

PROJECT PROPOSAL FOR CONSIDERATION AS A FAST TRACK PROJECT

TITLE: Publication of a handbook *COTTON FACTS*

PROJECT EXECUTING AGENCY:

The International Cotton Advisory Committee (ICAC) will execute the project. Two senior staff members of the ICAC who have over 10 years experience with the ICAC, in addition to work in their respective countries, will jointly work on this project. While Dr. M. Rafiq Chaudhry will focus on the project research aspect, Mr. Andrei Guitchounts will cover the marketing of the book.

Their contact particulars are as follows:

Dr. M. Rafiq Chaudhry
Head, Technical Information Section
Email: rafiq@icac.org

Mr. Andrei Guitchounts
Economist
Email: andrei@icac.org

International Cotton Advisory Committee
1629 K Street, Suite 702
Washington DC 2006
USA
Phone: 202-463-6660
Fax: 202-463-6950

Dr. M. Rafiq Chaudhry obtained his M.Sc. (Hons) Agri. with specialization in cotton breeding and genetics in 1972. He acquired his Ph.D. in 1980, again specializing in cotton breeding and genetics. He joined the ICAC staff in May 1991. Both before and since joining the ICAC, Dr. Chaudhry has traveled extensively to cotton producing countries. One of his main responsibilities at the ICAC is to provide updates on production research. As a result, he is familiar with current research on cotton in the world. Dr. Chaudhry publishes a technical journal titled *THE ICAC RECORDER* quarterly. The publication is available in English, French and Spanish and is distributed to over 50 countries. In the last 10 years he has written over 150 articles on all aspects of cotton production and fiber quality for *THE ICAC RECORDER*. Dr. Chaudhry has presented numerous papers at international forums.

Mr. Andrei Guitchounts graduated from the Moscow State Institute for International Relations with a master's degree in economics and international trade in 1978. He worked for V/O Exportljon/Novoexport in the cotton export department from 1978 to 1990. During this time he was involved in cotton trading – including exports and imports – trade strategy planning and organizing cotton-shipping logistics. He joined the ICAC as an economist in 1990 where his main responsibilities include research in economics and statistics; particularly on

cotton trade issues. During his tenure with the ICAC Mr. Guitchounts has provided a major contribution to almost all issues of the monthly *COTTON: Review of the World Cotton Situation*, produced a biannual statistical bulletin: *World Cotton Trade*, organized and participated in a number of seminars around the world on price risk management and world cotton market developments. He has also conducted research into the structure of world cotton trade, world trade flows, roles of cotton exchanges, associations and internet-based trading platforms. Mr. Guitchounts is fully familiar with cotton marketing issues.

COUNTRIES:

The project will be undertaken solely by the ICAC.

MAIN THEME OF THE PROJECT:

The project publication *COTTON FACTS* will be a comprehensive and easy to read book including fundamental, common, specific facts about cotton. It will focus on all aspects of cotton production, marketing and use. The book will be an objective publication and will include significant facts that are of interest to cotton producers, ginners, traders, spinners and others concerned with cotton production, trade and processing. The material included in the publication will be of timeless value and of a high educational standard. The range of facts and definitions will cover:

- production technologies
- crop management
- cotton biotechnology issues
- ginning
- baling
- packing
- testing
- standards
- grading
- trade and shipping
- pricing and price risk management
- spinning and utilization
- cotton organizations and associations
- trading rules
- exchanges
- other facts and definitions.

No other publication has such a broad range of cotton information. *COTTON FACTS* will become a useful educational tool as well as a reference for producers, traders and others with an interest in cotton matters – particularly in countries where access to such information is limited. *COTTON FACTS* will be a popular addition to any cotton researchers' library.

CURRENT STATUS OF WORK ON THE ISSUE:

No new research will be undertaken in this project. No new cotton facts will be researched. All the information to be included in the intended publication is already available. But, the materials related to specific aspects of cotton production, marketing and utilization are scattered among a large number of publications. In order to understand what is meant by determinant type, economic injury level, biotechnology, genetic engineering, transgenic cotton, staple length, upper half mean length, stelometer reading, cytoplasmic male sterility, restorer line, seed index, short fiber content, etc. one has to consult a number of publications. Similarly, on the marketing side, what are the Cotlook A and B indices? New York Futures, forward selling, a lot, a bale, #2 contract in New York, a broker, put option, call option, margin, price discovery, option premiums, trading rules, basis, terms of delivery, hedging, forms of contract, role of agents, arbitration, role of exchanges, associations and other cotton organizations will be explained in a clear and brief way in one source. *COTTON FACTS* will provide all this information in one book.

