Meeting Of The Global Organic Cotton Community

A Pre-Conference to IFOAM Organic World Congress 2014, Istanbul
Agenda

14:00 - 14:15  Welcome
14:15 – 14:45  The Future of Organic Cotton
14:45 – 15:05  Seed Security and Managing Contamination
15:05 - 15:25  The “Syprobio” Project
15:25 - 15:45  Coffee Break
15:45 - 17:00  Tabletop Discussions
17:00 - 17:15  Feedback to the Group
17:15 - 17:30  Agreed Actions and Next Steps
Deepika Malik, C&A Foundation

Please see the C&A Foundation website for more information: http://candafoundation.org/
Andrea Bischof, Helvetas
Global Organic Cotton Community

3rd Face to Face Meeting

www.organiccotton.org
This platform is a joint initiative by HELVETAS Swiss Intercooperation and Textile Exchange financed by SECO (and ICCO)

www.organiccotton.org
Background

- Online platform existing since 2009
- Facilitated e-discussions
- Topics defined by the community members
- 834 community members
- 50% Europe, 23% America, 18% Asia, 9% Africa
- 20% brands & retailers, 20% NGO, 10% processors & traders, 6% producers, 5% designers, 5% certifier, 7% research, 17% others
1st Face to Face Meeting

World Congress on Organic Cotton
Interlaken, Switzerland 2009
2nd Face to Face Meeting
Textile Exchange Annual Conference
Barcelona, Spain 2011
3rd Face to Face Meeting
World Congress IFOAM, Istanbul, Turkey 2014

www.organiccotton.org
e-mail based discussions on issues that affect you...

- Match supply and demand of OC
- Harvest estimates
- Water consumption in OC production
- Non-GM seed availability
- Integrity of OC value chain
- Sourcing options for small brands & designers
- Access to finance for OC projects
- Implications of India's export ban
- Dye stuff suitable for OC
- Price trends
- Influencing consumer habits
- …
Summaries of e-discussions

All summaries are available in the library of www.organiccotton.org as „key learnings“
New topics for e-discussions

Any suggestion for a topic to discuss?

Just let us know!

Please write your topic(s) and possible expert names on the flip chart in the break
Information Resources

- read new articles and reports
- see the latest figures of databases
- find links to other online resources

www.organiccotton.org
Community interactions

- participate in online dialogues
- share news and key documents
- attend face-to-face meetings

www.organiccotton.org
Why should you get involved?

• receive quick responses to your questions about hot issues
• save time gathering information about organic cotton
• keep up with the latest news
• be part of a constantly evolving network of people working in the same field of interest
• participate in shaping strategies in the global organic cotton sector

www.organiccotton.org
Register now!

Join us in knowledge sharing because knowledge is more valuable when it is shared!

www.organiccotton.org
The Future of Organic Cotton
Liesl Truscott
Textile Exchange

Organic Cotton Update
Vision.
We envision a global textile industry that restores the environment and enhances lives.

Mission.
We inspire and equip people to accelerate sustainable practices in the textile value chain. We focus on minimizing the harmful impacts and maximizing the positive effects of the global textile industry.

TE is a global not-for-profit organization with a diverse membership – servicing all members of the textile value chain.
Our focus is on:

- Raw materials
- Integrity
- Value chains

Our core expertise and long-term experience is in organic cotton. We now take these competencies to a wider sphere of influence while maintaining our core competency in organic cotton.
a sample of TE member companies
farm engagement highlights - 2014

**INFORM**
- Online “Farm Hub”
- Organic Cotton Market Report (overview)
- Organic Cotton Market Analysis (deep dive)

**CONNECT**
- Biofach (Nuremberg)
- IFOAM Organic World Congress (Istanbul)
- Munich Fabric Start (Munich)
- TE Annual Conference (Portland)
- Organic Cotton Round Table (Portland)

**LEAD**
- NEW “About Organic Cotton” consumer-facing microsite
- NEW Global Life Cycle Assessment for OC cultivation
- NEW Sustainability Impact Assessment Tool
- NEW Organic Cotton Accelerator
In 2012-13 Textile Exchange estimated global production of organic to be around 109,826 MT fiber.

