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## Plenary Meeting Summary and Introduction

*"Global Partnerships to Promote Innovation in the Cotton and Textile Value Chains"*

1. The International Cotton Advisory Committee (ICAC) met in Tashkent, Uzbekistan, from September 30 to October 3, 2024, for its 82<sup>nd</sup> Plenary Meeting since the establishment of the Committee in 1939. It was attended by 460 persons, including representatives from 15 Member governments, nine international organizations, and seven non-member countries.

### ICAC Secretariat Reports

2. **Executive Director's Report:** The report highlighted ICAC's accomplishments and future work that included discussions about ICAC's data and publications, record high participation in the Committee on Commercial Standardization of Instrument Testing of Cotton (CSITC), agricultural development projects, textiles, sustainability, and policy engagement to give a voice to cotton and other natural fibers. These efforts included building and strengthening collaborative relationships throughout the global cotton textile value chain and extensive consultations with private sector stakeholders through the activities of the Private Sector Advisory Council (PSAC). The Executive Director also highlighted efforts to work with Member countries in cotton textile value-chain development, investment, and on a series of major events that not only included the ICAC Plenary and the World Cotton Research Conference but in organizing the first-ever World Cotton Day in Africa.
3. **Developing the Textiles Value Chain** in Cotton-Rich Countries underscores the need for cotton-rich countries to shift from raw cotton exports to developing strong textile value chains, thus unlocking immense economic potential and job creation. Value addition can transform \$1 of raw cotton into \$10 of high-value products, helping to create millions of jobs. Establishing textile parks, ensuring access to affordable financing, and securing reliable energy supplies are essential for a thriving textile sector.
4. **Gene Editing in Cotton Farming:** The session showed the potential of gene editing and regenerative agriculture in addressing climate-related challenges and enhancing cotton productivity. The integration of advanced technologies such as Clustered Regularly Interspaced Short Palindromic Repeats (CRISPR) and RNA interference (RNAi), combined with a focus on soil health, offers powerful tools for improving cotton farming's resilience, efficiency, and sustainability. These innovations have the potential to improve crop yields while supporting farmers in adapting to climate change by reducing greenhouse gas emissions and water and fertilizer use.

5. **World Cotton Market:** Key points from the 2023/24 season include a decrease in global cotton production alongside increased consumption, leading to lower global ending stocks. In the upcoming 2024/25 season, consumption is projected to decline, while production will trail consumption slightly. This may lead to a buildup in global cotton stocks, especially if demand weakens further. Overall, global mill use is anticipated to continue its downward trend, keeping prices depressed throughout the 2024/25 season. The presentation concluded by noting that if demand does not recover, global ending stocks could increase, putting downward pressure on cotton prices.
6. **World Cotton Trade and Specialty Cotton Report:** The report provided comprehensive data on the 2023/24 season, a period in which global markets stabilized as inflation declined. Notably, global consumption increased by 5.67% while Brazil surpassed the USA as the world's top exporter for the first time. Specialty cotton now accounts for about 31% of global production, identity programs for 29%, and long- and extra-long staple cotton increased by 46%, mostly in Egypt, China, the USA, and India, with all four countries posting increases in production in 2022/23.
7. **World Textile Fiber Demand:** Long-term growth in fiber demand is driven by rising populations and incomes. Cotton demand has declined in recent years while synthetic fibers have seen substantial growth due to their lower costs and greater versatility. Price volatility has also negatively impacted cotton's competitiveness and shared projections through 2030, indicating a gradual decline in cotton's market share. Between geopolitical concerns, increasing environmental regulations, sustainability requirements, and a booming resale and secondhand clothing market, it's clear we are in a transformative period for the industry, with far-reaching implications for future fiber demand and market trends.
8. **ICAC Researcher of the Year:** There were two ICAC Researchers of the Year: Dr David Fang from the US Department of Agriculture (USDA), a leader in cotton fiber technology, and Dr Keerti Rathore from Texas A&M University, whose work on the CRISPR/Cas9 system is cited worldwide. Both scientists thanked the ICAC and everyone who has supported their research over the years.

### Country Reports

9. ICAC's approach to Country Reports encourages more interaction and discussion. Last year, the ICAC implemented a new approach to Country Reports to encourage more interaction and discussion. Members and international organizations were asked to submit comprehensive reports to the Secretariat that were posted on the ICAC web site in advance of the Plenary. The reports were provided to the ICAC by India, the USA, Türkiye, Côte d'Ivoire, Egypt, Taiwan, South Africa, the EU, and Kenya.

