



# 74<sup>th</sup> Plenary Meeting of the INTERNATIONAL COTTON ADVISORY COMMITTEE



## MINUTES

### FIFTH BREAKOUT SESSION

#### Challenges to Boosting African Cotton

09:15 hr. Thursday, December 10, 2015

Chair: Mr. Udayan Thakker, Managing Partner, U.B. Cotton Pvt. Ltd.

#### Speakers:

Dr. Milan Sharma, Head – Africa Initiatives, IL&FS Education and Technology Services, “TAPing Africa.”

Mr. Alex Mungai, Value Addition and Processing Promotion Officer, Fiber Crops Directorate, Government of Kenya, “Promoting Cotton Production in Kenya: Challenges and Opportunities.”

Mr. Peter Salcedo, Plexus Cotton, “Expanding the Foundation for Cotton Production in Africa.”

Mr. Oumarou Balarabé, ECCAS, “Challenge to Boosting African Cotton.”

#### Investor Protection Crucial

Cotton is Africa’s most important agricultural commodity, but production and mill use have not kept pace with growth in the rest of the world. Under the rubric of South-South cooperation within the framework of the World Trade Organization (WTO) Doha Development Agenda (DDA), the Government of India established the IL&FS initiative to promote the cotton sector of Africa. The major activities of the initiative include promotion of trade and investment, technology transfer and loans and grants to facilitate infrastructure development. The cotton Technology Assistance Program (TAP) provides training in cotton production and textile processing in six countries of Africa, with special emphasis on ginning, textile processing, the use of biopesticides and biotechnology

Challenges for Africa include raising yields to the world average, expanding textile production, and improving cotton marketing. Research and training, input provision, and private sector investment in ginning and textile production are the keys to expanded cotton-textile-apparel value chain activity.

The cotton sector of Kenya nearly collapsed after the national parastatal cotton company was dismantled in the mid-1970s, but the cotton sector is being revitalized. A new industrial revolution is possible in Africa as retailers and brands seek integrated value chains guaranteeing environmental and social sustainability.

The Government of Kenya is focusing on reactivation of the cotton sector in arid and semiarid regions because cotton can produce an economic yield in those regions, while other crops will fail. Challenges include the need for soil fertility testing, proper fertility management, provision of mechanization, timely application of insecticides, improved seed varieties, increases in plant density and proper cultivation to control weeds, clean harvesting without contamination, proper crop rotations, access to credit, strengthening cooperatives and ensuring demand so as to buttress farmer interest in cotton. In decades past, cooperative societies became highly indebted and failed to provide farmers with necessary services. The Government of Kenya is working to revitalize cooperatives by forgiving debts and providing improved management training. Kenya is not facilitating large-scale cotton farming.

Every African country is different and operates with different policies and programs. It is self evident from statistics that cotton production in West Africa is greater than in East and Southern Africa, and East African cotton production is no higher now than it was in the 1960s. The reason is that West Africa has a higher level of coordination and protection of investments through centralized control. Keys to increasing production include guaranteed prices announced pre-planting, timely provision of inputs, appropriate extension services, and certainty of purchase and payment. In order to meet these requirements, governments must guarantee investor protection by preventing side selling or pirate buying. In many countries, 40% of farmers produce only 5% of seed cotton, and if governments wish to treat cotton as a social crop and require investors to provide inputs to all growers, the government must be willing to cover the costs associated with social services.

