

CICCA Update by Member Organisations



Issue 18 – November 2022

Welcome to this Update, keeping you informed of the new developments at the Member Organisations and Observer Organisations. This publication comes as a result of a decision reached at the 2012 Plenary Meeting that “To facilitate the understanding of the latest cotton related information in the countries of Member Associations and to make CICCA more proactive if necessary, it was agreed that Member Associations would update their countries’ cotton market information on a quarterly basis, and this would be distributed within the CICCA forum.”

Any suggestions and comments would be greatly appreciated. The following Member Associations and Observer Organisations have contributed to this issue:

- [American Cotton Shippers Association](#)
- [Australian Cotton Shippers Association](#)
- [Alexandria Cotton Exporters’ Association](#)
- [Asociación para la promoción de la Producción Algodonera](#)
- [Bremer Baumwollbörse](#)
- [Bolsa Brasileira de Mercadorias](#)
- [China Cotton Association](#)
- [Cotton SA](#)
- [Gdynia Cotton Association](#)
- [International Cotton Association](#)
- [International Textile Manufacturers Federation](#)
- [Karachi Cotton Association](#)
- [Japan Cotton Traders’ Association](#)
- [United States Department of Agriculture](#)

ACA – African Cotton Association

(No update)

ACSA – American Cotton Shippers Association

The 2022 cotton harvest in the United States is currently 45% completed as of October 23rd. According to the USDA’s October World Agriculture Supply and Demand Estimate, U.S. shippers are preparing to deliver 14.8 million 480-pound bales to both their domestic and international customers, while production estimates for the current crop have declined to 13.81 million 480-pound bales, lowering projected U.S. ending stocks to 2.8 million 480-pound bales. Production decline is largely attributed to severe drought in Texas and the western part of the United States (Table 1).

During the pandemic, consumer behavior drastically changed from investing in experiences such as travel and entertainment to the purchase of tangible items, ultimately creating a volume of inbound cargo that completely inundated our ports and interior infrastructure. While many challenges remain, it is ACSA’s opinion that shipping performance challenges are beginning to resolve themselves through the volumetric downturn in commercial activity and implementation of supply chain focused legislation, resulting in a natural and policy-driven reset for our supply chain.

The U.S. is now seeing that topline measure of inbound cargo (Graph 1) lessening due to increased worldwide recession fears, interest rates hikes, and inflation. With less demand for imported goods into the U.S., we believe ocean carriers will be incented to carry more containerized exports compared to empties (Graph 2).

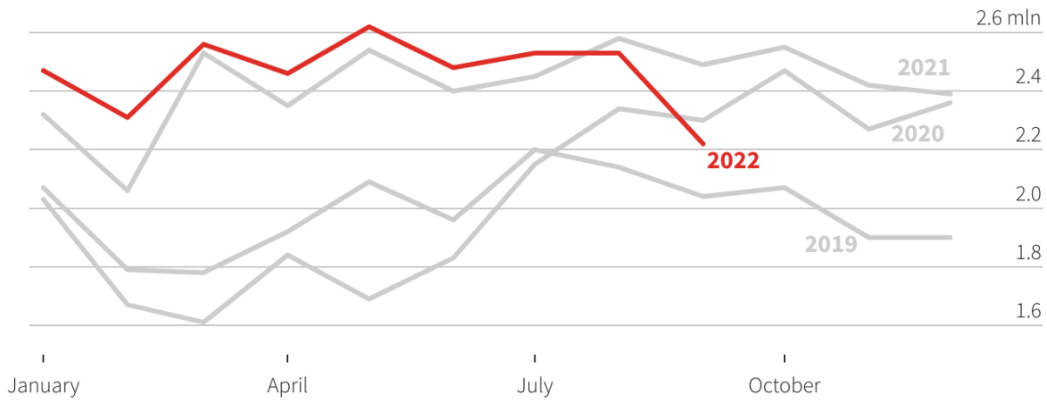
Meaningful policy is being implemented in the U.S. to provide short and long-term relief to our supply chain. In November 2021, President Biden signed a greater than \$1 trillion-dollar, bipartisan infrastructure package that directs more than \$550 billion dollars directly to support transportation challenges with a focus on improving roads, bridges, and ports. This legislation is now starting to bear fruit as installations funded by this investment are beginning. This influx of monetary support was followed by more prescriptive action this summer by Congress’ passage of the Ocean Shipping Reform Act of 2022 (OSRA). OSRA is designed to increase the accountability and transparency requirements for ocean carriers providing service to agricultural exporters, with a specific focus on containerized shipments like cotton. ACSA is actively advocating for four key priorities concerning the implementation OSRA, including (1) clear and swift action to prevent discrimination or disadvantage to agricultural exporters, (2) creation and utility of better practices for chassis provisioning, (3) development of a clear and binding definition of merchant-haulage-freight, and (4) reasonableness concerning the levying of fees. Collectively, these along with other tools will ensure ACSA members are able to be the most dependable and efficient exporters of cotton in the world. ACSA’s most recent public comments regarding U.S. exporters’ access to vessel space can be found [here](#).

Table 1: U.S. Cotton 2022/2023 Projected Production, Consumption, and Ending Stocks by Month

	Production	Domestic Use	Exports	Ending Stocks
May	16.5	2.5	14.5	2.9
June	16.5	2.5	14.5	2.9
July	15.5	2.5	14	2.4
August	12.57	2.3	12	1.8
September	13.83	2.3	12.6	2.7
October	13.81	2.3	12.5	2.8

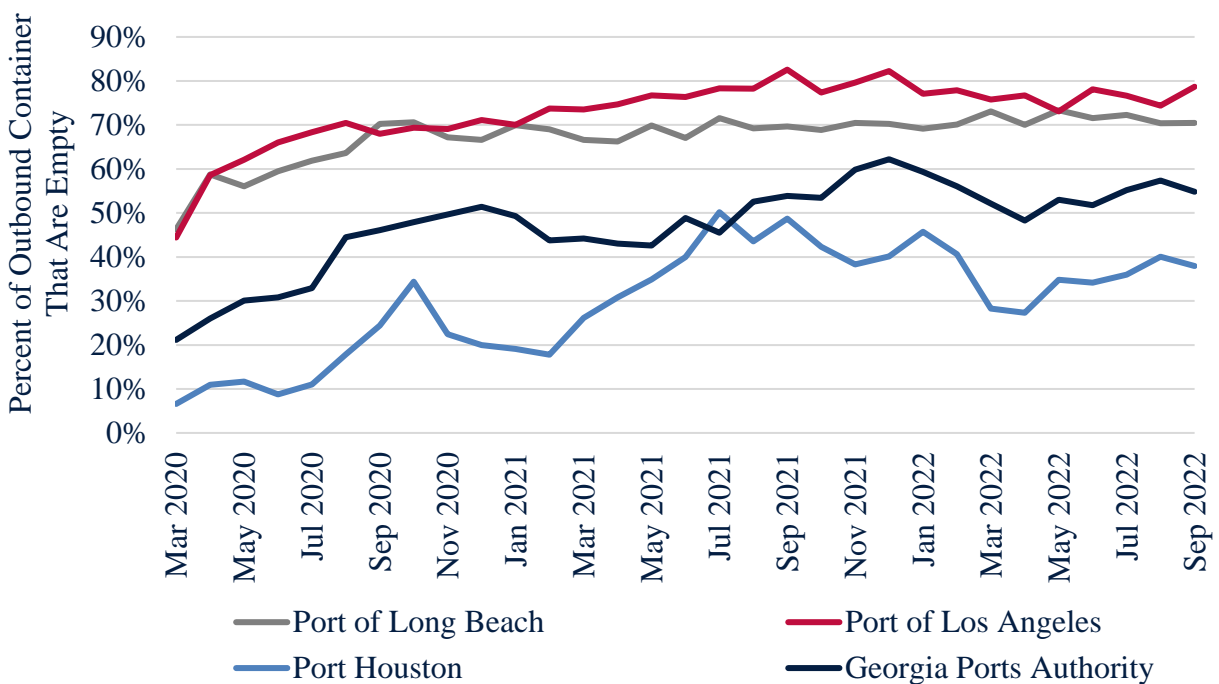
Source: U.S. Department of Agriculture’s Monthly World Agriculture Supply and Demand Estimate

