

**REPORT  
of the  
EXECUTIVE DIRECTOR**

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to the 69<sup>th</sup> Plenary Meeting of the  
**INTERNATIONAL COTTON  
ADVISORY COMMITTEE**

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## **A Balanced Perspective on Cotton: Responding to Valid Problems, Challenging Irresponsible Critics**

Mr. Chairman, distinguished delegates, observers and guests, thank you for the opportunity to address this 69<sup>th</sup> Plenary Meeting of the ICAC since 1939.

Cotton and cotton textile industries are central to the economic growth of both developed and developing countries and contribute to sustainable and socially responsible development. Cotton is grown in more than 100 countries on about 33 million hectares, or about 2.5% of the world's arable land, making it one of the most significant crops in terms of land use after food grains and soybeans<sup>1</sup>. Cotton is also a broadly traded agricultural commodity, with almost all countries involved in exporting or importing cotton lint.

More than 100 million family units are engaged directly in cotton production.<sup>2</sup> When family labor, hired-on farm labor and workers in ancillary services such as transportation, ginning, baling and storage are considered, total involvement in the cotton sector is estimated at more than 250 million people.<sup>3</sup> Cotton also provides employment to additional millions in related industries such as agricultural inputs, machinery and equipment, cotton seed crushing and textile manufacturing. Cotton cultivation contributes to food security and improved life expectancy in rural areas of developing countries in Africa, Asia and Latin America<sup>4</sup>. Cotton played an important role in industrial development starting in the 18<sup>th</sup> century and continues to play an important role today in the developing world as a major source of revenue. The value of 22 million tons of world cotton production in 2009/10 at an average world price of 78 U.S. cents per pound of lint, or US\$1.72 per kilogram, amounted to about US\$37 billion.

### **Criticisms**

Despite the positive impacts of cotton and benefits to consumers, cotton is being severely criticized for having negative impacts on the environment and for social abuses. To cite several examples, a clothing retailer distributes information on garments at the point of sale saying, "Cotton is one of the most toxic crops on the planet," and goes on to misstate chemical use in cotton production, to use the terms "insecticides," "pesticides" and "synthetic chemicals" interchangeably, and to equate biotech crops with "risky."<sup>5</sup> This same company extols the virtues of recycled polyester and organic fibers.

A non-government organization issues specific reports on cotton saying that, "Conventionally grown cotton uses more insecticides than any other single crop and epitomizes the worst effects of chemically dependent agriculture." This NGO adds that, "Cotton growers typically use many of the most hazardous pesticides on the market including aldicarb, phorate, methamidophos and endosulfan. Cotton pesticides are often broad-spectrum organophosphates--pesticides originally developed as toxic nerve agents during World War II--and carbamate pesticides. Pesticides used on cotton even when used according to instructions harm people, wildlife and the environment. These pesticides can poison farm workers, drift into neighboring communities, contaminate ground and surface water and kill beneficial insects and soil micro-organisms."<sup>6</sup>

Another organization has a specific project on cotton and says on its web site, "Valued at over \$32 billion every year, global cotton production should be improving lives. But this "white gold" too often

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<sup>1</sup> Wheat is planted on more than 200 million hectares, rice and corn on about 150 million hectares each, and soybeans on about 90 million hectares. FAOSTAT.

<sup>2</sup> Paola Fortucci, Director, Commodities and Trade Division, FAO, 2002.

<sup>3</sup> ICAC Secretariat estimate, 2009.

<sup>4</sup> Proceedings of the 68<sup>th</sup> Plenary Meeting of the ICAC, Cape Town, South Africa, September 2009.

<sup>5</sup> Point-of-sale hangtag distributed on clothing at a Patagonia retail outlet in Washington, DC.

<sup>6</sup> Pesticide Action Network North America, [www.panna.org](http://www.panna.org), "PANNA: Problems with conventional cotton production.

brings misery.”<sup>7</sup> The cotton project of this organization is complete with films, photos and celebrity support.