Organically grown fiber made up around 0.4% of global supply.

74% of OC was grown in India.

The majority of the remaining quarter was grown in China, Africa, and Turkey.
production trends

- TE has been tracking organic cotton production since 2004.
- Early on, Turkey was the dominant producer of certified organic cotton.
- From 2006, Indian production grew exponentially. By 2008 India far outstripped production in all other regions.
- By 2010 India was responsible for 74% of global organic cotton production. Syria was 2nd in the league table (reported in EMENA & CA*).
- Although the graph reflects a lag in actual impact, the financial crisis of 2008, introduction of Tracenet in India, seed shortage, civil unrest in Syria, and the rise of BCI (as an easier entry standard) resulted in a sharp decline.
- While demand for organic cotton is increasing, a lack of sector and market organization, investment and incentivization for farmers, and challenges associated with niche production, is resulting in a diminishing supply.
the challenges

Decline in supply is due to a number of challenges facing the sector including:

- Market signals are not getting through/supply is not responding to demand
- Lack of economies of scale and value chain complexities
- Inability to access quality seed suitable for low-input agriculture
- Prevalence of GMOs in many organic-producing areas and potential for contamination
- Competition from new easier-entry sustainability initiatives
- Supply chain disharmony (between cultivation and market cycles)
- Timeliness of payments and “leakage” of organic into conventional cotton supply chains

If unaddressed, these issues will lead to a serious supply shortfall very soon.
Alongside supply, Textile Exchange has been tracking Organic Cotton consumption (demand) since 2004. While demand data is more difficult to collect (and as a result less accurate) the above trend line gives a fairly good account of what is happening in the market and a clear indication of growth.

(Note: Analysis is based on data disclosure.)
current scenario

There is currently a DISCONNECTION IN THE SUPPLY OF ORGANIC COTTON AND THE DEMAND.

While supply decreases the demand for organic cotton continues to grow. We have now reached the point where demand will be greater than supply.
Could this happen?

**Global organic cotton demand is increasing, yet production is not keeping pace.**

According to insights into demand targets, a growth of 19 per cent per year could be conservative. (Note, historic growth over the past five years averages 32 per cent).

So why – if demand increasing – is supply declining?
Marci Zaroff
Portico/Under The Canopy

introducing the Chetna Coalition
Chetna Coalition: Our Pilot
Current Organic Cotton Sourcing Practices
Chetna Coalition: Collaboration & Shared Value
# Work Streams & Activities: Our Coalition Efforts

<table>
<thead>
<tr>
<th>Coalition Efforts</th>
<th>Description</th>
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<tbody>
<tr>
<td><strong>Communications</strong></td>
<td>Communication tools for value chain partners, customer facing marketing assets, branding and logo development.</td>
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<tr>
<td><strong>3DPNL</strong></td>
<td>Works on refining three dimensional assessment tool, reporting structure, and strengthening verification of financial, social, and environmental metrics.</td>
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<tr>
<td><strong>Value Chains</strong></td>
<td>Value chain solutions for region specific lint sourcing, traceability, product versatility, and long term commitments.</td>
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<tr>
<td><strong>Programs</strong></td>
<td>Development and implementation of programs and procedures to effectively and responsibly address sustainable development needs within active coalition regions. ie. Climate change adaptability.</td>
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Work Stream Coordination & Responsibilities

• Work streams are coordinated by work stream leads

• Each brand representative chooses a work stream that best fits their skill set or expertise

• Representatives agree to provide one hour of work per month on their chosen work stream and to take part in a work stream call approximately once every two months
Coordination Team

• General Coalition activities are coordinated by the Coordination Team

• The Coordination Team is composed of work stream leads, producer group leadership, facility representation, and Coalition administration

• The Coordination Team holds a conference call monthly to review progress
# Coalition Pilot Success Factors

