



SUMMARY REPORT

BCI REGIONAL WORKING GROUP FOR BRAZIL

MEETING 2

1 – 3 September 2008

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About this report

This report aims to record the many and varied issues presented and discussed during the 3 days. It should be noted that apart from the specific objectives of the meeting, the meeting did not endeavour to reach or agree on a position on all the issues raised. Thus the comments and answers recorded reflect the opinion of the person making the comment, and do not necessarily reflect the opinion of BCI or any other person or organisation participating in the meeting.

MEETING GOALS AND OBJECTIVES

The Regional Working Group meeting had the following objectives:

1. To ensure shared understanding of Version 1.0 of the BCI global principles, criteria and enabling mechanisms.
2. To identify and agree on the management practices and implementation strategies that will inform how a farmer may grow 'Better Cotton', and contribute to the development of national guidance material for Brazil.
 - 2.1. To identify, for the management practices:
 - a. any specific conditions required to be in place before they can be implemented / adopted
 - b. any constraints that might restrict a farmer's ability to use them
 - c. the (potential) benefits from implementing them
 - 2.2. To identify for the implementation strategies:
 - a. existing activities that could contribute to and promote growing of 'Better Cotton'
 - b. how to structure training of trainers and subsequent participatory farmer education (with regard to smallholders)
 - c. discuss how promotional activities on all the Production Principles can be combined into an integrated whole
3. To further refine BCI's approach to assessment for measuring progress against the 'Better Cotton' Production Principles, and lead to growing 'Better Cotton'.
4. To identify nationally-specific indicators that could be used to assess whether the criteria have been met, and how baseline and ongoing data can be collected.
5. To agree on the differentiation between smallholders and large farms in Brazil, and what this means for working with the 'Better Cotton' system.
6. To provide an update on the discussions held with other Regional Working Groups in India, Pakistan, and West & Central Africa.
7. To review Version 1.0 of the Principles and Criteria in light of knowledge and understanding developed during the meeting on the feasibility of growing 'Better Cotton'

EXECUTIVE SUMMARY

The second Better Cotton Initiative (BCI) Brazil Regional Working Group (RWG) meeting was held over 3 days in Brasilia, on 1st – 3rd September 2008. 43 people attended the meeting from a diverse cross section of the cotton industry, funding institutes, international NGOs, researchers, producer & grower organisations, project leaders and project workers.

The meeting provided an excellent forum for the exchange of information between meeting participants and BCI, with much valuable detail being provided to BCI to assist BCI in the development of the various components of the 'Better Cotton' System.

The meeting was successful in developing a better understanding of the specific tools and potential implementation strategies that might be used in Brazil to meet BCI Global Principles and Criteria, and to put into effect the Enabling Mechanisms. It also helped identify impact indicators that BCI might be able to use to assess the changes that have resulted through applying the BCI system, and gave participants an opportunity to feed into the development of the BCI assessment programme. By the end of the 3 days both sides had a better understanding of participants' relevant current activities, which will assist in the trial of Better Cotton in Brazil through the pilot project. Planning for this BCI pilot has begun, starting from the pilot project development meeting that followed this meeting.

As different criteria under the decent work principle apply selectively based on farm size, BCI sought from the meeting advice on how to distinguish between different farm sizes/types. While it was agreed that different implementation strategies were needed to work in different regions and with different farm types, no consensus was reached on how to distinguish between farm sizes/types. The wide range of farm sizes / types in Brazil therefore present a challenge for both the application of the Decent Work criteria and for the choice of sites for testing of the 'Better Cotton' System in the pilot project. However, the pilot project should assist in the development of a working approach to how best to make the distinction between farm sizes / types. The exact number of regions in which the 'Better Cotton' system needs to be tested to enable this will need to be discussed and agreed during the pilot project development period.

BCI proposed that there be 3 minimum requirements for a Better Cotton farmer, relating to i) no use of unregistered pesticides, ii) for children working on cotton farms, the minimum age to undertake hazardous work is 18 years; and iii) no use of forced or compulsory labour. Whilst the meeting generally accepted these proposed minimum requirements, it was highlighted that for i), emergency situations (e.g. there is an outbreak of a new disease) may require the use of (as-yet) unregistered products. For ii), it was stressed that this was already the law in Brazil – but that nevertheless, given the suggested broad definition that classifies working in cotton per se as hazardous work, then exception for children working on smallholder farms needed to be highlighted, and one suggestion was that: *“workers under 18 yrs to not be involved in pesticide application operations, but that persons older than 16 years should be allowed to undertake risk free activities in cotton production”*. For iii) it was noted that this was already the law in Brazil.

A number of suggestions were made about how to introduce minimum requirements, and these included: time should be allowed for the farm to meet the minimum requirements and that a given timeframe should be agreed between the farm and BCI; that the process should be participatory, step-wise adjustment system, without being too lenient; and that BCI should 'exclude from the "Better Cotton" programme farmers who do not comply with minimum requirements after a third opportunity'.

Regarding meeting progress requirements, it was suggested that in the event of a failure to meet progress requirements, there should be evaluation, on a case-by-case basis, regarding the level of difficulty to implement the requirements, and the establishment of a time frame for compliance, with firm commitment and training

Additional minimum requirements were also proposed: i) Preservation and conservation of natural resources – water and soil (being 'Consideration for the environment, including soil conservation and legally protected areas, 'Conservation practices as recommended by research', and 'Protection and conservation of water resources'); ii) use of registered seeds; and iii) proper health and safety precautions undertaken for pesticide application (such as the use of Individual Protection Equipment).

The RWG advised BCI that the appropriate Portuguese term for farm assessment is “Avaliação da propriedade rural” which will therefore be the term used in future.

BCI advised that the group will be kept informed of progress, and that they will have access to the BCI online data-sharing platform ('Basecamp'). The meeting was also advised that some members of the RWG will be selected to attend the 3rd (Global) Regional Working Group meeting, along with representatives from the other pilot regions. This long-term involvement with BCI is hoped to ensure that there is continuity in the development of the entire 'Better Cotton' System.

OVERVIEW OF PRESENTATIONS AND GROUP SESSIONS AT THE WORKING GROUP MEETING

Presentation: Introduction to Better Cotton Initiative and Overview of current definition of Better Cotton

BCI provided an introduction to the Better Cotton Initiative, covering the following aspects of BCI:

Why cotton was a focus crop, and why BCI is interested in working with the Brazilian cotton industry: Cotton is being focused upon as it is a global commodity with significant global impacts on the environment, and also due to the fact that millions of small farmers rely on cotton as an important cash crop. It was highlighted that other regions apart from Brazil were also part of BCI's development and pilot phase (India, Pakistan and as a group, the West / Central African countries of Burkina Faso, Benin, Cameroon, Mali, Senegal and Togo). Brazil was chosen as a region due to both its importance in the international cotton market (i.e. its level of production), as well as its ability to provide a diverse range of large and small farming systems that will allow for a more comprehensive consideration of the issues that need to be taken into account when growing Better Cotton.

The Vision and Mission of BCI: BCI's vision is to enable millions of farmers around the world to grow cotton in a way that is healthier for the farming community and the environment, and more economical, while the Mission of BCI is to encourage the adoption of better management practices in cotton cultivation to achieve measurable reductions in key environmental impacts, while improving social and economic benefits for cotton farmers and their communities worldwide.

The organizational structure of BCI: The members of the Steering Committee were described and the presentation highlighted the role of the Steering Committee, that acts as the governing body of BCI, as well as the role of the Advisory

Committee – made up of knowledgeable individuals — who provide advice and act as a sounding board for the Steering Committee during the development of the ‘Better Cotton’ System. The existence of Better Cotton Partners — organisations with an interest in the goals and objectives of Better Cotton was noted, as was the funding of BCI, which comes from SECO (the Swiss Economic Cooperation and Development Division at the State Secretariat for Economic Affairs), SIDA (Swedish International Development Cooperation Agency), Steering Committee members and Better Cotton partners.

The interest of retailers in participating in BCI: This was summarized as being due to a number of factors, including: the fact that cotton is a key raw material and thus a strategic business need that they increasingly need to be available and produced in a way that is compatible with their business responsibilities, in large volumes — Their approach is to reduce the environmental and social footprint of their consumption of cotton, and ensure that they maintain the credibility with not only their customers, but also their employees and civil society.

Other stakeholder groups with whom BCI is working: As well as retailers, it was emphasised that BCI engages with a range of stakeholders, including producers (such as Association des Producteurs de Coton Africains, Associação Brasileira dos Produtores de Algodão and the International Federation of Agricultural Producers), civil society (e.g. NGO’s such as Oxfam, WWF, ILRF), government (through the International Cotton Advisory Committee and the Regional Working Group process), inter-governmental organisations, researchers, trade and industry. It was further noted that BCI continues to seek additional support and involvement from these stakeholder groups, for example through business development meetings with supply chain actors, and global stakeholder workshops.

The current timeline for the development of the definition of Better Cotton: It was noted that this meeting was the formal start of phase II in the development of the ‘Better Cotton’ System. The main activities of Phase II will be developing in further detail the region-specific component of the definition of Better Cotton (i.e. the Indicators and National Guidance Material), and establishing the field projects that will be used to test the draft ‘Better Cotton’ System.

It was highlighted that following the second Regional Working Group meetings that there would be a further review of the Principles, Criteria and Enabling Mechanisms, and of the ‘Better Cotton’ System as a whole, with the final version to be published in 2010.

