

BETTER COTTON INITIATIVE 2015 BRAZIL HARVEST REPORT





JAN

DEC

Sowing
OCT - MAR

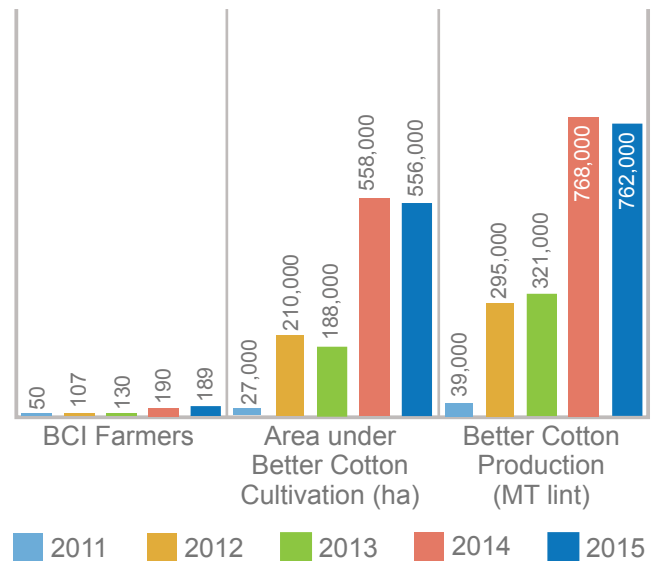
Harvest
OCT - MAR

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ABR REGIONS



DATA OVERVIEW



“The collaboration between Algodao Brasileiro Responsavel (ABR) and BCI clearly and objectively helped in the management of labor standards, environmental challenges, occupational safety and good agricultural practices. The collaboration gives us the opportunity to demonstrate to our customers that we work following the rules and respect both the environment and our employees.”

Aline Gordiano de Lima
Quality Process Analyst
Open Field Farm, Bahia state





2015 marked the fifth year of Better Cotton production in Brazil, and the second year of BCI's Strategic Partnership with Associação Brasileira dos Produtores de Algodão (ABRAPA). **In 2015, Brazil maintained its position as the largest source of Better Cotton globally.**

ABRAPA, the Brazilian Cotton Growers' Association, was established in 1999 and consists of nine state associations across the country. Today, ABRAPA represents farmers that produce about 99% of Brazil's cotton, mainly on large-scale mechanised farms. ABRAPA's own sustainability standard, Algodão Brasileiro Responsável (ABR), was successfully benchmarked against the Better Cotton Standard System in 2014, recognising the ABR standard as equivalent to the Better Cotton Standard. As a result, ABR cotton can be procured as Better Cotton, boosting the supply of Better Cotton in the supply chain.

RESULTS

In 2015, 189 cotton farmers were licensed to produce Better Cotton, between them producing 762,000 metric tonnes of Better Cotton lint across 556,000 hectares of land.

Including the expansion into the state of Piauí in 2015, a total of seven states now choose to participate in the collaboration between ABR and BCI in Brazil: Bahia, Goiás, Maranhão, Minas Gerais, Mato Grosso, Mato Grosso do Sul and Piauí.

In 2015, **Better Cotton amounted to 57% of the entire cotton crop in Brazil, compared to 45% in 2014.** It is important to note that, as shown in the graph on page one, the total volume of Better Cotton

in 2015 remained relatively constant compared with 2014. However, the total volume of cotton produced in Brazil decreased in 2015, boosting Better Cotton's percentage share of Brazil's entire cotton crop.

SUSTAINABILITY CHALLENGES

Rainfall shortages, caused by El Niño conditions, presented challenges in 2015 as Brazilian cotton is primarily rain-fed. The North Eastern states of Bahia, Piauí and Maranhão were particularly affected by drought, resulting in lower than expected yields. Farmers used precision agriculture technology, which enables smarter weather prediction and better decision-making through field data analysis, to address the challenging climatic conditions.

LOOKING AHEAD

The significant year-on-year increase of Better Cotton from 45% in 2014 to 57% in 2015, (relative to the entire cotton crop produced in Brazil), is testimony to the long-term commitment being made towards the sustainable production of cotton by ABRAPA and the farmers it represents. ABRAPA's Sustainability Working Group and dedicated Sustainability Manager (an internal working group that was established in 2015 that directs ABRAPA's sustainability and innovation agenda) are working together to pursue sustainable initiatives and maintain the benchmarked agreement with the Better Cotton Standard System. To support more sustainable practices, ABRAPA is looking to invest in technological innovations that offer both social and environmental benefits. Advanced technology currently plays a key role in Brazilian cotton fields, particularly in enabling farmers to stay resilient through challenging weather conditions.