Criticism of the cotton industry and cotton production does not always come from commercial interests seeking competitive advantage or from NGOs outside the cotton sector. Some government publications allege the use of child labor and forced labor in cotton production in ICAC member countries.<sup>8</sup> And, an NGO working within the cotton sector and whose representatives have been invited to speak at previous ICAC plenary meetings, claims on its web site, “More than 99% of the cotton used to make these products is conventionally grown, meaning that it was produced using toxic chemicals that are extremely damaging to the environment, to the health of the producers, and to neighboring communities. Organic cotton is a healthy and viable alternative that is cultivated using no toxic chemicals and organic management practices strengthen farming communities.”<sup>9</sup>

There are many examples of negative information about the world cotton industry being disseminated by various interest groups. The most common claims are that cotton requires excessive amounts of pesticides and fertilizers, that the most toxic agricultural chemicals are used on cotton, that the use of pesticides on cotton is increasing, that chemical residues damage the health of cotton farmers, farm workers and neighbors in cotton farming areas, that pesticide residues from cotton seed are passed on to consumers in meat and dairy products, that cotton uses an excessive amount of water, that cotton utilizes child labor and forced labor, that cotton production is environmentally devastating, and that in some countries the cotton industry contributes to political repression and poverty.

### **Three-Pronged Response**

Responses to information of this type by persons with knowledge of the cotton industry are predictable: denial, dismissal, umbrage, or anger. However, such responses are not constructive, and despite an abundance of empirical evidence refuting or placing in context each of the allegations, complaints against cotton are not going away. The danger to the industry is that cotton depends on consumer preference to maintain demand. Polyester can be longer, stronger, finer, more uniform, without contamination and more stable in price than cotton, and spinners would shift to polyester if consumers would buy such products. Therefore, allegations that potentially undermine consumer confidence in cotton, and thus encourage consumers to choose alternative fibers, are a serious threat to the sustainability of the industry and the livelihoods of more than 250 million.

Consequently, there must be a three-pronged response consisting of 1) listening to allegations and considering appropriate strategies in response to valid concerns, 2) improving cotton’s performance through mainstreaming of best practices, and 3) confronting egregious misinformation campaigns and calling to account those who know, or should know, that such allegations are exaggerated or erroneous.

The mission of the ICAC is to assist governments in facilitating a healthy world cotton economy by raising awareness of cotton issues, by providing information necessary for decision-making and by facilitating cooperation among industry segments and governments on matters of shared international concern. The purpose of a plenary meeting is to move forward through agreements to cooperate and through the identification of best practices appropriate for national adoption.

Lubbock, Texas, USA, is an excellent venue for a discussion of the social, environmental and economic performance of cotton production. The very existence of Lubbock, a thriving community of arts, education, businesses and families, with cotton growing within the highway loop that surrounds the city and for hundreds of miles in all directions, is a living refutation of the allegations against cotton.

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<sup>7</sup> Environmental Justice Foundation, [www.ejfoundation.org](http://www.ejfoundation.org).

<sup>8</sup> Government of the United States, Department of Labor, The Department of Labor’s List of Goods Produced by Child Labor or Forced Labor, 2009.

<sup>9</sup> Organic Exchange, [HealthyCotton.org](http://HealthyCotton.org)

The theme of this meeting, with an emphasis on “unity,” is designed to highlight the common interests of all stakeholders in the cotton value chain.

The world cotton industry has listened to, and been responsive to, valid criticisms for decades. As far back as the 1970s, the cotton industry was a leader in the application of integrated insect management strategies and resistance management to reduce reliance on insecticides. The cotton industries in many countries have worked for decades on improved sustainability of production systems through minimization of resource use and insistence on safe application methods for all chemicals. The Technical Information Section of the ICAC has written extensively on all aspects of sustainable production systems. The cotton industry has been an eager adopter of biotechnology, largely as a tool to enable reduced insecticide use while protecting yields, thus preserving sustainability.