Graph 1: U.S. Container Import Volume in TEUs by Year (2019-2022)



Source: Descartes Datamyne

Graph 2: Percentage of Outbound Containers Empty from the Ports of Long Beach, Los Angeles, Houston, and Georgia Ports Authority.



Source: Port of Long Beach – Port Statistics, The Port of LA – About Container Statistics, Port Houston – Statistics, and Georgia Ports – By the Numbers

ACSA – Australian Cotton Shippers Association

While Australia produced a record crop in 2022 that is likely to be around 5.6 million bales (227 kgs) we still have cotton to be harvested and ginned in October. This is a highly unusual situation, one that has been exacerbated by constant and regular rainfall due to consecutive La Niña weather events.

The quality of the 2022 crop has naturally been impacted by rain and our colour grades have reflected this with the majority (71%) being classed 31 or better. The other quality parameters have once again been very good as average staple reached 39, nearly all of the crop was in the G5 mic range while 78% of the crop was 30GPT and higher. It has been great value season for a spinner.

Despite the on-going “soft” import ban by China, the diversification of our export markets is proving to be very successful, illustrated by a record export during August 2022 of 248,015 MT to over 15 different destinations. While Vietnam was the outstanding destination volumes to Turkey, India and Indonesia were also extremely impressive.

Crop size prospects for 2023 have been gradually reducing as a consequence of the above mentioned weather events, with continuing widespread heavy rain across all our main growing areas. Ground preparation had already been impacted by rains and now planting is also being delayed by additional rains which, with peak planting times being missed, will have implications for yield and thus overall quantity. We had all hoped that the 2023 crop would be a record for the Australian industry but those hopes have now been dashed and instead we are questioning whether we will even reach the 2022 crop production level. The silver lining to all of this water is that storages are full and we are now guaranteed a number of years good production levels.

AFCOT – Association Française Cotonnière

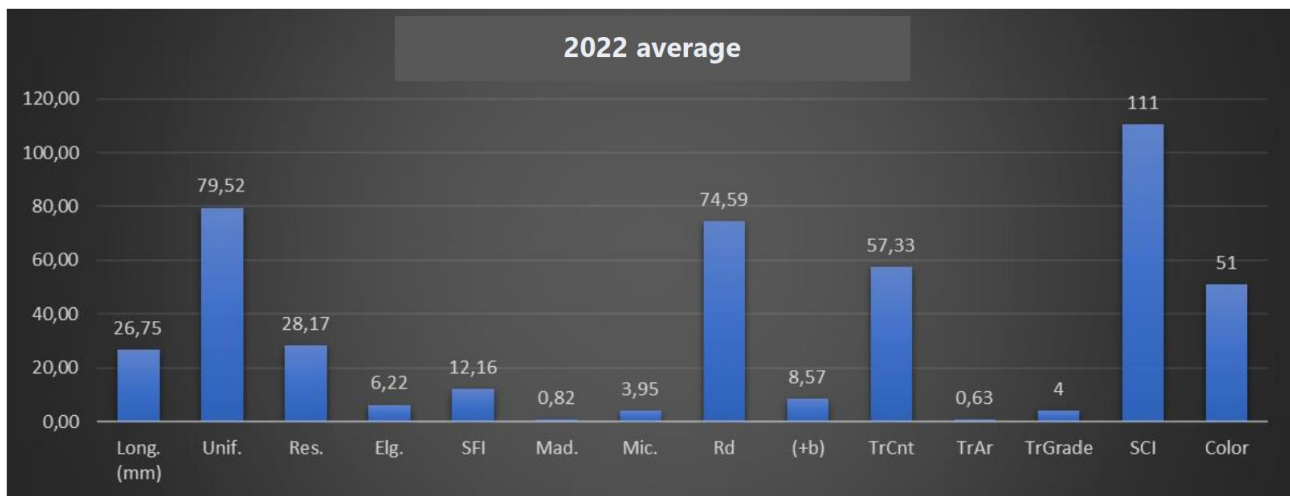
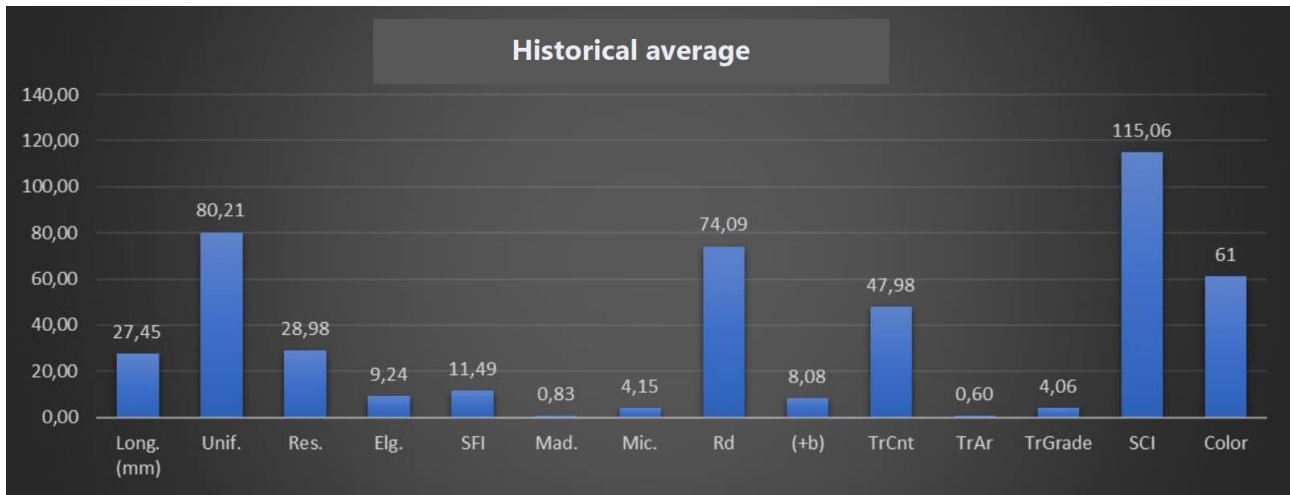
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ALCOTEXA - Alexandria Cotton Exporters' Association