<table>
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<tr>
<th>Qualitative</th>
<th>Quantitative</th>
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<tr>
<td>Decrease in % leakage of organic cotton into the market</td>
<td>Decrease to 35% by 2017</td>
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<td>Increase in total sales of organic cotton through the coalition</td>
<td>Increase by 10% year on year</td>
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<td>Increase in total farmer household profitability (above income from increased organic sales)</td>
<td>Increase by 25% by 2017</td>
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<td>Increase in the number of organic farmers in Coalition supported villages</td>
<td>Increasing number of farmers year on year (number relating to the growth in sales)</td>
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<td>Decrease in Chetna marketing and sales costs from increases in efficiency and decrease in certification costs</td>
<td>Decrease year on year by at least 5%</td>
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<tr>
<td>Increase in total area of organic area</td>
<td>Increase year on year 20%</td>
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<td>Increase in farm productivity</td>
<td>35% increase in productivity by 2017</td>
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# Coalition Pilot Calendar of Events

<table>
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<tr>
<th>Objective</th>
<th>Indicator</th>
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<tr>
<td>September 25</td>
<td>• Members sign up to work streams and hold first work stream group call led by work stream lead</td>
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<td>November 1</td>
<td>• Procurement projections collated and organized by Chetna Organic for all participating coalition members by October 2014</td>
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<td>• Sustainable sourcing projections secured by MOU signed by brands</td>
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<td>November 9-12</td>
<td>• Textile Exchange Textile Sustainability Conference (Portland Oregon USA)</td>
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<td>Mid November</td>
<td>• Chetna organic cotton harvest</td>
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<td></td>
<td>• Secure commitments of 400 MT of lint cotton for 2014/15 harvest; c. 25% or 100MT, under long term commitments</td>
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<td>• Procurement of lint by Chetna producer group</td>
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<td>• 100% production from Lebed and Dhanora (pi) procured by coalition and traced through supply chain in line with harvest</td>
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<td>December 1</td>
<td>• Establish and pilot traceability and source separation program from coalition villages to garment production.</td>
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<td>December 25</td>
<td>• 3DPNL analysis of full value chain</td>
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<td>January 10 (TBD)</td>
<td>• Coalition members attend and promote Chetna birthday in January 2015 - depending on harvest</td>
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<td>February 20</td>
<td>• 3DPNL report available for brands</td>
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<td>March 15</td>
<td>• Coalition establishes as a legal entity</td>
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<td>• Strategic intervention plan established based upon 3DPNL</td>
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Key Deliverables & Industry Learnings

• Case Studies
  - Direct village sourcing and traceability
  - Direct premium payments and cost saving potentials
  - Demand-coalition frameworks and administration
  - Regional lint sourcing to global value chain mapping and potentials
  - Communications framework for holistic community sustainability
  - Coalition intervention for climate change adaptation

• Reports
  - By the end of year one of coalition activity, we will produce two comprehensive reports on the holistic financial, social, and environmental evaluation community sustainability of two villages in two different states in central India, Lebed and Dhanora (Pi)
Governance

- The Coalition is a consensus based, democratic decision making body with one-brand-one-vote representation

- Coalition pilot is externally funded and independently operated by members

- Group decisions made on formal proposals can be brought by any member

- Consensus decisions must represent the majority of member brands with absent votes counted as pro-adoption

- Brands may raise an absolute objection on a voting result, whereby the Coalition will host a re-vote on a draft compromise
Mans Lanting
Lanting Agri-Consulting
Expert Advisor TE Seed Task Force
Presentation Istanbul: seed task force, preliminary results survey

H. Lanting, E. Nuijten
Objectives of the survey

- Find out in which parts of the world organic cotton seed is difficult to obtain
- Find out how important contamination of organic cotton with GM cotton is in different parts of the world for different actors in the chain
- Get an impression whether it would be required to set up organic seed production programs and in which regions
- Prioritize the regions
- Get an idea how much a seed program would cost
- Get an idea about the developments in the market according to the different actors in the chain
- Get an idea how much congruence in expectations of development of the market exists between various actors in the chain
(Results omitted until finalised)
Abel Gouba
Organic Cotton Programme, Burkina Faso
GOCCP: Organic and FT cotton Programme in Burkina Faso - Bio-intensification system

