

Better Cotton Fast Track Program

powered
by
ioth



BCFTP | PROGRAM REPORT 2015

The Better Cotton Fast Track Program (BCFTP) was born from unprecedented cooperation in uncharted territory: an innovative public-private commitment to make Better Cotton a sustainable mainstream commodity. This wasn't an idea that would be nice to achieve—it was an absolute imperative to ensure the long-term security of cotton supply, poverty reduction and safeguarding of the environment.

But how could we bring together the world's leading brands, governments, NGOs, civil society organizations and the entire cotton supply chain in an agile and effective manner? How could we put competitors in the same room and expect a productive result? How could we achieve both scale and impact in balance? How willing was everyone to truly engage across sectors?

Six years later, when we look back on BCFTP, we now see one of the world's first public-private partnerships that has without a doubt transformed the future of cotton production. Setting a global example as a convener and accelerator, we iterated relentlessly as we faced the above questions, and we greatly exceeded our initial targets to mainstream sustainable cotton.

BCFTP marks the inspiring and motivating beginning of our ambitious goals to:

- 1. Gain acceptance of both local and global traders and retailers for sustainable cotton as a commodity in textiles, where it is offered every day of the year at market price;*
- 2. Ensure large scale adoption of Better Cotton practices through farmer outreach in key cotton growing countries;*
- 3. Fully integrate sustainable cotton standards into the national legislations of cotton-producing countries—for instance Mozambique and Brazil;*
- 4. Establish a philosophy of continuous improvement to ensure that both the program and the farmers continue to improve year on year;*
- 5. Build awareness of the market opportunity, so that emerging textile markets like Vietnam, Cambodia, Argentina and Mexico go directly into the practice of sourcing sustainable cotton right from the get-go.*

It's now time for sustainable cotton to take center stage as an industry initiative whereby Better Cotton becomes a mainstream, undifferentiated commodity of choice for systemic market transformation.



Joost Oorthuizen,

Chair - BCFTP Executive Board & Executive Director - IDH

Table Of Content

| | | |
|-----|---|-----------|
| 1. | From the Secretariat | 2 |
| 2. | Introduction | 4 |
| 3. | BCFTP Timeline | 10 |
| 4. | Supply Strategy | 12 |
| 5. | Program Report | 15 |
| | - India..... | 18 |
| | - Pakistan..... | 20 |
| | - China..... | 22 |
| | - Mali..... | 24 |
| | - Mozambique..... | 26 |
| | - Brazil..... | 28 |
| | - Turkey..... | 30 |
| | - Tajikistan..... | 32 |
| 6. | Case Study 1: Partnerships for Implementation at Scale | 34 |
| 7. | Accelerating Retailer Uptake | 40 |
| | - Special Learning Highlight : 12 Steps to Retailer Uptake..... | |
| | - Partners' Speak..... | |
| 8. | Case Study 2: A Retailer's Journey to Uptake | 50 |
| 9. | The Way Forward | 58 |
| 10. | Annexure 1: Project-wise Summary 2015 | 61 |
| 11. | Annexure 2: BCFTP Graphs-Global, and by Country | 65 |
| 12. | Annexure 3: Acronyms | 70 |
| 13. | Sources | 71 |
| 14. | Acknowledgements | 72 |

From the Secretariat

2015 marked the end of the Better Cotton Fast Track Program (BCFTP): a six-year long journey of trust-building and pre-competitive collaboration, ups and downs, plans and surprises. As I look back on the program today, I am in equal parts proud of and humbled by the work of BCFTP, which has successfully paved the path for mainstream sustainable cotton worldwide. I am honored to have played a small part in what I consider one of the highlights of my career.

When I recall how far we've come over the years, I find myself looking back to our first formal program meeting in Amsterdam, on what had to be one of the coldest days I have encountered; trying to extend dinner as long as possible to avoid having to walk the couple hundred meters to the hotel, clinging to the warmth of the restaurant until the owner turned off the heating to encourage us to leave. The next day, our meetings followed suit: an initial group of brand representatives shivering in a freezing room, with frosty stranger-to-stranger interactions to match. Our Better Cotton starting picture lacked cohesion, process and overall organization—it was far from rosy. But nevertheless, the seeds for success were sown at that meeting, as we had around the table a group of people (brands) committed to making this a success.

We quickly realized that if we wanted BCFTP to succeed, we had to switch gears. With the help of an external consultant, increasing trust between brand members and a program charter that gave us an operational framework, our meetings became efficient and a safe space to express any view no matter how divergent. Even if it left some of us—namely myself—who particularly enjoy speaking, without a platform to do so. The ensuing debates and disagreements, open-mindedness and each member's willingness to branch away from established wisdom allowed us to focus and follow

through on our agenda. Thanks to the people we had in the room and the belief they have in Better Cotton, we adopted truly open minds, an ability to leave our personal agendas at the door and a willingness to find the common ground needed to reach our goals—even in funding individual projects where a unanimous agreement was needed from all fund members.

And here we are today, looking back over the past six years: BCFTP has approved a total spend of nearly 35 million Euro from both our private partners and our public funders who have matched these contributions. We have achieved and exceeded our ambitious goals for 2015 in farmers trained, Better Cotton production and hectares cultivated in every geography where BCFTP has operated.

I owe my deepest thanks to all BCFTP members (both past and present), implementing partners, farmers, suppliers, ginners, spinners, all supporters and collaborators and, most importantly, our colleagues at BCI who have made Better Cotton a reality.

From the strong base BCFTP has established, we now continue our ambitious journey towards sustainable cotton accounting for 30% of global cotton production by 2020 through the BCI Growth & Innovation Fund (GIF).



Pramit Chanda

BCFTP Project Director,
IDH The Sustainable Trade Initiative

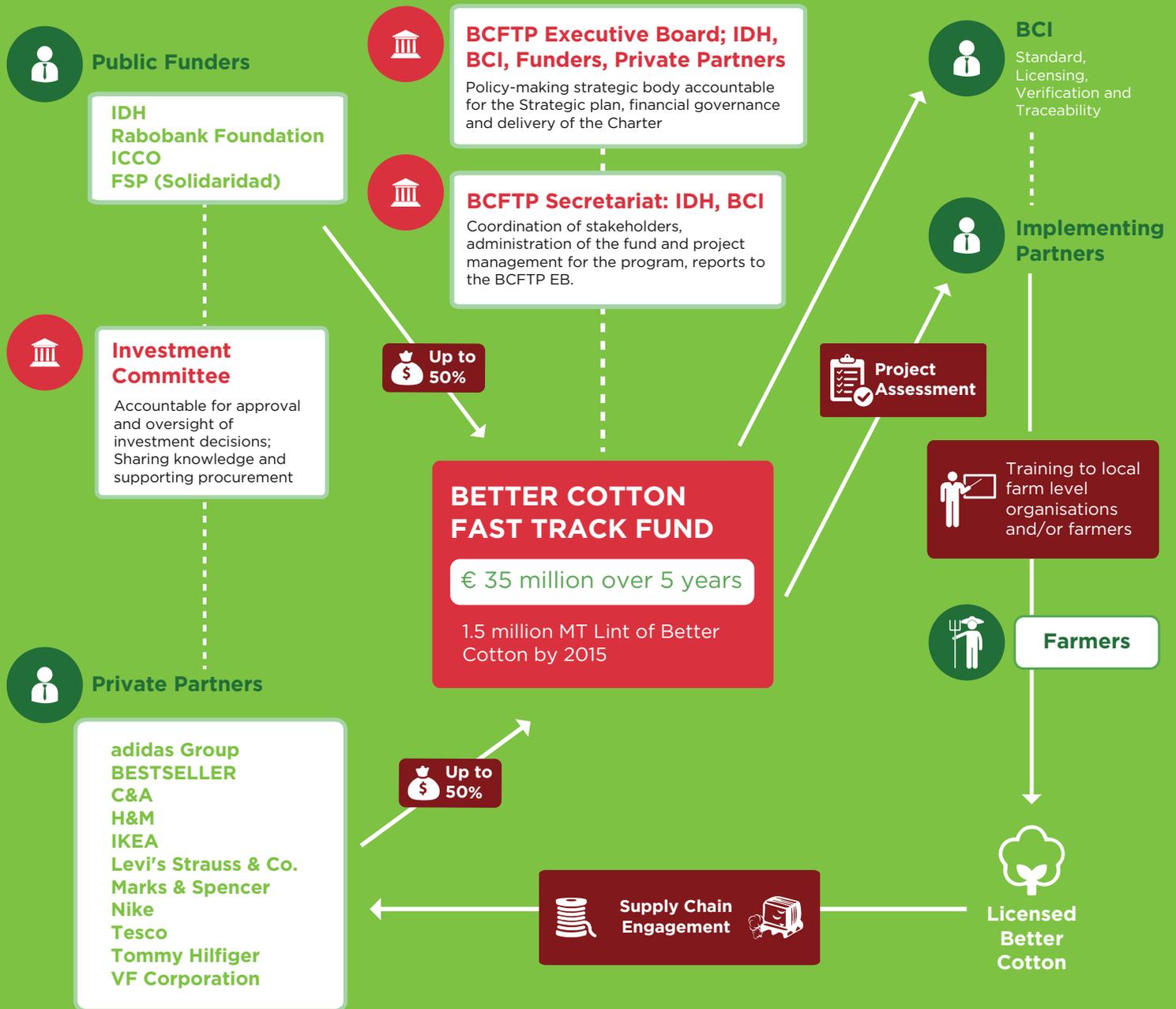


Introduction

Credits: Better Cotton initiative

Overview of the Fast Track Fund

Stakeholders | Governance | Activities



“We hold up the model of BCFTP as a blueprint and a template of a sustainability initiative in general. Here we’ve got a story that’s really worked—that’s why Better Cotton has been the most successful sustainable raw material story by a long way. I refer other sustainability initiatives to BCFTP and say, ‘That’s how you do it, that’s the formula for success.’”

- Phil Townsend, M&S

The Start of a 6-Year Journey

Cotton is one of the most important and widely grown crops in the world — global production amounts to around 25 million tons, accounting for 2.5% of the world's arable land. The mainstay of this predominant industry is the cotton farmers themselves: more than 90% of cotton farmers live in developing countries, where cotton production is fundamental to individual and societal survival and well-being.

However, many current cotton growing methods place unsustainable levels of stress on the environment and the people who produce it. Change is a necessity not only for farmers, but for spinners and ginnerers who work with cotton, factories who use cotton fabrics and brands who sell cotton products around the world. In this context, change encompasses a wide variety of actions: using fewer pesticides, managing water more efficiently, improving soil health and bio-diversity, enhancing fiber quality and improving the welfare of farm workers, to name a few.

Before BCFTP was born, IDH scoped current issues in cotton production to understand key players and how the supply chain is organized. The results were clear: sustainability in cotton growing is paramount for not only the supply chain, but for brands and retailers as well. Committed, front-runner brands and retailers are best positioned to be the primary change agents for an intervention strategy that permeates the entire supply chain.

To instigate this level of systemic change, over the past six years BCFTP has launched, iterated and delivered on goals to develop Better Cotton as a sustainable mainstream commodity. BCFTP convened front-running apparel brands to form a pre-competitive coalition together with public funders. BCFTP, managed by IDH, has worked to accelerate the supply and procurement of Better Cotton with the explicit goal of creating sustainable-cotton that can be produced and procured as a mainstream commodity.



A Market Driven coalition...



“We wanted the companies to take the lead, we wanted sustainable cotton to be fully integrated in their supply chains, in their risk models. That’s why I think the Investment Committee was the most important part of the program. That’s where knowledge developed, decisions were taken, and this is where you had that beautiful public-private collaboration where retailers would bring their interests for setting up projects relevant to their supply chain, and the public sector held them accountable to make sure the cotton actually entered the supply chain.”

- Lucian Peppelenbos, Director Learning and Innovation, IDH



“The BCFTP’s structure took the forum community of BCI and created a process to concretely define a better way forward for businesses.”

- Harsha Vardhan, Environment Responsible Global, H&M

to make Better Cotton a Mainstream Commodity...



“BCI owned the standard and took care of traceability and sustainability, while BCFTP owned project set-up and efficiency. By not mixing finances and verification, each party could very clearly focus on one thing.”

- Lena Staafgard, Chief Operations Officer, BCI



“IDH challenges us in a good way—they haven’t let us rest on our laurels. No other cotton initiative has that kind of dedicated partnership. It’s been central to BCI’s success.”

- Ruchira Joshi, Programme Director - Demand, BCI

BCI and IDH have worked closely in strategic partnership to create momentum for the global cotton market transformation required to meet this goal. BCFTP has successfully driven large scale farmer engagement with key implementing partners (IPs) in civil society and supply chain organizations, nurtured long-standing and newer relationships with local government and industry partners, and achieved strong results from farmers and local partners. As we celebrate the successful conclusion of BCFTP, we are excited to welcome a smooth transition to the BCI Growth & Innovation Fund (GIF). BCI GIF will continue to drive market transformation to establish Better Cotton as a mainstream commodity.

Though the BCFTP journey has not been without challenges, Better Cotton has reached farther than we initially imagined, faster than we ever expected. Since 2009, BCFTP has transformed from a pioneering dream to create 1.5 million metric tons (MT) of sustainably produced cotton in five years, into what is today a global network of funders, IPs, farmers and brands that are building supply, availability and demand for Better Cotton in a vertically-integrated supply chain. A seedling of an idea from a small group at IKEA's headquarters in Helsingborg, Sweden has developed into a program that in 2015 produced nearly 2 million MT of Better Cotton and reached over 663,000 farmers over 62 farm projects in eight countries.

In the chapters that follow, we are proud to share the key milestones, successes and learnings from these past six years, and the path forward for the future of Better Cotton.



“It was a work in progress until the end.”

- Prमित Chanda

IDH





“IDH via the BCFTP has been crucial to the growth of Better Cotton production, including leading the conversation with the brands, facilitating dialogue between various stakeholders, and ensuring scaling occurs as fast as possible.”

- Sean Cady, Vice President - Global Responsible Sourcing - VF Corporation

... in true Public-Private Collaboration



“Public-private sector collaboration has enabled funding to support what we’re trying to do—we’re talking about a significant sum here, far more than any single retailer would be prepared to pay out individually. Collectively and with match funding from the public funders, we could go mainstream and scale it up. It wasn’t going to be a couple of projects—this was always going to go big.”

- Phil Townsend, Sustainable Raw Materials Specialist, M&S



“We could sit with brands we would have otherwise considered rivals. We talked about our goals, our aspirations and which countries were strategically vital to us. A lot of the advantages of the program came from having that connection and cross-learning with our peers in the industry. The frankness and openness was really refreshing”

- Ebru Gencoglu, Director Merchandising & Sustainability, Apparel, adidas Group



“You not only discuss cotton—you discuss broader subjects: traceability, water stewardship. If you have the resources to invest and a cotton footprint, I think this is the place to be. I would strongly advise being part of this group from a business and sustainability perspective all together.”

- Dorte Rye Olsen, Sustainability - Jack & Jones (BESTSELLER)

BCFTP Timeline*

Linking Supply to Demand

2010

Projects: **10**
 Fund Value(€): **1.7Mn**
 Farmers: **28,000**
 Hectares: **65,000**
 MT Lint: **35,000**

Retailers & Brands
**H&M, Levi's, IKEA,
 Marks & Spencer**

Countries
India, Pakistan, Mali



2012

Projects: **30**
 Fund Value(€): **5.6Mn**
 Farmers: **163,000**
 Hectares: **682,000**
 MT Lint: **623,000**

Retailers & Brands
+ Nike, Walmart

Countries
+ China



Released Better
 Cotton Production
 Principles

2009

Introduced Unique
 Bale Identification
 Code (System of
 traceability)

1st BCFTP
 investment cycle

Projects: **24**
 Fund Value(€): **4.3Mn**
 Farmers: **90,000**
 Hectares: **250,000**
 MT Lint: **200,000**

Retailers & Brands
+adidas

Countries
+Brazil



BCFTP Charter
 formalised

2011



Creating Supply

Key Events - BCI

Key Events - BCFTP



Demand

2014



Mass Balance Administration traceability system & the New Assurance Program launched!

Partnerships Formalised - CMiA, MyBMP, IAM and ABRAPA.



Original BCFTP MT goal -1 Mil MT - Achieved!

