



How we're making a difference in sustainable cotton production



the sustainable
trade initiative

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Key IDH milestones in cotton:

- ✔ Introducing BCI as a globally recognized standard
- ✔ 1.4 million metric tons of Better Cotton production*
- ✔ Achieving a 14% global market share
- ✔ Training over one million cotton farmers on sustainable farming practices
- ✔ Quadrupling the procured volume of Better Cotton by brands and retailers in three years (2015: 251,000 MT. 2018: 1, 064,421 MT)

*Figures are subject to change once the post-harvest licenses are confirmed.

Introduction

Since 2009, IDH, the Sustainable Trade Initiative has supported the Better Cotton Initiative (BCI) and its members and partners in numerous ways. Working closely with organizations, government, the private sector, and workers and farmers in the cotton industry, we have made a significant contribution to sustainable market transformation in cotton by way of an innovative multi-stakeholder setting.

The challenge

How to address the most pressing sustainability issues in cotton farming, including pesticide and water use and social challenges (e.g., child labor and gender issues) to make global cotton production better for the people who produce it, the environment in which it grows, and the sector's future.

Our approach

The Better Cotton Standard System is a holistic approach to sustainable cotton production that covers all three pillars of sustainability: environmental, social, and economic. IDH works together with BCI as a strategic partner to transform cotton production globally and develop Better Cotton as a sustainable mainstream commodity. From supply to demand, IDH helps BCI accelerate the growth of Better Cotton across the globe, supporting transformation in a diverse range of projects from implementation of better practices by farmers to institutional support, co-funding, convening, program management, project funding, and outreach activities.



Improving Sector Governance

In 2009, IDH established the Better Cotton Fast Track Program (BCFTP) to accelerate global uptake of the Better Cotton Initiative (BCI) as the mainstream global cotton standard. Started as a coalition of like-minded public and private partners, BCFTP transitioned in 2016 to the Better Cotton Growth and Innovation Fund (GIF) to better link the Fund's governance mechanisms and bodies with those of BCI.

Today, the Better Cotton GIF is a trusted, cohesive, and efficiently run public-private partnership. It mobilizes brands and retailers, facilitates dialogue and sharing of lessons between stakeholders, and attracts public and private investments to enable the transition to a market-driven funding model.

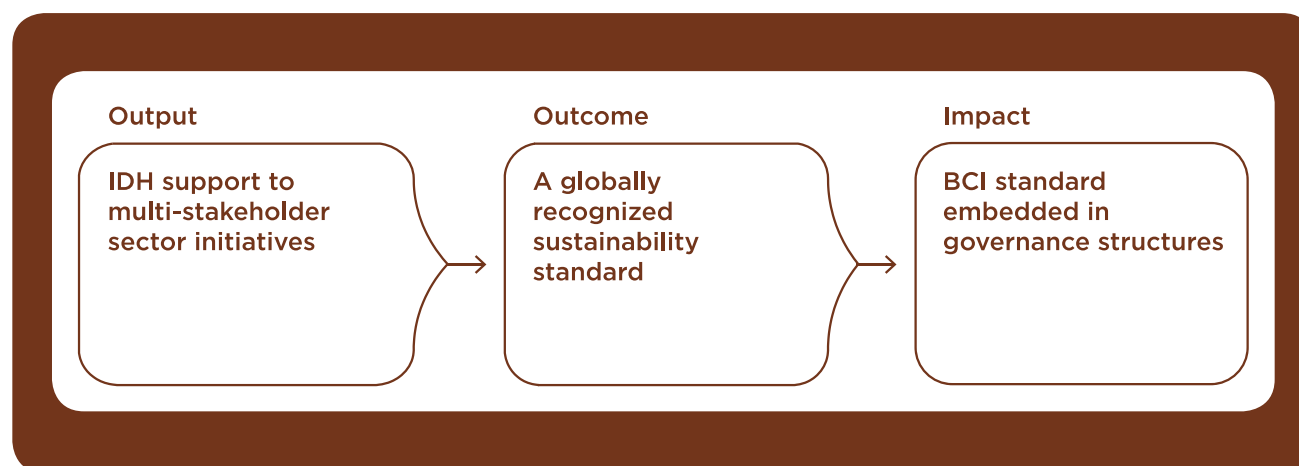
As a direct result of these collaborations, the Better Cotton standard now claims the largest global share of cotton production in terms of volume. Based on current projections, BCI will achieve a 19% volume share of the global cotton production for the 2017/18 season.



