



Cotton by-products (CBPs): enhancing economic and trade development opportunities for Least-developed Countries (LDCs)

Project Development Update

32nd Round of the Consultative Mechanism on Cotton, WTO
21 November 2019

Outline



CBPs potential in Africa



**WTO-UNCTAD-ITC project
on CBPs**



Major obstacles



**International Cooperation
and Technical Assistance
needs**

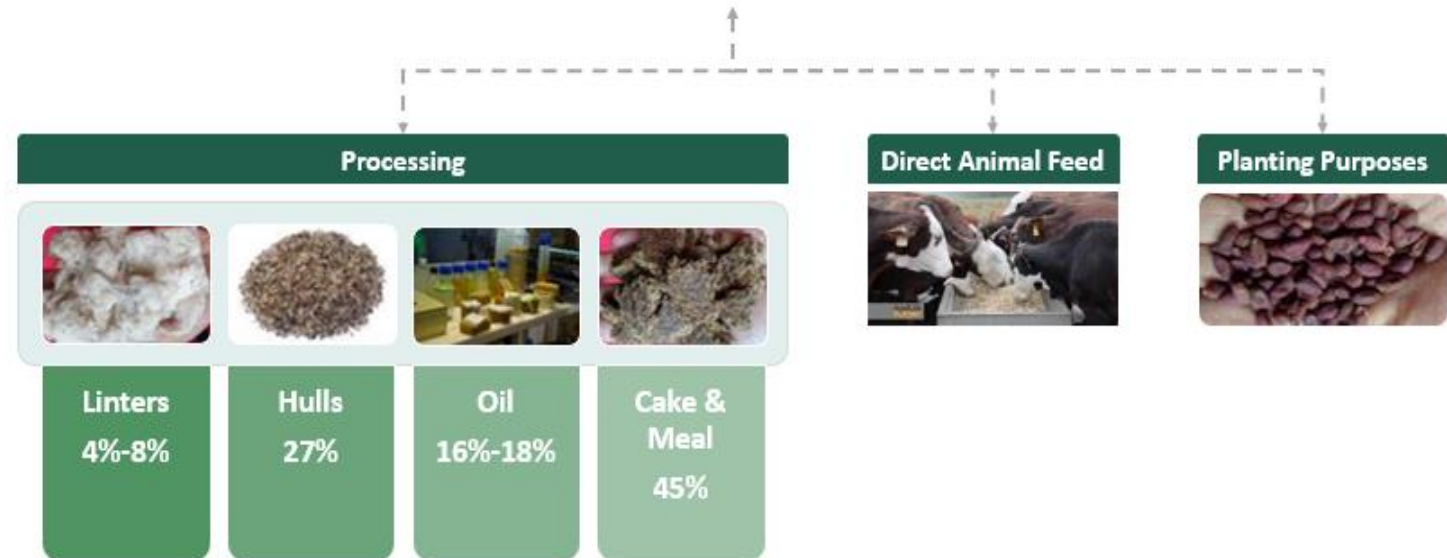


Next steps

CBPs have great potential to generate value addition, innovation and sustainable jobs

According to ICAC, "cottonseed by-products have growing markets and are potentially an important complementary source of revenue for the cotton sector in Africa" (quote from 7 June 2019 workshop).

Cotton Seed by-products



www.icac.org

Some quotes from the June 2019 workshop on CBPs:

The cotton downstream value chain enables the establishment of a number of industries, creates jobs, increases incomes, makes better use of raw materials and adds value to cotton production.

Brazil: *"Cotton meal presents good acceptability for animals, is rich in phosphorus, vitamin D, pro-vitamin A and protein of 38%. Besides that, compared to other meals is usually 20% cheaper (compared to soybean meal)" (Aboissa intervention)*

China: *The hull "... contains 5-8% crude protein, which is the main raw material for the cultivation of edible mushrooms, and can also be used directly as feed".*

US: *CBPs "... can be processed into a high energy roughage for ruminant livestock; ... can be made into a fuel source for residential and industrial applications; ... can be used as raw materials for various composite materials."*

Turkey: *"From 2008-2018, CBP value addition led to increases in employment rate (from 27% to 38%) and per capita income of farmers (from 2,377 USD to 4,282 USD), while emigration from rural areas decreased by 35%."*

Estimated
potential in
West Africa

West Africa can generate **US\$ 123 million** from cotton stalks
and **US\$ 78 million** by removing gossypol from seed-meal