New 2015 goal set as 1.5 Mil MT

Projects: **46**
Fund Value(€) **6.2Mn**
Farmers: **375,000**
Hectares: **1,400,000**
MT Lint: **1,400,000**

Retailers & Brands
+ BESTSELLER
- Walmart



End of BCFTP Program

Farmers and Production targets achieved!

11 front-runner brand members

Total Fund value: €34 Million

Projects: **34**
Fund Value(€): **5Mn**
Farmers: **210,000**
Hectares: **706,000**
MT Lint: **749,000**

Retailers & Brands
+ VF Corporation, TESCO, Tommy Hilfiger

Countries
+ Mozambique

Announced IDH as Strategic Partner to BCI G&IF (2016-2020)

First VBF invoices released

Joined the ISEAL Alliance

468 BCI members - 4th year with 50% increase!

1st govt IP: IDH funds CAIM pilot - 42,000 farmers in India

BCFTP retailer uptake target revised to 300k MT by 2015

Projects: **53**
Fund Value(€): **9.3Mn**
Farmers: **663,000**
Hectares: **2,000,000**
MT Lint: **1,900,000**

Retailers & Brands
+ C&A

Countries
+ Turkey, Tajikistan



2015

2013

Accelerating Retailer Uptake

*Disclaimer: The production, farmers and hectares figures for BCFTP will always be less than the annual BCI results as the BCFTP comprises of select projects (but not all BCI projects).

Supply Strategy

BCFTP's supply strategy kicked off in Pakistan, where existing work between IKEA and WWF set an example and helped BCFTP hit the ground running at a significant scale. This project became the benchmark for cost efficiency and supply management for the program.

Since this time, other projects have caught up and informed BCFTP's two-part supply strategy for Better Cotton:

1. Supply creation in key regions driven by retailer demands and the global flow of cotton
2. Driving scale in these regions

In other words, achieving the right scale in the right place.

Supply creation has been driven to a certain extent by retailers' understanding of the supply chain. In the early years, most members had little visibility into their cotton origins—where suppliers bought cotton from and where ginners bought their raw materials from, for example.

Through BCFTP, as brands increasingly understood their supply chains beyond the garment manufacturer alone, informed retailer demands and global cotton trends began to directly influence supply strategy. It became clear that trying to redirect supply or reestablish generations-old relationships in the supply chain was a losing game. The question we needed to





focus on was: where could we create capacity to best support the current supply chains of member brands?

This sent us on a mission to trace the flow of cotton. If we knew Bangladesh bought cotton from India, and if suppliers wanted Gujarat cotton in particular, we would focus on creating capacity for Better Cotton in Gujarat. Similarly, if suppliers were buying locally in Pakistan, or if Chinese suppliers were sourcing from Xinjiang, we would build capacity at scale in these regions for easy conversion. This required face-to-face meetings with suppliers to demonstrate the value of Better Cotton for their immediate and long-term goals.

“Most of the time, communication with suppliers has been one-way. You’re not getting the feedback and clarity at the right time. People may be shy or not as interested to raise key points. But in the one-on-one meetings, you get responses that are challenging, that you never expected, and you have to provide a reasonable answer on the spot. A key point in the discussion with a supplier is to show them that this is the best business option. It’s not about short-term gain from a premium but about long-term sustainable benefits for society, environment and good business.” – Rizwan Syed Vajahat, BCFTP Supply Chain Consultant

As we traced cotton around the world, our strategy has consistently focused on creating scale in key cotton producing countries. Though BCFTP also supported smaller cotton footprints in Mozambique and Tajikistan, the strategy has always been an exercise of tracing supply and demand, and ensuring limited resources and capacity were not spread too thin at any given time.

BCFTP has paid close attention to localization, looking at costs and implementation from a local perspective in order to decipher how to work more effectively and achieve scale in drastically different political, social and economic environments. As part of the BCFTP charter, it was also decided that no less than 70% of projects would focus on smallholders — this decision was in response to the program’s work with larger capacity farmers in Brazil. However, we are proud to say that the guideline never needed to be enforced. From the start, over 90% of BCFTP projects have focused on smallholder farmers.



No Rocket Science Needed

Syed Rizwan Vajahat former BCFTP Supply Chain Consultant and currently, working with IKEA recalls a meeting at which he was invited to present in Bangladesh in November 2014. One Better Cotton supplier, who was already working with a brand, called representatives from its supply chain for a meeting to convince them to join the program. Among 50 suppliers in a meeting room, one spinner stood up at the outset and expressed serious doubt about the usefulness of the program. Post-presentation, he asked a myriad of questions, which were all answered honestly and clearly. Two or three days later, the supplier who had organized the meeting called Rizwan back—this same initially skeptical spinner had become a BCI member. The in-person communication from that meeting, and the in-depth responses to his valid concerns, had dispelled misconceptions and changed his mind. “There was no rocket science involved,” says Rizwan. “We just simply gave them the picture of how Better Cotton can work for them.”



Out From Under the Table

BCI Program Director Ruchira Joshi remembers a meeting when she introduced the Mass Balance Administration system to a supplier in India. The supplier responded, “If you do this, I’d like to thank you, because you’re bringing out in the open what we’re doing under the table anyway.” For suppliers, mass balance traceability is business-as-usual—it’s not groundbreaking, it’s something each supplier already knows they have to do.



PROGRAM REPORT

“Even if we have more people interested in producing and processing Better Cotton, if it’s not available as a wider commodity they’ll throw up their hands and say, ‘Where is the Better Cotton?’

It has been a balancing act in terms of farmer numbers and creating volume of sustainable cotton. There’s no denying that establishing the Secretariat has improved decision-making within the Fast Track Program.”

– Pramod Singh, IKEA



***“BCFTP is a role model of being tactical, practically-
implementable and keeping to its overarching goal of changing
the whole cotton industry. It’s one of the leading models
of collaboration.”***

– Philip Meister,

Director Strategy Social & Environmental Affairs, adidas Group



***“In implementation, the way the program was structured with the
majority of IPs was very smart. You had the right people in the
right places, with specific goals for them to achieve, and
transparency from IDH in terms of progress”***

– Susan Irvine,

Corporate Social Responsibility Director, Tommy Hilfiger



From 2010 to 2015, BCFTP achieved strategic supply and scale in eight target countries with investment totaling 34 million Euro. Across all regions, Better Cotton production increased almost 65-fold to nearly 2 million MT Lint with an accompanying decrease in cost efficiency from nearly 45 Euro per MT Lint to only around 5 Euro per MT Lint in 2015. In fact, the BCFTP cotton production target was revised in 2013 to be even more ambitious after it became clear that the program would exceed its initial target of 1 million MT Lint—the new target was set to 1.5 million MT Lint by 2015. Today, over 800,000 farmers have been trained in growing Better Cotton.

Funding has played a crucial role to make the above possible. The financial commitments of our 11 program funder brands, as well as the match funding from our public funders, allowed us to scale up in each country. By 2015, the BCFTP project portfolio comprised 77% of BCI programming.

From its start to today, BCFTP has focused on key cotton producing countries and regions within those countries. We needed to consider volume in order to realize market transformation and make a business case to international players, so we looked to countries such as China, Australia and Brazil. Impact was also a significant consideration, which pointed to India, Pakistan and Africa. Throughout BCFTP’s lifetime, the program has also benefited greatly from BCI’s decision to partner with other standards and

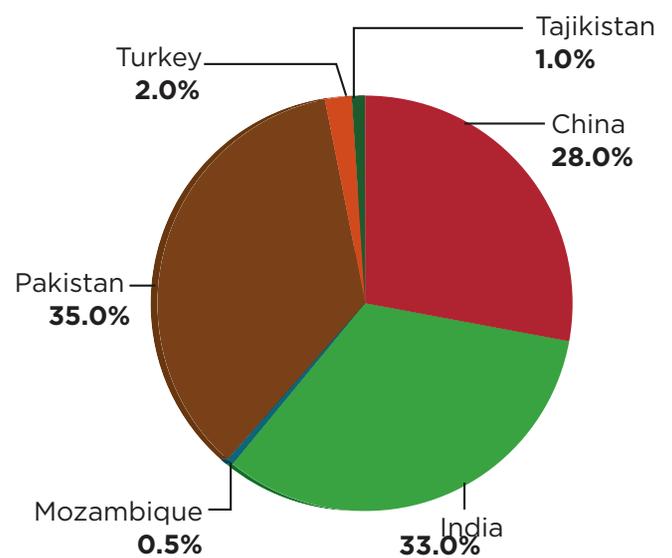
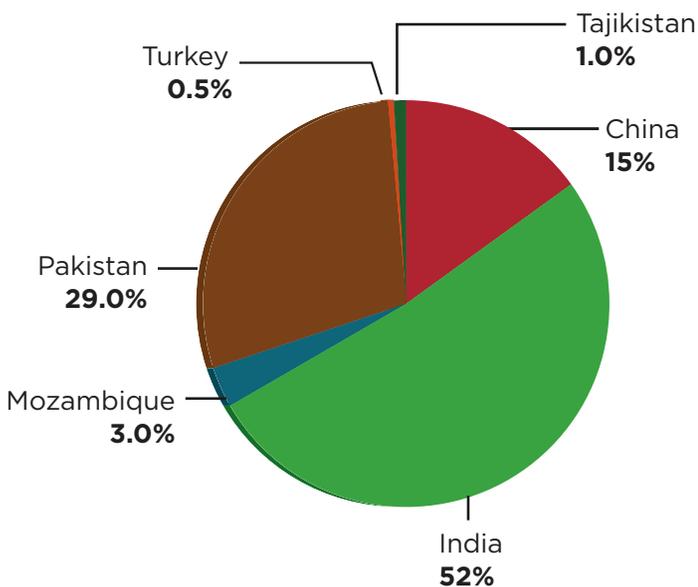
programs with similar ideals and objectives. For example, with BCI signing an agreement with Cotton Made in Africa, BCFTP was able to focus on other countries rather than expand its own footprint across the continent. Similar agreements were reached in Brazil with the Brazilian Cotton Growers Association (ABRAPA) and in Australia with the MyBMP standard.

Throughout the course of the BCFTP, the secretariat iterated on its approach in consultation with both BCI country managers and IPs. BCI introduced the Mass Balance system of traceability and rolled out a new Assurance Model. Meanwhile, BCFTP worked to tailor approaches to local contexts, encourage global demand and uptake of Better Cotton with brand members, and develop self-reliance of IPs.

In the following country-specific pages, the numbers and stories speak for themselves: Better Cotton is reaching farther than we initially imagined, faster than we ever expected.

BCFTP Investment in 2015

Better Cotton Produced under BCFTP 2015*



KEY

- India
- Pakistan
- Mozambique
- Tajikistan
- Turkey
- China

* Brazil and Mali have been excluded from this chart to give an accurate representation of the Funding vs Production balance - Brazil was only funded till 2012 and Mali was not funded in 2015



India

Cotton in India



Production:

5.7 mmt; Largest



Export Ranking:

2



Harvested area:

12.4 million hectares

An indispensable cash crop for the national economy, cotton production in India is the highest in the world. India is now the second largest textile exporter in the world, with China as its biggest importer of raw cotton. Largely cotton-based, India's textile and clothing industry is second only to agriculture, directly employing over 35 million people and providing indirect employment to another 55 million people through processing and trade.

"I enjoy higher profits and better health in a better environment. It is now time that all farmers in my village, my state and my country can enjoy the same benefits."

– Kare Yadhareddy, BCI Farmer [Credit: BCI]

As the world's largest cotton producer, India has always been one of the primary focus areas for BCFTP. In 2015, the Fast Track Fund (FTF) invested 2.6 million Euro (52% of fund value) in 32 projects across 8 states.

Over the course of BCFTP, India saw a 14-fold increase in the number of farmers licensed to produce Better Cotton or trained in Better Cotton principles, and the total hectares of licensed Better Cotton grew from 16,000 to over 582,000, producing over 30 times more MT Lint in 2015 than when the program first started. 2013 was a turning point for improving cost efficiency and capacity building, and together with partners like Rabobank, BCFTP worked to eliminate barriers for Better Cotton uptake.

IMPLEMENTING PARTNERS:

AMBUJA CEMENT FOUNDATION | AFPRO | ANANDI | ARVIND | ASA | BASIL COMMODITIES | CAIM | COTTONCONNECT | DESHPANDE FOUNDATION | DILASA | IGS-BASIX | KK FIBERS | MYKAPS | MAHIMA | PRATIBHA SYNTEX | PRDIS | STAC | SIPL | TRIDENT GROUP | UDYANSH | WE CARE SOCIETY | WWF INDIA



Studying ETLs for pesticide spray. Credits - ACF Chandrapur



Farmers exchanging good practices at a learning group meeting. Credits - ACF Kodinar

BIGGEST CHALLENGE:

Breaking away from the conversation around price premiums, and moving past small-scale legacy projects.



“Farmers were trained, Better Cotton was there at the field level, but not all of it went up to the stores. So we realized there are more steps in the chains that we need to involve. The spinners, for example, have a very important role. With BCFTP, we could sit with commercial partners - the market - at the same table. This was an interesting proposition for us to support our target group.”

- An Ha, Rabobank



As a result, we saw continued increase in Better Cotton uptake from previous years, which has helped ensure that brands see the value of their investment in the program directly in their own supply chains.

One of the biggest achievements in India has been our formal collaboration with the Maharashtra State Government, and the resulting work with CAIM (for details, see the case study 1). Before BCFTP kicked off in India, we had acknowledged that there was no one national actor we could interact with because the industry is highly state-led, and the fragmented nature of markets demands region-specific approaches. Establishing a partnership with a state actor to collaborate on implementation of Better Cotton principles and production played a big role in making BCFTP in India a success.

BCFTP Results 2015 in India





Pakistan

Cotton in Pakistan:



Production:

1.5mmt; 4th largest



Export Ranking:

3 (raw cotton) [55% of export earnings]



Harvested area:

Est.2.95 million hectares

Pakistan's most vital cash crop, for both - the domestic textile market and yarn exports. It is planted on 15% of the country's arable land, primarily concentrated in Punjab and Sindh provinces, and primarily produced by smallholder farmers (less than five hectares). Cotton feeds directly into Pakistan's textile sector via a thousand ginneries, hundreds of textile mills and hundreds more cotton seed crushers and oil refiners - Pakistan's largest industrial sector that generates 8% of the country's GDP.

"Before, we used to individually perform routine work on our fields. Now, we discuss and talk together at the Learning Group. This is the best way of learning because we can exchange ideas and learn from each other's practices."

- Aijaz Ahmad, BCI Farmer in Rahim Yar Khan [Credit: BCI]

Throughout BCFTP, Pakistan's strong government support for the cotton sector, its high concentrations of gins and spinning mills, and the vertical integration of its market structure have made the country a reliable and cost effective platform for Better Cotton. In 2015, the FTF invested 1.4 million Euro (29% of fund value) in 10 projects.

In the past six years, the number of farmers licensed to produce Better Cotton or trained in Better Cotton principles increased over 4-fold. Total hectares of licensed Better Cotton grew from 38,400 to over 484,000, which enabled production of over 13 times more MT Lint in 2015 than at the program's outset. Production cost also more than halved, dropping from 11.46 Euro per MT in 2010 to only 6 Euro per MT in 2015.

IMPLEMENTING PARTNERS:

CABI | LOK SANJH | WWF PAKISTAN | REEDS SOCIETY



A learning group gets together for peer to peer sharing of field results.

Credits - WWF Pakistan



Seed delinting before sowing enhances germination by 15-20%. Credits - WWF Pakistan

BIGGEST CHALLENGE:

Developing a network of strong implementing partners.



“Pakistan has always been very efficient, cost effective, with a high percentage of cotton farmers participating in the program. This meant we were able to build relationships with governments and national associations.”

- Lena Staafgard, BCI



Though WWF played a fundamental role in bringing Better Cotton to Pakistan as our initial primary IP, BCFTP moved from high dependency on one partner to a diversity of three partners in 2015. BCI also successfully built long-lasting government relationships that will help make Better Cotton a mainstream commodity. For example, BCI, WWF and the Punjab government have agreed that the state government will work as a local partner with WWF and gradually take over the role of IP in the state.

In 2014, BCI signed an agreement with the All Pakistan Textile Mills Association (APTMA), Pakistan’s largest textile trade consortium where APTMA pledged to not only recognize the Better Cotton standard, but also directly support ongoing work and expansion. We were pleased to see that, in early 2016, sustainable cotton production will now be a part of Pakistan’s cotton policy, including adherence to BCI criteria for cotton production technology and a commitment for financial support.

