

ICAC

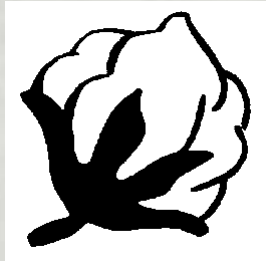
Serving the World Cotton Community

ICAC Research
Associate
Program

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ROLE OF ICAC

ICAC is:

Intergovernmental knowledge-based organization to help create an enabling environment for the sustainability of the world cotton sector

ICAC is not:

- market regulator
- standard-setting body (→ ISO)
- forum for international trade negotiations (→ WTO)

STRATEGIC OBJECTIVES

1. Serving as a **forum** for the development of policies and solutions to strengthen the global cotton sector
2. Enhancing **transparency**
3. Encouraging the **development and dissemination of knowledge**
4. Promoting the **sustainability** of the world cotton sector

GOVERNANCE STRUCTURE

- Plenary
- Standing Committee
- Working groups
 - Private Sector Advisory Panel (PSAP)
 - Expert Panel on the Social, Environmental, and Economic Performance of Cotton (SEEP)
 - Task Force on Commercial Standardization of Instrument Testing of Cotton (CSITC)
 - Task Force on Cotton Identity Programs (TFCIP)
 - Task Force on the Challenges from Competing Fibers
 - Expert Panel on Biotechnology in Cotton

FORUM FOR INTERNATIONAL COOPERATION

- Regular meetings of ICAC bodies
- 73rd Plenary Meeting: Thessaloniki, Greece, 2-7 November 2014
 - Theme: From Land to Brand: Strengthening the cotton value chain
- Publications on Policies
 - Production and Trade Policies Affecting the Cotton Industry

TRANSPARENCY

- World Cotton Database



- Cotton Price Forecasting Model

TRANSPARENCY

- Regular publications on Cotton
 - Cotton This Week (weekly)
 - Cotton This Month (monthly)
 - Extra-fine Cotton Update (every 2 months)
 - Review of the World Situation (quarterly)
 - Outlook for Cotton Supply (annual)
 - World Cotton Trade (annual)
 - World Cotton Market: Projections

TRANSPARENCY

- Publications on Textiles
 - World Textile Demand (annual)
 - World Apparel Fiber Consumption Survey (with FAO)

COTTON DEVELOPMENT PROJECTS

➤ **ICAC roles:**

- Establish areas of priority for project activities
- Analyse and advise on the preparation of projects
- Approve projects for subsequent submission to donor or financing organizations, as appropriate
- Supervise project execution
- Disseminate results

COTTON DEVELOPMENT PROJECTS

➤ **24 projects in CFC portfolio (submitted by ICAC):**

- Total value: \$63 million
- 22 concluded
- 4 ongoing

➤ **Sources of funding:**

- CFC: \$29.4m (\$23.7m grants + \$5.7m loans)
- EU grant: \$7.6m
- Co-financing: \$1.9m
- Counterpart contributions: \$24m

COTTON DEVELOPMENT PROJECTS

- **Commercial Standardisation of Instrument Testing of Cotton for the Cotton Producing Developing Countries in Africa (CFC/ICAC 33):**
 - Established of two regional technical centres in Africa, assisting African producing countries to develop the tools for instrument testing of cotton
 - Facilitated work of the ICAC Task Force on CSITC, enhancing competitiveness of cotton sector as a whole

RESEARCH

- World Cotton Research Conference
 - 6th edition: Goiânia, Brazil, June 2016
- Research Associate Program
- ICAC Researcher of the Year Award
- International Cotton Researchers Association (ICRA)
- Technical publications:
 - ICAC Recorder (quarterly)
 - Cost of production of raw cotton (every 3 yrs)
 - Cotton production practices (every 3 yrs)
 - Current research projects in cotton (every 3 yrs)

SUSTAINABILITY

- **Expert Panel on Social, Environmental & Economic Performance of Cotton (SEEP)**
- **Sustainability Metrics:**
 - **Technically focused**
 - **Empirically driven set of recommendations**
 - **Minimum standards for sustainable cotton production**

KEY SUSTAINABILITY ISSUES

Environmental

Pest and pesticide management

- Integrated pest management
- Pesticide use
- Human exposure
- Environmental contamination
- Pesticide waste management

Water management

- Water depletion
- Crop water management
- Soil salinization
- Water quality

Soil management

- Soil fertility
- Soil erosion
- Land Use
- Land conservation
- Land productivity
- Biodiversity

Climate change

- Decomposition and mineralisation
- Energy use
- Carbon stock changes

Economic

- Economic viability
- Poverty reduction
- Food security
- Risk management

Social

Labor rights and standards

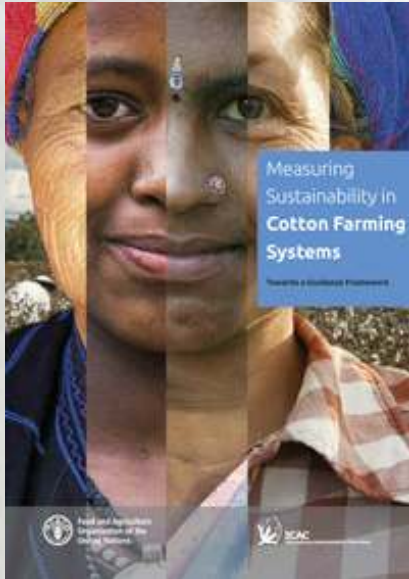
- Child labour
- Employment conditions
- Freedom of association
- Social protection