Country	Seed production '000 t	Seed-meal	Short fibres	Cotton Stalks			
		Removing Gossypol	Absorbent cotton	Briquettes	Pellets	Power generation	Power
		US\$ Million					'000 MW
Burkina Faso	549	18	16	13	29	0.57	38
Mali	549	18	16	13	29	0.57	38
Benin	500.4	17	15	12	26	0.52	35
Cote D'Ivoire	333	11	10	8	17	0.35	23
Cameroon	196	6	6	5	10	0.20	14
Togo	90	3	3	2	5	0.09	6
Chad	47	2	1	1	2	0.05	3
Nigeria	92	3	3	2	5	0.10	6
TOTAL	2356	78	71	57	123	2.45	164

Source: ICAC

Estimated potential in East Africa

East Africa can generate **US\$ 42** million from cotton stalks and **US\$ 26** million by removing gossypol from seed-meal

Country	Seed production '000 t	Seed-meal	Short fibres	Cotton Stalks			
		Removing Gossypol	Absorbent cotton	Briquettes	Pellets	Power generation	Power
		US\$ Million					'000 MW
Sudan	196	6	6	5	10	0.20	14
Zambia	79	3	2	2	4	0.08	6
Zimbabwe	90	3	3	2	5	0.09	6
Tanzania	167	6	5	4	9	0.17	12
Mozambique	43	1	1	1	2	0.05	3
South Africa	70	2	2	2	4	0.07	5
Uganda	49	2	1	1	3	0.05	3
Ethiopia	68	2	2	2	4	0.07	5
TOTAL	799	26	24	19	42	0.83	56

Source: ICAC

Key challenges facing development of cotton by-products in LDCs

Poor general infrastructure: roads, transportation means, electricity

Limited storage capacity/availability of raw materials

Fragmented institutional structure to oversee the entire Cotton Value Chain

Limited access to technology, e.g. de-gossypol technology for assessing levels and for detoxification, technology for processing cotton stalks, modern oil extraction equipment

Lack of financial support to oil millers to stock cottonseed for the entire year

Shortage of specialized professionals and technicians

High credit costs to upgrade existing machinery or purchase new equipment/technology

WTO- UNCTAD-ITC Project on CBPs



UMBRELLA PROJECT BASED ON
COUNTRY-SPECIFIC APPROACH
WITH ASSISTANCE OF ENHANCED
INTEGRATED FRAMEWORK (EIF)



INCLUSIVENESS (INCREASING
INCOME TO FARMERS,
PRIORITIZING JOB CREATION,
PARTICULARLY FOR WOMEN
AND YOUTH)



POVERTY REDUCTION, FOOD
SECURITY, THE CIRCULAR
ECONOMY, GENDER EQUALITY
AND ENERGETIC SUSTAINABILITY
(WHERE AND IF ELECTRICITY-
DEPENDENT TECHNOLOGIES ARE
CONCERNED)

Beneficiaries

French-speaking Africa region (C-4 region):

- **Benin**
- **Burkina Faso**
- **Chad**
- **Mali**

COMESA, SADC/EAC region:

- **Mozambique** (SADC)
- **Tanzania** (EAC, SADC)
- **Uganda** (COMESA, EAC)
- **Zambia** (COMESA, SADC)

+ Malawi and Togo.

Project development activities (June 2019- June 2020)



2) Resource mobilization
& Stakeholders
coordination



1) Analytical work



3) Preparation of project
proposal for
implementation phase
based on secured support

Milestones



**7 June 2019
Workshop**
Analysis of world
situation and key
players



**7 October
Partners'
Conference**
Stakeholders'
Engagement



**2019-2020
Feasibility
assessments and
national
validation
workshops**
Reliable analytics
and local
ownership



**June 2020 –
MC12:
Ministerial
Action Plan**

What we
have done
so far and
relevant
links

- [7 June Workshop presentations](#)
- [EU Development Days 2019](#)
- 7 October partners' conference [statements](#) and [video](#)
- [Factual brief on cotton by-product development in Africa](#) by WTO, UNCTAD and ITC
- [Project webpage](#) (hosted by UNCTAD)
- [Concept note](#) on WTO-UNCTAD-ITC initiative on cotton by products

Next steps:

MC12 Action Plan
and relevant
implementation
activities
(2020 – 2023)



Facilitate scientific, technical and business partnerships



Deliver specialized training and TA to improve capacity



Attract investments for industrial and infrastructural development



Promote R&D partnerships and technology transfer



Support farmers coordination initiatives



Support the preparation of national strategies

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THANK YOU!

