

SUMMARY REPORT

2nd Meeting of the BCI

India Regional Working Group

20 & 21 January 2009

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ACRONYMS AND ABBREVIATIONS

ABRAPA	Associação Brasileira dos Produtores de Algodão
AFPRO	Action for Food Production
AP	Andhra Pradesh
AProCA	Association des Producteurs de Coton Africains
APMC	Agricultural Produce Marketing Committee
BAIF	Bharatiya Agro Industries Development Research Foundation
BCI	Better Cotton Initiative
BMP	Best/Better Management Practice
Bt	Bacillus Thuringiensis
CAI	Cotton Association of India
CABI	Centre for Agricultural Bioscience International
CARD	Community Action for Rural Development
CIBRC	Central Insecticides Board and Registration Committee
CICR	Central Institute for Cotton Research
CCI	Cotton Corporation of India
CITI CDRA	Confederation of Indian Textile Industry's Cotton Development and Research Association
CmiA	Cotton Made in Africa
COFA	Chetna Organic Farmers Association
CRIDA	Central Research Institute for Dryland Agriculture
CSA	Centre for Sustainable Agriculture
DAS	Days After Sowing
DCCB	District Central Cooperative Bank
EBRD	European Bank for Reconstruction and Development
FFA	Federation of Farmers' Associations
FFS	Farmer Field School
FAO	Food and Agriculture Organisation of the United Nations
FYM	Farm Yard Manure
GM	Genetically Modified
ICAC	International Cotton Advisory Committee
ICCO	Interchurch Organisation for Development Cooperation
ICM	Integrated Crop Management
IFAP	International Federation of Agricultural Producers
IFC	International Finance Corporation
IFOAM	International Federation of Organic Agriculture Movements
IKP	Indira Kranti Patham
ILO	International Labour Organisation
ILRF	International Labor Rights Forum
INM	Integrated Nutrient Management
IPEC	International Programme on the Elimination of Child Labour (ILO)
IPM	Integrated Pest Management
IRFT	International Resources for Fairer Trade
ITK	Indigenous Technical Knowledge
LEISA	Low External Input Sustainable Agriculture
MARI	Modern Architects for Rural India
MJ	Megajoule (unit of energy, i.e. 1 million joules)
MT	Metric Tonnes
NCIPM	National Centre for Integrated Pest Management
NGM	National Guidance Material
NGO	Non-Governmental Organisation
PIC	Prior Informed Consent (per the Rotterdam Convention)
PO	Producer Organisation
POP	Persistent Organic Pollutant (per the Stockholm Convention)
RWG	Regional Working Group
SAU	State Agricultural University
SC	Steering Committee
SECO	State Secretariat for Economic Affairs (Swiss Confederation)
SFP	Social Finance Programme (of the ILO)
SHG	Self Help Group
SIDA	Swedish International Development Agency
TMC	Technology Mission on Cotton
UNDP	United Nations Development Programme
WC	Working Capital
WCA	West and Central Africa
WWF	World Wide Fund for Nature

EXECUTIVE SUMMARY

BCI held a successful 2-day meeting in Aurangabad with a wide range of stakeholders from the Indian cotton industry. The focus of the meeting was to update participants on developments in the 'Better Cotton' System since the first Regional Working Group meeting in Hyderabad in April 2008 (as well as introducing BCI to those not present at the first meeting), and to seek their feedback on these developments. The developments looked at in detail were the revised Version 1.0 of the Principles, Criteria and Enabling Mechanisms, how to differentiate between smallholders, smallholder employees and large farmers (for the purpose of the Decent Work principle), National Guidance Material, national impact indicators and impact assessment, minimum requirements, farm assessment, the 'Better Cotton' Supply Chain system, and implementation of the 'Better Cotton' System. The meeting also heard from retailers their perspective on 'Better Cotton', including their rationale for involvement in BCI, and the strong interest amongst retailers in general in sourcing 'Better Cotton'.

There was general agreement that local development of National Guidance Material, which will provide the local interpretation of how to grow 'Better Cotton' through the identification and documentation of best management practices and other locally adapted tools available to farmers, is an appropriate approach for BCI to take.

