Cotton : Employment and Value Chain Linkages

DGs Consultative Framework Mechanism on Cotton

Geneva

30 October 2013

Terry Townsend ICAC
World Cotton Production 2012/13

- 15%
- 6%
- 1%
- 4%
- 6%
- 4%
- 27%
- 32%
- 4%
World Cotton Farms, 000s

43 Million
World Cotton Employment

Definitions Matter:

Households vs Farms vs People
Current or Former
Family Labor vs Paid Employment
Occasional Labor vs Livelihood

250 Million “Involved” in cotton production and ginning each year.
<table>
<thead>
<tr>
<th>Segment</th>
<th>Number</th>
<th>Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gins</td>
<td>9,000</td>
<td>400,000</td>
</tr>
<tr>
<td>Prs./Whs.*</td>
<td>3,000</td>
<td>30,000</td>
</tr>
<tr>
<td>Merchants</td>
<td>10,000</td>
<td>30,000</td>
</tr>
<tr>
<td>Spinners</td>
<td>6,000</td>
<td>3,000,000</td>
</tr>
<tr>
<td>Weavers</td>
<td>3,000</td>
<td>700,000</td>
</tr>
<tr>
<td>Knitters</td>
<td>7,000</td>
<td>1,700,000</td>
</tr>
</tbody>
</table>

*Pressing factories and warehouses
## World Cotton Value Chain, 2012

<table>
<thead>
<tr>
<th>Increment</th>
<th>Cumulative</th>
</tr>
</thead>
<tbody>
<tr>
<td>$/Lb.</td>
<td>$/Lb.</td>
</tr>
<tr>
<td>Farms</td>
<td>0.63</td>
</tr>
<tr>
<td>Gins/Warehouse/Press</td>
<td>0.12</td>
</tr>
<tr>
<td>Merchants/ins/freight/finance</td>
<td>0.13</td>
</tr>
<tr>
<td>Spinners</td>
<td>1.16</td>
</tr>
<tr>
<td>Fabric</td>
<td>2.49</td>
</tr>
<tr>
<td>Dye &amp; Finishing</td>
<td></td>
</tr>
<tr>
<td>Cut &amp; Sew</td>
<td></td>
</tr>
<tr>
<td>Retailer's cost, woven shirt</td>
<td>3.22</td>
</tr>
<tr>
<td>Consumer pays</td>
<td>28.10</td>
</tr>
</tbody>
</table>
World Cotton Mill Use 1938/39

- 24% in Americas
- 28% in Europe
- 12% globally
- 11% in Asia
- 9% in other regions
- 3% globally
World Cotton Mill Use 2012/13

- 5%
- 5%
- 1%
- 1%
- 2%
- 36%
- 7%
- 42%
World Cotton Mill Use 2022/23

8% 8%

5% 35%

4% 3%

29% 8%
World Cotton Production 2022/23

10%  16%  1%  9%  15%  4%  6%  35%  4%
ICAC 72\textsuperscript{nd} Plenary Meeting

Cartagena, Colombia:

Support the WTO,
Doha Round Must be Completed,
Cotton Integral to the DDA

73\textsuperscript{rd} Meeting in Thessaloniki, Greece 2-7 November 2014
Season-Average Cotlook A Index

US cents/lb

- 71/72
- 81/82
- 91/92
- 01/02
- 11/12

Values:
- 76
- 106
New leadership at ICAC:
Executive Directors

- Whitaker, USA
- Evans, USA
- Santley, UK
- Shaw, USA
- Townsend, USA
- Sette, Brazil
Cotton Production

Million tons

China
India
USA
Pakistan
Brazil
Australia
Uzbekistan
Franc. Africa
Turkey
Other

11/12
12/13
13/14
Cotton Exports

Million tons

11/12
12/13
13/14

US
India
Brazil
Australia
Franc. Africa
Uzbek.
Other
Cotton Imports

Million tons

- China
- Bang.
- Indo.
- Turkey
- Vietnam
- Pakistan
- Other

- 11/12
- 12/13
- 13/14