Organic by Choice
Farm program. The first 5 years.
2006 - 2010
“Together we will create a textile sector that is environmentally sound, socially just, and economically beneficial for all members of the value chain. Together, we can make a difference.”

David Bennell
CEO, Organic Exchange
our partners and sponsors

ICCO
The Interchurch Development Organisation (ICCO) was instrumental in setting up the Farm Development Program (FDP) in 2005. ICCO has been supporting the FDP - now the Farm Engagement Program, both financially and professionally, since this time.

Further partnership and support:

C&A
Initially to establish farmer training in India around issues such as seed, water, contamination and best practices. Further collaboration included piloting the Textile Exchange KPIs through self-assessment with producer groups and exploring other community development projects.

ComMark
The ComMark project was set up to develop the potential for an organic cotton source from South Africa.

Martin Fabert
The Martin Fabert Foundation has supported Textile Exchange since 2002. Program funding has included work in promoting sustainable production of organic cotton, financial support to develop the health care platform, as well as the HealthyCotton.org initiative, and website platform development.

Nordstrom
In collaboration with NOGAMU, Nordstrom and Textile Exchange develop training and capacity building for organic cotton farmers in Uganda.

Tesco
A feasibility test for organic cotton in Mali was initiated by Katherine Hamnett and financially supported by Tesco.

Thanks also to the generous support of our members.
five years of farm development
<table>
<thead>
<tr>
<th>initiatives</th>
<th>results</th>
<th>page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reporting fiber production</td>
<td>Annual farm and fiber global data collection and published report since 2006</td>
<td>21</td>
</tr>
<tr>
<td>Raising the profile</td>
<td>Online searchable farmer profile map featuring over 80 producer groups</td>
<td>23</td>
</tr>
<tr>
<td>Building a toolkit</td>
<td>Comprehensive range of fact sheets, guidance material and posters - in English and Spanish</td>
<td>25</td>
</tr>
<tr>
<td>Assessing sustainability</td>
<td>Self-assessment scorecards used by over 80 producer groups - comprehensive report</td>
<td>27</td>
</tr>
<tr>
<td>Encouraging diversification</td>
<td>Baseline &amp; follow-up reports of farm systems, food security, and market opportunities</td>
<td>29</td>
</tr>
<tr>
<td>Advocating responsibility</td>
<td>Research into responsible production &amp; trade resulting in comprehensive discussion paper</td>
<td>31</td>
</tr>
<tr>
<td>Putting contacts in touch</td>
<td>Online searchable farm directory, plus regional directories in English and Spanish</td>
<td>33</td>
</tr>
<tr>
<td>Strengthening integrity</td>
<td>Consortium of advisors directing review, action planning and overseeing guidance material</td>
<td>35</td>
</tr>
<tr>
<td>Our networks</td>
<td>Regional and local producer group capacity building, training, forums and advisory work</td>
<td>37</td>
</tr>
<tr>
<td>Our virtual community</td>
<td>Online interactive farm blog and community of practice members website</td>
<td>39</td>
</tr>
</tbody>
</table>
Foreword

Organic Exchange’s mission is to expand organic fiber agriculture as a viable means of economic development and social and environmental improvement, for farming communities globally, particularly in the South.

We believe organic cotton produced with social integrity should be the flagship of the cotton industry. We support fair and transparent value chains and promote the environmental, social, and economic stability that organic farming delivers to farmers, communities and our planet. We envision farmers working within well-organized and well-informed producer groups, enjoying access to stable and rewarding value chains, and securing access to healthy and nutritious food by means of crop diversification. We see organic agriculture as the vehicle for delivering this vision.

Organic Exchange’s approach is unique because we bring the entire supply chain together to face challenges and be part of the solution. We bring farmers to the table with brands and processors to find solutions that benefit all involved. We help interpret the benefits of organic so that both buyers and producers have a better understanding of the intrinsic value of organic agriculture. Marginal farmers are given a voice in ways not previously possible and the right tools to communicate their businesses.

Poverty and social inequality are huge and complex problems. Finding an answer is not simple. By producing cotton organically the product rises above the anonymous commodity market and individual producer groups have an opportunity to be engaged in the marketplace.