The agenda of this meeting is full of opportunities for information exchange and discussion of best practices. There is a Round Table Discussion on water use efficiency, Open Sessions on resource constraints, new developments in technologies, and the impact of social and environmental standards on the cotton industry, and there is a Breakout Session on improving efficiency. Clearly, the cotton industry is engaged in a process of consideration of appropriate strategies in response to valid concerns and in mainstreaming best practices to enhance social, environmental and economic sustainability worldwide.

### **Setting the Record Straight**

In addition, cotton advocates must also be aggressive in setting the record straight in response to allegations of waste, harm and injury. For instance, rather than accounting for 25% of all pesticides used worldwide, as is commonly alleged, cotton accounted for 6.2% of world pesticide sales in 2009, down from 11% of sales in 1988<sup>10</sup>. Within the category of pesticides, there are herbicides, insecticides, fungicides and other plant protection chemicals. Cotton production accounted for 14.1% of world insecticide sales in 2009, down from 18.9% in 2000, the first year comparable data are available<sup>11</sup>. As will be reported by the Chairman of the Expert Panel on Social, Environmental and Economic Performance of Cotton Production (SEEP), typical insecticide applications per hectare of cotton are approximately one kilogram of active ingredient per hectare in most production areas, although applications in some countries are higher. More pesticides are applied on other crops, including fruits and vegetables, grains, and soybeans than on cotton, although use per hectare is lower for grains and oilseeds than cotton. It is alleged that cotton is a water-intensive crop, but cotton accounts for between 2% and 3% of world agricultural water use, proportional to cotton area<sup>12</sup>.

Common to many of the allegations of waste, harm and injury leveled against cotton is the use of evocative and subjective adjectives such as “toxic,” “harmful,” “hazardous,” “synthetic,” “poisonous,” “dangerous,” and “risky.” Such adjectives are hard to refute because they are non-objective, and because critics make no differentiation between hazard, exposure and risk. (A substance or piece of machinery can be hazardous, but if exposure is limited through safe practices, risk is small.) However, use of such evocative language undermines consumer perceptions of the safety of cotton. Cotton’s detractors also commonly hedge their statements with modifiers such as “may,” “could,” or “as much as.” This allows critics to imply that individual occurrences or worst-case situations are common to the cotton industry without having to document sources. A particular frustration is the intermingled use of the terms, “agricultural chemicals,” “pesticides,” “fertilizers,” and “insecticides,” as if all are equivalent. This allows detractors to malign the cotton industry by claiming hundreds of kilograms of “dangerous chemicals” are applied per hectare of cotton production, when applications of plant protection chemicals amount to a few kilograms per hectare at most, and even these are applied safely almost all the time.

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<sup>10</sup> Cropnosis.

<sup>11</sup> Cropnosis.

<sup>12</sup> Hoekstra, A.Y. and A.K. Chapagain. 2007. *Water Resource Manage*, 21:35-48.

Exaggeration, combined with the hubris of self-righteousness are common to the criticisms of cotton. Negative allegations, no matter how unlikely, are taken at face value and repeated by campaigners, thus giving credence to exaggeration and falsehoods, while efforts to explain, offer perspective or refute are dismissed as self serving or ignored as unworthy because they undermine a moral cause. Reports of child labor in cotton harvesting show pictures of children working, often with the claim, without evidence or explanation, that there are governments that knowingly allow or are even forcing such labor. Child labor, distinct from children's work, does occur in the cotton industry and is wrong. But children's work is now so uncommon in developed countries that any examples are considered *prima facie* evidence of exploitation. If child labor were as common as charged, critics would not need to distort or ignore explanations. Likewise, if water waste and environmental damage associated with cotton production were as egregious as claimed, critics would not need to use worst-case examples as if they were representative, and critics would not need to use examples decades old as if they represented current practice.