Some of the specific outcomes that will benefit farmers: The outcomes that BCI is seeking were listed, highlighting both that the exact benefits to a farmer will depend upon the current circumstances and farming practices of each individual farmer; and that achieving measurable change is critical to BCI; for farmers, for the environment, and for farming communities. The range of potential benefits listed included:

- Cotton of greater and more consistent quality
- Improved yields, lower input costs, increased profit
- Empowering farmers to negotiate / advocate (through BCI support to producer organisations)
- Meeting market demand for Better Cotton
- Improved access to affordable finance
- Long-term sustainability of agricultural activity (soil fertility, environmental health)
- Improved health conditions for farmers/workers and the family/community
- Improved access to information.

Features of BCI highlighted:

- Its desire to be global, but nevertheless take into account regional considerations — so even though there is commonality with respect to issues addressed: i.e. farmers everywhere are expected to consider the same suite of issues — the definition of Better Cotton will still allow for both regional production differences, as well as different farm sizes and farming systems
- Its desire to accommodate both small and large farms, with the recognition that there will be varying needs in varying contexts, thus requiring a tailored approach (e.g. differing implementation strategies and assessment methods) to these different farm types
- Its desire to build and learn from what already exists
- Its desire to collaborate, rather than compete, with existing activities wherever possible
- Its collaborative and participatory approach to developing the ‘Better Cotton’ System, i.e. working in partnership with key stakeholders

The components of the ‘Better Cotton’ System: These components were outlined, showing that in addition to the Global Principles, Criteria and Enabling Mechanisms, the ‘Better Cotton’ System includes National Guidance Material and Indicators, an Assessment Programme, a supply chain system, and implementation strategies. The meeting was advised that consultants are being engaged to help BCI develop a cost-effective supply chain system, who will be contacting them to obtain their perspective as to how a supply chain for ‘Better Cotton’ could work (noting too that BCI’s role will be limited to identifying ‘Better Cotton’ to the ginning stage).

An overview was then provided on the current (Version 1.0) of the Global Principles, Criteria and Enabling Mechanisms, with particular reference being made to the changes made from the version presented at the first Regional Working Group meeting in August 2007. A copy was provided to meeting participants, and is available on-line at <http://www.bettercotton.org/site.php?9,36>

Aspects of Version 1.0 of the definition of 'Better Cotton' highlighted were:

- The change in terminology from enabling principles to Enabling Mechanisms for the issues of producer organisation, and access to finance, and the addition of Knowledge Sharing and Skills Development.
- The use of the words 'crop protection' instead of 'pesticides', which seeks to strike a balance between recognising that pesticides are a critical issue to address in cotton production, but also one tool amongst a range of tools that can be used for protecting the crop from pests
- IPM was seen as an essential criterion to include by every RWG.
- The rationale for seeking to phase out certain types of pesticide that are particularly poisonous, and which may be especially risky for small holders to use
- The conditional nature of the phasing out of the pesticides, i.e. the timing will be based on two factors: are there feasible alternatives available? and can the products be used in a way that does not pose an undue risk?
- Every RWG nominated use of unregistered pesticides as a disqualification to being a Better Cotton farmer
- The change in focus of the principle looking at water management, which now focuses on supply of water to the farm: the impact of extracting water, and the efficient use of the water that is extracted; it was also highlighted that the water principle and criteria were deliberately drafted broadly so as to be able to include both irrigated and rain – fed cotton farms
- The principle directed at soil management has not changed
- The principle concerned with habitat conservation now includes the issue of protecting habitats from farm-water run-off
- Although in the last meeting of the Brazil RWG it was suggested that ginning be included under the fibre quality management principle, BCI has decided not to do so, given the on-farm focus of BCI, and the fact that the majority of farmers in the world (Brazil aside) do not own gins; nevertheless, BCI advised that it recognises the critical role of gins in two areas: managing quality, and – especially in small holder farming areas – the supply chain side of 'Better Cotton'. Thus the potential roles of gins in both these areas will be considered in the pilot project trial phase of the development of the 'Better Cotton' System.

Presentation: Overview of Other Regional Working Groups

In response to a request during the first RWG meeting, a brief overview of the other regions that BCI is working in, and the issues that have been discussed at the corresponding RWG meeting, was provided by BCI.

Briefly, the points mentioned for each of the Regional Working Groups were as follows:

Pakistan: Pakistan grows approximately 2.1 million tonnes of cotton on 3.1 million hectares; as Brazil, it also has both large farms and small farms: although it also has vastly more cotton farmers, between 1.3 and 1.6 million; a major issue for Pakistan is managing fibre quality, given the very high temperatures it can endure in summer, over 50 degrees Celsius. The critical importance of water supply and efficiency was also noted.

India: India has an even greater number of farmers, approximately 4 million, covering 9 million hectares and producing 5.4 million tonnes of cotton. BCI is working in only the states of Gujarat, Maharashtra, Andhra Pradesh & Karnataka; major issues for Indian cotton farmers include becoming better organised, gaining access to timely (and genuine/of good quality) crop inputs, and accessing finance.

West & Central Africa: The number of cotton farmers involved in the 6 countries in this region (Burkina Faso, Benin, Cameroon, Mali, Senegal, Togo) is uncertain, estimated as being at least 3 million - but perhaps significantly higher. Major issues for farmers in the region include soil fertility (and the cost of fertilisers) and productivity, price received and the quality and availability of pesticides.

GROUP WORK SESSION: WORKING WITH SMALLHOLDERS AND LARGE FARMS

In this session, participants were asked to answer a series of questions to establish the distinction between smallholders and large farms in Brazil that BCI could use to determine which criteria, under the Decent Work principle, should apply to a particular farm and for identifying potential farm 'types' for inclusion in the pilot project. The questions focused around a document that made a proposal for the distinction to be based upon the PRONAF classification that is already used in Brazil to give finance to cotton farmers (see Annexure). PRONAF is the agricultural credit support scheme for family farming – and therefore represents a response to the needs of family farmers to access finance, analogous to BCI Enabling Mechanisms.

The group was divided into 5 sub-groups randomly and in each group was asked to answer the same 5 questions. Responses to each question were collected in an open forum and are summarised here.

Question 1 - Is it useful for BCI to use the definition of 'family smallholding' established by BNDES for the purposes of determining eligibility for PRONAF credit lines?

There was no consensus between the groups as to whether the PRONAF definition was useful for BCI. Three out of the five groups said yes, but the other two said very strongly 'no'. The arguments against were: that each region is so diverse that this classification is not enough, and even suggested that regional criteria would be applicable; that the same requirements should be made to smallholders and large farms; and that it was an impossible task to develop a simple distinguishing criterion – it is a task that has still not been agreed upon in Brazilian research. Those that said 'yes' noted that the existing definition provided an established and formal point of reference for making the distinction, but also mentioned that it should not be used as the only criterion.

Question 2 - Should this entail that all farmers not eligible for PRONAF should be considered by BCI as 'large farms'?

All groups disagreed with the statement that all farmers not eligible for PRONAF should be considered by BCI as large farms. One group again stated that all criteria should apply to all farms equally, but support to meet the criteria should be specific to their circumstances. Two groups proposed a size-based classification. The first was that small farms = <100Ha, medium farms = 100 – 500Ha, large farms = >500Ha. The second proposal was that small farms = <5 Ha, medium farms = 5 – 100Ha, and large farms = >100Ha.

Question 3 - Should there be additional specifications for 'smallholders' – for example, should the number of fiscal modules be less than 4, according to the region involved? (see Annexure 2 for background details)

Four of the groups disagreed with this, one of them noting that it will complicate the process of producer selection, and that the number of modules set should be dependent on every municipality. One group stated that the specifications for small farms should be present in addition to a specific area constraint – i.e. a minimum of 1 – 5 Ha.

Question 4 - Should there be a greater emphasis on the proportion of cotton grown, or income derived from cotton rather than from agriculture per se?

Three of the groups disagreed that there should be a stronger emphasis on the proportion of cotton grown for income derived from agriculture. A strong case was made that farms could not progressively diversify if only cotton was considered, and two groups felt that income derived from all of a farm's agricultural activities were relevant. Another two of the groups however countered this and concluded that a greater emphasis is needed on the income derived from cotton for if all of the agricultural income of a farm is included then it gets very complicated.

Question 5 - What does such a distinction between 'family small holding' and 'large farms' mean for working with the 'Better Cotton' system?

Three of the groups felt that the BCI Global Principles and Criteria should apply equally to all farms, but that the form of the Enabling Mechanism employed should be specific to the problems encountered by that farm category (i.e. small or large). The support should be in the form of assistance in producer organisation and association, management training and financing to provide growers with adequate technology.

Smallholders were provided as an example where they need association, assistance with mechanisation and supplemental information due to their inherent features. In discussion it was pointed out that larger farms are able to make certain changes and smallholders are under greater pressures. Large farm representatives put forward that it is not always easy for large farms, who have other pressures, and can suffer greater losses. An example of growing coloured cotton was given to show how this experiment to better the environment had lead to losses, as the cotton was un-saleable for three years.

Conclusions

There was no clear consensus on how smallholders and large farms should be distinguished. And while there was no opposition expressed to the differentiated approach taken to the Decent Work criteria, based on smallholder, smallholder employee and large farm, it was stated by a majority of groups that the Principles and Criteria should apply equally to all farm types. It is difficult to ascertain whether this was a direct objection to this classification, or simply that it was considered impossible to make a proper distinction using the PRONAF approach that was suggested, or to develop another, simple classification.

The group did not agree on any simple division of farms. However, it was agreed that different implementation strategies were needed to work in different regions and with different farm types. When asked whether a pilot in two regions would address the differences, the group was in general in agreement, however there were a couple of noted concerns that it would need at least 4 and it was even suggested that to address all farm types in each agro-climatic zone that 7 pilot areas would be needed.