	Commitments (Tons)	Shipped (Tons)	Value (US\$)
1st Quarter	24,674.50	6,402.50	127,078,795
2nd Quarter	25,111.50	22,791.59	139,502,886
3rd Quarter	10,468.84	23,754.6	60,265,778
4th Quarter	3,685	9,304.64	21,332,676
Total	63,939.84	62,253.33	348,180,135

APPA – Asociación para la promoción de la Producción Algodonera

The 2021/2022 cotton campaign was mainly characterized by presenting conditions of both hydric and thermal stress in the critical period of cotton cultivation that were unprecedented in some areas. In relation to the quality parameters, the fact that most of the fiber affected by the unfavorable conditions must have extended its process to the second flowering cycle, and was harvested from June to August, which favored the damage by frosts, affections in the color (average Low Middling) and subsequent reduction of all the qualities of the fiber.



The area planted with cotton was between 530,000 and 550,000 hectares at the country level. This increase was mainly due to forecasts of prices relative to other crops, where cotton was better positioned in terms of better profitability rates, and weather forecasts that defined a campaign with probable water stress where, also facing this situation, the cotton crop has advantages over other crops in the country. On the other hand, the increase was due to the entry of the crop in marginal areas with advantages of cotton compared to other crops.

In terms of production, around 990,000 to 1,050,000 tons of raw cotton were obtained, which, depending on ginning yields (low this season), allowed for approximately 300,000 to 310,000 tons of fiber to be obtained.

The market was very active, at first exports until the end of July when activity began to drop, while the country's domestic market continues to demand, but at a slower rate as of September. An internal consumption of around 170,000 tons is estimated.

As for the cotton boll weevil, a key cotton crop pest, in the 2021/2022 campaign the economic impact was minimal, greatly helped by weather conditions. Very low levels of capture in traps are recorded entering the 2022/2023 campaign.

A slight increase in the area to be sown is estimated for the 2022/2023 campaign, around 10%. The first fields were planted where the temperature and humidity of the soil are adequate.

BBB – Bremer Baumwollbörse

International Cotton Conference Bremen 2022

Embedded in the celebrations marking the 150th birthday of the Bremen Cotton Exchange, the 36th International Cotton Conference took place on September 29 and 30. More than 400 experts and interested parties from almost 40 countries discussed current questions around cotton. It is the first of its kind offered in a hybrid format: Participation in the conference was possible on site in Bremen as well as online. Like their online counterparts, the participants in Bremen were able to choose between two parallel sessions - one live and one as a stream. The Bremen Chamber of Commerce offered the perfect location for this.



Almost 70 speakers added to the success of the conference with their contributions and showed once again how science and practice can complement each other. Each conference day started with keynotes in which personalities from the branch critically addressed challenges within the world economy and politics. They dealt with trends on the raw materials markets and with questions about the currently much discussed shortages in logistics, but also with the situation on the financial markets. They were followed by sessions

covering topics like sustainability, cotton quality, circular economy, innovative products as well as the brands' perspective.

The Bremen Cotton Night took place at Übersee-Museum where a large cotton exhibition entitled "100% Cotton" on the cultural history of the raw material was opened. The anniversary year reached its climax with a gala dinner at Bremen Town Hall.

BBM – Bolsa Brasileira de Mercadorias

Harvest of 2022 season completed and ginning 80/85% done.

- Last production figures for 2022 crop of 2.496 thousand tons
- About 80/85% already sold by producers
- Local consumption about 690 thousand tons
- ANEA forecast exports for the season of 1.724 thousand tons
- Shipments for the 2022 season from July to Oct 17th totals 399,100 MT

For 2023 season

- Expected production of 3.0 million tons
- About 45/50% already sold by producers

Chart below with latest production figures by state for 22 season and planting intentions for 2023



ESTADOS	ÁREA PLANTADA (mil ha)			PRODUÇÃO EM PLUMA (TON)			PRODUTIVIDADE EM PLUMA (TON/HA)	
	2021/22	2022/23	VAR. %	2021/22	2022/23	VAR. %	2021/22	2022/23
BA	309	308	-0,3%	523	587	12,4%	1.691	1.907
GO	27	30	9,5%	48	61	28,2%	1.740	2.038
MA	28	29	4,5%	59	54	-9,7%	2.140	1.850
MG	26	35	36,2%	44	62	39,5%	1.732	1.774
MS	26	29	10,9%	53	56	5,7%	2.016	1.920
MT	1.186	1.186	0,0%	1.712	2.056	20,1%	1.443	1.734
PI	15	17	17,9%	27	32	17,9%	1.845	1.845
PR	1	2	47,8%	1	2	47,8%	1.261	1.261
SP	9	13	41,1%	17	24	41,1%	1.845	1.845
Outros*	10	12	22,3%	12	14	18,1%	1.227	1.185
TOTAL	1.636,4	1.660,5	1,5%	2.496	2.948	18,1%	1.525	1.775

Fonte: Associações Estaduais (outubro de 2022)

*Conab (out/22): TO, CE, RN, PB e AL

BCA – Belgian Cotton Association

(No update)

CAI – Cotton Association of India

(No update)

CAN - Centro Algodonero Nacional

(No update)

CCA – China Cotton Association

The China Cotton Association predicted that the total cotton production in 2022/23 is 6.077 million tons, a year-on-year increase of 5.3%. The predicted consumption and import are 7.6 million tons and 1.7 million tons. The export is 30,000 tons, and the ending stock is 8.467 million tons, up 1.8%.

1. Cotton Picking and Selling Ahead of Schedule, Xinjiang's Production Increased

In September, the weather in most cotton regions across the country was fine, which was conducive to cotton picking. As of September 30, the national cotton picking progress was 20.1%, 11.6% faster than that of the previous year. The sales progress was 7.5%, up 2.3%. The average selling price was 7.1 yuan/kg, down 27.8%.

2. The Processing Enterprises Cautious Acquisition, Processing Volume is Greatly Reduced

The processing enterprises experienced last year's price increase, were relatively cautious, the processing progress was slower than last year, and the purchase price fell. As of September 30, there were 103 enterprises (400-type) in China weighing and processing, and the total processing volume was only 18,600 tons, a year-on-year decrease of 52.08%.

3. The Decline of Commercial Stock has Expanded

In September, the domestic cotton price continued to fall, cotton enterprises actively sold, and the demand of textile enterprises improved. The domestic commercial stock continued to decrease. Due to the rebound of the epidemic in Xinjiang, freight have been certain restrictions, and the purchase volume of textile enterprises in the inland warehouse increased significantly, and the shipment of cotton from Xinjiang to the inland decreased significantly month on month.