BCFTP Results 2015 in Pakistan



Production:
342,540



Hectares:
484,200



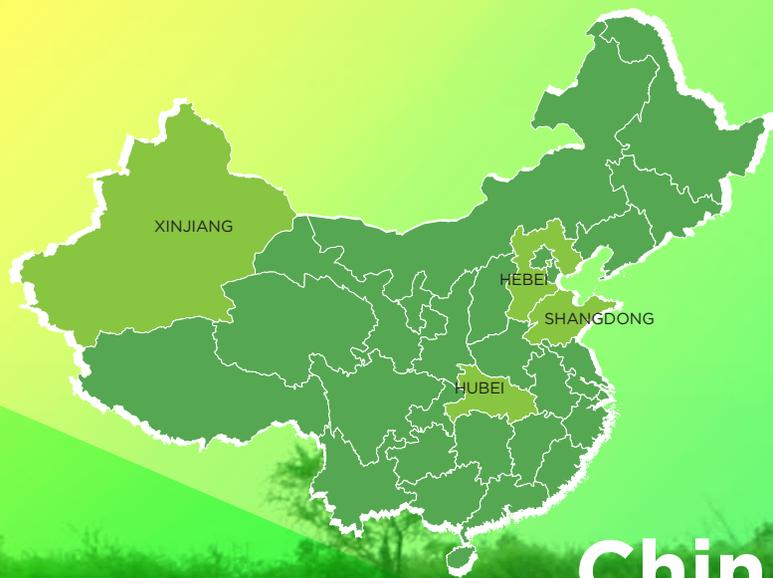
Farmers:
127,000



Cost/MT Produced
6.28



Cost/Farmer Trained
16.91



China

Cotton in China



Production:

4.8 mmt; 2nd largest



Exports:

Over 23,000 tons (in 1st half of 2015-2016)



Harvested area:

Est. 3.4 million hectares

Though China's cotton production has been declining, the industry still supports over 20 million farmers and farm workers who all depend on cotton cultivation for their livelihoods. The government withdrew its cotton reserve policy in January 2014, but continues to subsidize cotton farmers in Xinjiang and other cotton-producing regions. As one of the country's economic pillars, the competitiveness of China's textile industry depends heavily on access to high quality cotton at reasonable prices.

"We are becoming more conscious of saving water and, yet, production is also increasing."

- Lu Jian, BCI Farmer [Credit: BCI]

Considering its leading garment and textile industry, China is one of the most important sourcing hubs for BCFTP brands. BCFTP progress in China has been signposted by key partnerships and BCI relationship-building with local governments. In 2015, the FTF invested 760,000 Euro (15% of fund value) in 14 projects.

Since BCFTP's inception in 2009, the number of farmers licensed to produce Better Cotton in China has increased over 25-fold, producing over 20 times more MT Lint in 2015 than when the program first started. In 2012, BCFTP supported BCI start-up plans in the country, building the business case for supply chain actors to become IPs themselves and secure their position as key suppliers to BCFTP brands sourcing from China. Despite a slow start because of the prevailing market situation, post-2014, BCFTP in China expanded quickly- indicating that China will be the leading

IMPLEMENTING PARTNERS:

ADDACHANCE | COTTONCONNECT | GUOXIN | HUITONG | JINTIAN GOLDEN FIELDS | LUTHAI | HUAFU | SOLIDARIDAD | ZHONGLIANG | TAICHANG | XPCC | KETENG TRADING | NONGXI COTTON COOPERATIVE | YULI COTTON & LINEN | SONGZI AGRICULTURAL EXTENSION CENTER



Technical expert provides training to lead farmers. Credits - Luthai



Farmer trains his peer on the use of protective gear while spraying pesticides.

BIGGEST CHALLENGE:

Wisely timing project implementation and growth with changes in Chinese policies.



We took our time in China—even the first year program was very small. We tested implementation out to be ready for expansion when the reserve policy lifted, we laid the groundwork, and the projects are now fully self-sufficient. This is a real success story.

- Ruchira Joshi, BCI



Better Cotton producing country in the coming years. Today, BCFTP in China is one of the most successful examples of large-scale local ownership in project implementation.

New partnerships bolstered this expansion: BCI signed an agreement with the China Knitting Industry Association and funded a pilot Better Cotton project with the Xinjiang Production and Construction Corps, the single largest cotton producing organization in the world. Working with a local government IP offered key opportunities for learning about what does and doesn't work for Better Cotton production and farmer training in Xinjiang.

With supply chain partners, BCFTP has created resiliency in projects that are now entirely self-funded. At the same time, BCI successfully built relationships with local governments in Binzhou, Shandong and Songzi, Hubei, both of which have become key IPs.

BCFTP Results 2015 in China



Production:
312,800



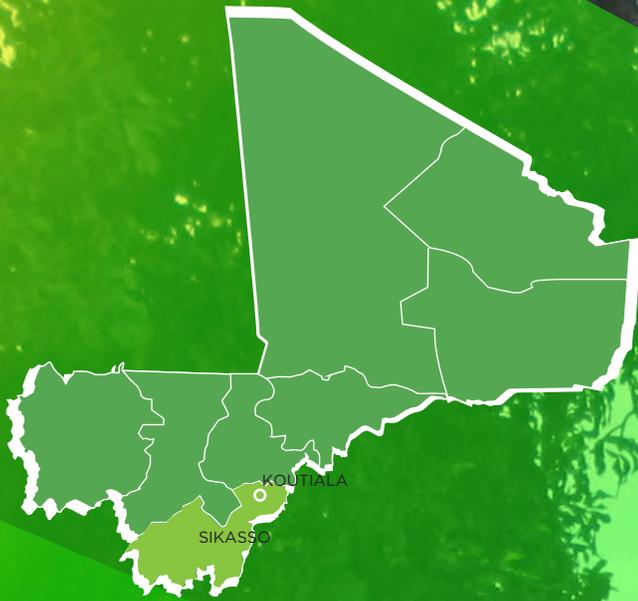
Hectares:
170,000



Farmers:
84,600



Cost/MT Produced
10.09



Mali

Cotton in Mali



Production:

200,000 mt; 11th largest



Exports:

7



Harvested area:

538,000 hectares
(2013-2014)

Mali remains the second largest cotton producer in Africa, with around 40% of the rural population depending on the industry across over 200,000 farms. Cotton production in Mali is closely linked to education, health care and overall social wellbeing. Despite recent rain shortfalls, cotton production remains a significant contributor to Mali's GDP.

"I have been growing cotton for nearly 40 years. We used to spray our 20 hectares with pesticides that killed even the snakes. After the treatments, we didn't feel well. I used an average of 120 liters of pesticides, costing me about 825 Euro. Since starting the Better Cotton program, we have significantly reduced our pesticide use, which increases our profits and is better for our health and our environment."

– Drissa Coulibaly, BCI Farmer [Credit: BCI]

As a mainstay of the cotton category in Africa, Mali has been a key BCI country and a BCFTP focus on the continent since 2012. The number of farmers licensed to produce Better Cotton or trained in Better Cotton principles in Mali has increased by over 175%, and the total hectares of licensed Better Cotton grew from 63,000 to 138,000.

In a country where all farmers sell their cotton to the Compagnie Malienne pour le Développement du Textile (CMDT)—a state-owned company that links producers to the market through the value chain—BCI has approached its work in Mali with its characteristic strong bent on partnership.

IMPLEMENTING PARTNERS:
SOLIDARIDAD | CMDT



Women farmers harvesting cotton using creton bags (to prevent foreign fibre contamination). **Credits- Solidaridad (2)**

BIGGEST CHALLENGE:

Building local capacities, and transfer of ownership of BCI implementation to IPs.



“We’ve built a lot of capacity and good relationships. We have a strong track record, and there is still a lot more effort to be focused here to consolidate the commitment to Better Cotton.”

- Lena Staafgard, BCI



CMDT provides input subsidies, ginning, marketing and facilitation of cotton exports to connect producers to the market. This also ensures a relatively high gin uptake rate.

Two years into the collaboration, in 2014, CMDT became an independent IP, embedding more sustainable cotton-growing practices through self-reliance and local ownership. BCI also worked closely with CMDT to institutionalize the Better Cotton standard into Mali’s existing structure. Furthermore, because Malian growers depend heavily on cotton as a primary income source, improvements to cotton growing affects access to education, healthcare and creation of local, rural jobs to counteract rural out-migration and emigration.

BCFTP Results 2015 in Mali



Production:
55,600



Hectares:
138,000



Farmers:
49,293



Mozambique

Cotton in Mozambique



Production:
100,000 mt (2013)



Exports: Export value of prepared cotton: \$27.4 million, 38% of total exports



Harvested area: 157,000 hectares (2013-2014)

Cotton is a major agricultural crop for Mozambique, primarily cultivated by smallholders on less than one hectare. Mozambique cotton yields are among the lowest in the world (an estimated 200 kilograms per hectare), however cotton is integral to the well-being and development of the country. Cotton cultivation involves over 100,000 producers, 70% of them family-based enterprises, that operate on a contract farming model involving a few large buyers who source from small producers.

"In the training, I learned about the risks of using and handling pesticides, and the danger to pregnant women, breastfeeding women and children."

– Angela Anthony, BCI Farmer from the Maratane community
[Credit: BCI]

Since BCFTP first began work in Mozambique in 2013, Better Cotton principles have become embedded in the work and livelihoods of cotton farmers across the country. This has demonstrated BCFTP's commitment to focus on not only the largest cotton-producing regions, but also countries where cotton is most crucial to overall societal growth. In 2015, the FTF invested 162,000 Euro (3% of fund value) in 2 projects.

Since 2013, the number of farmers licensed to produce Better Cotton or trained in Better Cotton principles in Mozambique has increased over 4-fold, and the total hectares of licensed Better Cotton has grown from 5,700 to over 41,500, resulting in nearly 8 times more MT Lint produced in 2015 than at the program's start. Most notably, cost efficiency has been greatly reduced, from over 250 Euro per MT in 2013 to 72 Euro per MT in 2015.



Farm workers wear protective masks while sorting the cotton outside the gin.
Credits - OLAM



Farmers in Mozambique share some of the lessons learned from implementing the Better Cotton Production Principles. Credits - IDH

BIGGEST CHALLENGE:

Embedding BCI principles into national policy and growing field level projects to be financially self-reliant.



“We’re aiming to continually support the Mozambique Cotton Institute to help them evolve and ensure they have an assurance program to make sure regulations are met. We will then recognize and benchmark against the Mozambique Cotton Standard.”

- Lena Staafgard, BCI



Although year one investment in Mozambique yielded lower results, 2014 and 2015 brought consistent growth of Better Cotton produced and gin uptake. Hearteningly, since 2014, BCI’s Minimum Production Criteria have been integrated into the country’s legislation through an agreement with the Mozambique Cotton Institute (Instituto De Algodão De Moçambique-IAM). As the authority of the cotton sector in Mozambique, IAM directly influences practices of concession holders (mostly national companies and some major international traders) and enables high gin uptake rates.

Mozambique’s involvement in the program has gone from zero activity three short years ago to having minimum production criteria built into legislation. The future of Better Cotton in the country will encompass working with IAM and more concession holders as IPs to set up country-wide structures for self-reliance and cost efficiency in the cotton supply chain.

BCFTP Results 2015 in Mozambique



Production:
5,750



Hectares:
43,700



Farmers:
41,470



Cost/MT Produced
72.75



Cost/Farmer Trained
10.09



Brazil

Cotton in Brazil



Production:

1.3mmt; 5th largest



Exports Ranking: 3



Harvested area:

950,000 hectares

Modern technology, government support and new cotton producing regions have all bolstered Brazil to become a mainstay provider of high quality cotton in domestic and international markets. Brazil remains one of the largest cotton producing countries in spite of a volatile economic environment over the past two years due to the country's political crisis. These economic and political challenges are giving Brazil a particularly strong export advantage due to lower domestic demand.

"What is sustainability? I think sustainability is the knowledge to sustain our lives and our families."

—ZeBrasil, BCI Farmer from Catuti County (season 2012-13)

[Credit: BCI]

With modernized production and a thriving, competitive cotton market all around, Brazil has been a key region to catalyze the initiation of Better Cotton and integrate Better Cotton principles throughout the supply chain.

Since 2011, the number of Brazilian farmers licensed to produce Better Cotton or trained in Better Cotton principles has increased over 4-fold, and the total hectares of licensed Better Cotton has grown from 25,000 to 556,000, producing over 22 times more MT Lint in 2015 than when the program first launched. BCFTP's work in Brazil has revolved primarily around ABRAPA (Brazilian Cotton Growers Association), which became a BCI IP in 2010 and a Strategic Partner in 2014.

IMPLEMENTING PARTNERS:

ABRAPA



Mechanical harvesting. **Credits ABRAPA**



Smallgrowers in Brazil. **Credits ABRAPA**

BIGGEST CHALLENGE:

Brazil was a big producer country for the program, but retailer uptake remained low.



“They will be funding their programs themselves, and we hope to support specific developments in Brazil in the future as a way to transfer back some of the contributions to BCI GIF.”

- Lena Staafgard, BCI



ABRAPA and its state-based association represent nearly all the cotton farmland and production, as well as all the cotton exports, across Brazil. BCFTP funded ABRAPA in 2012, but by 2013 the project was entirely self-reliant. The association’s ‘ABR’ standard was formally benchmarked with Better Cotton, exemplifying a successful partnership model that embeds sustainability into the cotton supply chain.

While the supply of Better Cotton in Brazil increased year-on-year, demand has followed slowly. The purchasing practices of Brazilian cotton, the absence of demand driven by local brands and the limited footprint of existing BCFTP brands in Brazil resulted in supply that outpaced demand. Still, with an ever-increasing base of brands and retailer members, the uptake of Brazilian Better Cotton continues to grow.

BCFTP Results 2015 in Brazil



Production:
762,000



Hectares:
555,700



Farmers:
232



Turkey

Cotton in Turkey



Production:

600,000 mmt;
7th largest



Exports: 50,000 MT Lint



Harvested area:

380,000 hectares

Turkey is one of the largest cotton-producing countries in the world, however production has decreased in recent years due to low world cotton prices and disappointing returns. However, Turkey is working towards reversing this trend and expanding Better Cotton production to all four cotton-producing regions, covering 25 provinces.

"Farmers are happy as they are not just using local practices, but internationally recognized standards."

—Şükran Bayçura, Director, IPUD [Credit: BCI]

Cotton is the basic source of income for millions of people in Turkey, home to age-old cotton production practices. In 2011, leading actors in the Turkish Cotton Sector approached BCI with an explicit aim to start Better Cotton production in the country. Today, Turkey is making strides to gain full ownership over Better Cotton. In 2015, the FTF invested 23,000 Euro (0.5% of fund value) in IPUD to support 441 farmers, who produced 23,000 MT Lint across 13,000 hectares.

In September 2013, İyi Pamuk Ugulamaları Dernegi-IPUD (the Good Cotton Practices Association) was founded to "improve cotton production in Turkey for the benefit of cotton producers and the regions where cotton is grown and for the future of the sector." Since 2015, BCFTP has continued to collaborate with IPUD to oversee implementation of Better Cotton principles and practices in the country.

STRATEGIC / IMPLEMENTING PARTNERS:

IPUD



BCI Strategic partner in Turkey. **Credit - IPUD**



Early season in-field training. **Credits - IPUD**

ONGOING CHALLENGES:

Developing a definitive presence to unlock Better Cotton production in the country.

IPUD has become a strategic partner to the program, fully responsible for local partnerships and implementation, and requiring very little investment from BCFTP.

Through this work, BCI farmers achieved a 7% higher yield, on average, than non-Better Cotton comparison farmers. IPUD has continued to engage farmers, ginners, agricultural sales unions, manufacturers, civil society organizations and other industry actors to support Better Cotton farmers and promote Better Cotton principles. IPUD communicates across this diverse membership base in its work to transform Turkish cotton into a sustainable mainstream commodity.