BCI advised meeting participants that although a clear distinction was not agreed on, this does not mean that this should cause a problem in the testing of the 'Better Cotton' System in Brazil through the pilot project. The diversity in farm structure and agro-climatic factors will need to be accounted for in the areas chosen for the pilot project, and BCI will take this into account in the pilot project development to ensure implementation strategies can be trialled to address the diversity of farms. Thus as great a range as is feasible will be included in the regions selected for the pilot to work – subject to funding and logistical constraints.

The application of the Decent Work criteria in Brazil – and in particular the need to distinguish between different farms types, given that farm type affects which criteria apply – will need to be tested through the pilots, and with input from project partners that have already been involved in the RWG.

GROUP WORK SESSION: DEVELOPING NATIONAL GUIDANCE MATERIAL

National Guidance Material is being developed for each region that BCI is working in, and is designed to be a 'tool – box' for Better Cotton farmers, that can be used to help them grow 'Better Cotton'. In this session, participants were therefore asked to contribute to the on-going development of this National Guidance Material, i.e.: information on current best practices, tools, implementation strategies etc. that Brazilian farmers might be able to use so as to meet the 'Better Cotton' Principles and Criteria. Members of the RWG were divided into smaller working groups based on the Production Principles and Enabling Mechanisms. Soil and water were considered together given their close relationship, while the issue of producer organisation was considered by both the groups looking at equitable access to responsible financial services (access to finance) and knowledge sharing and skills development.

Each group was asked a series of tailored questions, while some groups: water and soil, crop protection, fibre quality, habitat protection and knowledge sharing and skills development were also asked to complete a table, highlighting the potential tools available to address the criteria relevant to the issue under consideration. The results of the small group discussions were presented in plenary sessions and are summarised here.

The groups were provided with some initial information on potential tools that they were asked to build upon; it was also advised that further work would be undertaken to develop the National Guidance Material following the RWG meeting. The information included in this report is only the additional tools identified by the groups, and does not include the information provided beforehand.

Crop Protection

Group members: Celito Eduardo Breda, João César Rando, Alderi Emídio de Araujo, Luiz Gonzaga Chitarra, Sebastião Barbosa, Evaldo Kazushi Takizawa, Fernando Cirillo

In response to specific questions, the group noted that good guidance material already exists that covers all the criteria for this principle — although it was highlighted that some of this existing material needs up-dating, especially for the areas of disease management, weed management, and ways to monitor insect pests and their natural enemies in transgenic cotton.

In response to the questions, "*What would be the impact – per pesticide – of the proposed restriction based on WHO class I, and endosulfan? (i.e. how critical are each of the pesticides included in this list? Are good alternatives available?)*" the group noted that : For the nematicides there only a few products. For organophosphate insecticides and endosulfan there are not alternative products to cope with environmental risks and toxicity to the beneficial fauna for the control of the boll weevil. The programmes and practices in place that minimise the risks of applying these pesticides were noted as being research programmes for the development of alternative nematode control methods (e.g. crop rotation to control nematodes).

Table 1: Crop protection tools

Criteria	Description of management tool to address criteria	Benefits of Adoption	Constraints to Adoption	Written Material?
An Integrated Pest Management Programme is adopted	Spraying decision based on sampling criteria.	Reduction of control costs and side effects.	Lack of specific training, lack of training on risk management	Yes
Use of the following pesticides: those categorised as WHO Class I, or are listed by the Stockholm or Rotterdam Conventions and endosulfan, is phased out over time, with the phasing out timeline based on the availability of better alternatives and ability for the risk to be properly managed	Implement existing legislation for pesticide registration	Reduce risks of highly toxic compounds.	Need for new molecules (products).	Yes
Pesticides are used on crops for which they are legally registered for use, and are correctly labelled	Better legislation enforcement.	Risk reduction	Large extension and limited legislation enforcement by official agencies	Yes
Pesticides are prepared and applied by persons who are: healthy, skilled and trained in the application of pesticides, wearing appropriate protective and safety equipment, 18 years or older, not pregnant or nursing.	Law enforcement, training, awareness raising and use of EPI (Individual protection equipment)	Risk reduction to human health and the environment.	Needs more awareness raising and specific guidance.	Yes
Storage and handling of pesticide containers avoids environmental and human exposure.	inpEV – National Institute for drum processing/recycling	Risk reduction	Lack of compliance of the remainder 5% who do not take back their used drums.	Yes
Pesticides are applied in appropriate climatic conditions, according to label directions, and or manufacturers' directions, with well-maintained equipment.	Stricter enforcement of existing legislation	Risk reduction	Extent of the Brazilian territory and limited capacity of law enforcement.	Yes
Used pesticide containers are collected by a recycling programme, or disposed of safely.	Centralized used drum collection	Risk reduction	Lack of compliance of the remainder 5% who do not take back their used drums.	

Habitat conservation

Group members: Napoleão, Marcos, Luiz, Faraday

In response to specific questions, the group noted that good guidance material already exists but that there is a need to quantify and bring coherence as while it exists, it is highly dispersed in nature. There is no 'self-contained' guide for habitat management, thus a need for specific guidance material to be developed was identified.

Regarding specific legislation that affects what farmers can do with their land with respect to land-use, clearing of vegetation etc., the group stated that there is lack of clarity in present legislation. For instance, in Mato Grosso, not considering its area belonging to legal Amazon, the cerrado requires 35% of protection. By comparison, above parallel 13, if it is forested area, the level of protection required is 80%.

It was also stated that there is both state specific legislation as well as national legislation, indeed “more than necessary” according to one participant. However, it was highlighted that there are no programs in place nor information available to support farmers / cotton farmers to meet their responsibilities under the relevant legislation.

Table 2: Habitat conservation tools

<i>Criteria</i>	<i>Description of management tool to address criteria</i>	<i>Benefits of Adoption</i>	<i>Constraints to Adoption</i>	<i>Written Material?</i>
Water courses, drinking water sources and other bodies of water are protected from farm run-off.	Make terraces on slopes/hilly terrains. Protect APP (Areas of Environmental Protection)	Soil protection to avoid erosion and river soil deposits Protection of soils and water bodies	High cost to have growers trained, specially the small ones. High Costs	From Universities, Embrapa, Agroecological zoning, etc.
Biodiversity on and surrounding the farm is enhanced	Legal reserve No-till farming	Nature Protection Carbon fixation , soil protection, higher yields and reduction in costs of production	Costs Destruction of crop residues) & pest problems.	Yes Lots of material
The use and conversion of land to grow cotton conforms with national legislation related to agricultural land use	No , it does not apply to cotton. Land is opened for other crops, e.g. rice.	Crop rotation	Cost	

Water management

Group members: Fernando Mendes Lamas; Alexandre Cunha B. Ferreira, Joaci Franklin Medeiros

In response to specific questions, the group noted that good guidance material already existed for irrigation management and water use – but that it could be published in ‘more accessible language’. It was said that about 3 % of the Brazilian cotton crop is irrigated – with this figure unlikely to increase significantly. Where irrigation is carried out, it is normally from surface water sources, using centre pivots/sprinkler irrigation systems. It is often used as a supplemental supply in the cerrado.

Table 3: Water management tools

<i>Criteria</i>	<i>Description of management tool to address criteria</i>	<i>Benefits of Adoption</i>	<i>Constraints to Adoption</i>	<i>Written Material?</i>
Water use is optimized	Better definition of planting dates for more efficient water use In irrigated areas use better quality water (salt index)	Save water and reduce negative impact on water bodies Reduce soil salinization	Lack of technical knowledge Permit to use water	Yes
Water extraction does not cause adverse effects on groundwater and water bodies	Water availability in quantity and quality	Ecosystem Equilibrium	Lack of technical knowledge Permit to use water	Yes

Soil management

Group members: Fernando Mendes Lamas; Alexandre Cunha B. Ferreira, Joaci Franklin Medeiros

In response to specific questions, the group noted that there was relevant written material, and that the following areas were covered well by it: crop rotation, soil quality indicators, no till, plant nutrition management and destruction of cotton crop residues. It was noted that the issue of the persistence and movement of pesticides in the soil was not well covered. No need for the development of cotton-specific guidance material was seen.

Regulations that govern whether land can be cropped (e.g. if greater than a certain % slope), or whether erosion must be controlled were identified as being the zoning regulations: Ecological & Economic Zoning (ZEE) and Climatic Risk Zoning

The major causes of erosion were identified as:

- Intense soil movement (degradation of chemical, physical and biological soil properties)
- Up-hill planting (not paying attention to level planting)
- Inadequate soil preparation (year after year ploughing and discing)
- Lack of soil conservation practices (terraces)
- No-till with not enough vegetative cover
- Heavy rainfall

Table 4: Soil management tools

Criteria	Description of management tool to address criteria	Benefits of Adoption	Constraints to Adoption	Written Material?
Soil management practices are used that maintain and enhance the structure and fertility of the soil	No-till System (3 principles: crop rotation, No-till, and soil always covered with vegetation) Minimum tillage Planting on the straw	1) Less Erosion 2) Increase in organic matter contents 3) Improved Soil Structure/Fertility 4) Fewer pests (Root weevil), disease (Ramularia, Ramulosis, Fusarium & Nematodes) & weeds 5) Reduction in the use of fuel/pesticides 6) With time, it will lead to lower production costs/increased sustainability	1) Short-sightedness 2) Difficulty in the substitution of products by processes 3) Lack of knowledge on the part of growers and technicians	Yes
Nutrients are applied on the basis of crop and soil needs. Timing, placement and quantity applied are all optimised	Fertilizer management – use according to tested and validated technical recommendations Organic fertilization / Green manure	1) Lower production cost 2) A more efficient system 3) Lower pest occurrence (e.g. aphids) & diseases (Ramularia) 4) Reduction in soil/water contamination 5) Chemical, physical & biological improvement of soil properties	1) Cost of the Fertilizer (small-family farmer uses less fertilizer) 2) Lack of understanding of plant needs 3) Non-availability and costs of seeds for green manure – more so for large Areas	Yes
Production practices are used that minimise erosion	Levelled planting No-till system Soil use according to its capacity	1) Lower erosion 2) Increase in organic matter 3) Improvement in soil fertility 4) Less pests (root weevil), diseases (Ramularia, Ramulosis, Fusarium and Nematodes) and weeds	1) Ease of operation	Yes

Fibre quality management

Group members: Eleusio Curvelo Freire, Camilo Morello, Christopher B. Ward, Paulo Sergio Aguiar, Richard Pollard

In response to specific questions, the group noted that there are several relevant publications: “Algodão no Cerrado Brasil” and “Agronegócio do Algodão no Brasil”, as well as Embrapa’s Technical Circulars, Technical Norms of the Ministry of Agriculture (MAPA), publications of the Mato Grosso Foundation and the Blumenauense Foundation of Textile Studies, and ISO 9001 norms of Unicoton on cotton ginning and classing. It was also noted that the topics of crop management for the production of high quality cotton, harvesting, ginning & classing were all well-covered in these publications, while the topics of crop protection, storage and transportation of large bales are not well covered.