For the BCI principle of Decent Work, different criteria apply depending on the size of the farm; broadly, large farmers need to meet additional or extra criteria compared to a smallholder farmer, and the means by which farmers are best categorised according to size is dependent upon regional issues. Regarding the best way to make the distinction for India, while no consensus was reached, it was generally agreed that land holding size is not a sufficient differentiator: local level refinement (such as the need for financial support), as well as the use of additional, objective criteria was seen as necessary. It is also considered important that a distinction be made between rain-fed and irrigated farmers.

Regarding the identification of impact indicators, a range of potential indicators was identified; there was no need seen for differentiation based on location, with the indicators being applicable in all states.

There was general agreement on the criteria selected as minimum requirements for 'Better Cotton' production, noting that some refinement of the application of the minimum requirement criteria in the Indian context would be appropriate. Also, for the issue of child labour as a minimum requirement, BCI will develop a better explanation of the distinction between acceptable and non-acceptable forms of child labour, as well as better defining what is (and isn't) hazardous work. A range of additional issues was also suggested as minimum requirements. These included: the use of farm yard manure (FYM), proper disposal of pesticide containers, safe use / proper training for pesticides, and the management of crop inputs, such as water and nutrients.

Regarding the elements of the 'Better Cotton' Supply Chain System, a number of practical considerations to be taken into account were identified (e.g. the fact that seed cotton is already segregated according to moisture content, that written receipts are required for tax purposes for the selling of cotton, the potential difficulty in by-passing market yards, and the critical role of the gin in transport, segregation bale identification and grading). The general consensus was that while more work would be required to implement the elements of the Supply Chain System, the elements were feasible to implement. It was stressed that meeting with the critical stakeholders identified by the meeting — government and gins — should be an important immediate next step for BCI.

Regarding implementation of 'Better Cotton' in India, a number of organisations expressed a strong interest in collaborating with BCI to implement 'Better Cotton' once the various guidance documents on how this will work are finalised in 2010. A strong desire to see and participate in a regular BCI 'information forum' was also expressed. A large number of organisations already working on implementing projects that cover one or more of the issues addressed by the definition of 'Better Cotton' were also identified.

The discussions on farm assessment confirmed that group assessment was the most appropriate form of assessing farmers. There was a range of views however on who should pay for farm assessment.

BCI advised the meeting that work is underway to develop the protocols as to how existing projects can transition to become 'BCI' projects, in particular through working with the projects being run by WWF in Maharashtra (in association with IKEA) and in Andhra Pradesh (with Marks & Spencer), and that Version 2.0 of the Principles, Criteria and Enabling Mechanisms will be published in July 2009.

BCI also advised the meeting that BCI would be looking to hire a Regional Co-ordinator for South Asia by June 2009.

INTRODUCTION

This report presents the outcomes of the second Regional Working Group (RWG) meeting for India that was organised by the Better Cotton Initiative (BCI), with the support of World Wide Fund for Nature - India (WWF-India). The meeting took place on 20-21 January 2009 at Aurangabad, Maharashtra. It brought together a total of 55 participants, including representatives of cotton growers' organisations, cotton ginner, cotton traders, cotton spinners, research centres, governments, NGOs and retailers. A complete list of participants is provided at the end of the report.

It should be noted that, apart from the specific objectives listed below, the meeting did not endeavour to reach or agree on a position on all the issues raised during the two days. 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. It should also be noted that the report does not follow exactly the actual order of discussions, but rather is structured according to common areas of content.

The Better Cotton Initiative values the input and oversight provided by the India Regional Working Group and sincere thanks is extended to all the participants whose contributions were invaluable in achieving the objectives set out at the start of the meeting. Particularly, the generous support and assistance of the WWF-India team (Messrs Bhatnagar, Dhar, Patil, Reddy and Vamshikrishna) and the continuous support from the meeting facilitator (Mr Arun Raste) were instrumental in the smooth running and success of the meeting. The BCI extends its gratitude to Mr Suresh Kotak (Kotak & Co. Mumbai) and Dr Keshav Kranthi (Central Institute for Cotton Research) for welcoming all the participants and opening the proceedings.

OBJECTIVES OF FIRST INDIA RWG MEETING AND REVIEW OF ACTIVITIES SINCE FIRST RWG MEETING

Allan Williams (BCI Technical-Environmental Coordinator) quickly summarised the focus of RWG 1 (held in April 2008) for those who did not attend:

- Introducing BCI to the Indian cotton industry
- An opportunity for BCI staff to learn about the issues and structure of the Indian cotton industry first hand
- Determining whether the proposed global 'principles' of BCI were applicable in the Indian context
- Undertaking group work to define in more detail the social and environmental 'best practices' available to address the BCI principles.