### Increasing Transparency

10. Building Trust through Digitization — Traceability and transparency will inevitably play a crucial role in advancing sustainable cotton production. There is a need for global collaboration,

equitable regulations, and innovative technological solutions to meet rising consumer expectations regarding social and environmental impact and new regulatory requirements. The future of cotton lies in a transparent, traceable, and sustainable supply chain that meets market demand by supporting ethical production and fair trade.

### **Cotton's Role in Fighting Climate Change**

11. Regenerative cotton farming has significant, if not game-changing, potential for capturing and storing carbon to mitigate climate change. Multiple innovative solutions are being investigated, from transgenic technologies to precisely tailored farming practices. There is a need for collaborative efforts among farmers, researchers, and institutions, all of which are essential to realizing the full potential of regenerative agriculture in improving sustainability and resilience in cotton farming systems. Genetics, genomics, and breeding can address the challenges posed by climate change in cotton production. It will require international collaboration, innovative technologies, and utilizing the genetic diversity of wild species to enhance cotton resilience and sustainability in the face of global climate challenges.

### **Assessing Cotton and Its Fiber Market Competitors**

12. Regulatory pressures and market demand for transparency and sustainability are growing. There are several key areas where the cotton industry must innovate, including quality standardization, integration with synthetic fibers, sustainable dyeing practices, and competitive marketing strategies. It is critical to adapt to new regulatory requirements and consumer preferences to maintain cotton's relevance in the global market, and continue research and development in cotton processing, focusing on blending technologies, spinning efficiency, and environmental sustainability. It is crucial to enhance global collaboration to promote certified sustainable cotton programs and improve market access for organic and recycled cotton and engaging in strategic marketing campaigns to improve cotton's image — particularly regarding its environmental benefits and recyclability.

### **PSAC Recommendations on Building Traceability**

13. The Private Sector Advisory Council (PSAC) during the year studied proposed and the existing regulations surrounding the reporting of traceability of fibers and any differences in the requirements for man-made fibers and for cotton. Based on multiple presentations organized by the PSAC from various experts throughout 2024, all four PSAC committees debated this topic. Based on these discussions, the PSAC Executive Committee have compiled a PSAC final statement for the year 2024: "The finding of the PSAC is that cotton is subject to the same or similar regulations as other man-made fibers in respect of basic traceability requirements. However, the PSAC notes that some significant factors are omitted and the PSAC is concerned that several major factors must be fully considered and implemented to truly create a level playing field between cotton and synthetic fibers. This specifically includes the modification to the proposed life cycle assessment of all fibers to be from the "origin to full

biodegradability.” The PSAC also urges member governments to consider the social economic impact of all and any regulation, and to cotton, as it is very often the only source of income for many poor households and represents large percentage of the support to the economies of many developing nations. The PSAC looks forward to supporting the efforts of the ICAC in promoting global cotton consumption.

### Other Major Discussion Issues

14. **Cotton could be negatively affected by pending legislation.** There is a complex landscape of international environmental policies impacting the cotton textile trade. Legislation in multiple regions could have a very negative impact on cotton and other natural fibers. The "Make the Label Count" campaign is a crucial initiative to address these issues and promote the sustainability and social benefits of natural fiber production, including cotton. The ICAC has taken a leadership position in the effort to ensure cotton has a level playing field and is working closely with industry allies and stakeholders to ensure natural fibers are treated accurately in any new regulations.
15. **Cotton is making strides toward women’s empowerment** in the value chain. There has been collaborative action to close the gender gap in the cotton industry, but much more needs to be done. Empowering women is not only a matter of equity but also essential for achieving sustainable growth, productivity, and innovation within the sector. Women account for 43% of cotton farmers worldwide, so consistent effort, regular data collection, and increased funding are needed to ensure meaningful progress.
16. **Better data leads to greater trust.** To improve data quality and trust, the industry must enhance trust in data collection through better training, consistent protocols, and incentives for accurate reporting. Cost-effective solutions could include incentive-based models, donor funding, and digital verification tools to reduce overall verification costs while maintaining data integrity. Success requires a focus on piloting digital solutions, like blockchain and AI, in small-scale implementations to assess cost-effectiveness before broader adoption, and we must develop incentive models that align data collection with economic benefits and sustainability goals, ensuring active participation from farmers.
17. **ICAC’s role in the global promotion of cotton.** The ICAC focuses on emphasizing the positive aspects of cotton rather than attacking competitors. Use of social media over the last five years has given the ICAC a platform to present positive information about cotton to more than 10,000 followers — poverty alleviation, women’s empowerment, biodegradability — and the organization leads the global celebration of cotton on October 7, World Cotton Day, every year. In 2024, the ICAC co-hosted World Cotton Day on October 7, 2024, in Cotonou, Benin. This was the first time the celebration was held in a country rather than at an international organization, and the first time it was held in the Global South.
18. **Cotton-rich countries could greatly enhance their revenue and employment** by processing their fiber rather than exporting it. Discussion in Tashkent underscored the need for cotton-rich