In response to the question: “Should certified seed be used to qualify as ‘Better Cotton’”, the group answered yes, the seed must have an origin that proves its genetic, sanitary and physiological quality according to the existing legislation.

Table 5: Fibre quality management tools

Criteria	Description of management tool to address criteria	Benefits of Adoption	Constraints to Adoption	Written Material?
Practices are adopted that maximize the fibre quality	<p>Adoption of zoning for climatic risks (date of planting and varieties)</p> <p>Use of hormones as growth regulators, defoliants and crop finishers</p> <p>Harvesting, storage and mechanized hauling (in modules), including staff training</p> <p>Manual harvesting using cotton bags (small growers)</p>	<p>Take full benefit of genetic, environmental and environmental conditions</p> <p>Adequate plant size for mechanical harvesting and reduction of fibre contaminants: stems, branches and leaves caules</p> <p>Reduction of contaminants (trash)</p> <p>Reduction of contaminants (trash)</p>	<p>Lack of broadcasting existing norms and their adoption</p> <p>Available technology is easily accessed by large growers</p> <p>Same as above</p> <p>Cost of bags (family farming)</p>	<p>Yes (Instructions from MAPA)</p> <p>Yes (books "Cotton in the Cerrado", Cotton Agribusiness" and Embrapa's publications)</p> <p>Yes (book "Cotton in the Cerrado" and Bulletin of Mato Grosso Foundation)</p> <p>Yes (Embrapa's publications)</p>
Seed cotton is harvested, managed, and stored to minimise contamination and damage	<p>The seed is produced, processed, stored and distributed according to MAPA norms</p> <p>Adoption of the most advanced GM cultivars</p>	<p>Seeds with genetic, sanitary and physiological quality and advances in the production of new varieties</p> <p>Control pests affecting fibre quality with less impact on human health and the environment</p>	<p>Not enough awareness raising on the benefits</p> <p>Approval of the new GM cotton cultivars and availability of seeds</p>	<p>Yes (Brazilian legislation on seed production)</p> <p>Yes (Technical publications by seed companies: Monsanto, Bayer, Dow)</p>

Decent work

The group was asked the following series of questions, divided between large farms and smallholders: The follow details the answers given. Concern was expressed that some of the questions were difficult to understand and that the level of detail the questions tried to go into was too deep. This was understood by BCI, and will be amended for future RWG meetings.

Large farms

1. What is the most effective approach BCI can take to promoting Decent Work for employees on large farms?

Provide information and guidance to producers on compliance with the legislation. Education for workers on safe and healthy working conditions, sustainability and equity. Giving emphasis on the Law of NR31 and rural work in 5889 of June 8, 1973 and CLT and the Federal Constitution and ILO

2. How important are the following factors within a Decent Work monitoring system - score 1 (not important) to 5 (very important):

- training for auditors 5
- training for management 5
- training for workers 5
- gathering external information 3
- unannounced visits 2
- worker interviews 5
- management interviews 5
- management capacity review 4
- records review 4

- visual inspection 5
 - analysis and reporting 5
 - time-bound corrective action plan 5
 - offering advice on implementing action plans 3
 - verification of action plan implementation 5
 - third-party assessment 4
 - transparency to external stakeholders 4
 - certification / labelling 3
 - advertising 3
3. How can BCI ensure that workers and managers receive information and training on labour and occupational health and safety standards?
- Organize training for managers, unions and tripartite bodies (government, BCI & workers), create manuals, movies and other mechanisms for dissemination of information. One can not guarantee it, only through audit. Education in the Agronomy Schools*
4. What are the current best national practices to help employers develop management systems to realize and review compliance with national labour and occupational health and safety legislation, such as NBR 16001 or SA8000?
- CNA: Programmes like “Fazenda legal” – “Legal Farming”(FAERJ), “Casa em ordem” - “House in Order” (Paraná). Fundacentro: Escola do futuro trabalhador – School for the Future Worker. SENAR System and Contag: “Acordos coletivos” – “Collective Workers’Agreements”.*
5. What are the challenges in working with management systems like NBR 16001 or SA8000 in the context of agriculture?
- Costs*
6. How should BCI approach developing guidance on areas of national legislation – such as working hours or NR31 – which are challenging for rural employers?
- Participation within the CPRR (Comissão Permanente Regional Rural – Regional Rural Permanent Committee) and the “convenções coletivas de trabalho” – “Collective Labour Conventions”.*
7. Are there any credible alternatives to the labour audit model in Brazilian agriculture?
- Self-evaluation helps but an audit is of paramount importance.*
8. Are there different levels of risk according to the size of larger farms: would more highly mechanised very large farms constitute a lower risk than less mechanised medium-scale farms more dependent on manual labour? How should BCI respond to different levels of risk?
- By training, awareness raising and preventive measures to reduce risks, actions by CIPA (Internal Committee on Accident Prevention) and by evaluations, monitoring and risk control in the working environment, aside from the PPRA (Programme for the Prevention of Environmental Risks).*
9. How can monitors verify responsible employment practices during land preparation, before cotton-growing commences?
- Pay attention to the implementation of existing legislation*
10. How relevant is the ‘consortium of rural employers’ for larger farmers in the cotton sector: does this ease administration pressures around recruitment?
- Not applicable to cotton production*
11. How can BCI coordinate with existing cotton-sector programmes on Decent Work, such as Instituto Algodao Social? What are the challenges?
- Exchange of experiences, IAS is willing to share its experiences and make them available to other states*

12. How can BCI ensure that large-farm labour rights promotion efforts seek to coordinate with state and civil society actors?

There is no assurance, one can collaborate by being present for the compliance of the norms and establish partnership with public agencies (e.g. Ministério Público de Trabalho). Please, see Campaign for the Valorization of the Rural Work in Mato Grosso

13. Is there a role for financial institutions – such as Equator Principles signatories – to play in promoting Decent Work on large Brazilian cotton farms?

Yes, through differentiated credit

Smallholder farms

1. Is Decent Work perceived to be a priority sustainability issue for family farms? If so, how? If not, why not?

Yes, it is a priority issue. Smallholder employers have to respect the same labour laws as large farms. An educative process must be in place. Respect the same principles, Law 11.718 of June 20, 2008, allows for short-term hiring, not more than two months. A better criterion for child labour is necessary

2. How should BCI apply the Decent Work principle to those family farmers that use hired labour for some operations?

Awareness raising, information and guidance

3. How can BCI ensure that requirements for small farmers on Decent Work are accompanied by capacity building based on needs assessment?

Review training curricula for future managers (agricultural technical schools, agronomy schools).

4. Which are the existing programmes in regions characterised by large numbers of small family cotton farmers (such as NE) from which BCI can learn most about promoting Decent Work with family farmers?

ADEC, Tauá, Ceará, Fairtrade certificate, Dom Helder Camara Programme

5. Has there been experience of including education and awareness-raising components on Decent Work issues – such as child labour – within Farmer Field Schools or other participatory farmer education programmes in Brazil?

The group participants indicated that they don't know of any such programmes

6. Who are the actors best able to undertake a Decent Work needs assessment of family cotton farms?

Associations, Trade Unions (such as CONTAG), Federations, CNA, Cooperatives, Emater

7. Who are the actors best to undertake assessment of monitoring of Decent Work compliance with family cotton farms?

Actors at the local level of the extension service

8. How can BCI Decent Work promotion efforts with family farms coordinate with state actors, such as MDA, EMBRAPA, EMATER and SEBRAE?

Offer partnership, make contributions, and include SENAR

9. How can BCI coordinate with existing family farmer programmes relevant to Decent Work, such as Fundacao Lyndolpho Silva, or Programa Dom Helder Camara? What are the challenges?

The Group is not abreast of these programmes

Access to finance (smallholder farms):

The access to finance group was also given a list of questions to discuss. The questions focused around providing finance for smallholder farms). As with the questions on decent work, concern was expressed that some were difficult to understand, perhaps the result of a combination of complexity, and translation. The questions will be reviewed prior to the next RWG meeting.

1. Is there a role for BCI to play in promoting access to finance for small producers in Brazil at all, given the scale of government activities in this area? If so, what could BCI's role be?

Yes, it can by facilitating and strengthening growers' associations (acting together, cooperatives), future markets to guarantee better prices

2. How can BCI ensure that efforts to promote access to finance coordinate with those of state and other actors (such as cooperatives and micro-credit companies)?

Train support institutions in order to facilitate access to credit and the technical management of the production and marketing

3. Which are the existing programmes in regions characterised by large numbers of small family cotton farmers (such as NE) from which BCI can learn most about promoting access to finance with family farmers?