A copy of the report from the first RWG meeting was also provided to all RWG 2 meeting participants (available from <http://www.bettercotton.org/site.php?8,33>).

The meeting was then provided with a brief overview of some of the main activities undertaken by BCI since the first RWG meeting. These were noted as:

- Publishing version 0.5 of the BCI Principles and Criteria for consultation.
- Undertaking a public consultation on this version 0.5 and then publishing version 1.0 in July 2008 in 4 languages
- Engaging with stakeholders, and building partnerships with stakeholders across the cotton supply chain, including the signing of Oxfam, International Finance Corporation and International Federation of Agricultural Producers as new steering committee members; and entering into partnerships or memorandums of understanding with Cotton made in Africa, Levi, Lindex, Nike, Solidaridad and the International Cotton Advisory Committee (ICAC); discussions are also underway to formally collaborate with Ecom, European Bank for Reconstruction and Development (EBRD), and the United Nations Development Programme (UNDP)
- Holding a multi-stakeholder workshop in London in May, and two business development meetings, in Amsterdam and New York
- Attending various cotton conferences to present or represent BCI, including the International Textile Manufacturers Federation annual conference, the ICAC plenary meeting in Burkina Faso and the International Federation of Agricultural Producers conference in Warsaw
- Holding the second RWG meetings for Brazil and West & Central Africa, and preparing for the one for Pakistan, scheduled for March 2009
- Commissioning various areas of research to help BCI further develop the 'Better Cotton' system: information on best management practices, understanding how the supply chain works in each of the 4 focus areas of BCI (India, Pakistan, West & Central Africa and Brazil), approaches for implementing 'Better Cotton', and options for the governance structure of BCI.

MEETING OBJECTIVES

The meeting objectives were then presented:

1. To provide an overview of the BCI System, and in particular:
 - a. To ensure shared understanding of Version 1.0 of the BCI global principles, criteria and enabling mechanisms
 - b. To further refine BCI's approach to assessment for measuring progress towards growing 'Better Cotton'.
 - c. To identify nationally specific indicators that could be used to assess whether the BCI criteria have been met, and how baseline and ongoing data can be collected.
 - d. To ensure shared understanding of how BCI is proposing that the Supply Chain for 'Better Cotton' will work
2. To provide an update on the discussions held with other Regional Working Groups in Brazil, West & Central Africa and Pakistan.
3. To identify 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 India.
4. To provide an update on BCI's current implementation plans in India, as well as in the other BCI Regions.

OVERVIEW OF BETTER COTTON INITIATIVE

The Better Cotton Initiative

Nicolas Petit (BCI Social-Labour Coordinator) provided the meeting with an overview of the Better Cotton Initiative, covering the following aspects:

BCI's Mission: The Better Cotton Initiative (BCI) aims to make global cotton production better for the people who produce it, better for the environment it grows in and better for the sector's future.

The long-term objectives of BCI are:

1. To demonstrate the inherent benefits of better cotton production, particularly the financial profitability
2. To reduce the impact of water and pesticide use on human and environmental health
3. To improve soil health and biodiversity
4. To promote Decent Work for farming communities and cotton farm workers
5. To facilitate global knowledge exchange on more sustainable cotton production.

The scale of BCI: BCI is seeking to be mainstream, i.e. looking to operate at a large scale.

The collaborative and participatory approach to developing the 'Better Cotton' System, i.e. working in partnership with key stakeholders globally along the supply chain.

The focus on farmers, small and large: Farm support mechanisms are key – BCI is about capacity building, not policing, with the recognition that there will be varying needs in varying contexts, thus requiring a tailored approach to how best to enable and empower farmers (e.g. differing implementation strategies and assessment methods) to these different farm types, based on an initial needs assessment.

The desire to build and learn from what already exists — to collaborate, rather than compete, with existing activities wherever possible, as well as valuing the importance of continuous improvement and learning from doing.

The importance of both **measuring impact** (both on the environment and on livelihoods) as well as enabling a **link to the market**.