BCFTP Results 2015 in Turkey



Production:
23,000



Hectares:
13,000



Farmers:
441



Tajikistan

Cotton in Tajikistan



Production:

90,000 mmt; 19th largest



Export Ranking: 13th

(81,750 mmt)



Harvested area:

150,000 hectares

Since Tajikistan gained independence from the Soviet Union in 1991, the country's cotton sector has seen significant liberalization and partial privatization, including: privatization of the ginning subsector, liberalization of input prices, privatization of financing and marketing of cotton, restructuring of cotton farmlands and partial privatization of cotton farms through collective land tenure.

"BCI is an important direction for the future development of cotton production in Tajikistan, teaching our farmers to make rational use of productive resources and increase product quality."

–Sarob BCI Agronomist [Credit: BCI]

Tajikistan is the first Central Asian country to be part of BCFTP, and the country remains an important region to keep on the program's radar as cotton supports over half the rural population. In 2015, the FTF invested 49,000 Euro (1% of fund value) in the third harvest of Better Cotton in Tajikistan. Over 800 BCI farmers produced 10,500 MT Lint of Better Cotton on 11,700 hectares.

Sarob Consumer Cooperative (Sarob) has continued to be BCI's IP for the region. Sarob operates a private agricultural advisory service business, employing a highly unique model whereby farmers pay a membership fee in return for needs-based training (both theoretical and practical), increased access to agricultural inputs along with field demonstrations, and expanded market opportunities. Sarob also connects farmers with new seeds and machinery that are not currently available on the local market.

STRATEGIC / IMPLEMENTING PARTNERS:

SAROB CONSUMER COOPERATIVE



Attending Decent Work training. Credits - BCI



Studying the cotton crop health. Credits - SAROB



“There is a good structure and there are some very strong partners in place. I’m positive that the project will be able to scale up in a good way.”

- Lena Staafgard, BCI



Sarob reaches hundreds of farms and facilitates growing of Better Cotton under an ongoing program assisted by the German Government via the Deutsche Gesellschaft fuer Internationale Zusammenarbeit (GIZ) GmbH (German technical cooperation) and co-financed by UK Aid, Department for International Development (DFID). Implementation has continued to go well thus far, and Sarob’s business orientation gives the program strong potential to scale up in the future due to Sarob’s high cost-effectiveness and farmer-driven model.

BCFTP Results 2015 in Tajikistan



Production:
10,500



Hectares:
11,700



Farmers:
820



Cost/MT Produced
4.67

Case Study 1: Partnerships for Implementation at Scale

What is CAIM?

The Convergence of Agricultural Interventions in Maharashtra (CAIM) has been operating in the major cotton-growing bed of India in Maharashtra state since 2008. CAIM has a remarkable footprint of over 300,000 households in the region, and the program had already gained significant visibility within the existing government structure of the state before BCI and CAIM began their collaboration.

CAIM contributes to the development of resilient production, sustainable and diversified households, and on-farm and off-farm livelihoods. By doing so, the program enables farmers to withstand production and market risks, without falling back into poverty and distress, through three primary pillars:

-  1. Sustainable agriculture practices;
-  2. Development of market linkages; and
-  3. Improvement of livelihoods and gender empowerment, with a focus on oft-excluded groups such as small and marginal farmers, landless laborers, rural women, farmers under agrarian distress, and scheduled castes and scheduled tribes.

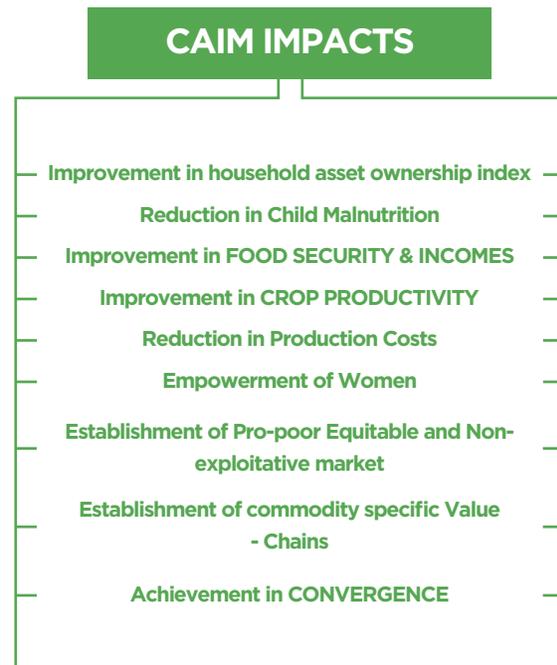
CAIM was created by the Maharashtra state government and designed as a “gap filling” initiative where state-wide agricultural interventions “converge”. Funding comes from different sources, including international donors and private organizations.

|  GOAL |  OBJECTIVES |
|--|--|
| To contribute to the achievement of resilient production, sustainable and diversified households, on-farm and off-farm livelihoods, allowing households to face production and market risks without falling back into poverty and distress | <ul style="list-style-type: none">To improve household incomesTo encourage sustainable agriculture: soil and water conservation, leisa, organic farmingTo facilitate farmers' involvement in primary processing, quality enhancement and marketing.To empower women through microfinance and micro-enterprises.To achieve convergence of government programs and resources |

All schemes the state has introduced for farmers and farmer families are linked through CAIM, creating an effective mechanism to ensure that interventions reach and positively affect the people for whom they are meant.

Why CAIM and BCI?

Right from the onset, it was clear that the objectives and strategies of CAIM and BCI matched. Both work towards creating products that are in demand by the market, responding to market needs while promoting more resilient forms of agriculture. CAIM’s holistic approach fit with BCFTP’s goals by aiming to achieve impact indicators that span the entire system of cotton production in the region.



With available resources from CAIM and backing from the state government, introducing a Better Cotton project with CAIM was cost-efficient and speedy. From CAIM’s perspective, BCI funding was crucial to cover all cotton growing farmers in designated project areas. Over the past three years, CAIM has become a fundamental example of BCFTP in action.



***“By improving health conditions of farmers and farm workers, improving yields and profit, and implementing widespread training, we are building active participation of farmers themselves in the cotton supply chain.*”**

BCI partnered with us at CAIM because the Better Cotton standard system is a truly holistic approach to sustainable cotton production.”

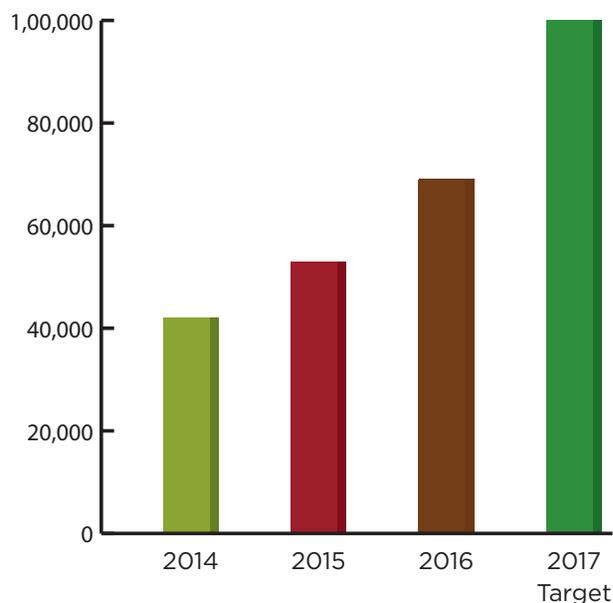
– Bhagwat Om,
BCI Project Manager at CAIM



Looking Back: 3 Years of CAIM and BCI

Even in its first year, CAIM was already the largest BCI project in India, reaching 42,000 farmers. Programming focused on developing a strong understanding of the BCI system and building staff capacity to understand how BCI and CAIM match. The purpose was not to supplant CAIM with BCI principles—rather, the goal was and continues to be to demonstrate how CAIM’s existing structure already fits BCI

FARMERS TRAINED BY CAIM



principles; a constant stream of activity that can be rolled out to different households, whereby farmers themselves decide whether or not they would like to participate.

By CAIM’s second year, the program had grown to 56,000 farmers, and this year numbers have increased again to 65,000 farmers. The ambition remains to cover about 150,000 cotton growers in the region under the BCI program next year. Today, CAIM includes the largest proportion of farmers under BCI in India.



“As a government project, CAIM creates a model for both government and BCI, demonstrating how two very different institutions can work together towards a common goal—securing livelihoods and supply by linking both.

CAIM and BCI are looking to engage with the Indian textile industry to drive a global standard for sustainable cotton, one of the most important crops in this belt of Maharashtra. These public and private collaborations set the stage for future BCI expansion in India.”

- Mr. Ganesh Chaudhary,
CAIM Programme Director





Setting a Precedent for the Future

CAIM’s success largely stems from quality of management and training, from sourcing to delivery. CAIM purposefully chooses training methods that are accessible and easy for trainees to implement. Training materials and content are derived from leading universities, and scientists and experts input directly on programmatic content and trainings. The team also ensures that trainings align with farmer schedules—usually farmers and workers have time during the evenings and early mornings. By designing a program suited specifically to those being trained, and by tailoring sessions to individual needs along the way, CAIM has cleared the path for Better Cotton in Maharashtra.

Given CAIM’s extraordinarily large footprint, this project has contributed significantly to both scale and impact for BCFTP. Inversely, the program has allowed CAIM to establish market linkages for farmers, enabling them to produce cotton to a standard that can be applied globally and be verified. BCI has made credible the sustainable practices that CAIM has already been implementing for years.



“BCI is addressing a lot of social and environmental issues, and the results are creating a better future for everyone. I feel good knowing that CAIM is a part of this transformation.”

– Mr. Ganesh Chaudhary,
CAIM Programme Director





In Their Own Words: Testimony from Murlidhar Furange, CAIM Farmer

Furange, a CAIM lead farmer belonging to the Learning Group feels he has benefitted greatly from the trainings and additional support he has received in the program. He spoke with us about the concrete and visible contributions he sees on his own farm thanks to CAIM:

“Through trainings, meetings and demonstrations, we farmers now have an understanding about the right dosage of inputs, issues around child labour, and integrated pest management...scientists and experts from Krishi Vigyan Kendra (KVK) [University of Agricultural Sciences, Bangalore] have visited our farms many times, suggesting and correcting if anything goes wrong on our fields. We’ve also received trainings on Self-Help Groups (SHGs) and Joint Liability Groups (JLGs), and we’ve obtained subsidies for purchases like milking animals and poultry. Add to that SME establishments from the program, like mini dal mills, bulk milk coolers and small produce agricultural resource centers, and we have so many benefits to gain.

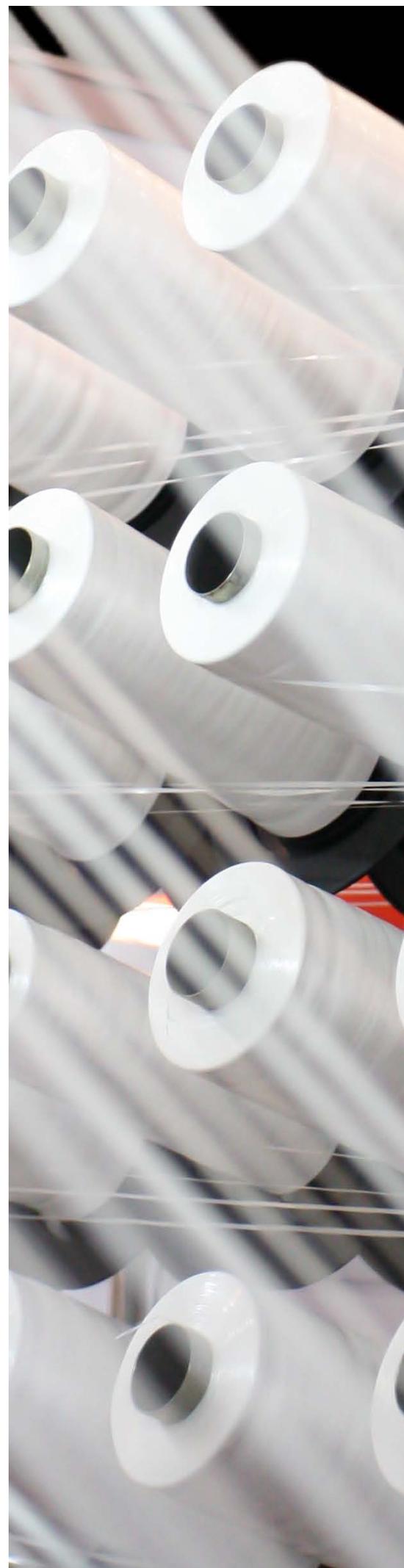
Even if the training stops, we will continue these practices we’ve been taught because they save money, give us strong yields and bring us together to cooperate. We’ve now formed a farmer producer company and we’re dealing directly with ginners and other market players ourselves. I now motivate other farmers in my group to actively take up BCI practices—in fact, many of them are already attending BCI trainings and following the practices themselves.”



Accelerating Retailer Uptake

By 2013, BCFTP was surpassing expectations for capacity creation at the farm level, but we noticed markedly little uptake into the supply chains of retailers. While the intent of brands at BCFTP was clear, they were finding it difficult to convert that intent into sustainable cotton in their own supply chains. There were several challenges preventing uptake. Primary among them were: misconceptions of Better Cotton in the supply chain and within brands' sourcing teams; limited supply and understanding of supply dynamics, which meant that the issue of price premiums in Better Cotton procurement created a major bottleneck; and limited understanding among retailers and the textile supply chain regarding how best to work with BCI's newly-launched Mass Balance Administration (MBA) system to source Better Cotton. Better Cotton was being perceived as a differentiated product, which limited procurement to the confines of a sustainability discussion rather than a business one.

Increased retailer uptake was also critical for the transition to a Value-Based Fee (VBF) model to fund BCI GIF. Uptake by brands became an urgent requirement—this had to start working. It was time to communicate about how to sell the concept of Better Cotton.





BCFTP worked to identify resources and methods to increase demand. The program funded a resource and an outreach program to work with brands and their supply chain partners in order to help them understand the “Business of Better Cotton”:
How do you work with BCI, source Better Cotton and plan for it? In this early stage, it became clear that brands needed to understand the key drivers of the cotton supply chain and be better equipped to have discussions with members of their supply chains. Only by doing so could they realize the possibilities and meet their uptake commitments.

The key driving message was: Better Cotton needs to become part of your daily business conversations. We demonstrated to the brands and their supply chains that sustainable cotton could be sourced effectively within existing channels and at market price if procurement was built into the overall sourcing strategy. BCFTP brought together brands and supply chain actors in key markets across target countries to drive awareness of Better Cotton, address bottlenecks and work with brands and supply chain actors internally.



“Demand is being delivered, and we need to make sure uptake keeps up. We need to move into a phase of embracing new brands and retailers, and looking to local retailers in countries like India and China.”

- Phil Townsend, Marks & Spencer



WHAT DOES A SUPPLY CHAIN LOOK LIKE?

What you think your supply chain looks like



What it most often looks like



As part of the engagement, supply chain resources were focused on key sourcing geographies for brands, large scale events, group trainings and, most critically, one-on-one supplier meetings that were hosted in Bangladesh, India, Pakistan, China, Hong Kong, Vietnam, Cambodia, Turkey, Thailand, UK, the USA and Mexico. In addition to meetings for supply chain actors, sessions were run for the respective brands and their regional and head offices. These engagements led to a greater understanding of the “business of Better Cotton”, and it allowed the brands and their suppliers to collaborate on their goals more effectively. The focus of conversations slowly but surely moved away from price and availability to shared ambition and support for broader brand goals.

BCI supplemented BCFTP’s outreach efforts by driving membership, encouraging brands and supply chain actors to join. BCI hosted five supply chain events in China, India, Pakistan, Bangladesh and Turkey, as well as outreach events in locations including New York, San Francisco, Milan and Paris. These meetings, in addition to a webinar series on Better Cotton Tracer training, provided supplier members with a forum to display their Better Cotton products for retailers, and brands an opportunity to signal demand and redress any resistance barriers from their previously ‘invisible’ suppliers. Meeting and communicating directly helped to reduce severe trust and understanding deficits.

At the end of 2015, BCI had 706 members—up from 468 in 2014—including 46 retailers and brands. The newest members are companies based in the UK, Germany, New Zealand, The Netherlands, Sweden, Switzerland and the USA. Their efforts have helped drive double year-on-year uptake, and we are seeing a clear increase in buy-in from brands that Better Cotton is a viable, traceable standard.