PRONAF, FNE, FCO, FNO

4. Does access to finance play an important role in perpetuating inequity between women and men in smallholder cotton farming? If so, how, and how could BCI address this?

No

5. How should BCI seek to link promoting access to finance with Farmer Field Schools or other participatory farmer education approaches?

Facilitate financial resources for projects to train farmers in the entire cotton production chain

6. Is family cotton farming perceived to be a high credit risk? How should BCI understand this?

Yes, a guarantee of market would help family farmers with money lending agencies

7. Who are the actors best able to undertake credit needs assessment of family cotton farms?

Local cooperatives, if non-existing they must be created

8. Who are the actors best to undertake assessment of the impact of promoting access to finance for family cotton farms?

Via third parties (FGV etc), measuring socio-economic impact at municipality level

9. How do the institutions that disburse rural credit verify the realisation of their social and environmental sustainability commitments (for instance, Protocolo de Intenções pela Responsabilidade Socioambiental)?

Presently, no large scale production and only at a few areas of organic and agro ecological family farming (Paraíba, Ceará, Paraná)

10. Is there scope to align BCI activities with credit lines – from PRONAF, BNDES or Banco do Nordeste, for instance – which seek to promote increase environmental sustainability, agro-ecology, or links for markets through standards compliance?

Yes, through training of growers to produce "Better Cotton"

11. Is there a potential role for private financial institutions to play in BCI efforts to promote access to finance for family farms?

Yes, provided there is a gain, e.g.: lower interest rates, bringing in potential buyers, facilitating guaranties, including refunding stored cotton

Other observations made by the group:

- There is a need to create growers' chains;
- There is a need to train growers in productive chains;
- There is a need to eliminate credit package deals;

Knowledge sharing & skills development

Group members: Almir Montecelli, Paulo Cesar Peixoto, Eduardo Revolo, José Tibúrcio De Carvalho Filho, Ellie La Trobe Bateman

This group looked at a range of knowledge sharing and skills development methods, describing each one in terms of benefits and limitations in the Brazilian context. The following questions were used to focus on completing the table below:

1. Considering the implementation strategies below from the perspective of both small holder and largeholder farmers, please indicate which methods are most appropriate, and if possible, rank their relative importance
2. To complete the table, please provide examples of the use of the implementation strategies described, and list any benefits and constraints associated with using the implementation strategy in question
3. Are there any other potential implementation strategies that have not been listed?

The group considered all farms sizes together and noted in the table where the comments are specific to a particular farm type. The group ranked the importance of these methods and answered specific questions on producer organisation, and advised that the most important at the initiation phase of any project were: field days, extension (private or public- depending on farm and resources), and participatory training for smallholders.

The group noted that there was already published material on knowledge sharing and skills development, with the Brazilian literature including several publications on the SISBRATER system. The group did not see a need for additional publications, as all aspects have been covered.

Table 6: Knowledge sharing and skills development

Specific Implementation Strategy	Description	Benefits of adoption	Limitations	Comments
Radio broadcasting	Short duration with the purpose of passing information on	Wide coverage		
Field days	On-the-spot presentations of practical results	Good growers' participation. A very efficient way to introduce new knowledge. Easy to organize	High cost, requiring movement of people	
Public extension	Way to take new knowledge to small/medium farmers through training/organization.	Costs covered by government. Direct contact with growers.	Staff shortage. Lack of specialization on cotton. Lack of infrastructure	Public extension becomes positive when a prepared technician is able to visit a grower at least twice a week
Private extension	Way to take information/knowledge to small / medium growers through training / organization	Specialized technicians, adequate logistics & efficiency	Cost. For small growers it requires some infrastructure. Growers need to organize themselves (Association/cooperative), to hire the technical assistance	
Exchange visits	An extension method to disseminate research results and new technologies especially by small & medium size growers.	On-site verification of results, helps to get groups organized, efficiency in the internalization of technical information	Demands more financial resources & time	

Whole Family Training	It is part of the context of agricultural activities, involving the whole family	Focus on the adoption of a technology by the whole family, the target of training	Demands specific training of extension agents	
On-farm demonstrations	Good method to carry out related on-farm activities	Growers learn by doing	Costs, must be done at right time during season	
Farmer Field Schools (Ute's)	Efficient methodology to introduce new technologies to small growers	Theoretically it has the same properties of visits / demonstrations	In practice, it is difficult to implement, it requires much effort, which limits its adoption	
Farmer-Participatory Training	Participatory management of activities	Sharing of ideas, shared decision making responsibility	Time and cost	
Participatory Varietal Selection	Efficient way to be choosing the best variety, through small units (plots)	Locally adapted varieties are developed	Lack of training, capacity to undertake the comparison of plot results	

Producer Organisation

The finance group: When asked whether there is state support or any other form of support available for establishing producer organisations for small holders, or for their on-going operation, the response was that there was, and that examples include: NGO's, YD Paraná, Paraíba, and Ceara who provide incentives for organic and agro ecological cotton growing, and also FIALGO, FACUAL, Fundeagro and Proalminas, who fund research and development.

Both groups answered the following questions:

1. What are the barriers against setting up small holder producer organisations?

The main barriers to producer organisation were noted to be:

- A limitation of resources to establish a long term ATER (Technical Assistance and Rural Extension).
- Cultural, (people prefer things with immediate results and which promote themselves), perceived as not adding much to the process.
- Misuse for political purposes
- Lack of financial resources

2. What are the main drivers for establishing small holder producer organisations?

The main driver was noted to be:

- The need to earn income to support their family and eventually turn their farm into a business.
- Enabling the dissemination of information among members, and exchange of knowledge

3. What are the options for the structure of small holder producer organisations in country? What are the advantages and disadvantages associated with each option?

The main options for producer organisation structures for smallholders highlighted were: efficient ATER, Cooperatives, and Associations. An association helps by making it easy to be organized legally. A cooperative permits joint trade actions involving financial activities, e.g. buying and selling, hiring of consultants and negotiating corporate credit.

GROUP WORK SESSION: BCI INDICATORS

To introduce this session, the RWG was reminded that the mission of the BCI is to bring about change for the better for the cotton farming community and the environment, and thus that BCI considers it important to assess progress made by farmers over time to ensure both that involvement in the Better Cotton System is having the desired, positive effects, and that the change inherent in the concept 'Better' can be clearly and accurately communicated. The need to identify the actual impacts of

growing 'Better Cotton' in turn requires the identification of relevant Indicators that can be used to monitor and measure these impacts.

The purpose of the indicator session therefore was to identify key impact indicators that could be used to monitor and evaluate the progress being made by farmers towards the 6 Production Principles. The groups were separated into groups based on these Production Principles: crop protection, habitat conservation, water and soil management, fibre quality management, and Decent Work. The decent work group was asked to deal with each broad criterion (i.e. health and safe, freedom of association, non-discrimination and employment conditions) specific to smallholders and large farms.

All participants were asked to select a group that they felt that they could contribute to most. Groups were asked to identify as many indicators for each criterion under each principle, and then select the best indicator relative to effectiveness, cost and capacity to collect. The instructions were to suggest any type of indicator; from an activity, to an output, to an objective as long as it was measurable. The overall impact indicator selected however should be an impact indicator to measure the success of growing 'Better Cotton' and hence of BCI promoting it.

The tables that follow show each of the groups work and suggestions for indicators. The overall suggestions were as follows:

- **Crop Protection** – Number of pesticide applications – *for example collected by an agronomic registrar and an independent assessor.*
- **Habitat** - Agro-socio-ecological zoning – *This zoning is something that Embrapa have been involved with, and a classification on a 1:1000 scale.*
- **Water** - Water quantity per area unit – *This can be collected by the farmer and be a participatory monitoring method*
- **Soil** - Physical & Chemical soil properties – *It was noted that this indicator could be constrained by lack of available resources and facilities for the analysis.*
- **Fibre Quality** - Fibre Classification – *The fibre classification would be produced by a classifier following ginning and be standard.*
- **Decent work** –
 - **Freedom of association** – Frequency of union / worker meetings
 - **Health and Safety** – Training of farmers and awareness raising on the use of pesticides
 - **Child Labour** – verification of records
 - **Forced Labour** – Interviews with workers
 - **Non discrimination** – Interviews with workers
 - **Basic treatment and disciplinary procedure** – Absence of records

The work on Decent Work indicators highlighted the difficulty in specifying indicators separately for each criterion (and in specifying different indicators for large farms and smallholders), particularly in the timeframe given. It has been noted by BCI to amend this session for the Decent Work group in future meetings and to focus on getting key impact indicators only.

The impact indicators identified by this group are received as the recommendations of the Brazil Regional Working Group to evaluate the effectiveness of growing 'Better Cotton'. These recommendations will help to guide the BCI evaluation and communication.

A full list of all indicators suggested can be found in the Annex of this document.

GROUP SESSION: FARM ASSESSMENT PROGRAMME

The assessment programme was presented to the Regional Working Group, highlighting the three main assessment stages: i) initial context assessment, i.e. assessment of the current context (e.g. identifying needs, existing practices being utilised by farmers); ii) farm assessment, i.e. assessing progress made over time by farmers against the Production Principles; and iii) Impact assessment, assessing the impact of growing 'Better Cotton' over time. The focus of the discussion was on farm assessment specifically. It was emphasised that measuring and understanding *progress* (i.e. change) was at the heart of the programme and required measures to both encourage change and measure change, whilst also ensuring that 'Better Cotton' is accessible and achievable by all.