Organic Exchange is different because we see all supply-chain players as part of the organic cotton community. OE works with the whole community to find economic, social and environmental solutions that benefit all involved. The work of Organic Exchange helps promote a more sustainable mode of production, especially for small scale farmers, within an industry that suffers wide ranging problems associated with fiber, textile and apparel production the world over. Our approach to business ultimately benefits all players (farmers, processors, retailers and consumers) and is a leading example of 21st century best business practice.

LaRhea Pepper             Liesl Truscott
Senior Manager             Director, Farm Engagement
Organic Exchange             Organic Exchange
“We work hard to make sure the supply chain from farmer to retailer is transparent, efficient, and equitable. Without any of those pillars, the process is unbalanced.”

La Rhea Pepper,
Organic Cotton Farmer,
Founding Partner and Senior Manager, OE
executive summary
Organic Exchange started life in 2002 – set up as a charity working internationally to improve the markets for sustainable textiles. The Farm Development Program (FDP) commenced in 2006 with the generous funding and support of strategic partners ICCO (a Dutch development organisation). The goals of the FDP were to build a network of organic cotton farmers globally; supporting the growth of organic cotton production and facilitating the markets.

Over the past 4-5 years Organic Exchange has worked hard to improve not only the production and markets for organic cotton but to raise the profile of the farmers behind the production. Unlike the commodity markets of conventional cotton, organic offers a fully traceable value chain right back to the growers. This allows the organic cotton industry to maintain the ‘human face’ vital for the integrity of the organic labelling but just as important for tracking the economic and social development of the rural communities that grow it. Looking back, our work has focused on building the business case, equipping organic cotton producers with the tools and networks essential to sustainable growth and exploring market linkages.

The next five years will see Organic Exchange move even further into supporting the integrity of organic and the economic development of its member producer groups. The FDP, now the Farm Engagement Program, continues to reach out to producer groups with tools and ‘platforms’ for improving business. In addition, as a result of improved standing within the textile sector and a well-established reputation in regions of organic cotton growing, OE is in an excellent position to influence and shape the future. Our early investigations into robust business models, fair prices, business diversification and sustainable production mean we can feed this back into the growing community but possibly even more importantly advise our member brands and retailers about responsible business practices.

The integrated nature of OE means we can talk ‘organic cotton production’ to member companies (retailers and brands etc) and ‘marketplace issues and trends’ to farmers. We can be the interpreter. We look forward to reflecting on the next five years and seeing our role as interpreter become less necessary as the producers and retailers of organic cotton increase their understanding and channels of communication through closer working relationships.
Organic Exchange is a non-profit, tax-exempt charity operating internationally and committed to the responsible expansion of both the organic cotton and sustainable textile value chains. OE is headquartered in the USA with staff located in thirteen different countries across five continents.

In 2001, a collaboration of key innovators from the global organic cotton value chain founded Organic Exchange, and OE was legally incorporated as a charitable organization in 2002. Today, Organic Exchange’s membership includes over 230 organizational members from every major textile production region and includes stakeholders from NGOs, government, business, funders, and other interest groups worldwide. In seven years, Organic Exchange has helped grow the global organic cotton market from under $300 million to over $3 billion. In doing so, it has helped improve the economic, social and environmental conditions of thousands of farmers and producers in developing countries, and thousands more who depend on them.
our approach
OE is one of the few organizations that can take a global approach to developing markets. This is particularly effective given the global nature of cotton production and consumption. It is a proven model that has great promise when applied to other sustainable fibers and textiles as well.

Our work focuses on building demand and supply simultaneously. Our demand efforts focus at the brand and retail level. Building demand in this way helps increase fiber production (supply) and enables suppliers to create short- and long-term production schedules. Our efforts culminate in consumer education, highlighting farmers and farming innovations, beautiful yarns and fabrics, and highly desirable products.