The organizational structure of BCI: The members of the Steering Committee were described and the presentation highlighted the role of the Steering Committee (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 BCI 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 volume of cotton consumed by retailers participating in BCI: It was highlighted that retailers and brands currently supporting BCI use more than 1 million metric tonnes of cotton lint per year, and that the BCI is working with these companies and others to increase the demand for 'Better Cotton'. Retailers and brands want to contribute to increased involvement of farmers growing 'Better Cotton' in the future, with the farmers being both the key beneficiaries and actors in the process.

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 and 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 part of the second phase 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', and establishing the field projects that will be the first phase of implementation of the 'Better Cotton' System (the BCI Road Map is presented in Annexure 1).

It was highlighted that following the current round of Regional Working Group meetings there would be a further review of the Principles, Criteria and Enabling Mechanisms, to be finalised in July 2009.

Potential benefits for 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.

The ‘Better Cotton’ System

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 a farm assessment programme and impact assessment programme, a supply chain system linking farmers to the market, support mechanisms to farmers to grow cotton better and a membership association structure. The meeting was advised that each of these elements would be discussed in more detail during the course of the meeting, and that there would also be the opportunity for participants to provide their comment on the each of these components of the ‘Better Cotton’ System. The main points of the system are shown in Figure 1 and were dealt with separately:

Global Production Principles

Better Cotton is produced by farmers who

- > minimise the harmful impact of crop protection practices
- > use water efficiently and care for the availability of water
- > care for the health of the soil
- > conserve natural habitats
- > care for and preserve the quality of the fibre

BCI promotes Decent Work.

Farm Assessment Programme

No accredited auditing programme will be established (at least in the first 4 years), and farm assessment will include both minimum requirements as well as further progress requirements.

Impact Assessment Programme

BCI wants to communicate and understand its impact, and measure it qualitatively and quantitatively.

Supply Chain System

The elements are:

- > establish one system for all regions
- > weigh seed cotton at the farm or village level
- > segregate ‘Better Cotton’ from farm/village to gin and track in transit
- > segregate ‘Better Cotton’ during storage at the gin
- > weigh and identify cotton lint produced from ‘Better Cotton’ seed cotton
- > a system to document the movement of the cotton.

Enabling Mechanisms

BCI aims to support farmers through 3 main enabling mechanisms – knowledge sharing and skills development, effective producer organisation, and equitable access to responsible financial services.