Below, we lay out 12 Steps to drive demand for Better Cotton, which revolve around four main concepts:

-  1. Understanding the supply chain and to whom brands should be speaking;
-  2. Understanding what to say to supply chain actors and brand representatives, which requires mutual understanding of how the system works, the market realities and the role of BCI;
-  3. Ensuring the person across the table also understands how the system works and what the realities are in real-life conversation;
-  4. Following up on the face-to-face meeting and the commitment, as often as monthly, to facilitate continuous engagement and alignment.



“Work closely with all tiers of the supply chain. You can’t expect business as usual—you have to do something different to make it happen. It’s a new journey and a new start; you have to go through that learning. Eventually you’ll reach the tipping point where it all works.”

– Harsha Vardhan, H&M

12 Step Program

Special Learning Highlight: 12 Steps to Accelerate Retailer Uptake

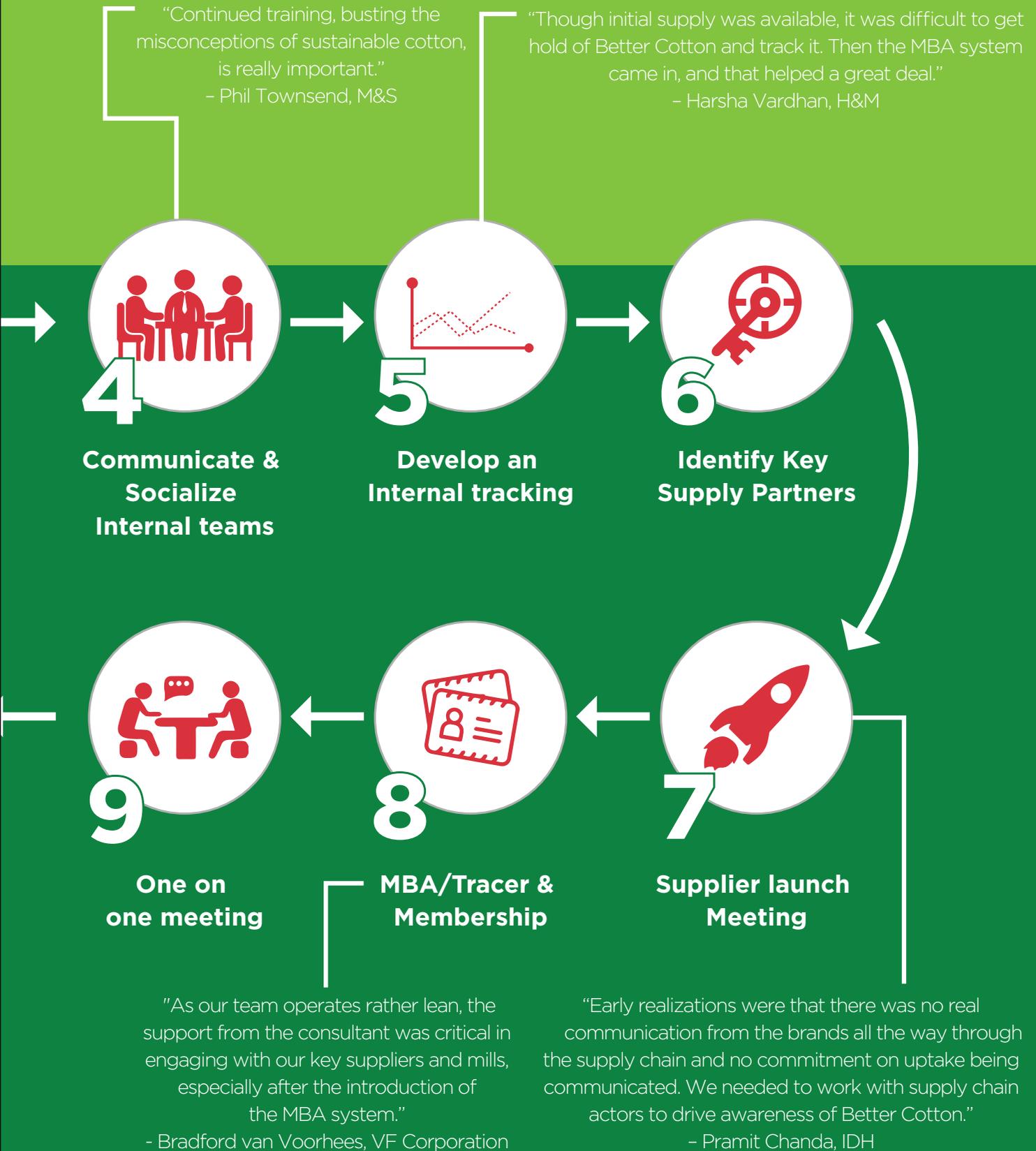
“We were looking at our cotton footprint—we had to assess what kind of system we have and the impact it has on social and environmental parameters. That’s when we joined BCI.”
– Harsha Vardhan, H&M

“Always look at the low-hanging fruits. Find those areas with the largest supply base, with the maximum influence at the supply level, so the build starts coming in. Then, over time, gradually expand to other suppliers. This is where mapping comes in: to understand the chain and identify those fruits.”
– Syed Rizwan Vajahat, BCFTP



“You can’t have the face-to-face meeting, get a commitment, and assume it’s done. The conversation has to happen every single month, both internally at the brand level and with the suppliers. This is a continuous exercise of engagement. It won’t change tomorrow.”
– Ruchira Joshi, BCI.”

“This step was critical: this is where you could move past the stated obvious and address the real challenges—where you could get to the heart of the program.”
– Pramit Chanda, IDH





Let's hear it from the brands...

Closing meeting of Better Cotton Fast Track Program - October 2015, India





Raising a celebratory toast at the close of the program meeting

adidas Group:

“We were surprised with the overwhelming support from our senior management team. After a quick 15-minute presentation to our board members, they just said, ‘Yeah, go for it.’ No discussion needed.” – Philip Meister

adidas exceeded its Better Cotton target of 40% in 2015, sourcing 43% of all its cotton as Better Cotton, and the company is on track to reach its 60% target for 2016.



M&S:

“We now have about 40% of our cotton from more sustainable sources, and there’s no way we would have done that without BCFTP.” – Phil Townsend

Bestseller:

“Our initial Better Cotton target was 50% by 2018, but we source over 50% now. We just set a new target to go for 100% by 2020.” – Dorte Olsen



Dorte Olsen, BESTSELLER

IKEA:

“We’ve created scale and volume of Better Cotton. Many of the supply chain actors who were first movers saw the opportunity and maybe it was purely business, but that was a huge movement in itself.”

– Pramod Singh

IKEA became the first major retailer to source 100% sustainable cotton in 2015 and is committed to continue creating

positive change throughout the cotton industry even after reaching its internal targets.

C&A Foundation:

“CottonConnect, [co-founded by the C&A Foundation and a BCFTP IP], worked with farmers on various programs. By being brought under BCI, market links could be established for those farmers and there is more industry uptake.” – Anita Chester

Tommy Hilfiger Global:

“In our second year, our Better Cotton procurement increased over eight times. This year, we’re aiming to achieve 25% of our total cotton procurement from Better Cotton.” – Susan Irvine



Susan Irvine & Gudrun Gudmundsdottir, Tommy Hilfiger

Rabobank:

“We often support farmer groups on our own, and we always have a challenge to find markets for them. The BCFTP allowed us to sit with commercial stakeholders too, so you have the market at the same table.” – An Ha



Going down memory lane - sharing successes and challenges

Levi Strauss & Co.:

“BCFTP has been really important to our being able to have candid conversations with suppliers about our interest in driving sustainability through BCI and how they contribute to our company vision.”

– Liza Schillo

H&M:

“We sourced 40-45% sustainable cotton this year, from 3-4% in 2010-2011. It’s a big jump. The biggest achievement for us has also been to internalise this cotton target within our business team. We’re now on the fast track internally—it would have gone much more slowly without BCFTP.”

– Harsha Vardhan



An Ha, Rabobank Foundation

Case Study 2: The H&M Story

Introduction:

The challenges faced by H&M were no exception to those that confounded the retail industry across the world. Cotton is a natural, renewable material with many advantages, but it also raises a number of concerns. For example, conventionally-grown cotton can have a heavy impact on the environment through the intensive and unscientific use of water and misinformed use of pesticides. The big question that H&M has been working on is how to ensure that their garments are produced using sustainable sources of fiber while remaining competitive in a growing and diverse market.

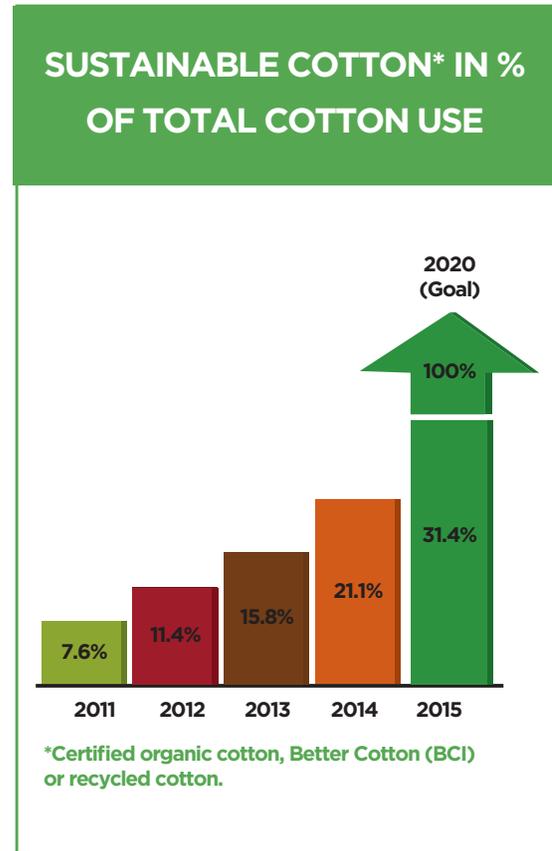
This case study tells a story of how H&M has developed a cohesive strategy for Better Cotton to accelerate their efforts and proactively pursue their goal to use 100% sustainable fiber by 2020.

Along with other like-minded retailer brands, H&M has been a part of BCFTP. An obvious benefit is the match-funding model of BCFTP that allows the investments of the retailers and brands to be augmented by match funding from public funders to fund high potential farm-level projects which increase the supply of Better Cotton in the market. The investments from this fund are also invested in a highly focused fashion in a way that links the supply to the existing supply chains of brands. The close interaction with other BCFTP stakeholders via this initiative led to the realization of the shared purpose that the frontrunner retailers share with each other in relation to sustainability which is why despite a very competitive scenario they support each other. According to Harsha Vardhan, Environment Responsible- Global Production at H&M, *"When H&M joined BCFTP; we were able to use the platform to learn from the more experienced members. Today, with a clear goal and a roadmap to get there, H&M can play a more supportive role in the BCFTP helping newer brands to get there..."*

Through this case study, IDH would like to share the learning and experiences of H&M with other brands & stakeholders in the sector. By doing so, we hope that it provides the motivation and lessons for other companies to build their own 'roadmaps' to 100% sustainable fiber, thus creating a significant shift in the global cotton market .

The Journey So Far – How H&M started to work with Better Cotton

The path to sustainable cotton hasn't always been easy to tread on, but H&M is determined to make sustainable fashion an easily accessible alternative to their customers. They believe that in the not so distant future, this will be one of the demands of a new generation of environmentally and socially conscious customers and their realization of this emerging thought pattern as well as the commitment to use the planet's resources responsibly puts them on the forefront of sustainability.



H&M has doubled their share of more sustainable cotton in the last two years and are on target with 31.4% (2015: 14.3% of their cotton being certified organic, Better Cotton 16.9% and recycled 0.2%).- Source: H&M Sustainability Report 2015.

To reduce the negative impact of cotton production significantly, H&M has chosen to procure via their supply chains three forms of sustainable fiber - Organic Cotton, Better Cotton and Recycled Cotton. *"We plan to further increase our use of organic cotton in the future, beside making strong investments in Better Cotton and gradually increasing our use of recycled cotton,"* says Henrik Lampa, Development Sustainability Manager at H&M. *"Cotton is the raw material we use the most and our good progress against our goal means major improvements for people and the environment in cotton-producing communities."*

Having already achieved, in 2015, 31.4¹ percent of their cotton from sustainable sources, they are on track on their journey to 100% sustainable fiber by 2020. As Better Cotton is not a niche commodity, it is a highly attractive alternative to conventionally grown cotton and its scalability potential provides H&M an unparalleled opportunity to increase its sustainable fiber uptake to meet its 2020 goals. According to Pascal Brun, Head of Sustainability- Production at H&M, a big driver for the adoption of Better Cotton also has

been “the social components’ and the ‘decent work’ principles of Better Cotton. These aspects directly contribute to our corporate vision by impacting the lives of the producers at the bottom of the pyramid.” After working with Better Cotton for a number of years now, H&M believes there is no looking back when it comes to working with this sustainable source. *“There is an ever growing supply in the market from every consequent harvest and all the efforts made to engage the supply chain partners have started to yield good results,”* says Harsha Vardhan.



H&M procurement team in India

“Using more Better Cotton in our products means that we have a direct role to play in improving the livelihoods of all the small and marginal farmers from the developing countries that we source from”.

- Harsha Vardhan, Environment Responsible- Global Production at H&M

Developing a Roadmap to 2020

Leading up to 2013, the persistent efforts of BCI and the BCFTP yielded an exponential increase in the availability of Better Cotton. Supply was no longer the primary reason of concern, but Better Cotton still require a ‘pull factor’ to procure into the supply chain. For H&M and the other retailers alike, there was still a lack of clarity on the real business case for their suppliers to engage and adopt Better Cotton upstream into the supply chain. It was not unnatural for opportunistic suppliers who had an inventory of Better Cotton to charge a price differential. Down the supply chain, the ‘invisible’ 2nd and 3rd tier players were not connected directly to H&M and the retailer could not directly exert any influence on them.



“We transmitted a strong message of commitment from H&M to the supply chain partners present on that day. We told them that we want your cotton and we want only Better Cotton”.

- Pascal Brun, Head of Sustainability-Production



In 2013, H&M resolved to change this by taking a deep dive into their supply chain. It was at this stage that the Materials team headed by Pascal Brun jumped into the fray. The task ahead seemed daunting but had to be done none the less. The first joint efforts to unravel the issues and understand the concerns of the suppliers was a LEEP (Linking, Engaging, Empowering and Performing) meeting hosted by H&M in Bangalore, India in February 2013 with the involvement of BCFTP & BCI. The meeting was designed firstly, to communicate clearly H&M's intent and vision for Better Cotton; and to dispel the notions of those who believed Better Cotton to be a 'fad' that would not last.

It was also a beginning for engaging with all the tiers of the supply chain with the idea of bringing transparency and understanding the drivers and concerns to unblock the barriers for uptake. Needless to add it was highly interactive in nature.

H&M invited their apparel factories and some key spinners to this meeting. The Secretariat helped by getting into the room, a cross-section of ginners who were possibly already in their supply chain but ofcourse, neither the ginners or H&M had ventured into a dialogue or knew of each other's existence.

There were some surprises and the disconnect soon became apparent with the realization that the demand for Better Cotton placed by H&M to the 1st tier apparel factories were



LEEP Meetings held in India and Pakistan

not getting transmitted down the rest of the supply chain. These missing signals were key for those farthest removed in the supply chain and the energy of the commitment from H&M was an awakening. This strong messaging and its reiteration by the team went on to affirm a business case for those that wanted to cement their relationship with H&M and were ready to make commitments for the procurement of Better Cotton for H&M.

At H&M, this led an internal wave of planning and strategizing for Better Cotton procurement. What followed was months of hard work at H&M by the materials team under Pascal's leadership. Creating a detailed blueprint of how H&M would achieve its Better Cotton goals was the beginning and this included a detailed multi-year plan of geography wise targets and KPI's. One to one meetings with individual suppliers were held to identify suitable partners for this initiative and hard negotiations ensued. As these were backed by a promise of continued engagement, the business case soon became apparent to all suppliers including ginners.

Only those suppliers who choose to partner in the sustainability journey are rewarded with longer term contracts. This was instrumental in slowly petering out the price differential from the system as opportunistic short term profit was replaced by a more continuous promise of engagement and opportunity. The fact that BCI simultaneously introduced the Mass Balance Administrative system for traceability helped immensely in accelerating the uptake by the spinners.