“Trust was lacking in the immediate beginning, but transparency on procedures and investments increased quickly and led to improvements. There has been openness in the way investments and measurement of impact have been communicated and discussed, providing the brands with a strong proposition for the justification of the engagement.”

“We value the collaboration and ongoing dialogue between the private sector, public sector, and civil society in the journey towards sustainable market transformation. Both BCFTP and GIF have provided a forum where retailers, funders, and implementers can communicate directly with each other. There seems to be a genuine willingness and strong motivation from all stakeholders to make the BCI succeed.”

“Without IDH's initial funding and innovative thinking, the BCFTP and BC GIF would probably not have been established.”





Advancing Business Practices

There has been a clear increase in the sourcing and procurement of Better Cotton by BCI members. The sourcing of Better Cotton has quadrupled since 2015 (2015: 251,000 MT and in 2018: 1, 064,421 MT) and the number of retailer and brand members sourcing Better Cotton has increased from 12 members in 2013 to 72 in 2017. For 2018, it is expected that 86 members will procure Better Cotton.

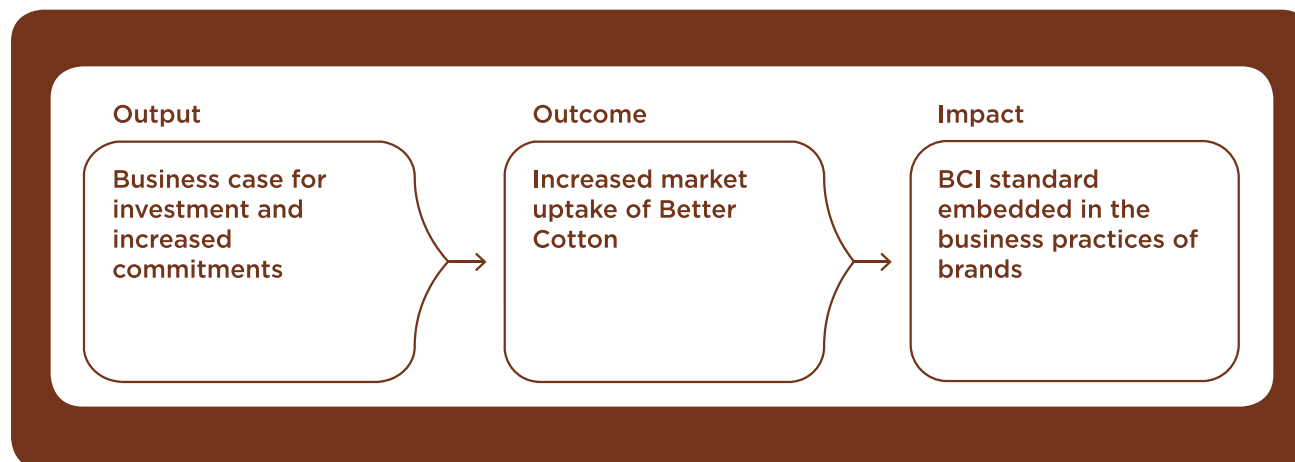
Key to this success has been the implementation of an outreach program to support brands, enabling the private sector to engage with supply chain partners in order to eradicate misconceptions around mass balance and educate on the benefits of Better Cotton.



“IDH had a key active role in explaining and promoting the ‘Business of Better Cotton’ to supply chain actors.”