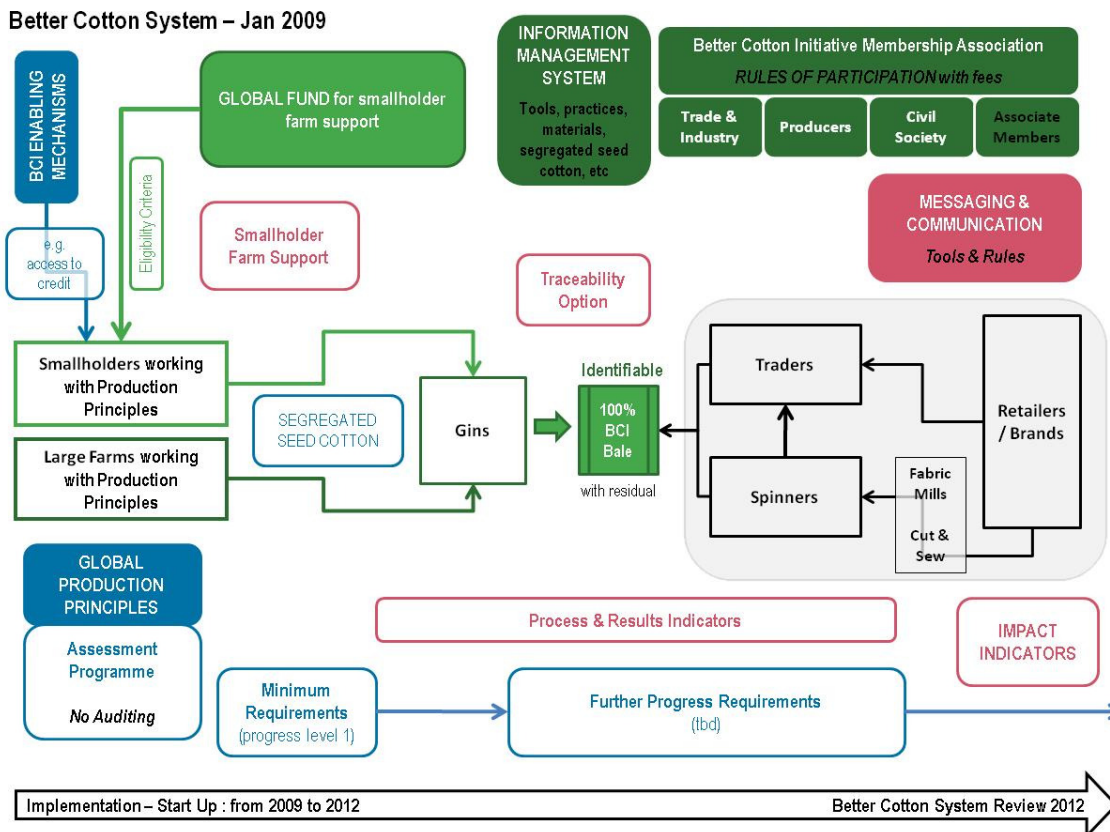
Membership Association

A BCI Membership Association will be established by July 2009.

Messaging and Communication

Communication about 'Better Cotton' could come from providing smallholder farm support, having a traceable supply chain, from process, results and impact indicators, all managed through messaging and communication tools and rules for members – to be established with the membership association.

Figure 1: The Components of the 'Better Cotton' System



An overview was then provided on the current version (Version 1.0) of the Global Principles, Criteria and Enabling Mechanisms. A copy of Version 1.0 was provided to meeting participants prior to the meeting, and also included in the documentation pack provided to participants at the meeting.

Questions and Discussion

1. It was noted that the objectives of BCI were appropriate, but certain things nevertheless still need to be addressed. For example, with respect to wearing appropriate equipment when applying pesticides, it was stated that as cotton is grown in very high temperatures, this makes it difficult for farmers to wear protective clothing as it becomes hot and uncomfortable; thus clarification is needed on the dress code for the farmer in these conditions. BCI noted that it was aware of this issue, and that further guidance on what 'appropriate' is would be developed by BCI. BCI also highlighted that given the toxicity of some pesticides, and the difficulty in having suitable protective equipment used, then the best course of action might be to not use the toxic pesticide, in line with the FAO recommendation on safe use.
2. Regarding disposal of containers: it was highlighted that this could be problematic for Indian farmers to comply with, as there was a lack of appropriate facilities. In reply BCI stressed that farmers would not be excluded from involvement in 'Better Cotton' based on this issue, which requires the development of regional support to be provided to them.
3. It was asked how would BCI be supporting farmers to grow cotton better? Training and extension is the current system, and it was claimed that it (the present system) is very weak, people try individual methods and that there is no integrated system. If we would like to grow 'Better Cotton' how do we do this, especially given many farmers are illiterate? In response, BCI said it is not going to seek to replace the extension system, rather it should be partners with BCI. BCI wants to build on existing initiatives, and work with people who are, or capable of undertaking the 'extension' of BCI.
4. It was noted that learnings from projects need to be transferred.
5. It was asked why there are no audits in the first phase of implementation of 'Better Cotton', i.e. until 2012. It was clarified that BCI would not, in the first phase (i.e. until 2012), develop an accredited auditing programme, but that nonetheless there