OE is unique in that we focus on the entire value chain, from seed procurement through to retail. We provide models and tools for collaborative planning, problem solving, product development, and point of purchase materials.
We now positively affect the lives of over 220,000 organic cotton farmers worldwide...
... Conservative estimates show that each farmer in the Global South has responsibility for a household of five people. This means that OE programs have directly and positively impacted the lives of over 1,110,000 people in developing countries.
our farm program
The Organic Exchange Farm Development Program was initiated in the Fall of 2006. Over the past 4-5 years this program has focussed on improving small organic cotton producers’ access to sustainable apparel markets and linking producer groups to OE’s network of brands, retailers and manufacturers seeking organic cotton.

The OE farm team works with established, as well as emerging producer groups in all cotton producing regions. The program reaches farmers directly and through strategic partnerships and Industry networks. Experienced Regional directors are based in Latin America, Africa and India; with core support based in the US and the UK.

The key program activities for the past five years were:

- Provide farm and market information to producers and industry members
- Develop and disseminate best practices around good governance and sustainable business models
- Expand and support access to financial and other resources
- Encourage farmers and producers to connect to local and regional networks
- Develop and implement ways to assess the environmental, social and economic ‘sustainability’ of organic cotton production
- Provide farmer support - tools, training materials - in the strategic areas of market access and industry integrity

This report takes a look at the highlights of our initiatives and achievements over the past 5 years.
our values
• We believe cotton that is produced organically and with integrity should be the flagship of the cotton industry.

• We are committed to supporting fair and transparent value chains.

• We are committed to promoting the environmental, social and economic stability that organic farming delivers to farmers, communities and our planet.
• Organic cotton farmers enjoying access to stable and rewarding value chains

• Well organized and well informed Producer Groups

• Environmental sustainability

• Farm families enjoying secure access to nutritious food

• Organic by choice
reporting fiber production
Every year we publish the Farm and Fiber Report which recaps the year in organic cotton. We engage directly with farmers to collect information on fibre production. The report provides an expert commentary on who’s growing what, where and how much. In the report we discuss the ups and downs of the market over the past year and include a review of activities within key regions and a closer look at emerging issues.

The Farm and Fiber Report has come to be a distinctive and valuable tool for all stakeholders interested in production trends in organic cotton. We have now produced four reports; each providing an annual account of:
- The global context of cotton which organic production sits within
- Organic cotton production and markets
- Overview of area under production and average yields
- Estimates of future organic production trends
- A review of pricing
- Regional profiles of organic cotton growing
- Changes in the market caused by growth and other impacts
- Steps farmers, companies and other organizations can take to support the sustainable expansion of organic cotton supply

The Farm and Fibre Report is used to both inform Brands and Retailers about sourcing opportunities, and to raise awareness of issues facing organic cotton farmers in production and sustainability.
raising the profile
The online farmer profile map gives organic fiber producers an unprecedented level of visibility and voice in the marketplace. Here, organic cotton farmers on every arable continent can be easily located, profile and product information can be communicated to buyers and all interested stakeholders. Detailed farming information is displayed including certification, as well as insights into the environmental, social, and economic benefits and challenges facing farmers today.

To help raise the profile of small scale farmers and producer groups growing organic cotton we have created a ‘meet the farmer’ profile map. The map is located on the Organic Exchange website. Here, we provide profile and contact details of producer groups worldwide.

Through this initiative we aim to promote organic cotton producer groups across the globe. In pursuing this objective the challenge in connecting and exchanging information is apparent, and the motivation to build a network increases.

The primary focus for this tool is to create a virtual “market access point” for farmers and farm groups.
building a toolkit
The OE Farmer Toolkit is a compilation of best practices - scientific research and farmers’ experiences - collected to provide crucial information on core organic cotton agricultural practices. The farmers toolkit provides essential information for field use, certification and responsible trade. The toolkit is written in both English and Spanish.

Each subject covered has a fact sheet that can be downloaded and many have a power point presentation and a poster that can be accessed. Information is available on each of the following:

- Certification and Internal Control Systems
- Growing Calendars
- Harvest and Quality Control
- Soil Management
- Crop Nutrition
- Guide for Responsible Fiber Production and Trade
- Intercrops
- Pest and Disease Management
- Organic Producers
- Directory of Resources
assessing sustainability
We created a set of ‘Indicators’ to help assess the impact of cotton farming practices. We are now building a more complete picture of how organic cotton contributes to the economic and social development of rural communities.