The session was designed so that the group was split into randomly-selected small groups that each discussed the same questions based on the BCI presentation, and the assessment programme document they had received. It was advised that the feedback from the meeting will be used to further develop the farm assessment programme so that it takes into account regional constraints and other factors. An overview of the feedback received follows:

1. Do you think a progress approach to farm assessment works for Brazil? Please explain your answer.

There was an overall agreement that the progress approach would work in Brazil. A specific caveat raised was that it is essential to raise the awareness of those involved, so they know what progress they are aiming for. Those that are growing the cotton need to know about BCI in general. Comments from the group work included:

'The person to be assessed must be informed and have full understanding of his/her role in the assessment process and must receive a specific assessment plan'

'Yes. Because modern management concepts foresee on-going process assessment and search for improvement'

'Yes, in Brazil this progressive assessment is much needed and most welcome.'

'Yes, because improvements come with time.'

'Yes, if there is commitment, incentives and continuity.'

2. Do you have any comments on the draft minimum requirements for 'Better Cotton'?

The RWG was advised that BCI considers it important that minimum requirements be established for certain high level impacts and is therefore proposing that to qualify as 'Better Cotton' a number of (globally applicable) minimum requirements must be met by 'better Cotton' farmers. The initial set of minimum requirements proposed by BCI, along with the comments from the RWG meeting, are listed below:

Table 7: Comments on minimum requirements

Criteria	Comments
Pesticides are used on crops for which they are legally registered for use, and are correctly labelled	<p>In general this was agreed on as a minimum requirement, but it was highlighted that sometimes it is difficult to register molecules, particularly for fungicides due to high cost and time required in the registration process. The need to spray fungicides in cotton is quite recent in relation to other pesticides resulting in a limited number of products registered for this purpose. Furthermore, the control of foliar diseases in cotton is typical of tropical conditions and almost limited to Brazil, this could cause a problem in application of this criterion.</p> <p>A couple of groups highlighted that it was already accepted in Brazil, and is already done through the "receituário agrônômico" (where certain pesticides may only be sold under prescription by an agronomist).</p>
Child Labour: For hazardous work, the minimum age is 18 years of age	<p>It was noted that this was already the law and therefore would be a minimum requirement for Brazil even if not in BCI's minimum requirements: <i>'Child labour, under 16 years, is forbidden in Brazil. For dangerous (involving radioactive, flammable and explosive materials & high voltage) and unhealthy work, the minimum age is 18 yrs.'</i></p> <p>Although it may be in Brazilian law concern was still raised over the family farm side of child labour</p> <p><i>'For family farming this poses a problem, as parents will not know what to do with their children during the school vacation periods plus the fact that they need full family help to make a living. This would make family farming lose its identity, which is exactly using family labour ...For large farms, it would eliminate chances of child apprenticeship and thereby the training and professionalization of new generations to take up responsibilities in the cotton production sector'</i></p> <p>However, another participant pointed out that Brazilian legislation (Decree 6.481 of 12 June 2008) includes cotton farming in its list of 'worst forms of child labour', which means that according to the law, no-one under the age of 18 can work on a cotton farm. It was also highlighted that there is currently no exemption from this law for small holder farmers, and that while the Government is working on an action plan to work through addressing this issue, the legislation itself will not be changed.</p> <p>In general though groups were supportive of the proposed minimum requirement. One suggestion from a participant was:</p> <p><i>'We agree that workers under 18 yrs should not be involved in pesticide application operations. But we suggest that the legislation be revised for persons older than 16 years. for risk free activities in cotton production'</i></p> <p>BCI highlighted that where there is a stricter requirement imposed under national law, then the national law prevails over the BCI requirement.</p> <p>An additional comment was made that the criterion should say <i>'unhealthy and hazardous'</i>.</p>
Forced Labour: Employment is freely chosen: no forced or compulsory labour, including bonded or trafficked labour	<p>This criterion was accepted, noting that Brazilian law already covers this. A specific comment on this was: <i>'This practice does not take place in the Brazilian cotton sector. There are distortions in the interpretation of the Brazilian labour legislation and norms characterizing slave work are not clear and subject to diverse interpretation.'</i></p>

3. Should any other criteria be included as minimum requirements at a global level for 'Better Cotton'?: The following suggestions were made as existing criteria (or elements of existing criteria) that could be included as minimum requirements:

- That there should be included as a minimum requirement an element relating to the preservation and conservation of natural resources – water and soil¹
- That the use of registered seeds (under the fibre quality management criterion) should be a minimum requirement
- Proper management of health and safety in pesticide application (such as the use of Individual Protection Equipment)

4. What would progress look like in Brazil, over time, beyond these minimum requirements?

The meeting participants advised that this question was not clearly understood; nevertheless, suggestions included:

- Establishing timely measurable goals in general
- 'Protection and conservation of water resources'
- 'Preservation of 20% of natural vegetation'
- Use of Individual Protection Equipment and drum recycling'
- 'Production of contaminant free cotton'
- 'Bring improvements in management techniques and management systems to achieve environmental, economic and social sustainability'
- Create a positive image for Brazil cotton globally

Additional comments made during the discussion were that progress should be voluntary and not be too bureaucratic. Suggestions for BCI included:

'Making information and Enabling Mechanisms to comply with existing legislation to reach up to 100% of farmers, for standardization of production models, independently of farm size.', i.e. ensure that information on existing legislative requirements is provided to all farmers that supports them in meeting these obligations

'Consider new options like, for instance, the work being conducted on used drum collection/recycling, formation of growers associations, technology transfer, investment on research, cotton classing etc.'

5. What methods of assessment could be used in Brazil, for large farms and for smallholders?

There were a range of suggestions from the groups on how assessment should be conducted on different farm types, and no consensus was reached. The following table shows the 5 groups suggestions for assessment in each farm type.

Table 8: Assessment methods suggested for large farms and smallholders

Large farm	Smallholder
1. Participatory assessment & Independent Auditors	1. Participatory assessment
2. Self-assessment, with a third –party assessment every year.	2. Self-assessment (in the case of technical assistant), with a third –party assessment every year.
3. Self-assessment, internal audit & third-party assessment.	3. Initiate with participatory assessment, associates assessment, & third-party assessment still
4. Third-party assessment – once a year	4. Third-party assessment – once a year
5. Third-party assessment & associates assessment	5. Third-party assessment & Associates assessment

6. What assessment of cotton production is already carried out in Brazil, and by whom?

Each group provided a list of examples of assessment conducted in Brazil along with what is being assessed, who by and whether it was specific to smallholders or large farms. The following table shows this.

¹ The environmental addition was explicitly stated by the groups as: 'Consideration for the environment, including soil conservation and legally protected areas, 'Conservation practices as recommended by research', and 'Protection and conservation of water resources'

Table 9: Examples of assessment in Brazil

Assessment example in Brazil	What specifically is being assessed?	Who is conducting this?	Specific to smallholder / Large farm
Diagnose do sistema produtivo	Worker/working conditions	Credit agencies	large
Ambient	Respect to environmental legislation	State Environment Secretaries And IBAMA (federal)	Small & Large
Atendimento as exigências trabalhistas (condições de trabalho)	Work relations & working conditions	Federal Agencies (Ministry of Labour & Employment-MTE)	Small & Large
Saúde do trabalhador	Worker health Conditions	PCMSO – programme of Medical & Occupational Health control	Small & Large
Acidentes de trabalho	Accident Prevention – CIPATR (internal committee on the prevention of rural work accidents)	MTE auditors and CIPATR	Over 20 employees
Segurança do trabalho	Safe Working Conditions	Farmer (up to 20 employees) CIPATR (over 20 employees) SESTR (over 50 employees)	Small & Large
Cotton growers do self-assessment on the use of pesticides.	Technical assistance on pesticide selection and time of application	Official & private extension agents	Large farms hire technical assistants (this still has to take place in small-holdings)
PPRA, CIPATR, NTCAT (among others)	Worker safety and health	Safe work agents and doctors	Large holdings
Economic assessment Cost of production	Productivity	Grower/CONAB	All
Social	Working, safety & health conditions	IAS	Large & medium size
Fibre quality	Fibre quality indicators	BM&F FBET	All
FLO Cert	Social, economic and environmental	Associations & small growers cooperatives	
Organic	Environmental		All
NPEV Drum Recycling	Environmental	Auditors	All
Ministry of Labour and Employment / state level bodies	Social Environmental	Auditors	All
Consultants	Management Procedures	Trained staff	All
HVI	Fibre Quality	Registered Laboratories	All
Banks / Textile Industry	Social & Environmental Risks Financial Risks	Hired Auditors	All
Area Production Productivity Costs Price index Balance of payments Fibre quality	Number of ha Tons Kg/ area unity R\$/ area unity R\$/ weight unity US\$ HVI	CONAB, IBGE, ABRAPA, ESAQ, FUNDAÇÃO BLUMENAUENSE	All

7. Please suggest ways to address failure to meet requirements? Specifically:

a. For Minimum Requirements

As mentioned before (p 19) Brazilian legislation (Decree 6481 of 12 June 2008) includes cotton on its list of 'worst form of Child labour' which means that according to the law no one under the age of 18 can work on a cotton farm and there is no exception from the law for smallholder farmers. The legal documents further indicates that this prohibition could be waived for a worker who is over 16 if after consultation with labour unions and workers interested in the work, there is sufficient guarantee to the work health, safety, and morals of the young worker involved. The groups suggested that clarification need to be sought with the relevant national authority on the implications of the Brazilian legislation for small scale farmers using family (including children) labour

The groups suggested that child labour could be a challenge to meet as a minimum requirement and that an effort should be made to include some flexibility to the child labour, and refer to national help. The following suggestions were made:

- Some time should be allowed for the farm to meet the minimum requirements and a given timeframe should be agreed between the farm and BCI
- The process should be participatory
- The process should be a step-wise adjustment system, without being too lenient. This was mentioned by a couple of groups
- 'Exclude from the 'Better Cotton' programme farmers who do not comply with minimum requirements after a third opportunity'.

b. For Progress Requirements

There was only one specific comment regarding failure to meet progress requirements, and this was to, *'Evaluate on a case-by-case basis what is the level of difficulty to implement and establish a time frame for compliance with firm commitment and training.'*

Note on terminology: Farm assessment

At the end of the session the group was asked to agree on the Portuguese term to refer to farm assessment. "Avaliação da propriedade rural" was agreed, and will therefore be used in all communication on assessment.