countries to shift from raw cotton exports to developing strong textile value chains, thus unlocking immense economic potential and job creation. Value addition can transform \$1 of raw cotton into \$10 of high-value products, helping to create millions of jobs. Establishing textile parks, ensuring access to affordable financing, policy and institutional reform, and securing reliable energy supplies are essential for a thriving textile sector. ICAC has started providing support to member countries as they look to develop these value chains.

19. **The industry needs to trade cotton based** on verifiable, machine-tested fiber characteristics. The Committee for the Commercial Standardization of Instrument Testing of Cotton (CSITC) continues its work to enhance the quality and reliability of instrument testing worldwide. Participation in the CSITC round trials reached a record high in 2024, with 164 instruments evaluated, reflecting growing interest from laboratories. However, expanding membership and participation remain a challenge, particularly in spinning mills, due to limited understanding of the benefits of quality assurance through CSITC Round Trials. Moving forward, targeted strategies — including working with spinning associations and increasing awareness among stakeholders — will be essential to boost participation and achieve broader global adoption for reliable cotton testing to improve cotton trade and ultimately contributing to the competitiveness and sustainability of the global cotton industry.

#### **World Café: Building a Resilient Global Cotton Textile Value Chain**

20. A new format for the World Café debuted at the 81st Plenary Meeting. A new format for the World Café debuted at the 81st Plenary Meeting. As a result of positive feedback, the new format was used again in Tashkent. In the past, all attendees answered the same questions; in the new format, attendees were polled in advanced and chose 10 different topics to discuss. The topics they discussed were: How can we better manage price volatility in cotton? How can we minimize the environmental footprint of cotton cultivation? How can cotton farmers optimize water usage to ensure sustainability? What are the main benefits of producing organic cotton, and what challenges does it need to be overcome? How can the cotton industry communicate its ESG efforts and achievements to consumers effectively? What steps can be taken to boost market share for cotton? What can be done to mitigate the impact of regulations on natural fibers, in terms of competition with synthetic fibers? How can we diversify the use of cotton beyond traditional clothing and textiles to tap into new market segments? In what ways has the involvement of women in cotton farming enhanced community development and family well-being? How can countries identify and target the most suitable funding sources and grant opportunities for cotton-related projects? After discussing for an hour, a representative from each table presented a brief summary of their discussions to the entire audience. The format of this session took advantage of having hundreds of professionals from throughout the cotton textile value chain, encouraging them to interact with each other, share opinions, and search for solutions collaboratively.

### **World Cotton Research Conference**

21. The 8th World Cotton Research Conference, WCRC-8, was held immediately after the Plenary Meeting in Tashkent, Uzbekistan, from October 3 to 7, 2024.

### **2025 Technical Seminar Topic**

22. The Steering Committee decided to hold the 2024 Technical Seminar on the topic of "Gene Editing in Cotton Farming."

### **Future Plenary Meeting**

23. The Committee has accepted an invitation from Tanzania to host the 83rd Plenary Meeting during the second or third week of November 2025.

### **Recognition of Uzbekistan, the ICAC Plenary Host Country**

The Committee thanks the Government and private sector of Uzbekistan for hosting the 82<sup>nd</sup> Plenary Meeting. The Organizing Committee in Tashkent did an exceptional job providing for the needs of all delegates and facilitating productive discussions, as well as their extensive efforts to support the ICAC.