4. Textile Production Increased

Entering the traditional textile peak season, the growth rate and production of textile enterprises continue to recover, but the downward pressure on the global economy is still

large, consumption is still less than expected. In September, yarn production was up 8.3% month-on-month and down 3.5% year-on-year, while cloth production was up 7.8% month-on-month and down 4.6% year-on-year. As of September 30, textile enterprises cotton industrial stock is 535,600 tons, a decrease of 378,600 tons year-on-year.

Balance Sheet of China's Cotton Supply and Demand

(October 2022) (10,000 tons)

Year	Beginning Stock	Production	Import	Consumption	Export	Ending Stock
22/23	832.02	607.68	170	760	3	846.7
21/22	814.7	577.39	172.82	730	2.89	832.02
20/21	790.52	592.37	274.66	842.6	0.25	814.7

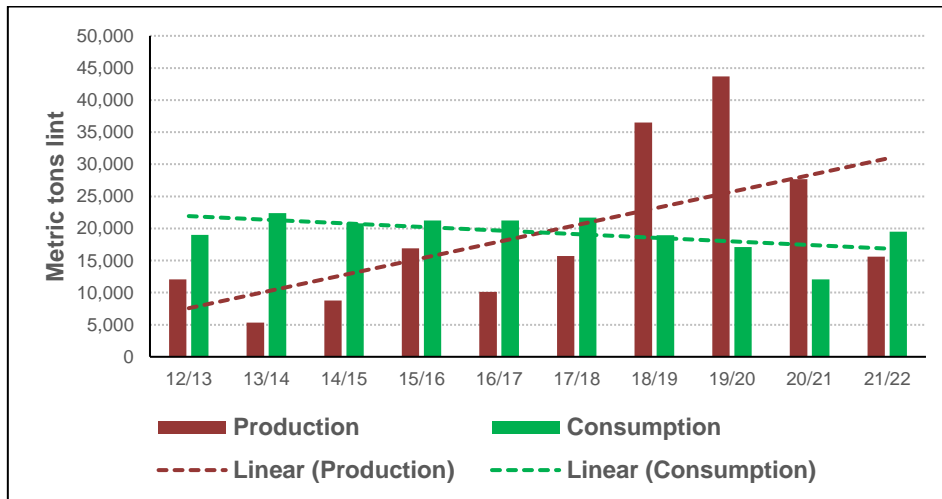
Cotton SA

COTTON SITUATION IN SOUTH AFRICA

Area and Production

For the 2021/22 marketing year 5 802 ha under irrigation and 10 511 ha on dryland were planted. The average weighted yield for dryland and irrigated cotton was 944 kg of lint per ha. South Africa has produced 15 569 tons of cotton lint in 2021/22 which represents a smaller crop than the previous year, a decline of approximately 44%.

Cotton SA estimates the production of cotton lint to reach about 14 100 tons for the 2022/23 marketing season. This represents a further decrease from the previous season's production levels which can be largely attributed to the relatively competitive prices of competing crops and unfavourable climatic conditions at planting time, especially dryland areas.



Domestic Mill Use

South Africa has 4 cotton spinning mills that consumed a total of 19 480 tons of lint of which about 93% were imported in 2021/22. The reason for the relatively high imports is local spinning mills require lower quality than locally produced. Cotton represented roughly 22% of total textile fibre consumed during 2021/22 which is in line with the international trend. Although the Covid-19 pandemic, with the resultant lock-down period in 2020, played a major role in the decline of the textile sector (lower retail sales that impacted on textile production and the spinning of cotton yarn, with the resultant decrease in consumption), the local economy bounced back to pre-covid levels and spinning mills are operating at more than 100% capacity levels.

Trade

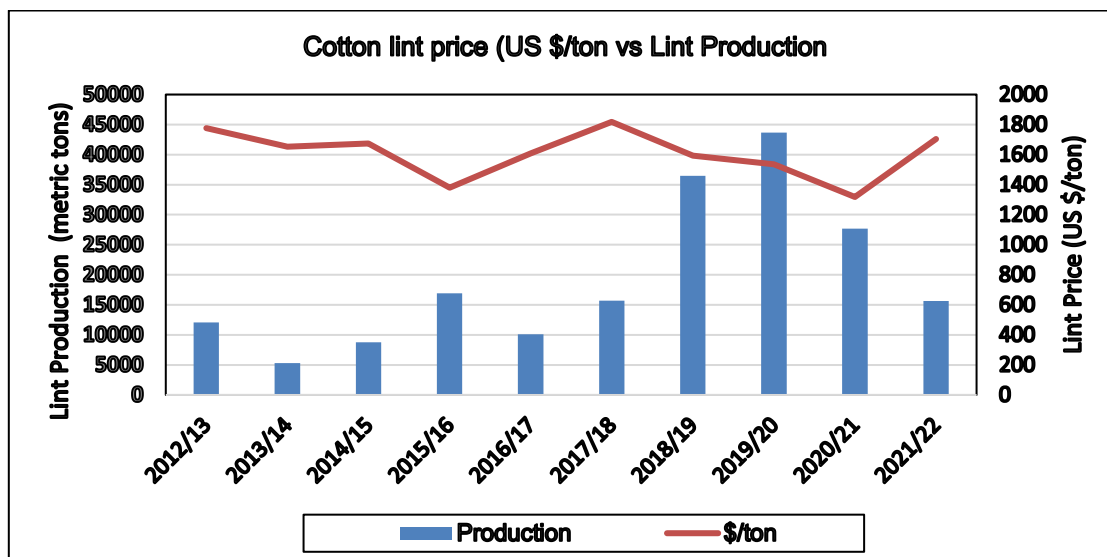
During the 2021/22 marketing year approximately 18 158 tons of lint have been imported. Most lint imports were from the Southern African Development Community countries (SADC), mostly Zimbabwe and Zambia. After being a net exporter for 3 years, South Africa is now a net importer of cotton lint. Approximately 94% of lint production is exported.

Standards

South Africa is a participant in the Better Cotton standard which is a commitment to the production of sustainable cotton. Cotton SA acts as the programme partner while Better Cotton increased to 60% of national cotton production in 2021/22.

Prices

The 2021/22 average price received by farmers for cotton lint in 2021/22 was R25.37/kg lint which is 18% higher than the season before. The South African price converted to a dollar price also showed an increase because of the strengthening of the Rand against the US dollar.