This is not to state or imply that there are no problems with cotton production or that all allegations are false or exaggerated. The cotton industry and the ICAC have long been acknowledging the need for improvement, working to develop pragmatic approaches and encouraging adoption of best practices. It is gratifying to note that responsible campaigners for improvements in cotton production, including representatives of the Better Cotton Initiative and the Responsible Cotton Network, are participating in the 69<sup>th</sup> ICAC Plenary Meeting in order to engage objectively and move forward pragmatically. The participation of responsible critics assists the Committee in its objectives of raising awareness, providing information, and moving forward through cooperation. Those willing to work pragmatically with the cotton industry are always welcome in ICAC meetings.

Cotton will continue to listen to allegations, as well as to identify problems without prompting, to consider appropriate strategies in response to valid concerns, and to improve cotton's performance through mainstreaming of best practices. Industry leaders and government officials with responsibility for regulation of cotton production must also be active in confronting egregious misinformation campaigns and calling to account those who know that such allegations are exaggerated or erroneous. Industry detractors should be challenged to use data, not myth supported by circular citations; to use current examples, not information decades old; to use examples representative of the cotton industry as a whole, not isolated worst cases; and to use examples that are characteristic of cotton, not the flawed management systems imposed in individual circumstances.

Besides concerns about social, environmental and economic sustainability of cotton production, there are other challenges facing the cotton industry. These include ensuring the profitability of small holders, lowering costs of production, addressing distortions to cotton production and trade caused by subsidies and trade barriers, and strengthening consumer demand for cotton. The agenda for the 69<sup>th</sup> Plenary Meeting provides ample opportunities to explore these issues and to discuss opportunities for unified efforts at improvement.

### **Acknowledging the Many Facets of the ICAC**

#### **Expert Panels and Task Forces**

The creation of the Private Sector Advisory Panel (PSAP) in 1999 broadened the circle of participation in ICAC meetings, expanded the subject matter expertise available to Member Governments and the cotton industry and helped to ensure that the work of the ICAC is relevant and pragmatic. The PSAP met in Bremen, Germany in March 2010, and conducted conference calls in April, May, June and September. The PSAP has been vigorous in defending the concepts of Good Trading Practices and encouraging industry standardization. I wish to thank all members of the PSAP, including Ahmed El-Bosaty and Dhiren Sheth, Chair and Vice Chair of the PSAP, respectively, for their leadership during 2010. Neal Gillen represents the ICAC Secretariat at the United Nations Commission on International Trade Law (UNCITRAL). All members of the private sector serve at their own time and expense, and their contributions are much appreciated.

The Standing Committee created the Task Force on Commercial Standardization of Instrument Testing of Cotton (CSITC) in 2003 following a decision by the 62<sup>nd</sup> Plenary Meeting in Gdynia, Poland. CSITC Round Trials are conducted among testing laboratories around the world to ensure standardization of test results, and the Round Trials are providing information that can be used in the establishment of commercial tolerances in cotton testing. The Round Trials are also providing information about new parameters for possible future inclusion in standardized rapid instrument testing systems. CSITC is providing concrete support to the cotton industry through improved efficiency in cotton quality evaluation. I wish to thank the CSITC Chair, Andrew Macdonald, and Rapporteur, Zbigniew Roskwitalski, and all members of CSITC for their work. All countries are urged to ensure that testing centers serving their farmers and textile industries are participating in the Round Trials.

The Expert Panel on Social, Environmental and Economic Performance of Cotton Production (SEEP) was created by a decision of the 65<sup>th</sup> Plenary Meeting in Goiania, Brazil in 2006. SEEP concentrated during the past year on approval of a consultant's study on insecticide use in cotton and approval of an interpretive summary of the report. As noted earlier, the cotton industry is routinely maligned for chemical use based on outdated information, worst-case situations, or isolated instances of poor management. However, cotton is also justly criticized for often using production systems dependent on chemical control of insects. A problem faced by the industry in answering critics and improving practices is that information on chemical use often pertains to agriculture as a whole, and the study approved by SEEP provides information specific to cotton production in five countries. The Chair of SEEP will summarize the report during the First Open Session of the plenary meeting. Members of SEEP conducted seven conference calls and met in Bremen, Germany, in March this year. The work of SEEP is crucial to cotton industry efforts to encourage the adoption of more sustainable production practices, and the work of all members of SEEP, including their officers Allan Williams and Francesca Mancini, is much appreciated.

