



65th Plenary Meeting of the INTERNATIONAL COTTON ADVISORY COMMITTEE

Stakeholder Meeting of the International Cotton Advisory Committee and Common Fund for Commodities

September 10, 2006

Report by Dr. Abdin M. Ali, Chairman of the meeting

At the invitation of the ICAC's Executive Director, a stakeholder meeting took place on Sunday 10 September 2006 to discuss possible key themes for future co-operation between the ICAC and the Common Fund for Commodities (CFC). In that regard particular attention was given to the priority theme's of the Fund focusing on:

- Supply chain management (e.g. productivity, management practices; pricing systems, etc);
- Diversification (both horizontal and vertical);
- Market access (e.g. quality control and certification); and
- Market development; (new products/marketing chains).

The rationale for this thematic, "program approach", is to come to a more focused support to cotton projects. This approach is introduced for all International Commodity Bodies that seek CFC financial support for their developmental activities.

Participants brought up several topics and problems that they would consider important to be addressed. The following is a brief account of the issues raised:

- Integrated Pest Management with a focus on the control of the cotton boll weevil in Argentina, Brazil and Paraguay; an earlier CFC/ICAC project had given useful results. As a follow up, a new R&D with a strong link/integration with the national services would be required;
- Vertically integrated production and marketing chains in Eastern Africa.
- Value-addition through the introduction of local processing of lint into yarn and possibly textile products in West Africa.
- Efforts to increase yield and production should be undertaken only after careful assessment of the impact and cost of the use of more inputs on all aspects of sustainable cotton production.
- Development of price risk instruments for use in developing countries is important;
- "Joint input procurement" program to lower the cost for farmers.
- Develop quality control program with a focus on seed cotton.
- More attention could be given to the value of the by-products from the cottonseed.
- Bio-processing of lint into bio-textiles (use of natural dyes);
- More attention for "better cotton" production, targeting key production stages to ensure their environmental soundness.
- Abolishment of government support/services for farmers (e.g. extension services) has brought the small farmers in great problems. There is a need for developing training in crop management for farmers and a new infrastructure for capacity building.

- Demand enhancement for more cotton use.
- Bio-fuel from cotton.

It is suggested that the meeting takes note of the above suggestions/issues and advises the Executive Director to initiate consultations with member countries to explore further the multi-country/regional priorities for support to cotton producers and present them in due course to the Common Fund for Commodities in the form of its proposed cotton priority program for the Fund's third Five Year Action Plan (2008 –2012).