OVERVIEW AND NEXT STEPS

A very brief overview of some of the issues noted by BCI over the course of the meeting was provided:

- BCI needs to very clearly identify the purpose of the National Guidance Material. For example, is it current best practice as can be, and is being implemented – or is it an aspirational goal? BCI also needs to clearly state that it is not a prescriptive list of practices to be adopted so as to qualify for 'Better Cotton'.
- The greater than expected impact of regional climatic variation on the types of minimum or no-till farming practices that can be adopted by farmers.
- While there is excellent information available on fibre quality management generally, it was advised that there is an information gap on how to best store and transport seed cotton so as to minimise the risk of damage and contamination
- That there is extensive legislation on issues relating to habitat conservation – but little in the way of practical guidance on how to comply with the many legislative responsibilities
- That the list of pesticides that BCI is seeking to see phased out includes some that are no longer used in Brazil, but also some for which there are no alternative products
- That with respect to managing the impacts of cotton farming – either social or environmental – that it is preferable for the industry to organise itself and demonstrate its ability to manage issues properly rather than the government doing so.

BCI outlined the next steps with respect to working with the Brazilian cotton industry in the development of the 'Better Cotton' System, as well as the overall BCI process:

Pilot Project Development Meeting. It was advised that immediately following the meeting, there would be a Pilot Project Development meeting involving representatives from ABRAPA, EMBRAPA and IAS, which would look at some of the practical issues associated with developing a project to trial the 'Better Cotton' System, such as location, appropriate partners etc. It was stressed that BCI would not be limited to collaborating with only those organisations participating in the meeting; the invited organisations were chosen to act as a starting point for in-depth discussion on the issues, based on BCI's existing knowledge.

Draft report for comment. BCI advised that the draft report would be sent to the translator on Monday 15 September, and it would then be distributed to participants as soon as it was received, and that at least 10 days would be allowed to make comment. BCI is seeking to finalise the report by 3 October.

Phase II: RWG's in other regions. It was advised that this meeting will now be repeated in each of the other regions: October for Pakistan, November for West & Central Africa and January for India. Following these meetings, a further revision of the Global Principles, Criteria and Enabling Mechanisms will be undertaken in preparation for the pilot trials, and this will also be circulated to RWG members for further comment.

Drafting National Guidance Material. The meeting was advised that further work on drafting National Guidance Material, based on the outputs of the meeting, would be undertaken. It was noted that current timelines for the development for this material may need to be revised in light of some of the discussion during the meeting; the material is especially required for the pilot trial phase of the 'Better Cotton' System (i.e. the Global Principles, Criteria and Enabling Mechanisms, Assessment Programme, supply chain system etc.). Following the first year of the trial, a further and final revision will be made to the Global Principles, Criteria and Enabling Mechanisms, for presentation to the third (combined global) RWG meeting.

Third global RWG. It was advised that current plans do not provide for a third Brazil RWG meeting, with the final consultation to take place as global RWG, with selected invitees from all current RWG's. However, the potential to hold a third RWG meeting for Brazil, in conjunction with the 7th Brazilian Cotton Conference (VII CBA), scheduled for 15-18 September 2009, was noted.

ANNEX 1

Group Work session: Indicators

Table 10: Crop Protection Indicators

CRITERIA	INDICATOR	How?	Who?
An Integrated Pest Management Programme is adopted	<ul style="list-style-type: none"> - Number of sprayings - Total costs of applications per ha - Number of farmers adopting IPM - Yield 	<ul style="list-style-type: none"> - Farmers book-keeping - Interviews with farmers & Extension agents - Review of Literature 	<ul style="list-style-type: none"> - Teaching, research and extension institutions and growers associations
Use of pesticides only that are categorised as WHO Class I, or are listed by the Stockholm or Rotterdam Conventions is phased out over time, with the phasing out timeline based on the availability of better alternatives and ability for the risk to be properly managed (please see annex 1 of the Principles, Criteria & enabling mechanisms for guidance on the pesticides included in the various categories)	<ul style="list-style-type: none"> - Products being used - Regions where they are used - Rate of application 	<ul style="list-style-type: none"> - Inventories - Volume sold 	<ul style="list-style-type: none"> - Farmers associations - Pesticide Industry (ANDEF) - Data from SINDAG
Pesticides are used on crops for which they are legally registered for use, and are correctly labelled	<ul style="list-style-type: none"> - Agronomic Prescription - Product consumption per cropped area 	<ul style="list-style-type: none"> - Inventories - Volume sold 	<ul style="list-style-type: none"> - Independent institutions and official bodies
Pesticides are prepared and applied by persons who are: healthy, skilled and trained in the application of pesticides, wearing appropriate protective and safety equipment, 18 years or older, not pregnant or nursing.	<ul style="list-style-type: none"> - Admission test and periodic examination - Certificate of training (e.g. CIPATR) 	<ul style="list-style-type: none"> - Checking company registered information 	<ul style="list-style-type: none"> - Ministry of Labour and Employment-MTE
Pesticides are applied in appropriate climatic conditions, according to label directions, and or manufacturers' directions, with well-maintained equipment.	<ul style="list-style-type: none"> - Efficacy tests - Evaluation of Application Equipment Conditions 	<ul style="list-style-type: none"> - Check registered data on pest monitoring and pesticide use 	<ul style="list-style-type: none"> - Independent institutions and official bodies
Used pesticide containers are collected by a recycling programme, or disposed of safely.	<ul style="list-style-type: none"> - Percent of collected/recycled drums 	<ul style="list-style-type: none"> - Records per agricultural region& collecting centres (national collecting index) 	<ul style="list-style-type: none"> - inPEV Publication
Most Important Indicator for this BCI Principle	Number of Pesticide applications	Farm Book Keeping	Teaching, research and extension institutions and growers associations

Table 11: Habitat conservation indicators

CRITERIA	INDICATOR	How?	Who?
Water courses, drinking water sources and other bodies of water are protected from farm run-off.	<ul style="list-style-type: none"> - Chemical and physical water tests (pH, turbidity, temperature, oxygen). - Bioassays with indicator plants (indicating the presence of certain substances, e.g. Watermelon for certain classes of herbicides). - Protected areas. - Soil management. 	<p>At points of entry and exit of water ways in the property. Participation of specialized agencies Use of PRAD</p> <p>Landowner, collaborators</p>	A qualified person of the farm. Participation of specialized agencies, collaborators
Biodiversity on and surrounding the farm is enhanced	- Catalogue micro, meso, macro flora & fauna of the farm	- use NGO, institutes and public services	- use NGO, institutes and public services
The use and conversion of land to grow cotton conforms with national legislation related to agricultural land use	- Agro-socio-ecological zoning	- Training of specialized teams for office & field work.	- Training of specialized teams for office & field work
Most Important Indicator for this BCI Principle	Agro-socio-ecological zoning	Training of specialized teams for office & field work.	Training of specialized teams for office & field work

Table 12: Water management indicators

CRITERIA	INDICATOR	How?	Who?
Water use is optimized	<ul style="list-style-type: none"> - Water quantity per ha - Irrigation intensity 	<ul style="list-style-type: none"> - Data from local authorities (SEMA, Water Resources Secretaries) - On-farm data - Visit to the farm 	<ul style="list-style-type: none"> - Local & regional authorities - Evaluation team (third party-associates)
Water extraction does not cause adverse effects on groundwater and water bodies	- Water output at tapping point	- Data from regional/local authorities and from the farm	- Secretaries of Water Resources
Most Important Indicator for this BCI Principle	Water quantity per area unit	Farm data	Farmer

Table 13: Soil management indicators

CRITERIA	INDICATOR	How?	Who?
Soil management practices are used that maintain and enhance the structure and fertility of the soil.	- Nutrient levels, organic matter, exchangeable aluminium, soil pH, silt and sand contents, soil compaction	- Farm visits for soil sampling, sending samples for analysis at accredited labs.	<ul style="list-style-type: none"> - Technicians of large farms - Extension Services & Growers associations
Nutrients are applied on the basis of crop and soil needs. Timing, placement and quantity applied are all optimised.	<ul style="list-style-type: none"> - Time of application - Rates of application - Expected yields 	<ul style="list-style-type: none"> - Farm visits - Direct questionnaire - Farm data 	<ul style="list-style-type: none"> - Technicians of large farms - ATER & farmers for small growers
Production practices are used that minimise erosion	<ul style="list-style-type: none"> - Terrain slop - Soil class - Soil conservation practices - Crop rotation - Use of green manure (small growers) - Use of minimum tillage - Use of no-till systems 	<ul style="list-style-type: none"> - Farm visits - Direct questionnaire - Farm data 	<ul style="list-style-type: none"> - Technicians of large farms - ATER & farmers for small growers - BCI Implementation
Most Important Indicator for this BCI Principle	Physical & Chemical soil properties	Farm visits for soil sampling, sending samples for analysis at accredited labs.	Technicians of large farms Extension Services & Growers associations