H&M continues to reinforce the message to its suppliers that their demand and procurement of sustainable fibers will sharply increase leading up to 2020, when conventional cotton may have no place in their supply chain. The H&M team is quite motivated and confident that their 2020 vision is no longer a distant dream and they are more prepared to deal with new challenges that will continue to emerge especially in the newer geographies.

What started off as a CSR initiative for H&M has now got truly embedded into their buying system. BCFTP is happy to have played a small but meaningful catalytic role.

Listening to the Suppliers:

Amit Shah, CEO and Founding Director, Spectrum International Private Limited

"SIPL is a global business that produces, processes and sells sustainable fibers and textiles under programs such as organic, and BCI while closely aligning with the goals of various leading retail brands"



"As a ginner, we are the bottom of the supply chain. There could be 6 players—commission agents, traders, spinners, fabric manufacturers, dyers, processors and garmentors etc between the brands & us. We deal with only our customers and we get no opportunity to talk and engage directly with a frontrunner brands like H&M. When I have the opportunity engage with the management at a senior level and understand what their objectives are, I am able to translate that better into my own procurement plans from farmers and I can better envision the growth chart over the next 5 years in a more risk free manner. Getting a sense of demand over the next 3-6 months for a traded commodity like cotton is in itself the biggest boon you can receive!."

Tina Lee, Vice General Manager at Huafu

"As an A share listed company founded in 1993, Huafu Top Dyed Mélange Yarn Co. Ltd. is a global manufacturer and supplier of middle-high grade and innovated yarn with its headquarters located in Shenzhen. The company centers on the supply of mélange yarn featured with fashion, environment friendly and technology."



"Huafu has been a supplier to H&M for over 10 years and we have been working with Better Cotton for three years now. H&M is our strategic partner and year on year, we conduct a Better Cotton annual sales forecast so that Huafu can reserve or procure the BCI cotton in advance to meet their quantity requirement. This year H&M has also played an instrumental role in linking their whole supply chain, and so now we work more closely with not only their buying teams but also their whole supply chain from garment suppliers to fabric mills. At Huafu, we are driven strongly by market forces and our long standing relationships with brands like H&M. As long as they continue to place orders for sustainable fibers on us, we feel that we have a responsibility to work together with them and meet their demands."

Leading the Change – Lessons Shared

Getting to this point entailed several months of hard work on the ground, and through this case study, H&M would like to highlight the learnings that they hope will be useful to other brands who are working on their own Better Cotton story:

Lasting and systemic change cannot be driven by one entity alone and collaboration is the key to success.

H&M does not have direct relationships with every sub-player in their supply chain and in fact, most of their suppliers have their own links to the lower tiers of the supply chain. It needed to be a collaborative exercise and hence, this time around, they adopted the combination of a top-down and a bottom-up approach by working closely with their suppliers to create transparency, accountability, business growth and a combined vision for sustainability.

It is crucial for every brand to develop an in-depth understanding of their supply chain – investigate it, map it and identify the game-changing elements.

An important learning that came early in planning process was that different product types have different supply chain actors. Similarly, different regions have different key players as well. In 2013, H&M put an intensive effort into identifying the key players within their supply chain in each product category and geography. The Materials team at H&M customized their strategy for different product categories and geographies depending on the key link in the supply chain that would champion the procurement of Better Cotton. By doing so, H&M gained confidence and had a fit for purpose process which allowed them to identify whom they could partner and who would make the difference.

Set your goal and make a concrete and actionable plan to achieve it. Identify the resources that you need to get you there.

It is a good principle to clearly define where you want to make an impact (for instance, in a particular location, site or product category) and then, to create an actionable plan on what impact you want to create. The last and most important step, which is often undermined in the process, is to identify who can help you in creating that impact (internal teams and supply chain partners) and what you need from them to complete

the circle of change (time, investment etc).

Make the Commitment – it will drive you and your suppliers to live up to the highest success you can imagine!

At H&M, the writing on the wall is clear. It is important for the brand, then, to demonstrate the business for every link in the supply chain and not just garment supplier. The biggest milestones achieved by this Swedish giant were attributed to them diving into their supply chain, engaging with their partners and setting plans and goals together. There is indeed a higher risk in getting so involved, however, the attitude and commitment of the brand is determines the level of success to be achieved in this high-risk environment. Questions to ponder on are: Are you ready to Lead with commitment?

Take a Stand. Let's buy Better Cotton only as an undifferentiated commodity.

The strong approach by H&M to unwaveringly treat Better Cotton as an undifferentiated commodity both in terms of internal materials planning and management as well as in external communications to their suppliers is an underlying reason for their mid-term success.



“BCI started as a brand-led initiative. Now it is time for this to be an industry initiative”.

Harsha Vardhan, Environment
Responsible- Global Production

The Way Forward

Over the past final year of BCFTP, we have scaled our implementing partnerships with key players in civil society and supply chain organizations, we have nurtured our established relationships with local government and industry partners, and we have prioritized local ownership in improvement programs. In doing so, we have also come to understand more deeply the limitations of the private and public sectors—this will never be a fully private sector agenda and will require government and civil society cooperation to take care of the complex web of externalities in the cotton sector.



“Sustainable cotton can only get better, more robust, more holistic, and it can only help to stabilize and secure the cotton industry going forward.”

My big ambition for BCI would be for sustainable cotton to simply be part and parcel of the way cotton is produced — not a special program, but integrated into the very definition of cotton.”

– Lucian Peppelenbos, IDH



In light of both the challenges and successes, the last 6 years have made certain that the end of BCFTP is





hardly the conclusion of sustainable cotton. With promising partnerships and clear results from farmers and actors along the entire supply chain, we are now transitioning to the BCI Growth & Innovation Fund (BCI GIF)—the next step to enable Better Cotton to scale sustainably and truly become a mainstream commodity.

BCI GIF came into force on 1 January 2016, introducing a new structure to carry forward and scale the work started during BCFTP. In BCFTP, BCI's role focused on maintaining the Better Cotton standard and ensuring its implementation, while funding remained outside the initiative's remit. However, BCI now strongly believes that in order for the funding program to continue with confidence and a solid, focused strategy, BCI needs to be able to direct investment towards meeting ambitious targets for 2020. As such, BCI GIF pulls the investment vehicle closer to BCI to buttress the program's expansion. We have been tasked with successfully carrying out the transition plan to ensure a seamless transfer of not just financial flows but also knowledge and learning as roles shift. BCI now runs the portfolio with its partners and members from the worlds of business, civil society and government, with IDH as an integral managing partner.

So how does the new fund work? Private partners—some of the world's largest cotton buyers—have agreed to pay a Volume-Based Fee (VBF) for their use of Better Cotton, and a group of interested investors are contributing donor funding. In this way, retailers and brands who use Better Cotton contribute to building farmer capacity for

their own raw materials. Based on in-depth research and analysis, external consultants advised on the design and development of the fund, including investment propositions, governance structures and an outline of the legal and fiscal structure.

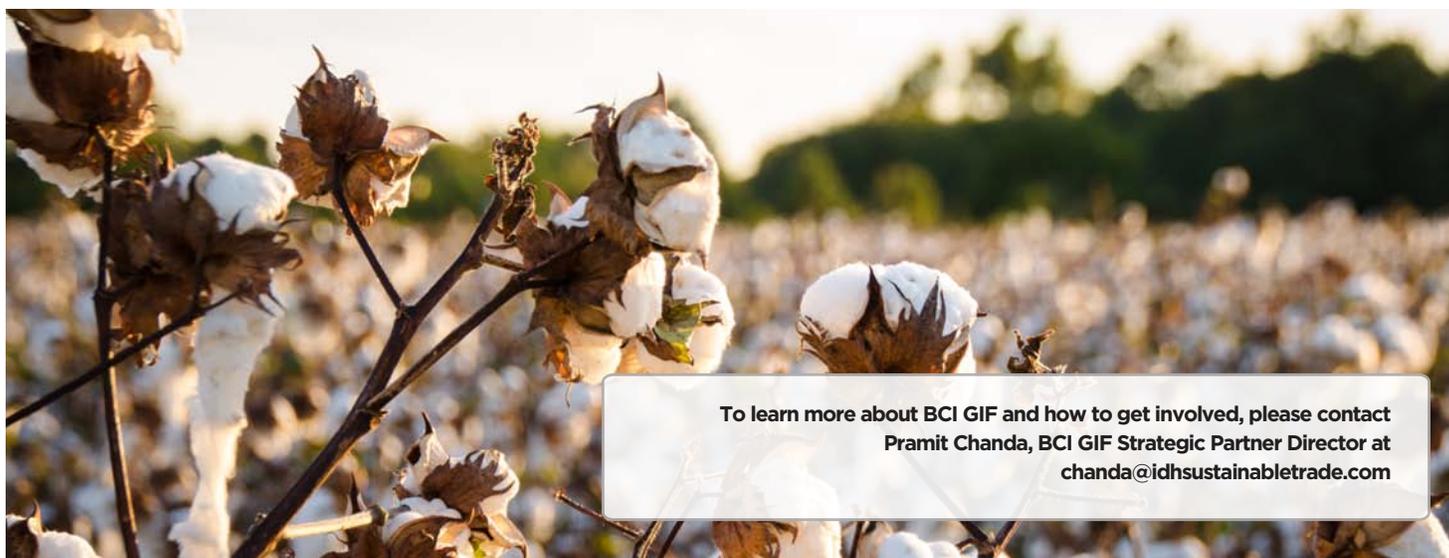
By mobilizing public and private sector funds, BCI GIF aims to achieve lasting impact by reaching 5 million farmers in key production countries and accounting for 30% of global cotton production by 2020. With a solid six-year track record of large-scale environmental benefits as well as social and economic improvements for cotton producers and their families, we are well on the way to achieving ambitious targets for 2020 and beyond.

Better Cotton is revolutionizing the cotton industry, and it couldn't be more necessary in the face of pressures such as competing materials and climate change. Front runners realize that sustainable cotton is an imperative, and investing in Better Cotton is an investment in the future of business, livelihoods and planet alike. Current BCI GIF partners and members put it best:



“Get involved. Don’t just sign up to get the logo. Sign up if you’re really committed. The rewards are immense—enjoy it like we enjoyed it, you have a seat and a voice around the table, and you can actively help to shape the future strategy of sustainable cotton. That’s the exciting bit. It’s opened a whole new world of project management and wider global strategy on procuring commodities. There’s no downside.”

- Phil Townsend, M&S





Annexure 1: Project-wise Summary 2015

Project Performance

Source: IP Annual Reports 2015

BRAZIL

| BCFTP Project Names | MT | Farmers | Hectares |
|---------------------|----------------|------------|----------------|
| Abrapa (Brazil) | 761,991 | 189 | 555,697 |
| Total | 761,991 | 189 | 555,697 |

CHINA

| BCFTP Project Names | MT | Farmers | Hectares |
|--|----------------|---------------|----------------|
| Cotton Connect China SHE - Xinjiang | 30,312 | 3,332 | 14,855 |
| Guoxin, Hebei, LF | 1,682 | 1 | 1,554 |
| Guoxin, Xinjiang, LF | 2,844 | 1 | 1,481 |
| Huafu, Xinjiang,SH | 5,632 | 724 | 3,201 |
| Huitong, Shandong,SH | 4,040 | 518 | 3,544 |
| Jintian, Xinjiang, LF | 3,299 | 1 | 1,527 |
| Keteng, Xinjiang, SH | 7,920 | 187 | 3,300 |
| Luthai,Xinjiang,SH | 11,798 | 768 | 7,989 |
| Nongxi Cotton Cooperative, Shandong, SH | 61,118 | 56,216 | 49,795 |
| Songzi Agriculture Extention Center-Hubei-SH | 8,333 | 22,719 | 5,556 |
| Taichang, Xinjiang,MF | 8,644 | 3 | 4,116 |
| Wanhu/XPCC No.1, Xinjiang, LF | 68,739 | 4 | 29,445 |
| XPCC No.5 Division, LFE , Xinjiang | 93,485 | 7 | 41,582 |
| Zhongliang,Xinjiang, SH | 4,928 | 153 | 2,053 |
| Total | 312,774 | 84,634 | 169,997 |

INDIA

| BCFTP Project Names | MT | Farmers | Hectares |
|------------------------------|--------|---------|----------|
| ACF (Gujarat) Kodinar | 1,866 | 6,825 | 3,582 |
| ACF (Maharashtra) Chandrapur | 12,759 | 8,222 | 21,902 |
| ACF (Punjab) Bhatinda | 3,420 | 6,510 | 8,034 |
| ACF(Andhra Pradesh/Nadikudi) | 1,747 | 1,455 | 1,870 |
| ACF(Rajasthan/Marwar) | 1,658 | 562 | 2,082 |
| AFPRO (Dhoraji) | 9,368 | 8,528 | 19,453 |



| | | | |
|--|----------------|----------------|----------------|
| AFPRO (Surendranagar) | 10,729 | 9,012 | 21,193 |
| AFPRO (Wankaner) | 12,047 | 10,610 | 16,066 |
| AFPRO (Yavatmal) | 13,804 | 16,972 | 30,547 |
| Anandi - Andhra Pradesh | 3,709 | 7,013 | 5,815 |
| Basil Commodities | 16,821 | 7,040 | 18,974 |
| CAIM | 44,038 | 56,686 | 70,456 |
| CottonConnect (Gujarat) | 17,104 | 17,111 | 21,734 |
| CottonConnect (Maharashtra) | 18,570 | 21,001 | 31,600 |
| Deshpande Foundation | 6,593 | 9,776 | 11,952 |
| Dilasa | 2,619 | 7,223 | 7,183 |
| Indian Grameen Services - BASIX | 6,519 | 8,272 | 12,805 |
| KK Fibers | 9,078 | 9,374 | 16,840 |
| MYKAPS | 1,986 | 6,656 | 5,509 |
| Pratibha - Khargone & Jhabua, Madhya Pradesh | 15,463 | 14,428 | 26,551 |
| PRDIS - Mahabubnagar, Andhra Pradesh | 8,713 | 14,212 | 19,479 |
| Spectrum - Surendranagar, Gujarat | 24,525 | 10,554 | 32,003 |
| Spectrum - Vidarbha, Maharashtra | 17,625 | 9,719 | 25,753 |
| STAC Odisha | 25,181 | 10,554 | 31,895 |
| Trident (Abishek) | 16,617 | 9,719 | 25,753 |
| Udyansh | 2,320 | 8,617 | 7,190 |
| Vrutti - Solidaridad | 4,818 | 8,654 | 11,612 |
| WCS Raichur | 14,800 | 10,000 | 18,560 |
| WWF India (Maharashtra) | 4,842 | 6,391 | 8,188 |
| WWF India (Punjab) | 7,767 | 9,989 | 25,053 |
| WWF India (Warangal) | 9,282 | 14,242 | 12,395 |
| Total | 350,020 | 358,943 | 581,833 |

MOZAMBIQUE

| BCFTP Project Names | MT | Farmers | Hectares |
|---------------------|--------------|---------------|---------------|
| OLAM | 3,047 | 22,957 | 21,515 |
| SANAM | 2,702 | 18,513 | 22,206 |
| Total | 5,749 | 41,470 | 43,721 |

MALI

| BCFTP Project Names | MT | Farmers | Hectares |
|--------------------------|---------------|---------------|----------------|
| CMDT (Koutiala - Aproca) | 55,637 | 49,293 | 137,882 |
| Total | 55,637 | 49,293 | 137,882 |

Annexure 1: Project-wise Summary 2015

| PAKISTAN | | | |
|---|----------------|----------------|----------------|
| BCFTP Project Names | MT | Farmers | Hectares |
| CABI - Mirpur Khas, Sindh | 7,292 | 192 | 8,513 |
| CABI - Sanghar, Sindh | 34,639 | 9,686 | 38,140 |
| Lok Sanjh - Bahawalnagar, Punjab | 11,923 | 11,920 | 36,191 |
| Lok Sanjh - Tobatek Singh, Punjab | 10,013 | 16,842 | 32,569 |
| REED Society - Rahim Yar Khan, Punjab | 18,111 | 3,962 | 25,369 |
| WWF Pak Rahim Yar Kahn / Punjab | 66,822 | 15,062 | 71,654 |
| WWF Pak / Bahawalpur (PSCI Phase III) | 44,631 | 19,346 | 97,547 |
| WWF Pak / Chanab , TTS, Punjab (PSCI TTS) | 29,794 | 16,002 | 44,983 |
| WWF Pak Jhang | 12,496 | 15,416 | 21,280 |
| WWF Pak, Sukkur/Sindh | 106,817 | 18,681 | 107,931 |
| Totals | 342,539 | 127,109 | 484,177 |

| TURKEY | | | |
|---------------------|---------------|------------|---------------|
| BCFTP Project Names | MT | Farmers | Hectares |
| IPUD | 23,058 | 441 | 13,041 |
| Totals | 23,058 | 441 | 13,041 |

| TAJIKISTAN | | | |
|---------------------|---------------|------------|---------------|
| BCFTP Project Names | MT | Farmers | Hectares |
| SAROB | 10,502 | 820 | 11,689 |
| Totals | 10,502 | 820 | 11,689 |

| | | | |
|--------------------|------------------|----------------|------------------|
| Grand Total | 1,862,270 | 662,899 | 1,998,036 |
|--------------------|------------------|----------------|------------------|

MT = Better Cotton licensed
 Farmers = Licensed farmers
 Hectares = Total Better Cotton area for participating farmers

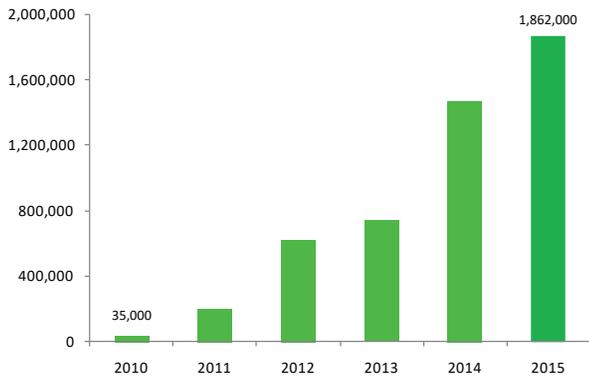
* The project data for India is based IP reports submitted to the BCFTP, as validated by BCI. The production may vary slightly and will be confirmed in the BCI Harvest Reports released online on their website on a rolling basis.