“IDH helped clear tensions within the supply chain whenever brands needed help explaining BCI to supply chain partners.”

“IDH and BCI kept each other in balance, enabling the acceleration of uptake to become a reality.”



Increasing Field-level Sustainability

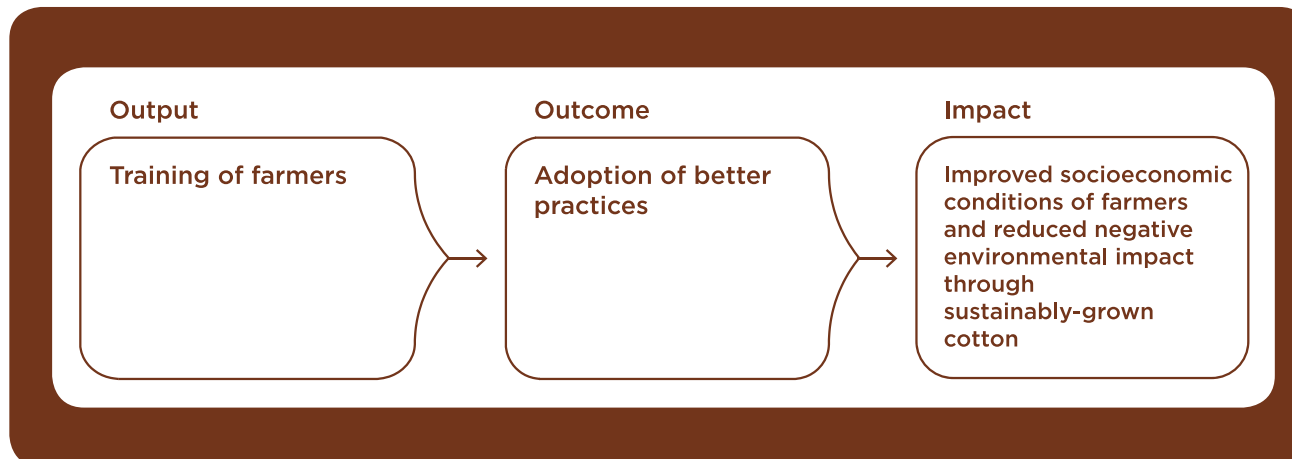
Farmers are trained to adopt practices consistent with the Better Cotton Principles and Criteria, which relate to crop protection, water stewardship, soil health, biodiversity, fibre quality, decent work, and effective management. Compared to their non-BCI peers, BCI Farmers trained in India in the 2016/17 season used 17% less synthetic fertilizer and 20% less pesticide, while experiencing a 8% higher yield and a 21% higher profit.

The majority of these training programs is financed through the Better Cotton GIF (before that, through the BCFTP), enabling widespread uptake of the Better Cotton standard on a global scale. In 2010, Better Cotton was produced only in Brazil, India, Pakistan, and Mali. In 2017, it was produced in 21 countries.



“Better Cotton farmers have adopted farming practices to raise profitability and to stimulate responsible use of agrochemicals.”

“Without IDH, fewer famers would have been trained on Better Cotton production.”



Next steps

Notwithstanding the many successes — including an efficiently run public-private partnership, increased market uptake of Better cotton, and over one million farmers trained in better farming practices — there are several challenges ahead.

Driving demand on a global scale across the full scope of cotton users

To globally transform the cotton industry, greater demand for Better Cotton is needed across the entire cotton-using industry. Current members with low commitments will be encouraged to increase their demand and new industries will be targeted in a market outreach strategy to expand the uptake of Better Cotton in home furnishings, industrial products, and other items manufactured with cotton.

Driving further innovations

To ensure a sustained market transformation toward sustainability, further innovations are required. As such, new funding models will be explored to attract project financing and new service delivery models will be tested to achieve more cost-efficient, scalable, and sustainable farming systems.