### **Common Fund for Commodities and the European Union**

The ICAC serves as the International Commodity Body for Cotton and Cotton Textiles with the Common Fund for Commodities (CFC). Since the Fund became operational in the early 1990s, 22 cotton projects valued at over \$70 million have been supported. The CFC has provided \$5.7 million in loan financing and over \$25 million in grant financing for the projects. Co-financing has accounted for \$16.3 million and counterpart contributions have accounted for over \$20 million in total project costs. In addition, the European Union, under its program for African, Caribbean and Pacific countries (ACP) is providing substantial support for the cotton sector. The EU support is channeled through the CFC to ensure coherence in delivery and efficiency in oversight. The work of the Secretariat of the CFC, under the direction of Managing Director, H.E. Ambassador Ali Mchumo, and the work of those in the EC implementing the Africa-Europe partnership, are much appreciated.

### **International Forum for Cotton Promotion**

The work of the International Forum for Cotton Promotion (IFCP) facilitates national efforts to build demand for cotton at the retail level by providing positive information about cotton to consumers. The IFCP is a private sector organization composed of member associations from around the world. The IFCP serves as a clearinghouse for proven techniques of cotton demand enhancement. The executive director, Jeff Silberman, and the Chair, Zbigniew Roskwitalski, Vice Chair, Nayan Mirani and Treasurer, Jan Wellman, ably lead the IFCP.

### **Standing Committee**

Azmat Ali Ranjha of Pakistan, Patrick Packnett of the United States and Lily Munanka of Tanzania served as officers of the Standing Committee since the 68<sup>th</sup> Plenary Meeting last year. The officers ensured that the agendas of meetings were relevant and that meetings of the Standing Committee were conducted efficiently. The Standing Committee traveled to New York City in April, and to Virginia

in July to gain greater understanding of the work of Cotton Incorporated in the United States and to view well-managed cotton farms. The Standing Committee discussed a proposal from the Secretariat to create an International Research Center on Cotton, and the candid discussion was helpful to the Secretariat's understanding of the views of governments. Benashri Bose Harrison of India and James Johnson of the U.S. served as Chair and Vice Chair of the Subcommittee on Budget. The Subcommittee on Budget is necessary in providing appropriate oversight and government involvement in the management of the Secretariat.

### **Plenary Meeting Organizing Committee**

The Government of the United States volunteered to host the 69<sup>th</sup> Plenary Meeting after the invitation from another country was withdrawn. Consequently, the lead-time usually needed to prepare a successful meeting was truncated. The United States stepped forward at a time when economic prospects for the world and the cotton sector were still doubtful.

It has been a great pleasure to work with the Government of the United States and the private sector to prepare for the 69<sup>th</sup> Plenary Meeting. Obviously, the logistics for the Secretariat were greatly simplified this year, but the challenges facing the Organizing Committee itself were as great as for any other plenary meeting. The United States was a founding member of the ICAC in 1939, and this is the 17<sup>th</sup> ICAC Plenary Meeting hosted by the USA. The strong support for the ICAC by the government and private sector of the United States is very much appreciated.

Argentina has extended a specific invitation to the Committee to host the plenary meeting in 2011, and China (Taiwan), Colombia, Kenya, and Mali have expressed their interest in hosting future meetings. However, a specific invitation for 2012 has not been received, and the Secretariat will be working to secure invitations for future meetings as quickly as possible.

I thank member countries for the privilege of serving as executive director, and I look forward to a successful 69<sup>th</sup> Plenary Meeting.