** in Brazil, BCI has signed an agreement with the national standard - hence, all ABR cotton can be procured as Better Cotton.

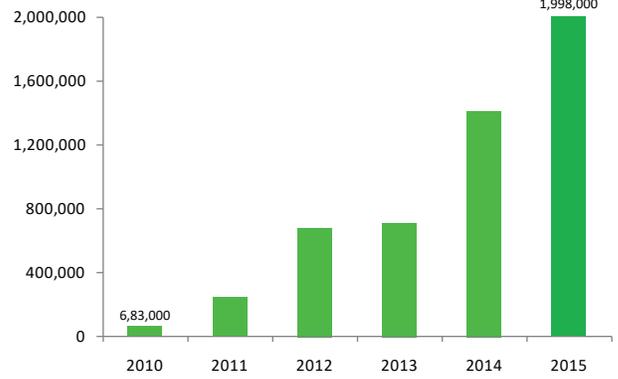
Annexure 2: Global and By Country

BCFTP Global Results

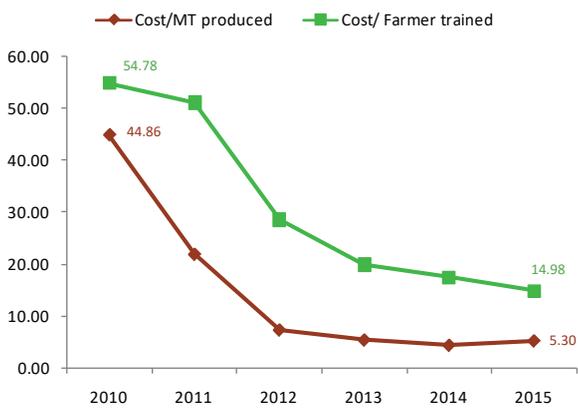
Better Cotton Production (MT Lint)



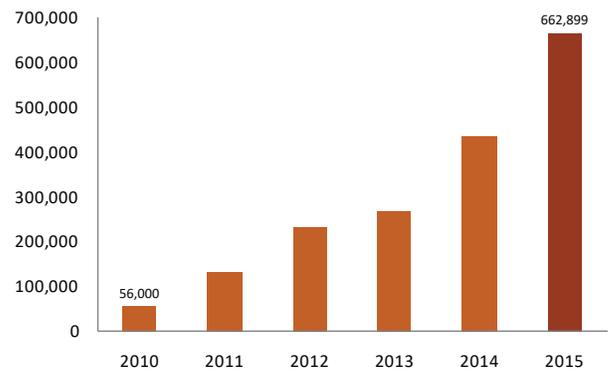
Better Cotton Hectares Licensed



Cost Efficiency



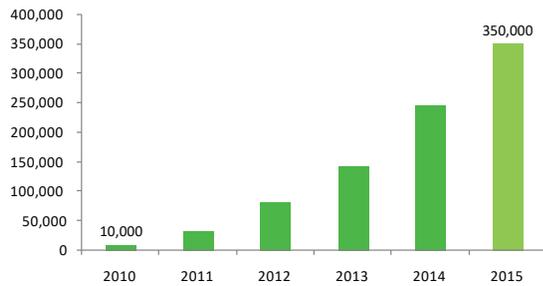
Better Cotton Farmers



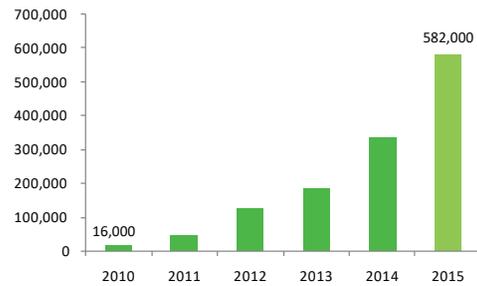
Annexure 2: Global and By Country

India

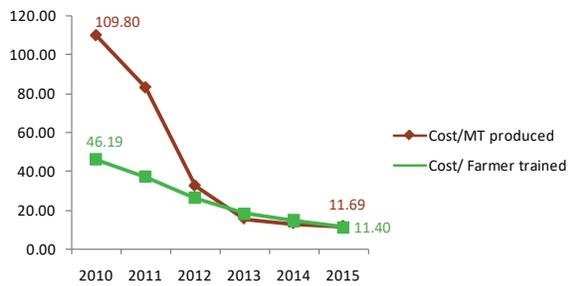
Better Cotton Production (MT Lint)



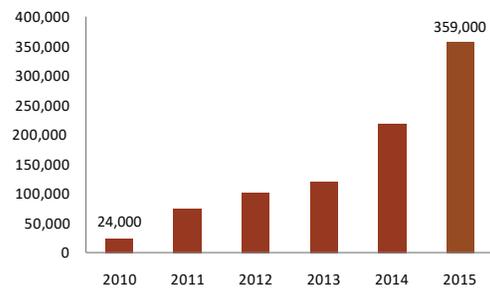
Better Cotton Hectares Licensed



Cost Efficiency

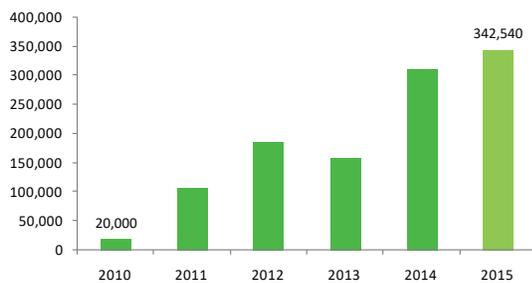


Better Cotton Farmers

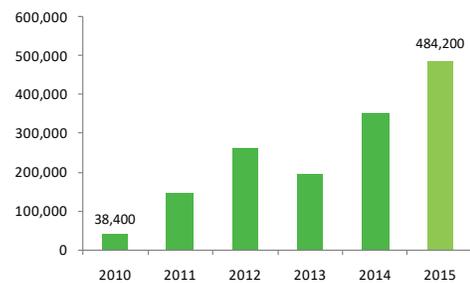


Pakistan

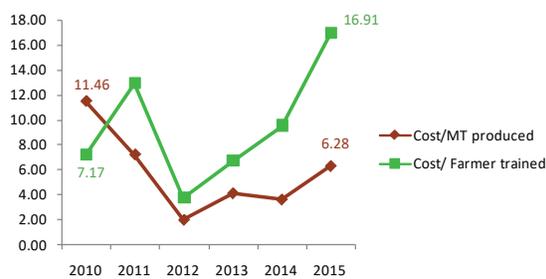
Better Cotton Production (MT Lint)



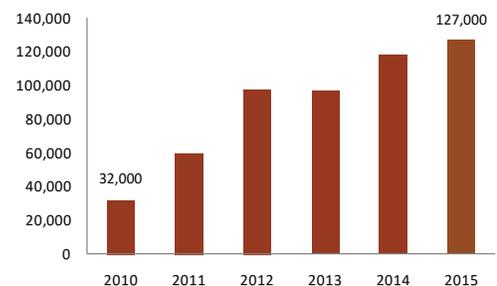
Better Cotton Hectares Licensed



Cost Efficiency



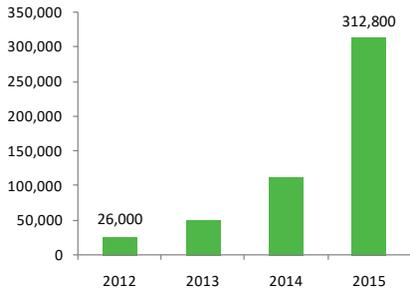
Better Cotton Farmers



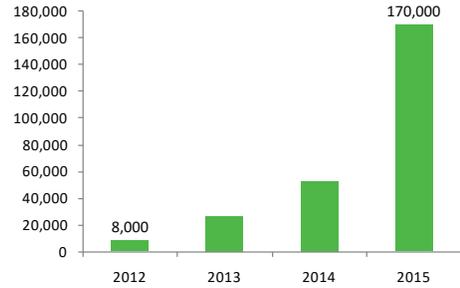
Annexure 2: Global and By Country

China

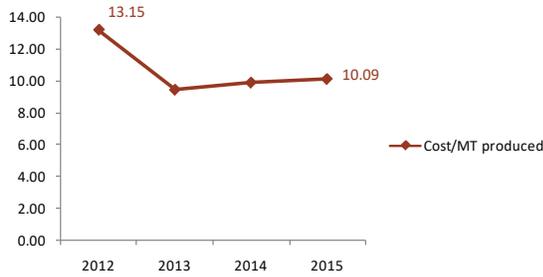
Better Cotton Production (MT Lint)



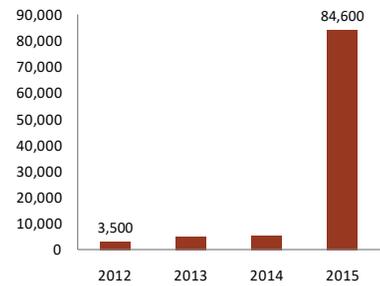
Better Cotton Hectares Licensed



Cost Efficiency

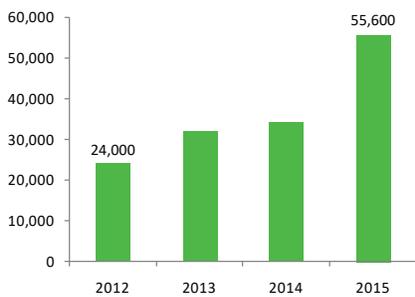


Better Cotton Farmers

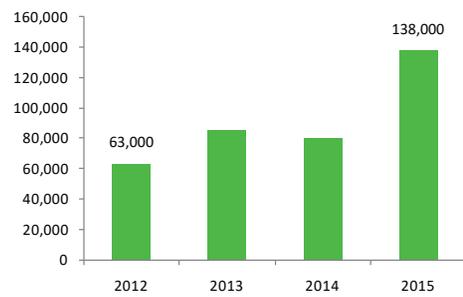


Mali

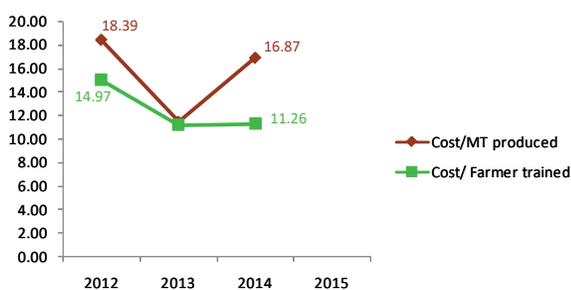
Better Cotton Production (MT Lint)



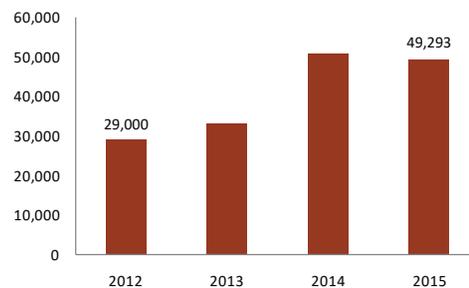
Better Cotton Hectares Licensed



Cost Efficiency



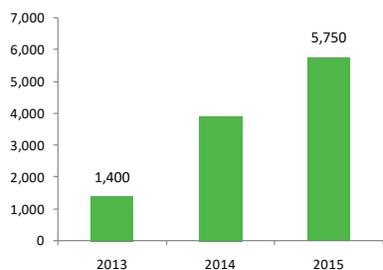
Better Cotton Farmers



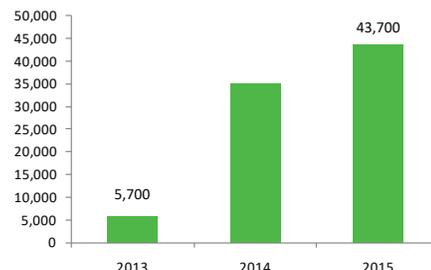
Annexure 2: Global and By Country

Mozambique

Better Cotton Production (MT Lint)



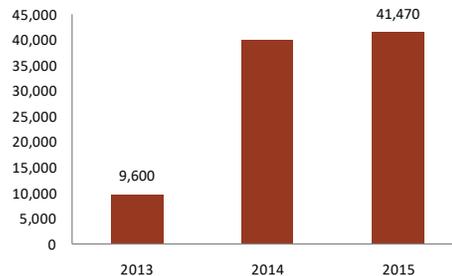
Better Cotton Hectares Licensed



Cost Efficiency

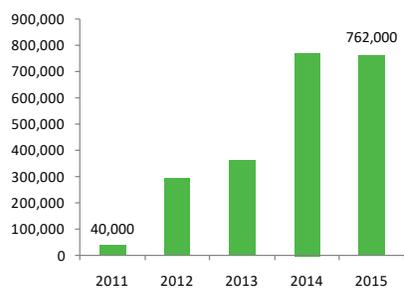


Better Cotton Farmers

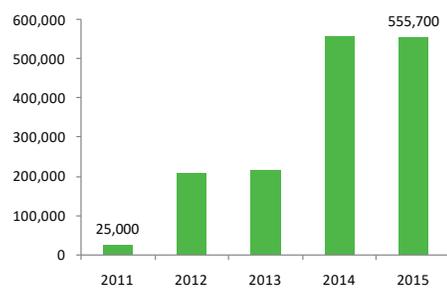


Brazil

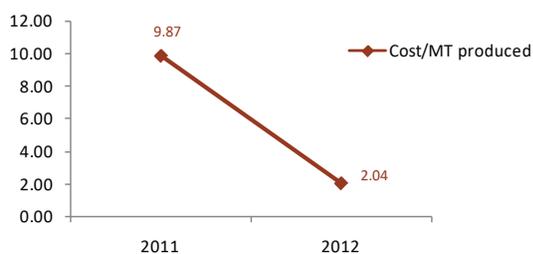
Better Cotton Production (MT Lint)