A set of scorecards use key performance indicators (KPIs) help farmers assess the impact their organic farming practices are having on their local environment and the livelihoods and socio-economic development of their families and local communities. The assessment tool is designed to be multi-faceted in that it can be used by farmers to identify areas for improvement, communicate practices they are particularly proud of, and challenges to high performance. The ‘scorecard of results’ can also be used to open a dialogue with brands and retailers; and offers a useful insight for companies and other organisations wanting to identify how best to invest in rural communities. In the future, we hope this tool can provide a barometer of the benefits of organic cotton agriculture for a sustainable future.

The assessment tool (sometimes referred to as ‘KPIs’) was trialled in 2007-08 in Senegal and Turkey and minor alterations to the scorecards were made as a result. A growing number of producer groups - in 2008-09, 64 farm groups in Africa, Latin America and India – used the ‘self-assessment’ scorecards to better understand their environmental and socio-economic impact. Many are now implementing their own improvement programmes based on their assessment results.

Techniques and methodologies for carrying out assessments are based on participatory learning and action (PLA). A training manual and guidelines have been produced to help facilitators appropriately manage assessment meetings. The guidelines were developed to provide an understanding of the indicators within the scorecards and to help establish a degree of consistency in approaches.

An OE report ‘Assessing Sustainability’ provides an analysis of the scorecards and program participation to date; exploring perspectives of environmental, social and economic impact of organic cotton farming contributed by producer groups in Latin America, Africa and India.
encouraging crop diversification
Organic Exchange promotes the role of farm system crops for many reasons - ranging from soil fertility and pest management to local market development but particularly for the food security a diverse range of crops brings to farming families.

OE has spent two years now exploring the role farm system crops (rotation crops, trap crops, intercrops etc) play in organic cotton farming. An initial report drawing on the results of a farm survey provided a baseline of information on the types of crops organic cotton producers grow, the roles the crops play as part of the farm system, and how crops are used by farming families, get into local food markets or are sold as additional cash crops for export. We also took a look at future and emerging market opportunities, the potential for value adding and the challenges facing this type of expansion.

A follow-up report provides a closer look at the benefits crop diversification give the organic cotton farmer - environmentally, socially and economically; raising awareness of the many uses system crops have in terms of soil fertility, pest management, food security, and supplying local, regional and global markets.
advocating responsible business
What does responsible production and trade look like for organic cotton? Over the past few years OE has researched price issues, profit distribution, and sustainable pricing mechanisms in cotton production. We are now able to create a portfolio of case studies which provide real-life examples of successful organic cotton businesses.

There is much debate about what ‘organic’ stands for and how the ‘premiums’ for organic production work. In response, we studied various organic cotton production business models to gain a better understanding ourselves. This work involved researching a number of business models (including models from other sectors such as coffee), surveying producer groups, and delving into trade relationships. The resulting discussion paper ‘responsible production and trade’ contains the results of our work; including information on price issues, price and profit distribution, the basis for a sustainable price mechanism and suggested business models that maximise farmer income. The discussion paper has catalysed a growing portfolio of case studies, providing real-life examples of successful, sustainable organic cotton businesses.
connecting people
The OE Farm Resource Directory provides essential contact information to farmers ranging from finance providers to certification agencies. The ‘master’ document is a Global Resource Directory available online as an interactive database. The master directory has also been divided into regions so that each major organic cotton growing community has its own edition in a convenient language. Regional resource directories can be found in English, Spanish and French and have been distributed to all producer groups.

With information on the type of organization, contact information, and scope of work, farmers are able to gain access to resources and groups that would otherwise go untapped. For example, international research bodies like BioFach and IFOAM, financial services, credit providers, international NGOs, trade organizations, government agencies, farmers’ associations, and manufacturers from countries all over the world are listed. With almost 300 entries, the directory provides a valuable tool for farmers across the globe to find the information they are looking for in one place.
strengthening integrity
Strengthening industry integrity is embedded in all of OE’s initiatives. Specific to the Farm Program, we have prepared a technical paper on Internal Control Systems as part of the Farmer Toolkit. This is being utilized in farm group training and is being distributed to Farmer Groups and posted on the OE Website.