- would still be independent checks of farms. BCI stated that the initial focus will be on supporting farmers, rather than spending resources on developing a full-scale auditing programme, which would require time and effort.
6. It was asked “At the farmer level how the documentation can occur for the supply chain?” BCI’s answer was “We are here to ask you that, and to get your advice”.
 7. It was noted that the production criteria require a lot of change from the farmers – but this will require some kind of collaborative approach to the farming structure. What’s the financial support for the farms to do this? In what way will the other supply chain members be responsible? In reply, BCI said it well understood the need to provide the support to farmers. The focus of BCI is very much about capacity building, and not policing. While there are quite a few criteria, it was stressed that BCI is starting by focussing on minimum requirements, and on providing support to farmers to meet these minimum requirements. The priority is to get support to the farmers.
 8. It was queried how BCI intends to ensure segregation. BCI replied that it is not developing a track and trace system, but will focus on building relationships with the supply chain from the farm to the gin, and this will be where the approach to segregation will be developed; the people who want to use / purchase ‘Better Cotton’ will then need to establish their own system for tracking the bales of ‘Better Cotton’ from the gin.
 9. It was asked ‘How do you communicate BCI back to the farmers’? BCI said it considered it to be an on-going process.
 10. A comment was made that they were impressed with the criteria. The question though is “How to implement a package that is simple and understandable and includes all components”? BCI replied that its initial thoughts were that the RWG would assist in this package development through creating national guidance material. However, now BCI wants to undertake this by working with the local partners to identify everything available and collate all that information. BCI’s role will be to be a ‘filler of gaps’ and ‘information source’ (not an information developer). The BCI is planning to develop a library that project implementers can use. It is anticipated that this will ensure that documents and information don’t get lost once a project finishes, a common situation. BCI also added that hopefully in 10 years time (or perhaps 5) there will be very few gaps, and there will be plenty of good information readily available to project implementers.
 11. It was stated that the principles and criteria need to be compatible with other initiatives; the question is then how can they be aligned with Organic and Fairtrade? BCI replied that it has a broader approach than organic and Fairtrade, and also that the requirements of these two systems are being taken into account as part of the development of the definition of BCI to ensure that they are not excluded in any prima-facie way. It will therefore be possible for an organic / fair-trade farmer to also become a ‘Better Cotton’ farmer.
 12. The issue of climate change and agriculture – what is BCI’s approach to this, for example, on addressing the use of synthetic plant nutrition products and farmer suicide that may become worse due to climate change? BCI noted the need to be realistic about how many issues could be covered given its desire to be a mainstream approach. Nevertheless, there are 2 possible approaches. BCI’s main approach to supporting farmers deal with climate change is based on the thinking that through involvement with BCI, farmers will become better educated, and therefore more able to adapt to a changing environment due to climate change. Second, there may also be opportunities presented by climate change; BCI noted that there is work being done by Helvetas looking at the potential for cotton farmers to be involved in carbon trading, e.g. by receiving credit for the carbon storage potential of changed practices; thus this work can be shared with project implementers once it is finalised, and the projects can determine whether it is worth taking up.
 13. A participant noted that they thought that organic farming is the best way, but in the current situation it is more difficult. The need to adapt to local conditions and to adopt a participatory and community approach was said to be the best approach. Therefore BCI needs to think of the community level training.
 14. A participant brought to BCI’s attention the concept of ‘LEISA’ – Low External Input Sustainable Agriculture, and stressed that for them, communication and the understanding of this by the farmer is the most important part. There is already some understanding. But the question still remains: How can we develop a communication strategy of ‘what is in it for me’. It needs to be more than that. It needs to be a more strategic approach to this. Without doing this we will not go from pen to plough. It is a big challenge. In response, BCI said that implementation is focused on what are the particular issues in a village.
 15. A participant asked whether BCI would require certification of the inputs. BCI acknowledged the importance of ensuring the good quality of inputs, especially for example with respect to seed quality, and agreed on the need to avoid spurious inputs as it is a major issue, and that tools should be available to implementing partners to help them address it. However, at this stage, BCI does not plan on mandating or requiring that inputs be certified given the potential additional workload that would be required to undertake the due diligence and compliance assessment with any mandatory requirements based on use of certified inputs.

THE RETAILER PERSPECTIVE

Levi Strauss & Co.

Ms Colleen Kohlsaar (Manager, Environmental Sustainability) gave an overview of Levi Strauss & Co™. (LS&CO.), starting with the history and market profile of the company: LS&CO. was established over 150 years ago, is privately held, and has 3 brands – Levis®, Dockers®, and Signature by Levi Strauss & Co. LS&CO. sells its products in 110 countries. Sourcing involves 800 contracted manufacturing factories in 45 countries, and approximately 315,000 workers.

In 2007, LS&CO. commissioned a life cycle assessment of selected high volume products (Levi's® 501® jeans, and Dockers® original Khaki pants) to better understand the products' environmental impacts. The study involved a full life cycle analysis (cradle to grave).

In 2007 LS&CO. crafted its environmental vision: to build sustainability into everything it does so that profitable growth helps restore the environment. To achieve this vision, LS&CO. is currently focusing on strategies concerning i) cotton, ii) business operations and iii) the consumer.

