



74th Plenary Meeting of the INTERNATIONAL COTTON ADVISORY COMMITTEE

MINUTES SEVENTH BREAKOUT SESSION New Developments in Cotton Infrastructure

14:00 hr. Thursday, December 10, 2015

Chair: Mr. B.K. Patodia, Chairman and Managing Director, GTN Textiles Ltd., India.

Speakers:

Ms. Marième Fall, Counsellor, World Trade Organization (WTO), “Export Corridors in West Africa: Information from the Aid for Trade Initiative.”

Mr. Ashley Power, Auscott Ltd. Australia, “New Investment in Ginning Facilities in Australia.”

Mr. Lav Bajaj, Bajaj Steel Industries Ltd., India, “New Investments in Cotton Infrastructure.”

Dr. K. Selvaraju, Secretary General, The Southern India Mills’ Association (SIMA), “Development of a Hand-Held Cotton Harvesting Machine.”

“Without Investment, Nothing Moves”

Facilitating Trade

The underlying role of the World Trade Organization (WTO) is to expand international trade by building capacity, improving infrastructure, and serving as a platform for discussion of trade policies and negotiation of trade issues.

As an example of its efforts to improve trade capacity, the WTO has been addressing problems caused in West Africa by inland border delays, congestion, duties and taxes, inefficient roads and poor dissemination of information. The inland delays are being reduced by the creation of “trade hubs” and “borderless alliances,” which include Joint Border Posts.

Trade hubs are one-stop offices where information about trade regulations and requirements and export or import licenses can be obtained. Borderless Alliances sponsor annual conferences, national committees and information sources to facilitate reductions in trade barriers, harmonize standards and monitor trade protocols so as to reduce unnecessary border requirements. Joint border posts

are buildings straddling the borders between West African neighbors in which travelers, including commercial drivers, tourists and business travelers, can stop to obtain visas and conclude immigration and customs formalities for both countries at one time.

Boosting Investments

Investments are key to achieving social, environmental and economic sustainability in the cotton industry. From machinery to efficiently produce certified planting seed, to farm machinery, irrigation facilities, equipment for insect, disease and weed control, harvesting and ginning equipment, machinery for handling lint and cotton seed, monitoring equipment and quality evaluation equipment, and machinery to handle cotton seed and by-products, investments in the cotton value chain probably total close to \$2 billion every year (estimated as 5% of the farm value of cotton and cotton seed.) Additional industry wide investments are need to support demand enhancement. As machine picking and capital intensive agricultural production expands, total investments in the cotton value chain may increase as a percent of the value of production.

Focus on Efficiency

Australian cotton producers receive no subsidies and encounter high transportation costs associated with exports because of their relative isolation from major trade routes. Consequently, the Australian industry must be extraordinarily efficient. With the development of higher-yielding varieties capable of reaching maturity in shorter time spans, cotton production in Australia has been expanding southward into new regions that have higher rainfall and lower pest pressure than in traditional cotton areas. The Southern expansion requires the construction of new ginneries, and one company has just completed a major construction project. The new gin economizes on labor and power and complies with all environmental and safety requirements, while also achieving great economies of scale. The gin is capable of producing 400 metric tons of lint and 500 tons of cotton seed per day (approximately 80 bales per hour), while employing only 12 people, including personnel in the receiving yard. The gin is built to receive seed cotton in round modules (seed cotton harvested with new in-line module builders). All aspects of the gin have been carefully engineered, including the direction of traffic flow of seed cotton, seed and lint. RFID tags in each module are used to record the origin and location of each module and resulting bale. All information about ownership, field of origin, variety, variety characteristics and HVI lint quality data are recorded for each bale.

At the opposite end of the investment spectrum, the Southern India Mills' Association has sponsored the development of a hand-held cotton plucker operated by battery. The plucker speeds the hand harvesting process by enabling workers to pull tufts of cotton from open locs using the plucker rather than their fingers. The battery lasts about 10 hours and recharges in 4 hours. The battery can be recharged from a solar panel. The machine costs about \$150.