Occupational health and safety

Equity and gender

Farmer organisation

SEEP Report



- Key issues to be addressed
- Best indicators to assess progress
- Appropriate stakeholders
- Country-by-country basis
- Creation of national committees
- Importance of good data
- Not mandatory
- Testing has begun



Key Sustainability Indicators Environmental

Pest and Pesticide Management

- Quantity of active ingredients of pesticides used (kg/ha)
- Quantity of active ingredients of highly hazardous pesticides used (kg/ha)
- Number of pesticide applications per season
- % of treatments that involve specific measures to minimize non-target application and damage
- Existence of a time-bound IPM plan
- % of cotton area under IPM
- % of farmers that use only pesticides that are nationally registered for use on cotton
- % of farmers that use pesticides labelled according to national standards, in at least one national language
- % of farmers that use proper disposal methods for pesticide containers and contaminated materials including discarded pesticide application equipment
- % of farmers following recommended practices for pesticide mixing, application and cleaning of application equipment
- % of farmers with dedicated storage facilities that keep pesticides safely and out of the reach of children
- Total number and % of cotton area involving vulnerable persons applying pesticides
- % of workers applying pesticides that have received training in handling and use
- % of farmers having access to and using adequate protective equipment (by type)

Water Management

- Quantity of water used for irrigation (m3/ha)
- Irrigation use efficiency (%)
- Water Crop Productivity (m3 of water per tonne of cotton lint)
- % of area under water conservation practices
- Groundwater table level (m from the surface)
- Salinity of soil and irrigation water (deciSiemens [dS] per metre, EC)
- Quality of discharge water (various)

Soil Management

- Soil characteristics: organic matter content, pH, N, P, K
- Use of soil sampling for N, P, K (% of farmers)
- Fertilizer used by type (kg/ha)
- % of area under soil erosion control and minimum/conservation tillage practices

Biodiversity and Land Use

- Average yield (tonnes of cotton lint/ha)
- Total area (ha) and % of natural vegetation converted for cotton production (ha)
- % of total farm area that is non-cropped
- Average number of cotton and other crops per 5-year period

Climate Change

- GHG emissions and carbon sequestration per tonne of cotton lint and/or ha (in CO₂-e)
- On-farm energy use per tonne of cotton lint and/or ha (GJ)

Key Sustainability Indicators

Economic

Economic Viability, Poverty Reduction and Food Security

- Average annual net income from cotton production
- Price received per tonne of cotton lint at farmgate
- Returns above variable costs per hectare and tonne of cotton lint
- Return on investment
- Debt to asset ratio
- Number and % of household members living below the national poverty line
- % of farmers/workers with access to productive resources
- Average value of assets per producer household
- % of producing households with a specific asset
- Perception of change in economic situation over the last five years (% of farmers)
- Total number and % of cotton farming household members with calorie intake below the international norm
- Number of days per year with food deficiency in cotton-producing households

Economic Risk Management

- Cotton yield volatility
- Farmgate cotton price volatility
- % of farmers with measures in place to manage price risks by type
- % of total household income that the largest income source represents
- Average number of days after sale that farmers receive payment
- % of farmers with access to equitable credit
- % of farmers showing understanding of the factors involved in price formation or who have daily access to international and domestic prices

Key Sustainability Indicators

Social

Labour Rights and Standards

- % of children attending and completing appropriate level of school (by gender)
- % of farmers/workers with effective access to health care facilities
- % of farmers/workers with access to potable water
- % of farmers/workers with access to sanitation facilities
- Number of child labourers (by age and gender)
- % of workers with an enforceable employment contract (by age and gender)
- % of workers who are paid a minimum or living wage and who always receive their full wage in time (by age and gender)
- Total number and % of workers subordinated by forced labour
- % of active cotton farmers and workers contributing to a pension scheme and/or eligible to receive a pension
- % of cotton farming households benefiting from income support in case of officially recognized extreme income shocks
- % of employed women that have the right to maternity leave and payments

Worker Health and Safety

- Annual non-fatal incidences on cotton farms (total, % of workforce by age, gender)
- Total number of fatalities on cotton farms per year

Farmer Organizations

- Numbers of farmers and workers who have attended training (by training type, age and gender)
- Number of farmers and workers participating in democratic organizations (by age and gender)

Equity and Gender

- % of leadership roles held by women in a producers' or workers' group
- Gender and age wage differentials for the same quantity of produce or same type of work
- % of women whose income from independent sources has increased/decreased

ECONOMIC SUSTAINABILITY

➤ Reducing Trade Friction:

- Instrument testing
- Contract sanctity
- Bale size/density/numbering
- Phytosanitary certificates

INSTITUTIONAL CHALLENGES

➤ Membership:

- Negotiate terms of membership of EU
- Expand membership

➤ Project finance:

- CFC shift to loan-based projects
- Search for new sources of project finance

Thank you

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