Issues facing the South African cotton industry

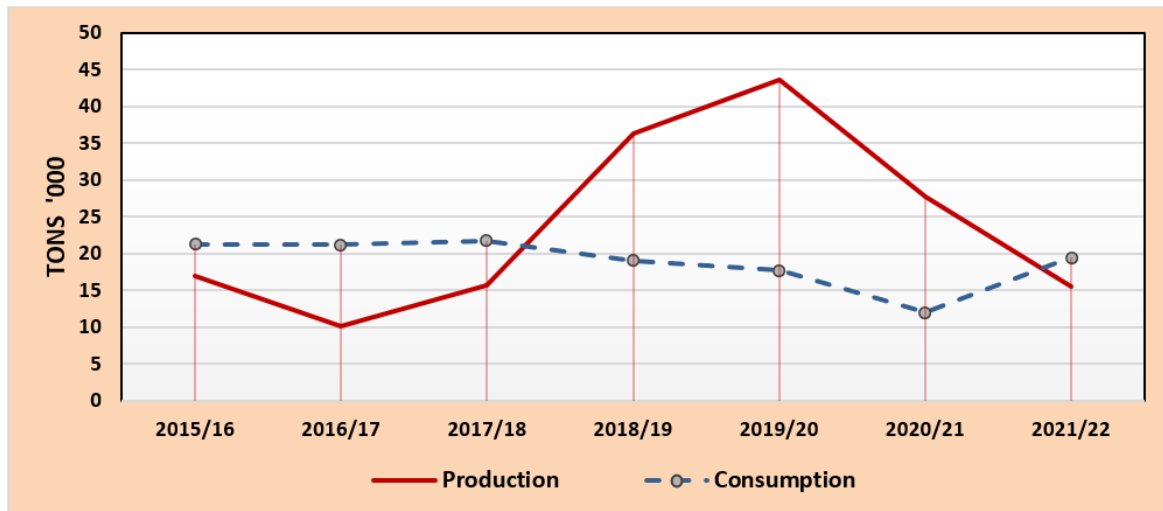
- Availability of new seed varieties – regulatory process and timeframe to register new technology and varieties.
- Cost and availability of harvesting equipment.
- High input costs.
- Affordable finance for inputs and capital goods.
- Competition from higher value commodities on irrigated land.
- Lack of investment in domestic spinning capacity.

SOUTH AFRICAN COTTON STATISTICS

SOUTH AFRICA	Production Tons'000	Imports Tons'000	Exports Tons'000	Local consumption Tons'000	SA lint price estimates c/kg
2015/16	16.9	19.3	11.4	21.3	1 903
2016/17	10.1	16.5	9.0	21.2	2 261
2017/18	15.7	14.2	8.4	21.7	2 362
2018/19	36.5	15.9	26.0	19.0	2 191
2019/20	43.7	12.1	35.7	17.7	2 269
2020/21	27.7	7.5	28.7	12.1	2 156
2021/22	15.6	18.2	14.6	19.5	2 537
WORLD	Production Tons (mill)	Imports Tons (mill)	Exports Tons (mill)	Consumption Tons (mill)	Cotlook A price US c/lb
2015/16	23.1	7.6	7.5	24.5	70
2016/17	26.7	8.1	8.2	27.0	83
2017/18	25.9	8.9	9.0	26.9	88
2018/19	25.7	9.2	9.2	26.1	84
2019/20 est	24.7	8.8	8.8	26.2	71
2020/21 est	24.6	9.8	9.8	25.0	85
2021/22 est	25.9	10.1	10.1	26.2	130

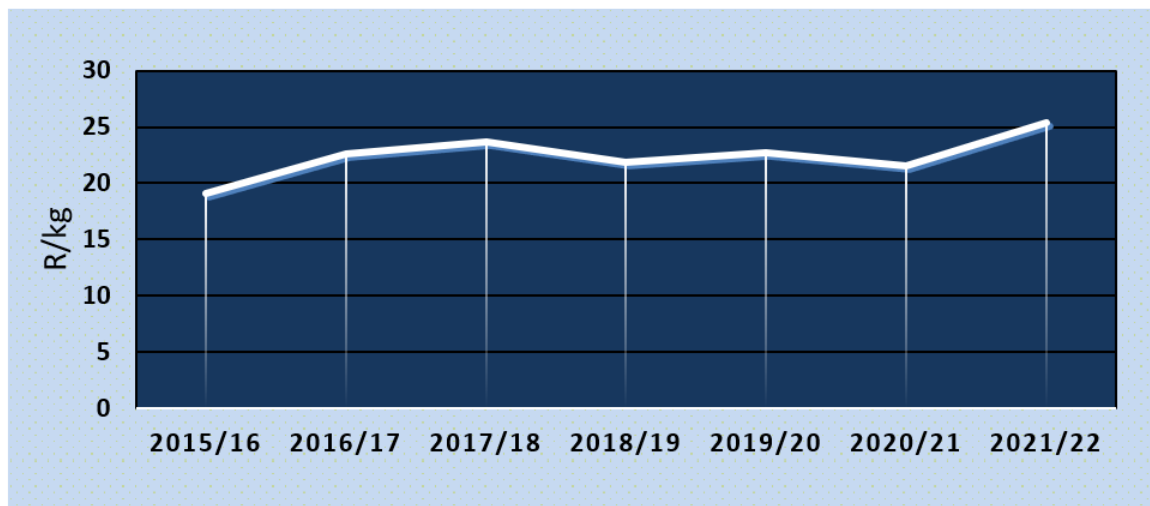
Source: Cotton SA (local) and ICAC (world)

Graph 3: SOUTH AFRICAN COTTON
(fibre (lint) production & consumption)



Source: Cotton SA

Graph 4: SA cotton lint prices R/kg



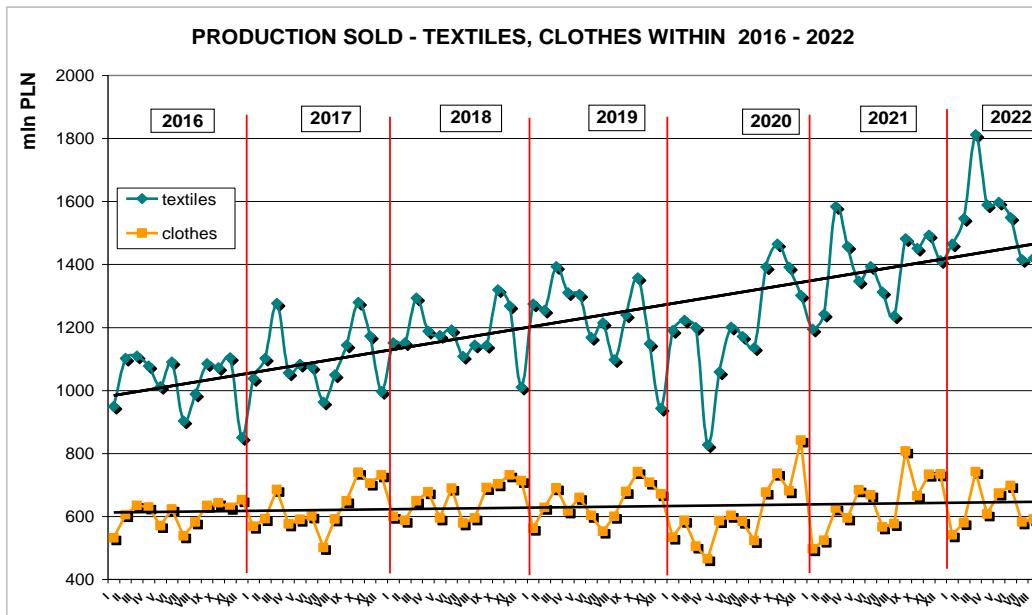
Source: Cotton SA

GCA – Gdynia Cotton Association

Russia's aggression in Ukraine and the related sanctions of the civilized part of the World imposed on the aggressor bring turbulences in the global economy and affect the Polish textile and clothing sector in 2022, as well. In addition, textile production and trade are degraded by high raw material and energy costs, disruptions in transportation and weaker consumer demand.