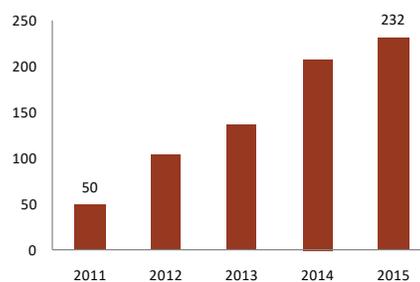
Better Cotton Hectares Licensed



Cost Efficiency

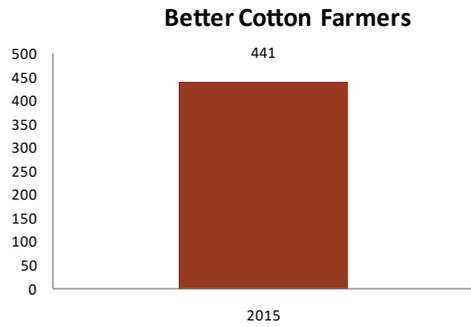
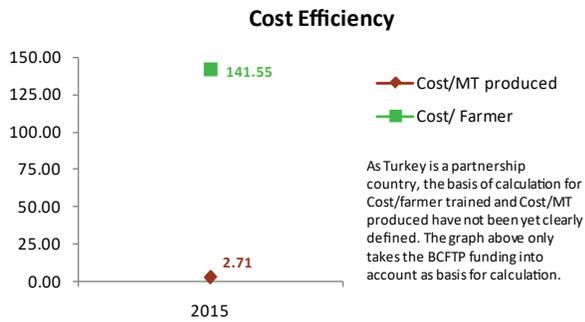
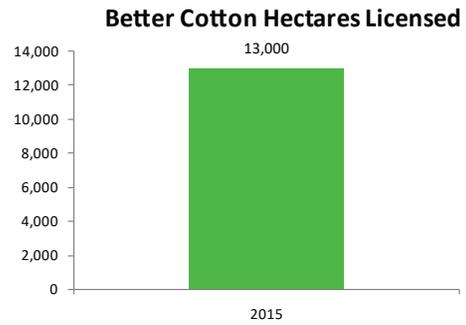
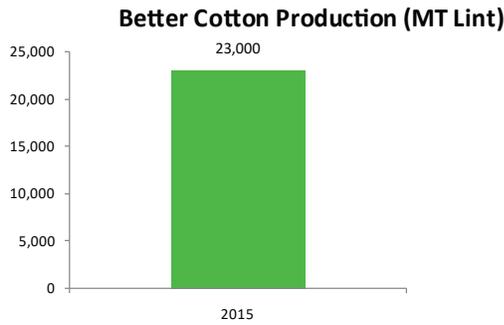


Better Cotton Farmers

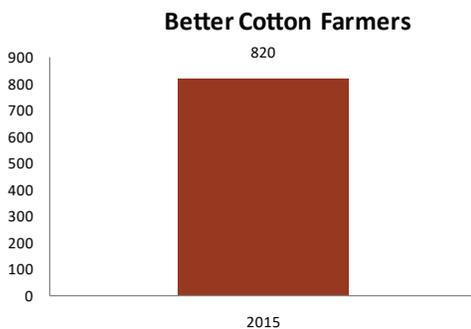
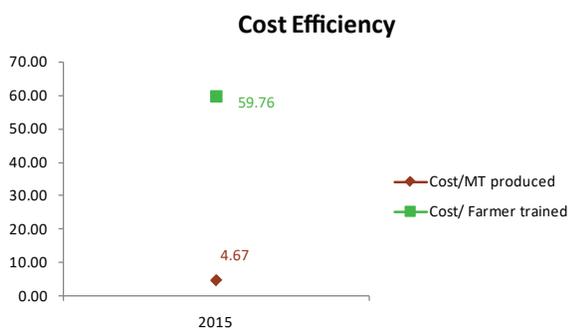
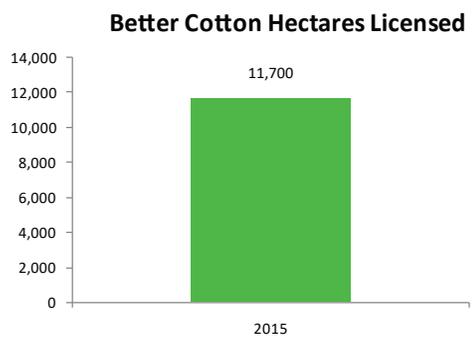
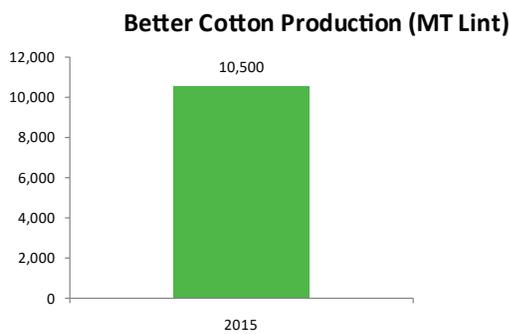


Annexure 2: Global and By Country

Turkey



Tajikistan



Annexure 3: Acronyms

| | |
|-------------|--|
| ABRAPA | Brazilian Cotton Growers Association |
| ABR | Responsible Brazilian Cotton |
| AProCA | African Cotton Producers Association |
| APTMA | All Pakistan Textile Mills Association |
| BC | Better Cotton |
| BCFTP | Better Cotton Fast Track Program |
| BCI | Better Cotton Initiative |
| BCI GIF | Better Cotton Initiative Growth & Innovation Fund |
| BUZA | Ministry of Foreign Affairs, The Netherlands |
| CAIM | Convergence of Agricultural Interventions in Maharashtra |
| CKIA | China Knitting Industry Association |
| CMDT | Compagnie Malienne pour le Development du Textile |
| CMiA | Cotton Made in Africa |
| Cost/MT | Cost per production of 1 MT lint (Total Project spend/ Total Production (MT Lint)) |
| Cost/Farmer | Cost per farmer trained (Total Project spend/ Total farmers trained) |
| DANIDA | Danish International Development Agency |
| EB | Executive Board |
| GAP | Good Agricultural Practices |
| GDP | Gross Domestic Product |
| GUR | Gin Uptake Rate |
| IAM | Mozambique Cotton Institute |
| IC | Investors Committee |
| ICCO | Interchurch Organization for Development Co-operation |
| IDH | The Sustainable Trade Initiative |
| IPUD | The Good Cotton Practices Association (Turkey) |
| MBA | Mass Balance Administration |
| MT | metric tonnes |
| RUR | Retailer Uptake Rate |
| SECO | State Secretariat for Economic Affairs, Switzerland |
| UBIC | Unique Bale Identification Code |
| VBF | Volume based Fee |
| XPCC | Xinjiang Production and Construction Corps |
| WWF | World Wildlife Fund |

Sources

Cotton production and export values for individual countries were sourced primarily from the Cotton Incorporated Monthly Economic Letter for November 2016. Additional sources included Wikipedia, The Financial Gazette, The Observatory of Economic Complexity, National Cotton Council of America, International Cotton Advisory Committee, and USDA Global Agricultural Information Network reports by country.

Full Source List:

CottonConnect. China's Cotton: A Growing Market Opportunity:

http://www.cottonconnect.org/media/27798/cottonconnect_china_report_final.pdf

Cotton Inc. Monthly Economic Letter, November 2016:

<http://www.cottoninc.com/corporate/Market-Data/MonthlyEconomicLetter/pdfs/English-pdf-charts-and-tables/World-Cotton-Production-Exp.pdf>

Financial Gazette. Cotton Farmers Push for Higher Prices:

<http://www.financialgazette.co.zw/cotton-farmers-push-for-higher-prices/>

ICAC. Overview of Cotton Industry in Mozambique:

<https://www.icac.org/getattachment/mtgs/Workshop/Research-Associate-Program-2015/Details/Cotton-in-Mozambique-VF-washington-2015.pdf>

International Cotton Advisory Committee. China's Cotton Reserve Sales Likely to Impact Imports and Stocks:

<https://www.icac.org/Press-Release/2016/PR-9-China%E2%80%99s-Cotton-Reserve-Sales-Likely-to-Impact>

National Cotton Council of America. Tajikistan:

<http://www.cotton.org/econ/cropinfo/cropdata/country-statistics.cfm>

The Observatory of Economic Complexity: Mozambique Exports:

<http://atlas.media.mit.edu/en/profile/country/moz/#Exports>

USAID and SPEED. Mozambique's Natural Resource Boom:

<http://www.speed-program.com/wp-content/uploads/2014/09/2015-SPEED-Presentation-011-Mozambiques-natural-resource-boom-what-potential-impacts-on-the-competitiveness-of-the-cotton-industry-EN.pdf>

USDA. GAIN Report Brazil:

http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Cotton%20and%20Products%20Annual_Brasilia_Brazil_4-2-2015.pdf

USDA. GAIN Report China:

http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Cotton%20and%20Products%20Annual_Beijing_China%20-%20Peoples%20Republic%20of_4-5-2016.pdf

USDA. GAIN Report India:

http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Cotton%20and%20Products%20Annual_New%20Delhi_India_3-30-2015.pdf

USDA. GAIN Report Pakistan:

http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Cotton%20and%20Products%20Annual_Islamabad_Pakistan_4-1-2015.pdf

USDA. GAIN Report Senegal:

http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Cotton%20and%20Products%20Annual_Dakar_Senegal_4-20-2015.pdf

USDA. GAIN Report Turkey:

http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Cotton%20and%20Products%20Annual_Ankara_Turkey_3-23-2016.pdf

Wikipedia. Cotton Production in Pakistan: https://en.wikipedia.org/wiki/Cotton_production_in_Pakistan

Acknowledgements

The BCFTP Investment Committee and Executive Board comprise of organizations that are committed to sustainability. Representatives of these organizations have been working together, through the BCFTP, since 2009 to drive initiatives that meet the global challenges prevalent today.

Through this report we also celebrate and appreciate their support to this Program:

BCFTP Executive Board

| | | |
|---------------------|---------------------|--|
| BCI | Patrick Laine | Chief Executive Officer |
| ICCO | Wim Hart | Executive Director |
| IDH (Chair- BCFTP) | Joost Oorthuizen | Executive Director |
| H&M | Henrik Lampa | Environment Sustainability Manager |
| Marks & Spencer | Simon Colbeck | Head of Quality & Innovation |
| Rabobank Foundation | Pierre L. van Hedel | Managing Director |
| Solidaridad | Nico Roozen | Executive Director |
| VF Corporation | Sean Cady | Vice President - Global Responsible Sourcing |

BCFTP Investment Committee

| | | |
|---------------------|-----------------------|---|
| adidas group | Ebru Gencoglu | Director Merchandising & Sustainability, Apparel |
| BESTSELLER | Dorte Rye Olsen | Sustainability Manager - Jack & Jones |
| BESTSELLER | Katrine Milman | CSR Specialist |
| C&A Foundation | Anita Chester | Head of Sustainable Raw Materials |
| C&A | David Millar | Head of Fabric ,Yarn and Components |
| H&M | Harsha Vardan | Environment Responsible Global Production |
| IKEA | Pramod Singh | Better Cotton Leader |
| Levi Strauss & Co | Natalie Hubbard | Senior Sustainability Specialist |
| Marks & Spencer | Phil Townsend | Sustainable Raw Materials Specialist |
| Marks & Spencer | Sally Williamson | Assistant Technologist - Plan A |
| Nike | Linai Vaz DeNegri | Materials Manufacturing Manager |
| Nike | Jane Clarkson | Global Knits Director |
| TESCO | Tara Luckman | Corporate Responsibility Manager - Clothing |
| TESCO | Dani Baker | Corporate Responsibility Assistant |
| Tommy Hilfiger | Susan Irvine | Corporate Social Responsibility Director |
| Tommy Hilfiger | Gudrun Gudmundsdottir | Corporate Responsibility Coordinator |
| VF Corporation | Bradford van Voorhees | Senior Manager, Product and Supply Chain Sustainability |
| ICCO | Marian van Weert | Specialist Private Sector Cooperation |
| IDH | Lucian Peppelenbos | Director Learning & Innovation |
| Rabobank Foundation | An Ha | Programme Manager, Asia |
| Solidaridad (FSP) | Janet Mensink | International Program Coordinator Fashion-Solidaridad |
| Solidaridad (FSP) | Isabelle Roger | Senior Manager Cotton Programme |



Acknowledgements

BCFTP Secretariat

| | | |
|-----|-------------------|--|
| IDH | Pramit Chanda | Project Director |
| IDH | Jasmer Dhingra | Program Officer |
| IDH | Elea Papaemmanuel | Program Officer |
| IDH | William Wong | Program Officer |
| BCI | Lena Staafgard | COO (former Programme Director - Supply) |
| BCI | Ruchira Joshi | Programme Director - Demand |

* BCFT IC & EB members at the end of the program in 2015

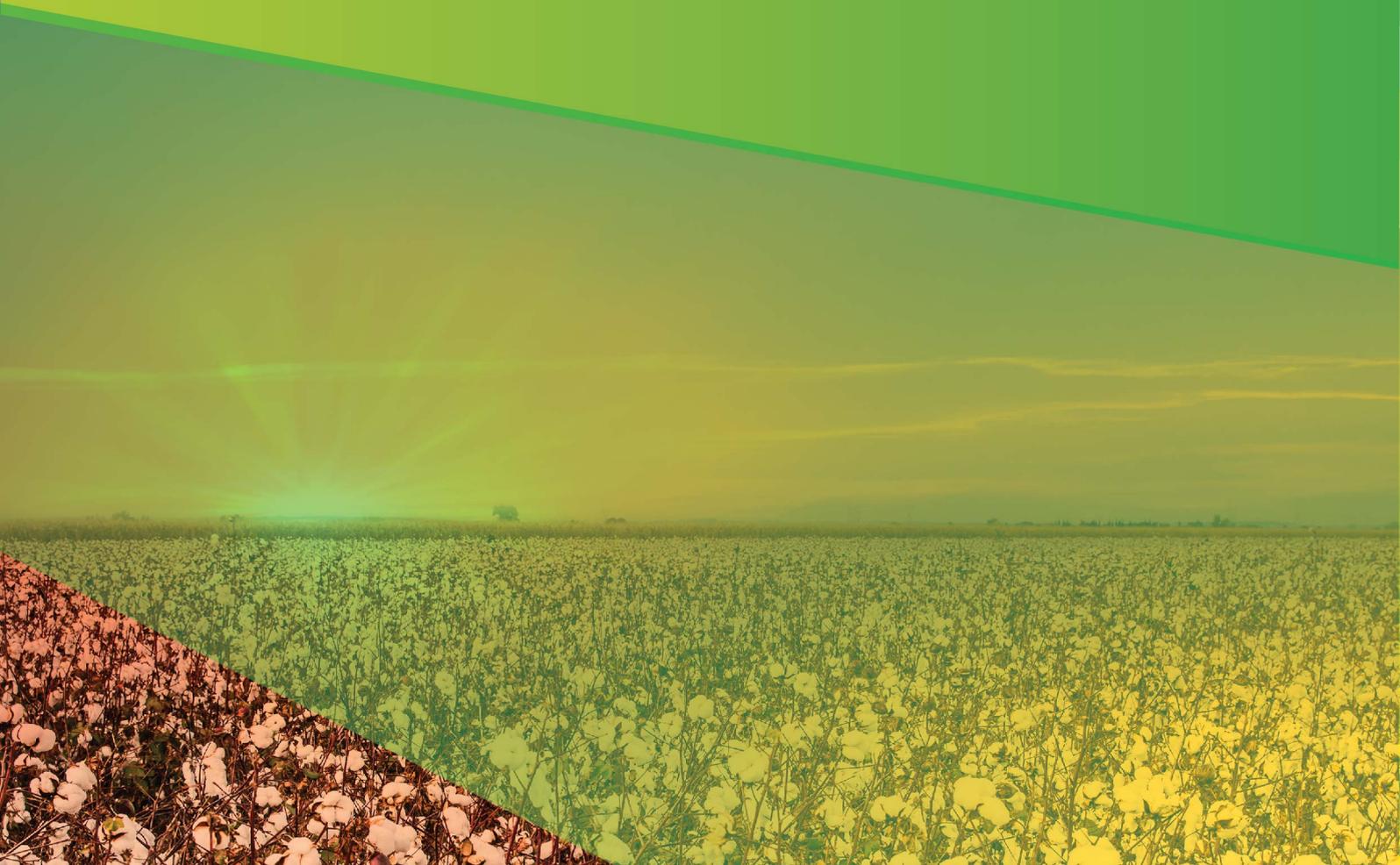
Prepared by:

Faaria Volinski, InkMo Editorial and Jasmer Dhingra, IDH
with inputs from the BCFTP Secretariat

Design by:

Brandonama Creatives Pvt. Ltd.
www.brandonama.com

Special thanks to the BCI team for their support!



Better Cotton Fast Track Program Stakeholders



Solidaridad



BESTSELLER



LEVI STRAUSS & CO.

MARKS & SPENCER

TOMMY HILFIGER