Table 14: Fibre quality management indicators

CRITERIA	INDICATOR	How?	Who?
Practices are adopted that maximize the fibre quality	<ul style="list-style-type: none"> - Date of planting and use of cultivars as per the zoning - Plant height, leaf shedding & boll opening are appropriate for harvesting - Evaluation of workers after training on harvesting, hauling and storage - Check conditions of harvested/stored product - Classing 	<ul style="list-style-type: none"> - Control dates of planting and varieties in use as per the zoning - Visit to the farm during the pre-harvest season - Through testing trained workers - Visit harvested area - - Classing report 	<ul style="list-style-type: none"> - Technician in charge - Technician in charge - Training coordinator - Technician in charge - Accredited classifiers
Seed cotton is harvested, managed, and stored to minimise contamination and damage	<ul style="list-style-type: none"> - Invoice indicating origin of certified seeds 	<ul style="list-style-type: none"> - Registration of seed producing farms (in the case of Mato Grosso the registration of the seed producer at PROALMAT suffices) 	<ul style="list-style-type: none"> - Evaluation team/third party (yearly audit) (Registration of the seed producer at PROALMAT)
Most Important Indicator for this BCI Principle	Fibre Classification	Classification report	Accredited classifiers

Table 15: Decent Work indicators

	CRITERIA	INDICATOR	How?	Who?
Most Important Indicator for this BCI Principle	Freedom of Association	<ul style="list-style-type: none"> - How frequent are the meetings? 	<ul style="list-style-type: none"> - Presence/absence control 	<ul style="list-style-type: none"> - Group manager
	Health and Safety	<ul style="list-style-type: none"> - Training of farmers and warn raising on the use of pesticides 	<ul style="list-style-type: none"> - Control sheets and interviews with workers 	<ul style="list-style-type: none"> - Manager, security officer
	Child Labour	<ul style="list-style-type: none"> - Verification of records 	<ul style="list-style-type: none"> - On the spot visits 	<ul style="list-style-type: none"> - Audit
	Forced Labour	<ul style="list-style-type: none"> - Interviews with workers 	<ul style="list-style-type: none"> - Local verification 	<ul style="list-style-type: none"> - Audit
	Non-discrimination	<ul style="list-style-type: none"> - Interviews with workers 	<ul style="list-style-type: none"> - Local verification 	<ul style="list-style-type: none"> - Audit
	Basic treatment and Disciplinary procedures	<ul style="list-style-type: none"> - No records 	<ul style="list-style-type: none"> - Verify at workers control office 	<ul style="list-style-type: none"> - Audit

ANNEX 2

Large and Smallholder Distinctions

What's the issue?

BCI is committed to developing a conception of 'Better Cotton' which can be grown by *all* cotton farmers in Brazil, large and small. Better Cotton will not be 'Better' if it is achievable only by a certain category of farmers. BCI recognises that there is a diversity of cotton farming in Brazil, and that not all farms or farmers have the same needs or the same capacities.

This is why the BCI takes an approach of implementing Enabling Mechanisms on the basis of needs assessment. For instance, the Enabling Mechanisms under which BCI undertakes to facilitate producer organisation and promote equitable access to responsible financial services are intended to respond to a situation where these issues give rise to negative socio-economic impacts. For this reason, in the Brazilian context, the Enabling Mechanisms on producer organisation and draft economic Principle on equitable finance are perceived to be relevant only to smallholders/family farmers, given that large farmers are well-organised under the auspices of ABRAPA and have access to a range of viable credit options.

In addition, the Production Principle on Decent Work is understood to be relevant to both large-scale and family forms of cotton farming, but has different provisions according to the size of the farm – small or large – and the proportion of family or hired labour involved in cotton cultivation.

During the Social Process of the 2007 BCI Brazil Regional Working Group, participants agreed that it was legitimate to distinguish between larger-scale production and small-scale family farming in terms of implementation approach. Accordingly, BCI will need to establish pilot projects to test implementation approaches for both large and small farms in Brazil.

The question remaining is: where and how to draw the line between 'small' and 'large' farmers?

What are the numbers?

Estimated number of cotton growers in Brazil in 2008, by state													
MT	GO	BA	MS	DF	MA	PI	TO	SP	PR	NE	MG	RO	Total
530	100	180	35	0	15	35	0	170	120	7,740	150	0	9,075

Source: Dr. Eleusio Curvelo Freire, Dr. Sebastião Barbosa, personal communication, 2008

Smallholders are most densely located in the climatically-suitable belt of the North East (NE) region where most cotton production in Brazil was located until the advent of the boll weevil in the 1980s. Some 50% of growers in the NE farm fewer than 5 hectares. So, while family farms in the NE are small, they are also numerous. Few, if any, smallholder growers in NE grow cotton exclusively. However, cotton retains singular importance as a smallholder cash crop and is economically key to the livelihoods of a very large number of families dependent smallholder cotton-growing.

However, between the larger-scale commercial farms in the *Cerrados* and smallholder family farming in the Northeast, it is noted that there are also small/medium-sized farms, most notably in the South/Southeast.

These general categories of cotton-farming systems can be summarised as follows, noting that the vast majority of cropping area and cotton production volume is accounted for by large-scale mechanised farms:

Summary overview of three categories of farming systems Brazilian cotton cultivation		
System 1: Large-scale mechanized cropping system in Cerrados	System 2: Small / Medium-size grower in the South /Southeast (PR,SP,MG)	System 3: Smallholder Family Farming in the Northeast
Cropping area 1,026,500 ha – 94% of total area	Cropping area 26,000 ha – 2.4% of total area	Cropping area 39,000 ha – 3.6% of total area

Source: Dr. Eleusio Curvelo Freire, Dr. Sebastião Barbosa, personal communication, 2008

Proposed grounds for distinction

Participants in the first Brazil Regional Working Group (August 2007) suggested that BCI should understand the distinction between large and family farms as one of "production arrangements, rather than technical differences".

Moreover, BCI considers it important to understand and coordinate with Brazilian established norms, as to be informed by national level needs assessment undertaken by national actors.

For these reasons, it is proposed that the distinction between smallholder and large farm should be informed by the definition of 'small farmer' established by the Brazilian state for eligibility to PRONAF credit lines. (PRONAF is the agricultural credit support scheme for family farming – and therefore represents a response to the needs of family farmers to access finance, analogous to BCI Enabling Mechanisms.) These eligibility criteria are summarised below, and cover land title, farm size, labour inputs and income.

PRONAF eligibility criteria				
Group A	Group B	Group C	Group D	Group E
	Exploit part of land as owner, squatter, renter, or sharecropper Possess in any capacity land areas not exceeding 4 fiscal modules* Live on farm or neighbouring urban or rural settlements			
Agrarian reform beneficiaries / settlers	Obtain at least 30% of family income from agricultural production or other on-farm activities	Obtain at least 60% of family income from agricultural production or other on-farm activities	Obtain at least 70% of family income from agricultural production or other on-farm activities	Obtain at least 80% of family income from agricultural production or other on-farm activities
	Farm operations based on family labour	Farm operations based mainly on family labour with only seasonal use of hired labour	Farm operations based predominantly on family labour, hired seasonal labour permitted and not more than 2 permanent hired workers	
	Gross annual family income R\$ 2000 or less (excluding social security benefits)	Gross annual family income R\$ 2000 – R\$ 14000 (excluding social security benefits)	Gross annual family income R\$ 14000 – R\$ 40000 (excluding social security benefits)	Gross annual family income R\$ 40000 – R\$ 60000 (excluding social security benefits)
Source: BNDES, MDA				

Note: The Fiscal Module

Established under the Land Statute of 1964, a 'fiscal module' is a regionalised unit of land area, ranging from 5 hectares to 110 hectares, depending on the average size of family farms in each municipality/sub-region. A fiscal module is calculated on the basis of approximate areas of land from which similar economic returns are possible: one fiscal module is the minimum deemed sufficient to support a family.

In the Northern region, the area of a fiscal module varies from 50-100 ha; in the Northeast, it is between 15-90 ha; in the Center-West, it is 5-110 ha; in South region, 5-40 ha; and in the Southeast, 5-70 ha.

On this basis, a possible BCI definition of small farmer – and hence beneficiary of a greater number of activities under the BCI Enabling Mechanisms – could be:

- any person eligible for PRONAF credit, or (more explicitly)
- owners, renters or share croppers of rural land not exceeding four fiscal modules (MF), who farm this land personally and with family labour, with no more than occasional recourse to temporary hired labour, as well as collectively-held land where each individual's share does not exceed four MFs

(The definition could be more restrictive, on the basis of farm size and region – “less than x fiscal modules in x region” - or on the basis of cotton cultivation – “farmers who obtain at least x% of family income from cotton cultivation”.)

What would this mean?

Using basic PRONAF criteria would have the following implications for BCI:

	Smallholders	Large Farms
Enabling mechanisms	<ul style="list-style-type: none"> • According to needs assessment, Enabling mechanisms would be implemented with those farmers eligible for PRONAF 	<ul style="list-style-type: none"> • Enabling Mechanisms (particularly those relating to Producer Organisation and Access to Finance) would not be implemented by BCI with farmers not eligible for PRONAF
Decent Work	<ul style="list-style-type: none"> • Basic Smallholder Criteria to apply to all farmers • Smallholder-Employer criteria to apply to PRONAF Groups C, D & E (where there is external labour recruitment, even if this is seasonal) 	<ul style="list-style-type: none"> • Basic Smallholder Criteria to apply to all farmers • Large Farm Employer criteria apply to all farmers not eligible for PRONAF
Pilot project determination	<ul style="list-style-type: none"> • Working on Enabling Principles with farmers eligible for PRONAF credit, most likely in region characterised by high number of smallholder cotton growers 	<ul style="list-style-type: none"> • Working with farmers not eligible for PRONAF in more independent sense, most likely in region characterised by large cropping area and high production volume

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FETAGRI
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SLC Agrícola
Embrapa
WWF
Círculo Verde/Abapa
IAS
IFAP/BCI
Cotton Consultoria
Ceres Consultoria
Fundeagro
Ampasul
IAS
Grupo Maeda
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