vice Chair of the PSAP.

1. Child Labor in Cotton Production

A group of civil society activists from Uzbekistan is recommending a boycott of cotton from Uzbekistan. The ICAC was copied on the petition.

Members of the PSAP noted that forced child labor, or labor that harms children, is wrong and that it is self-evident that governments should discourage harmful child labor and facilitate education for all children. It was noted that all governments oppose inappropriate forms of child labor and strive to provide the best educational services possible.

The PSAP noted that criticism of the cotton industry has the potential to create negative consumer impressions, thus weakening the competitive position of the world cotton industry relative to chemical fibers. Members of the PSAP noted that children work in agricultural industries in all countries, including developed countries. It was noted that calls for a boycott of cotton from Uzbekistan could result in increased costs associated with documentation, and that any boycott of a commodity industry presents opportunities for black-market activity associated with falsification of documents and smuggling of goods, thus tending to put reputable market participants at a commercial disadvantage.

Members of the PSAP urged the Secretariat to support the work of the Expert Panel on Social, Environmental and Economic Performance of Cotton Production (SEEP) to gather objective information about labor practices in cotton production, including the use of child labor. It is expected that there will be a preliminary report from SEEP at the plenary meeting in Ouagadougou. The PSAP urged the Secretariat to work with the members of SEEP to identify acceptable labor practices in cotton producing countries and to communicate those acceptable practices to government and industry officials.

2. Agenda for the Plenary Meeting in Ouagadougou

The PSAP noted the topics contained in the Provisional Agenda for the 67th Plenary Meeting sent to the Standing Committee (Attachment II to SC-N-492). Members of the PSAP suggested additional topics to be woven into discussions during the meeting:

- Insect control, particularly best practices associated with boll weevil suppression
- Threats to the utility of New York futures as a tool of price discovery in cotton
- The impacts of currency revaluation on cotton industries

- The implications of rising energy costs on long term prospects for cotton trade
- New developments in pre-ginning and post-ginning processing technology
- Standardization in bale sizes and packaging

The Secretariat will work with the Organizing Committee and the Standing Committee to address these issues.

3. Future Role of the PSAP, and New Methods of Communication between the PSAP and Governments

Members of the PSAP urged the executive director to facilitate more frequent exchange of views between the private sector and government officials. It was suggested that the PSAP meet with members of the Standing Committee during a future meeting in Washington.

4. Recommended activities associated with the International Year of Natural Fibres.

The PSAP recommended that the Secretariat work with cotton industry organizations and other interested parties to develop an educational documentary on the positive impacts of cotton on the economies of producing countries. The executive director will explore this possibility with members of the International Forum for Cotton Promotion.

Next Meeting of the PSAP

The next meeting of the PSAP will be on Saturday, November 15, 2008 in Ouagadougou, beginning at 4:00 PM.