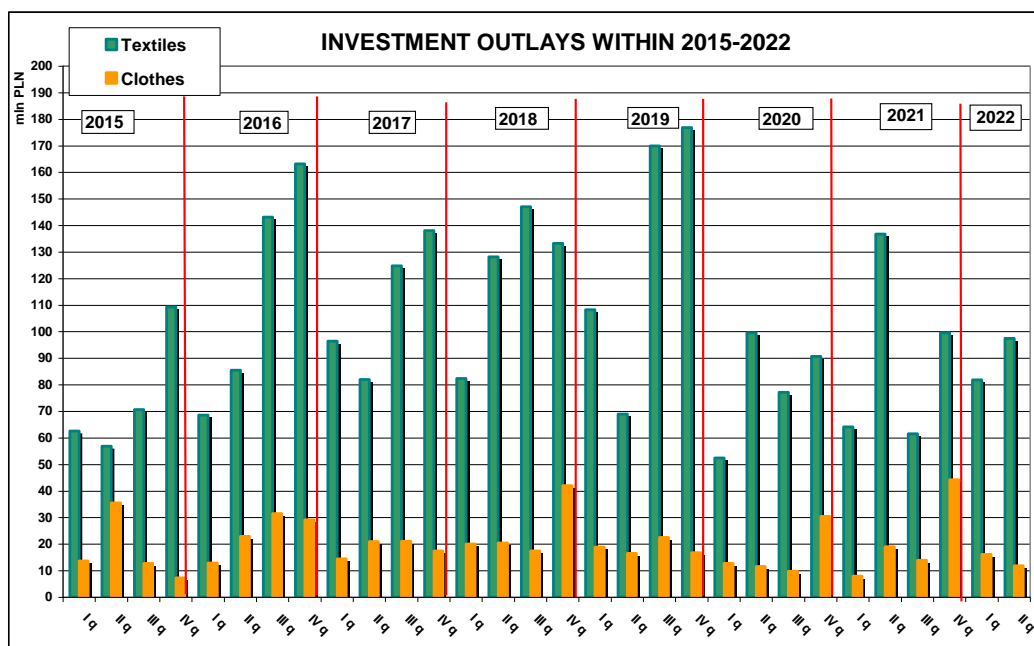
SOLD PRODUCTION

Despite the recession and difficulties related to the global market, including disruptions in supply chains, the period of 8 months of 2022 resulted in increases in the value of sold production in both industries. The value of sold production in the Polish textile industry increased by approx. 15%, while the value of sold production in the Polish clothing industry increased by approx. 7.7%, compared to the same period in 2021.



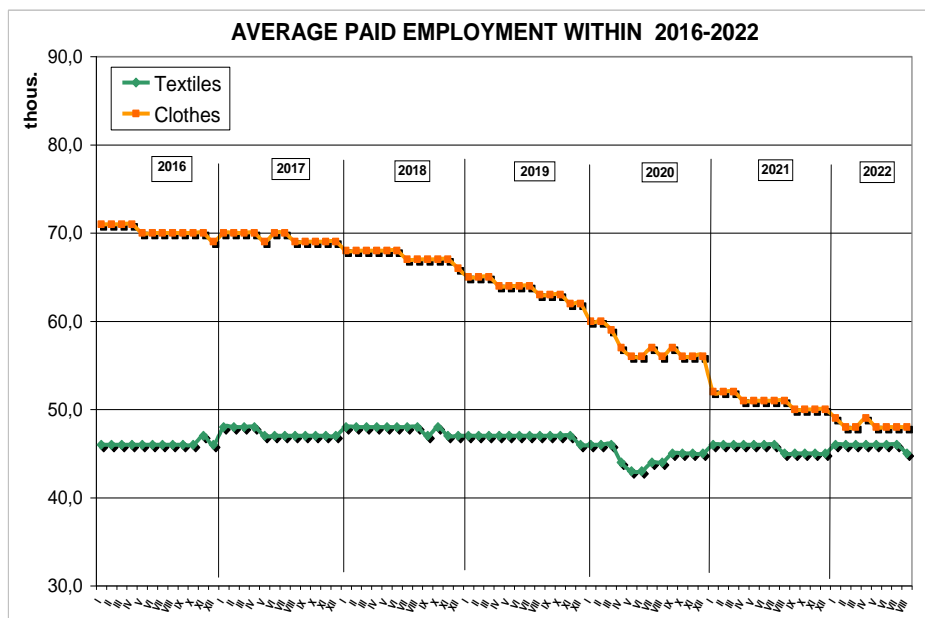
INVESTMENT OUTLAYS

In the first quarter of 2022, despite the turbulences on the global market, investment outlays in both Polish industries began to increase. However, the final results for the first half of 2022 turned out to be worse. While capital expenditures in the clothing industry continued the increase to the end of the first half of 2021, investments in the textile industry decreased by 10.8%.



EMPLOYMENT

The Statistics Poland official data shows that employment in the textile industry in plants employing 9 or more people amounted to 45,000 in August 2022, which is the same as in December 2021. In the clothing industry, the average employment has been on a downward trend since 2017, which decreased by 2,000 compared to December 2021 and amounted to 48,000 people in August 2022. In total, both industries employed 93,000 people in plants of 9 or more people in this period.



COTTON RAW MARKET IN POLAND IN 2022 – (forecast)

The Statistics Poland current data allows to estimate that in 2022 the import of raw cotton (CN 5201) to Poland will amount to approx. 5,400 tons and will be higher compared to 2021 (4,790 tons). Conversely, the import of carded and combed cotton wastes, including combers (CN 5203) will be lower than in 2021 (7,282 tons) and not exceed 6,000 tons, probably.

ICA – International Cotton Association

- **Connecting with India (May)**

Alex Hsu (ICA President) and Bill Kingdon (ICA Managing Director) made a trip to India in May where they met with Azeez Syed (Immediate Past President) and Mohit Shah (ICA Director) to connect with the Indian cotton community and ICA members.

- **ICA signs 6th MOU (July)**

The ICA has signed and exchanged three more memoranda of understandings (MOUs) to formally acknowledge the alliance and cooperation between organisations. The ICA's most recent MOUs include Aid by Trade Foundation with its initiative Cotton Made in Africa (CmiA), the U.S. Cotton Trust Protocol and the International Textile Manufacturers Federation (ITMF).