Due to the critical nature of industry integrity specifically in India, OE formed a consortium along with ICCO, Solidaridad and IFOAM. The consortium’s goals are firstly to identify, create dialogue, and help address key issues around organic integrity for cotton, and secondly to contribute to the development of a more robust system for organic cotton.

Following a meeting in Indore, India the consortium has released 6 key action items to be addressed:
- Formation of an association/forum of Indian Organic Cotton Producers
- Initiate a Platform for Certifying Bodies
- Development of Brand-Appropriate Communication
- Include Brands in the Organic Cotton Integrity Discussion
- Tackling the Challenge of non-GM Seed Availability
- Understanding and Avoiding GM Contamination
building networks
Without the positive engagement with farmers and the activities we do directly such as co-ordinate regional convening, host workshops, hold face-to-face meetings, undertake annual survey visits, co-ordinate advisory group meetings and round table discussions and run training sessions, the work we do on raising awareness with stakeholders and exploring market opportunities would not have the same effect. OE work hard to strike the right balance.

The farm team prioritizes direct contact wherever possible, particularly advising and supporting farmers in our three key growing regions: Africa, Latin America and India. Through partnerships, long-standing relationships, and a carefully maintained database (with around 300 producer groups listed) we ensure the entire organic cotton growing community is involved in all our initiatives - be it farm surveys, self-assessment, farmer visibility, or receiving our newsletter and other correspondence.
and our virtual community
Online communications is the future of staying connected and maximising reach. Organic Exchange has built a Farm Blog to communicate directly with farmers. We are also active players in bringing a ‘Community of Practice’ (CoP) platform to the broader organic cotton community.

The Farm Blog is a small forum designed to work directly with the farm community. OE staff and strategic partners such as Helvetas (the Swiss Association for International Cooperation) post regular updates on activities, training, publications, events etc but also encourage others to do the same. The CoP was created in partnership with Helvetas and ICCO for active members of the global organic cotton community to share conversations, knowledge and information about organic and fair-trade cotton. This partnership has intensified collaboration in these areas and draws on synergies and efficiencies in the exchange of information and learning opportunities. Topics are broad-ranging and include competitiveness and pricing, long term success of GM cotton, policies and political agendas, and sourcing options for small brands.

Farm Blog: [http://blog.organicexchange.org](http://blog.organicexchange.org)  
Community of Practice: [www.organiccotton.org](http://www.organiccotton.org)
telling the story
“Organic cotton rewards like a well cared for baby. When it is done well, it gives good revenues and leads us to better times.”

Michael Atekokale,
Organic Cotton Farmer,
Benin, West Africa
special thanks to our pioneers

Farm Development Team (2006-2010)

Simon Ferrigno, Former Director Farm Development, UK
Prabha Nagarajan, Regional Director, India
Silvere Tovignan, Regional Director, Africa
Alfonso Lizarzaga Travaglini, Regional Director, Latin America
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Or visit our website

www.TextileExchange.org
A Unique Focus on the Entire Value Chain - Improving the Lives of Over One Million People

Through the work of Textile Exchange, and as a direct result of funding from our key partner ICCO, we now positively affect the lives of over 230,000 organic cotton farmers worldwide. Conservative estimates show that each farmer in the Global South has responsibility for a household of five people. This means that Textile Exchange programs have directly and positively impacted the lives of over 1.4 million people in developing countries.

Textile Exchange’s methodology is unique and innovative in many respects, including:

Textile Exchange is one of the few organizations that takes a global approach to developing markets. This is particularly effective given the global nature of cotton production and consumption.

Our work focuses on building demand and supply simultaneously. Building demand at the brand and retail level helps increase fiber production and enables suppliers to create short- and long-term production schedules. Our efforts culminate in consumer education, highlighting farmers and farming innovations, beautiful yarns and fabrics, and highly desirable products.

Textile Exchange is unique in that we focus on the entire value chain, from seed procurement through to retail. We provide models and tools for collaborative planning, problem solving, product development, and point of purchase materials.