



FINAL

Statement of the 76th Plenary Meeting

“Cotton in the Era of Globalization and Technological Progress”

OCTOBER 26, 2017
14:25 hrs.

1. The International Cotton Advisory Committee (ICAC) met in Tashkent, Uzbekistan during 23-27 October 2017 for its 76th Plenary Meeting since the establishment of the Committee in 1939. The meeting was attended by 345 persons, including representatives from 16 Members, 4 international organizations and 9 non-members countries.
2. **World cotton production is projected to rise by 10% in 2017/18** due to an increase in harvested area, as yields are expected to remain steady. World production is projected to exceed mill use during 2017/18, and world-ending stocks will remain almost unchanged. Ending stocks in China are projected to decline during 2017/18, whilst stocks outside China are projected to increase by almost the same amount.
3. **Government support to the cotton sector declined in 2016/17**, as market prices rose and minimum support price programs were not triggered in a number of countries. ICAC's annual report on government measures supporting the cotton sector shows that estimated value of the support declined by 39% in 2016/17 to US\$4.5 billion from US\$7.4 billion in 2015/16. The large stocks accumulated in China's reserve as a result of government intervention from 2011/12 to 2014/15 had been drawn down by half.
4. **Cotton Consumption:** In 2016 world cotton mill use totalled 24 million tons, which was still 9% lower than the peak reached in 2007. Cotton's share in the world fibre consumption fell to 27% compared to an increase usage of polyester fibres to 67%. The Secretariat was instructed to establish the consumption of polyester, which directly competes with cotton, as there are many applications of polyester staple and filament, which do not compete with cotton.
5. **ICAC Discussion on Cotton Consumption:** Proper fibre identification and the relatively high retail price of cotton apparel were some of the obstacles to increasing demand. Strategies for increasing the demand for cotton products included promoting the benefits of cotton as a natural, sustainable and renewable fibre and developing product logos and/or labels that would assist consumers in identifying cotton content. Governments were urged to strictly apply legislation as regards the correct labelling of textile items and reinforcing customs control to avoid falsification and illegal importation.
6. **Textile innovations and cotton:** Textile experts presented innovative uses of cotton that addressed consumers' demands for modern, functional textiles. New

applications for cotton by blending with other fibres and also an assortment of other new textile materials have been developed. Governments agreed that innovation in the textile industry is crucial and that cotton has a future in this activity.

7. **Biotechnology:** The ICAC Researcher of the Year 2017 stated that the tools of genetic modification (GM) provide faster, more precise ways of imparting desirable traits into commercial crop varieties. GM does not supplant conventional breeding; instead GM is used in conjunction with conventional breeding to speed the identification and development of effective genetic solutions. Nevertheless, some ICAC members have concerns about GMO cotton production and as a result, have not approved its planting. It was also noted that currently about 80% of the world's cotton production is based on GM technology.

8. **Technology Transfer:** The Plenary was informed about the close cooperation between Brazil and the C4 countries plus Togo in developing a successful project to encourage the application of cover crops, using no till systems and integrated pest management (IPM) control. The Plenary also heard about the continuous strides made in modern communications that have radically transformed the field of 'Agricultural extension' in many developing countries. A representative from Better Cotton Initiative (BCI) described the process used by farmers to adopt better technologies in the 15% of cotton production currently identified as BCI. Among other advances, cotton is increasingly mechanised and a representative from India described new harvesting machinery for small holders. Concern was expressed that knowledge transfer activities were potentially being duplicated and the Plenary instructed the Secretariat to investigate the possibility of serving as a clearing-house for information concerning such activities.

9. The Committee decided to hold the 2018 Technical Seminar on the topic of **Combating Pest Resistance to Biotech Cotton and Pesticides:** Biotech cotton is cultivated in 15 countries and occupies 75% of the global cotton area. During the past seven years, reports of bollworm resistance to Bt-cotton and insecticides; weed resistance to herbicides and whitefly resistance to insecticides have emerged from major cotton growing countries across the globe. The resistant strains of bollworms, whiteflies and weeds can cause debilitating effects on cotton production if not properly addressed. There is a need to elucidate the reasons for rapid development of resistance in some countries compared to others and also chalk out strategies to combat the emerging problems of resistant insects and weeds.

10. **Contamination:** The Plenary heard reports on the work in progress for removal and elimination of contamination in baled cotton, specifically as regards all types of plastic, as current surveys have identified increased contamination in some countries during the last few years. The work extends into the fields and at the gins and new technology to identify and remove plastic in these locations is being tested to combat this problem

11. **The Private Sector Advisory Panel (PSAP) recommended broadening the terms of reference of the Secretariat's on-going studies of the polyester market** to include environmental issues related to microfibre pollution, lifecycle assessment of polyester and manufacturing processes. The PSAP recognises that cotton must coexist with polyester, but at the same time keep consumers fully aware of the facts behind competing fibres and their intrinsic properties.

12. **The Private Sector Advisory Panel informed the Committee that an ePhyto industry advisory group (IAG) had been set up** by the United Nations International

Plant Protection Convention (IPPC) under the auspices of the Food and Agriculture Organization of the United Nations (FAO), to provide advice and guidance on the development and deployment of an electronic phytosanitary certification system. This will consist of a global hub and a generic national system to facilitate the international exchange of electronic phytosanitary information. There are ten members of the IAG and ICAC has been chosen to represent the global cotton industry.

13. **Work priorities for SEEP identified:** The Expert Panel on the Social, Environmental and Economic Performance of Cotton (SEEP) reported that it will work on the following 3 priority areas over the next 2 years: 1) the compilation of management practices and information relevant to cotton growers for improving soil health; 2) the continued testing and implementation of the guidance framework for measuring the sustainability in cotton farming systems (including finalising and releasing for comment by Members the 'lessons learned' report from the pilot tests conducted using the guidance framework); 3) developing alternative ways of reporting on the sustainability of cotton production that better allow for the positives to be recognised.