- **New cotton standards from Uganda (July)**

In July, we welcomed Patrick Ilukat and Badru Adiga from the Cotton Development Organisation, Uganda to our offices here in Liverpool. They brought the latest Ugandan cotton standards to both ICA and ICA Bremen.

- **President’s Outreach Visit to Pakistan and Bangladesh (September)**

Alex Hsu (ICA President) and Bill Kingdon (ICA Managing Director) made outreach visits to Pakistan and Bangladesh from 3 – 10 September – the first visit possible to the regions since 2018.

- **Trade Matters in Pakistan (October)**

The ICA recently visited Pakistan to deliver training and establish safe trading networks. Robert Jiang (ICA Business Operations and Development Manager) and Jon Dickinson (Arbitrator and Consultant) delivered a Trade Matters training course to 160 delegates. Casandra German (ICA Safe Trading Officer) was also on the trip, liaising with local firms to establish safe trading networks.

- **October Outreach (October)**

October saw Alex Hsu (ICA President) and Bill Kingdon (ICA Managing Director) travel to Vietnam and South Korea while other members of the ICA team were in Pakistan delivering ICA training and establishing safe trading networks.

ICAC – International Cotton Advisory Committee

(No update)

ICE – Izmir Commodity Exchange

(No update)

ITMF – International Textile Manufacturers Federation

The ITMF could hold the ITMF Annual Conference 2022 in Davos, Switzerland as an in-person event in September. At the conference the traditional Fiber Session attracted a lot of attention. Fibers are at the beginning of the long textile value chain and therefore the understanding of the global fiber markets is crucial. The global cotton market is complex simply because cotton is a natural fiber that depends on the development of several unpredictable external conditions like weather, pests, or quality.

The general theme of the ITMF Annual Conference 2022 was “***Climate change and a sustainable global textile industry***”. Therefore, sustainability was of course a very important topic for different reasons. Sustainable production cotton continues to be very important to brands and retailers. But additionally, the notion of “regenerative agriculture” was mentioned several times. What is **regenerative agriculture**: “*With regenerative agriculture, producers are not just sustaining the current land resource so that it can continue*”

to be used in the future. They are actually improving what is there, leaving it better for the next generation.” 1)

Since identifying the origin of fibers, especially cotton fibers, has become more important in the past few years because producers of cotton are asked more and more often by brands/retailers, governments and consumers how and where the cotton was produced for social and environmental reasons. Since new **traceability technologies** have emerged in the past few years, tracing the origin of cotton fibers has become more and more affordable.

Another important trend that was discussed during the conference that is relevant for cotton was the increased importance of **recycled fibers**, especially by chemical recycling of textiles. Cotton textiles or cotton blends can be recycled to produce recycled man-made cellulosic fibers. What does this trend mean for the global cotton industry should be discussed and analyzed in the coming years?

During the ITMF Annual Conference 2022 the **ITMF Spinners Committee** held its first in-person meeting since 2019. It discussed intensively what the Committee should be focusing in the future. It agreed to continue the discussions in the coming weeks and to work out plans for possible activities in 2023.

On the sidelines of the 36th International Cotton Conference 2022 in Bremen, Germany the **ITMF International Committee on Cotton Testing Methods (ICCTM)** met for the first time during an in-person meeting. The Committee discussed new developments regarding cotton testing methods and cotton testing instruments. Furthermore, it also discussed whether recycled cotton fibers need to be tested and what is required to do so.

Source: 1) <https://www.noble.org/regenerative-agriculture/organic-vs-regenerative-agriculture/>

JCTA – Japan Cotton Traders’ Association

Cotton Imports into Japan in 2021/22

Cotton imports into Japan in 2021/22 totaled 37,880 tons, 20 percent higher than 2020/21, halting the downward trend. However, in 2020/21, demand declined due to the Covid-19 Pandemic, which was more than 20 percent lower than 2019/20, and has not recovered to pre-Covid level. Despite historically high prices, the increase was because consumer demand for cotton products continue to recover gradually from the effects of Covid Pandemic.

The main suppliers were the United States, with 18,500 tons, followed by Australia (5,880 tons), Greek (5,660 tons) and Brazil (3,920 tons). These top four countries accounted for 89 percent of total imports, which suggest that oligopoly is on the rise.

Cotton imports, which had exceeded 0.76 million tons in 1988/89, continued to decline along with the transformation of the industrial structure, and after a quarter of a century, imports fell below 65,300 tons in 2011/12.

However, in the midst of this, sustainable cotton, such as BCI (Better Cotton Initiative), CmiA (Cotton made in Africa), FT (Fairtrade) and U.S. Cotton Trust Protocol, has been attracting attention, in addition to Organic Cotton, also representatives of environmentally friendly cotton, such as Turkish cotton, Indian cotton, and Kyrgyz cotton.

KCA – Karachi Cotton Association

The International Cotton Association Ltd in collaboration with The Karachi Cotton Association holds Two days of Training workshops on “TRADE MATTERS” at Mövenpick Hotels & Resorts, Karachi on 17th & 18th, October 2022.

More than 70 Delegates from different section of Trade attended the Workshop at Karachi.

Dr. Robert Jiang, ICA Business Operations and Development Manager, Jon Dickinson, ICA Quality Arbitration Strategy Committee. and Ms. Casandra German, ICA’s Safe Trading Officer, along with Mr. Konstantinos Dimitriou, M/s. Vamvaki Ltd., conducted these workshops in Karachi & Lahore.

The Concluding Ceremony was held on 18th October 2022 and graced by Mr. Bashir Ali Muhammad, Director, of the International Cotton Association & Mr. Muhammad Atif Dada, Chairman, the Karachi Cotton Association other officials and dignitaries attended the ceremony.

Mr. Bashir Ali Muhammad, Director, ICA in his address appreciated the efforts of Mr. Muhammad Atif Dada, Chairman, KCA & his Team for Organizing Joint ICA & KCA Two days Training Workshop on TRADE MATTERS" Karachi.

He also thanked the ICA leadership for supporting the Initiative of imparting Training to the Professionals attached to Cotton Trade.

Mr. Bashir Ali Muhammad appreciated, the active Participation in discussion during the sessions & encourage to make continuous efforts to learn more & adopt these practices in professional carrier and empathised for joint cooperation among the Cotton Stake holders like. APTMA & KCA.

Dr. Robert Jiang also addressed the participants and briefed about the purpose of visiting Pakistan and holding such Trainings Workshops in Karachi & Lahore, Pakistan.

Mr. Muhammad Ali, Deputy Secretary(Stats.), the KCA and Coordinator, ICA Training Workshops in Pakistan, gave historical background of the ICA Trainings Workshops and overwhelming response from the all section of the Cotton Trade in Joining these Workshops.



USDA – United States Department of Agriculture

On behalf of the United States Department of Agriculture (USDA) and the Agricultural Marketing Service (AMS), I appreciate the invitation and opportunity to submit this brief statement to the 2022 plenary meeting of the CICCAs representatives. I would like to extend my appreciation for once again being invited to attend the CICCAs as an advisor and to represent the USDA in my capacity as Deputy Administrator of the AMS Cotton and Tobacco Program.