INFORMATION TO BE INCLUDED AND VALIDITY:

COTTON FACTS will not include any statistical data that may become obsolete in the future. The book will include only indisputable material such as a description of the biology of a cotton flower, for example. Facts like the role of a cotton hedger and cotton speculator trading at the futures exchange are fundamental to understanding how price risks can be minimized or shifted from one party to another. If the Cotlook A Index is calculated as the average of the cheapest five of 15 styles, the definition will remain so in the future. The publication will not include the actual quote which changes every day.

PROJECT DURATION:

One year.

EXPECTED STARTING DATE:

June 2002

COLLABORATORS:

Information to be included in the publication is scattered in many publications. Some of the information is readily available while other has to be researched. Dr. Chaudhry and Mr. Guitchounts have to collect information from various sources in addition to consulting many books and periodicals. No formal collaboration is foreseen with any institution or researcher at this point; however, some researchers and institutions will be consulted for informal review/consultation on specific terminology. Such collaboration will be achieved through electronic mail.

This project is seen as a collaborative service of the ICAC and the CFC to the world cotton industry.

PROJECT DESIGN:

Under the project, the ICAC Secretariat will put together a collection of the most useful, important and timeless facts and definitions on all aspects of the cotton industry. The information will be published in a professionally printed form (a book). The size of the publication will be not more than 100 pages. Both experts will decide what to include and what not and accordingly limit the size of the publication. The publication will be a hardbound booklet with colored pictures on the cover page. The book will be divided into various sections, and an index will be included at the end.

TOTAL COST OF THE PROJECT:

It is estimated that the total cost of the project will be US\$40,000.00 for printing 1,500 copies of the publication. The staff of the ICAC will contribute work hours necessary to prepare the book for publication. Two technical staff members will be spending time to collect the facts and one additional member will be engaged in formatting for printing of the publication. High quality photos related to various operations and latest techniques used in the cotton chain will be arranged by the ICAC officials for the cover page.

FINANCIAL DETAILS:

The total cost of the project can be divided as follows:

Grant from the CFC	= US\$20,000.00
Printing	= US\$17,000.00
Photos, etc	= US\$500.00
Administrative costs	= US\$1,000.00
Formatting	= US\$1,500.00
ICAC contribution	= US\$20,000.00
ICAC technical staff time	= US\$14,000.00
Production research	= US\$7,000.00
Economics/marketing	= US\$7,000.00
Administrative costs	= US\$3,000.00
Mailing/communications	= US\$3,000.00
G. Total	= US\$40,000

Once the material is ready for publication, quotations will be collected from the local market in Washington DC. An order will be placed in consultation with the Secretariat of the CFC for the most reasonable price without sacrificing the quality of the publication.

ICAC is also looking at the possibility of having the book published and sold by the C.A.B. International in the UK.

SALE OF THE PUBLICATION:

It is planned to print 1,000 copies of the publication. Only a limited number of the publication will be provided free to the ICAC and CFC member governments. The

main target will be to sell this publication and it is expected that it will have a good market. Among potential buyers are expected to be research institutes around the world, universities, libraries, researchers and professionals involved in the marketing of cotton. The publication will attract all kinds of people involved in any way with cotton. People in marketing who are familiar with marketing terminology would be interested in the subjects on production research and the vice versa.

The book will be sold at a price of US\$20 per copy by the ICAC. The ICAC and CFC will share proceeds on a 50:50 bases.

EXPECTED OUTPUT:

Advertising and sales of the book to interested parties will be organized through the Internet and meetings, if not printed by the C.A.B. International. If the book is published by the C.A.B. International both ICAC and CFC will have a royalty on it. Production of a high quality publication called "*COTTON FACTS*" in a joint venture with the CFC. The Publication will have a high educational and operational value for the world cotton industry. More than the sale of the publication, the project is valued by the ICAC as a joint service of the ICAC and the CFC to the world cotton industry. Better informed cotton market participants are expected to make better economic decisions improving their potential for greater income, especially in developing countries. The prestige of the ICAC and the CFC as agencies working for the benefit of commodity markets development will be heightened. Though not the primary objective, a moderate supplementary income for the both organizations will be generated.