Abel GOUBA, Team Leader Rural Economy, Burkina Faso

Istanbul 11.10.14
• Cotton Farmer Unions of Burkina Faso (UNPCB)
• Implementer of organic production part (since 2004)
• 9’300 organic producers (40% : 3’720 women)
Context and justification

The challenges of the intensification:

• Low yields and economic rentability of the organic production system

• Technical extension tools not applied or only partly adopted

• Inadequate learning methods at producer level and not specific to areas and production systems: too theoretical tools, inadequate for target group etc.
Main objective: to offer appropriate support and extension approaches to increase productivity

Specific objectives:
• Analysis of the production methods
• Selection of best practices as per type of farm
• Development and proposition of approaches and didactical tools for an adjusted extension.
Methodology

• Data base of the programme
• Two provinces: Fada and Dano
• Focus of analysis: Smallholder farms
• Interviews: 94 producers interviewed:
  - 47 as per zone, of which 23 with yields < 200 kg/ha and 24 with yields > 600 kg/ha (campaign 2011-2012)
• Income per farm
• Participatory workshops to share results
• Proposition of practices, approaches and didactical tools
Main results

Three levels that limit the intensification of the organic production

- Framework condition for the organic sector
- Production factors
- Application of technologies
Framework conditions of the value chain

• Late supply of seeds;
• No transparency of input prices and sales price for cotton (for the farmers)
• Late collection (after the conventional cotton) and late payments of organic cotton
• Absence of valorisation of organic rotation crops
• Extension staff in place but advices too standardized and focussing only on certification
• Funding of internal control staff not internalized (not sustainable)

→ farmers leaving organic production
Production factors

• Differences noticed in production factors between the yield groups
• Influencing factors on yields:
  – Level of equipment → influences early planting and crop management
  – Disposability of men power → organic is very demanding because of weeding
  – Animal husbandry → disposability of organic material
  – Disposability of land → possibility for fallow, investment in soil fertility, soil conservation techniques, soil quality, etc.
Application of technologies

• Short rotations: cotton/cereals – few legumes
• Production of compost:
  – Availability of organic manure:
    • Sufficient animals, more intensive management
    • Collections near to water points
    • Collections close to the herders (peulhs)
  – Compost ditch or pile not decomposed:
    • Principale limits: availability of water, number of « turns » and manner of protection → compost not mature, little fertile and provoking weed pressure
  – Soil management (application of organic matter, weeding, accumulating the soil around the plant)
• Plant protection (alternative products)
Actions taken and results
Caracterization of farms and strategies

A) Non equipped farms: very small surface, no working animals → no animals or small ruminants, < 3 ha, < 1 ha/ workforce

B) Middle farms: equipped, middle size surface, limited number of workforce → 1-2 cattles + small ruminants, cultivator/hiller or plough, >3-7 ha, >1 ha/ workforce

C) Well equipped farm, big surface, important livestock → > 2 cattles, small ruminants, all equipment needed, > 5 ha, > 2 ha / workforce

Intensification strategy for all types of farms taking into account the typology of the farm, the consulting approach and the production factors.
Results of strategy implementation

• Efforts to improve the functioning of the programme
• Extension system (production factors, environment)
• Adoption of new production practices and reduction of workload (fertilization, production management)
• Visual didactical tools, formations, visits
• Business plans as per farm type
• Acquisition system for equipments in place
• Agroforestry, livestock integration, extension of crop rotation with legumes
Results of strategy implementation

Average yield of cotton

Average yield
Coffee Break
Tabletop Discussions: 3 tables, 3 topics, 3 discussions

Please observe the above guidelines during discussions
Discussion Feedback
Thank You!