USDA Classification of the 2021-2022 Domestic Crop and Expectations for 2022-23

The 2021-22 U.S. cotton crop produced approximately 16.77 million bales of Upland cotton and 320,000 bales of Pima cotton for an overall total of 17.09 million bales, all of which was classed by High Volume Instrument and visual determination by USDA, AMS, Cotton and Tobacco Program (Program). This represented a significant increase overall from the previous year's crop. Specifically, there was a 23 percent increase in Upland but a 40 percent decrease in Pima from the previous year. The 2021-22 classification of certificated bales (futures) for cotton merchants decreased significantly from the previous year with approximately 30,434 bales classed, down from 226,134 bales the previous year, a decrease of 86.5 percent. Overall, the 2021-22 crop was a good size and a good quality. The market prices were also higher than normal and remained at a higher level for most of the year.

For the current 2022-23 crop, the overall acreage planted in the United States increased slightly over the previous year, but severe drought conditions in Texas, the Midwest, and the far west have significantly depleted the anticipated crop estimate. The 2022-23 crop has already faced one major hurricane (Hurricane Ian), but that storm appeared to have tracked in such a way as to inflict only minor effects on the southeastern states' crops. However, the outlook for 2022-23 is for a much smaller crop size. The crop thus far has been mostly on time nationwide with the south Texas region nearing completion of its anticipated production total of 1.16 million bales.

According to the Program's internal projections, the anticipated crop for 2022-23 at this time is expected to be approximately 12 million bales of Upland and 400,000 bales of Pima. As of October 19, 2022, the Program had graded approximately 2.2 million bales of Upland and 6,546 bales of Pima. This total cotton classed thus far represents approximately 18 percent of the overall anticipated crop for 2022-23 and the overall quality has been very good in most regions that are harvesting. The Program will utilize approximately 220 High Volume Instruments throughout 10 classing offices nationwide and its Quality Assurance Division in Memphis to instrument-test the entire crop.

Effects of COVID-19 and Labor Shortages on U.S. Cotton Classification

In addition to drought and weather impacts to this year's crop, the United States is still experiencing challenges related to the COVID-19 pandemic. However, the severity of the pandemic has diminished and most of the U.S. regions containing USDA cotton classing offices are in the green or yellow category, allowing the classing offices to operate without any restrictions or additional safety measures. The Cotton and Tobacco Program is still practicing strict cleaning and sanitizing procedures in all locations to minimize the effects of COVID-19 on its workforce and monitoring the COVID-19 numbers in each region on a weekly basis.

The Program experienced unprecedented labor shortages in the 2021-22 cotton classing season and has worked diligently to find new and improved ways to attract and retain seasonal employees for the 2022-23 season. The minimum wage paid to government employees was raised in January 2022, which raised the wages of approximately 70 percent of the Program's seasonal workforce. In addition, new automation equipment was installed in two additional offices to offset the labor shortage. Each of these systems reduces the labor necessary for laboratory operations by 35-40 percent. That brings the total to five classing offices now equipped with the automated cotton sample conveyance systems. Thus far in the 2022-23 season, the Program has not experienced the impacts of labor shortages to the degree of last year but is monitoring its staffing conditions very closely.

Universal Cotton Standards

In March 2022, the Program conducted its annual master guide box review in Memphis, Tennessee with representatives from the U.S. cotton segments and the International Cotton Association. All master guides were approved to serve as the guides for the new Universal Grade Standards for 2022-23. In June and July 2022, the Program conducted its annual industry review and matching of the Universal Cotton Standards with Upland review taking place in Memphis and the American Pima review occurring in the Program's Visalia, California classing office. In both reviews, U.S. representatives from all respective segments and international representation completed the review of all grade standard boxes introduced by Program supervisory staff. Both reviews went very well with approximately 1,490 Upland and 150 Pima grade boxes approved and prepared for dissemination and utilization immediately thereafter.

The Program also plans to resume its conductance of Universal Cotton Standards Conferences beginning with the next one scheduled for June 2023. The conference will be the first conducted since 2013 and will take place in Memphis, Tennessee. The Program's Standardization and Engineering Division is working now on all the facets of planning and acquiring the USDA approvals and clearances. More formal communications to the U.S. industry segments and the international signatory groups and ICA will be forthcoming in the 4th quarter of 2022.

New Classing Laboratory – Lubbock, TX

The Program completed the construction and opening of its new cotton classification complex in Lubbock, Texas to replace the existing office that had been in operation since 1987. The new state-of-the-art cotton classification complex was officially opened with a ceremony on September 14, 2022 - well before the beginning of the 2022 crop in the Lubbock region. The facility houses two of the newest automation systems, advanced business analytics for quality management, and other new technology currently utilized by the Program. The facility is located on the campus of Texas Tech University as part of a cooperative agreement with the college that will also include opportunities for shared research, education, and employment.

International Initiatives

As has been the norm in recent years, the Program shipped physical standards to over 40 countries worldwide throughout the course of 2021-22, including two large standing orders to China. The 436 international orders filled consisted of instrument calibration cotton and materials and physical grade boxes.

Commercial Standardization of Instrument Testing of Cotton

The Program continued to play a major role in the International Cotton Advisory Committee's (ICAC) Task Force on the Commercial Standardization of Instrument Testing of Cotton (CSITC). The CSITC round test program still maintains consistent participation each quarter from laboratories around the world but the numbers did decline some over the pandemic years. During 2021-22, the CSITC program included an average of 100 instruments from 84 cotton testing laboratories in 28 countries over the past year (four quarters). The results continued to show a positive movement toward more consistent testing results and standardized methodologies. The dissemination of the round tests and analyses of the testing results continue to be a joint effort between the Program, Bremen Fiber Institute, and ICAC. We continue to encourage any cotton testing lab, mill, or other entity not participating in the program to consider joining and benefit from the comparisons to other testing centers around the world.

Closing Statements

Finally, I would like to announce my intention to retire from the USDA in the spring 2023. I have not set an exact date yet, but it will likely be in April 2023 after almost 33 years with USDA and 18 of those as Deputy Administrator. It has been a privilege to serve as the USDA Advisor to CICCAs for the majority of those years. I would like to extend my appreciation to the members of CICCAs and its current Chairman as well as all past chairmen for the continued cooperation exhibited between USDA and CICCAs and its organizations around the world. Once the Deputy Administrator position is filled after I retire, a new USDA Advisor will be announced. In the meantime, Ronald Robbins (Associate Deputy Administrator) and

Gretchen Deatherage (Director – Standardization and Engineering Division) will serve as the official USDA representatives for CICCA.

This concludes my USDA update. On behalf of the USDA and the AMS Cotton and Tobacco Program, I appreciate the opportunity to provide these official remarks and once again extend my gratitude to the International Cotton Association and CICCA for the invitation to attend the meeting this year. Thank you and I wish all of you a very productive meeting and year ahead.