14. **The ICAC** is evolving and it was recognised that there needed to be better communications to a greater audience through the use of social media and an improved website. The Plenary agreed that the ICAC needed to be the central repository for both economic and technical information about production, consumption and sustainability issues.

15. **Membership:** The Committee welcomed Bangladesh and the European Union as its newest members. The membership of Bangladesh and the European Union was a positive sign of the relevance of the ICAC to the world cotton industry.

16. **Future Plenary Meetings:** The Committee has accepted an invitation from the government of Côte d'Ivoire to host the 77th Plenary Meeting at the beginning of December 2018 in the city of Abidjan.

17. The Committee welcomed Mr Kai Hughes as the 7th Executive Director in its history. Mr Hughes has great management experience and knowledge of the cotton industry and Committee members expressed great enthusiasm at the prospect of a new era of leadership.

18. The Plenary thanks the Standing Committee and the Secretariat for the support and the hard work and looks forward to the continued exchange of information between the Secretariat and Coordinating Agencies.

19. **Appreciation to the Host Country:** The Committee thanked the people, the Organizing Committee and the Government of Uzbekistan for hosting the 76th Plenary Meeting. Delegates commented very favourably on the efficiency of the host country in facilitating the plenary meeting and the warmth and generosity that had been extended to delegates by the people of Uzbekistan.

Adjourned at 4:38 pm

**ICAC****SUPPLY AND DISTRIBUTION OF COTTON**

October 27, 2017

Seasons begin on August 1

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
		Est.	Est.	Est.	Est.	Proj.
	Million Metric Tons					
BEGINNING STOCKS						
WORLD TOTAL	15.708	19.428	21.317	22.955	20.245	18.55
CHINA	6.696	10.811	13.280	14.118	12.650	10.63
USA	0.729	0.827	0.512	0.795	0.827	0.61
PRODUCTION						
WORLD TOTAL	27.079	26.225	26.269	21.484	23.048	25.57
INDIA	6.290	6.766	6.562	5.746	5.775	6.03
CHINA	7.600	7.000	6.600	5.200	4.900	5.25
USA	3.770	2.811	3.553	2.806	3.738	4.59
PAKISTAN	2.002	2.076	2.305	1.537	1.663	2.14
BRAZIL	1.310	1.734	1.563	1.289	1.530	1.57
UZBEKISTAN	1.000	0.910	0.885	0.832	0.789	0.80
OTHERS	5.107	4.928	4.801	4.074	4.653	5.18
CONSUMPTION						
WORLD TOTAL	23.450	24.101	24.587	24.180	24.561	25.22
CHINA	7.900	7.600	7.550	7.600	8.000	8.12
INDIA	4.762	5.087	5.377	5.296	5.148	5.30
PAKISTAN	2.216	2.470	2.467	2.147	2.147	2.23
EUROPE & TURKEY	1.560	1.611	1.692	1.687	1.612	1.63
VIETNAM	1.045	1.129	1.197	1.316	1.409	1.44
BANGLADESH	0.492	0.673	0.875	1.007	1.168	1.31
USA	0.762	0.773	0.778	0.751	0.751	0.73
BRAZIL	0.910	0.862	0.797	0.701	0.729	0.76
OTHERS	3.802	3.896	3.854	3.675	3.598	3.70
EXPORTS						
WORLD TOTAL	10.048	9.029	7.786	7.552	8.147	7.93
USA	2.836	2.293	2.449	1.993	3.168	3.14
INDIA	1.690	2.015	0.914	1.258	1.103	0.84
CFA ZONE	0.821	0.973	0.966	0.963	0.972	1.00
BRAZIL	0.938	0.485	0.851	0.939	0.607	0.68
UZBEKISTAN	0.690	0.615	0.550	0.500	0.337	0.37
AUSTRALIA	1.343	1.058	0.527	0.616	0.809	0.75
IMPORTS						
WORLD TOTAL	10.213	8.858	7.789	7.571	8.001	7.93
CHINA	1.055	1.112	1.183	1.378	1.412	1.44
VIETNAM	0.517	0.687	0.934	1.001	1.207	1.34
BANGLADESH	4.426	3.075	1.804	0.959	1.096	1.32
INDONESIA	0.803	0.924	0.800	0.918	0.801	0.72
TURKEY	0.686	0.651	0.728	0.640	0.746	0.76
TRADE IMBALANCE 1/ STOCKS ADJUSTMENT 2/	0.166 -0.075	-0.171 -0.063	0.003 -0.047	0.020 -0.034	-0.146 -0.039	0.00 0.00
ENDING STOCKS						
WORLD TOTAL	19.428	21.317	22.955	20.245	18.547	18.89
CHINA	10.811	13.280	14.118	12.650	10.632	9.07
USA	0.827	0.512	0.795	0.827	0.610	1.34
ENDING STOCKS/MILL USE (%)						
WORLD-LESS-CHINA 3/	55	49	52	46	48	57
CHINA 4/	137	175	187	166	133	112
COTLOOK A INDEX 5/	88	91	71	70	83	

1/ The inclusion of linters and waste, changes in weight during transit, differences in reporting periods and measurement error account for differences between world imports and exports.

2/ Difference between calculated stocks and actual; amounts for forward seasons are anticipated.

3/ World-less-China's ending stocks divided by world-less-China's mill use, multiplied by 100.

4/ China's ending stocks divided by China's mill use, multiplied by 100.

5/ U.S. cents per pound.