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 (dS/m or EC)
- Quality of discharge water (various)

**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

**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

**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

- 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 Viability, Poverty Reduction and Food Security

- 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

Economic Risk Management

- % 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

Labour Rights and Standards

- 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)

Worker Health and Safety

- % 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

Equity and Gender

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

Farmer Organizations
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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