During its recent exploration of cotton, LS&CO. found the global production of cotton to involve great complexity. For example, cotton is difficult to trace from the farm level to the mill, has significant price fluctuations, and critically, consumers generally don't understand these complexity nor are they willing to pay to 'unravel' the complexity. Nevertheless, given the importance of cotton for LS&CO. (total use in 2007 was approximately 298 million lbs (135,453 tonnes) which equates to approximately 0.5% of annual global cotton production; 95% of all LS&CO.'s products contain cotton) and, given it is difficult to know exactly where it comes from, LS&CO. is developing a cotton strategy that is expected to:

- Include environmental and socio-economic considerations
- Support initiatives that will spread beneficial environmental and socio-economic agricultural practices
- Support tracking system that reaches to the farm level
- Enable collaboration with others.

IKEA

Mr Pramod Singh gave an overview of IKEA, highlighting initially some general statistics. The vision of IKEA is to create a better everyday life for many people, which expresses itself in the business concept of offering a wide range of well designed, functional home furnishing products at prices so low that as many people as possible can afford them.

IKEA's objectives are that the IKEA business shall have an overall positive impact on people and the environment.

Turning to sustainability issues, it was presented that currently, IKEA:

- Has no control over where their cotton comes from and how the cotton is grown
- Considers that cotton represents a serious environmental problem – especially with regard to water use in cotton
- Believes, contrary to their vision, growing and harvesting cotton is not giving people a better everyday life
- Sees no competitive advantage in its cotton usage
- Is seeing a growing interest and awareness of the social and environmental impact of cotton and textile production.

The aim of IKEA therefore is to:

- Turn cotton from a problem to an advantage
- Strengthen IKEA's competitive position and sustain long-term profitability
- Offer cotton grown under clean and healthy conditions
- Openly communicate, externally and internally, what IKEA can do and offer.

IKEA has therefore established a cotton strategy with a range of approaches to meet the above aims:

- Using naturally available alternative materials - e.g. using flax and linen to reduce the % of cotton required (total consumption would nevertheless continue to increase, but not as quickly as it otherwise would without replacement by alternative fibres)
- Developing new quality standards, which will be applied uniformly, and are expected to reduce cotton need
- Working to create capacity to grow more sustainable cotton (e.g. with WWF, AFPRO, Agrocél etc) to grow the capacity of the farmers
- Aiming to reduce use of water, chemical pesticides and fertilisers

- Working on developing traceability systems for their raw cotton; started in Pakistan - so can at least find out which group of farmers the cotton is from
- Organising entire business, e.g. looking at the suppliers and addressing their roles in the overall strategy.

IKEA wants to create a trigger for other big brands to come on board also, and listed its expectations of IKEA's membership of the BCI Steering Committee as:

- Be part of the change in how cotton is grown, and how the supply chain works
- Contribute to improving livelihood of primary producers
- Link BCI / Better Cotton to consumers
- Help in commoditizing Better Cotton
- Shift large proportion of conventional cotton to Better Cotton
- Participate in a forum for creating and sharing common knowledge
- Help make Better Cotton more inclusive than exclusive
- Be able to identify sources of Better Cotton.

GROWING 'BETTER COTTON' IN INDIA

Smallholder and large farms

Nicolas Petit (BCI Social-Labour Coordinator) explained to the meeting the critical importance for BCI of distinguishing between smallholders, smallholder-employers and large farmers. The distinction is important as the number of criteria that need to be met under the Decent Work Principle depends upon which category a farmer falls into: for example, large farmers need to meet additional or extra criteria compared to a smallholder farmer.

It was highlighted that the challenge for BCI is that farm size has different meanings in different contexts or regions. For example, a small farm in Brazil might be 100 hectares, whereas 100 hectares would constitute a large farm in India. Thus the distinction between small and large needs to be made at the regional level, and this session was included to assist BCI in developing an appropriate Indian categorisation for sizes.

To help start discussions, participants were provided with a briefing paper developed by BCI with some suggestions as to how the distinction between large farmers and smallholders could be made (See Annexure 2). The briefing paper concluded with a series of questions for the RWG; these questions formed the basis for discussions in plenary, which are summarised below:

Questions for the India Regional Working Group

- Are there any other forms of farmers' categorization in India that could be used by BCI for distinguishing between smallholder and smallholder employers?
- What do you think constitute a '*significant*' number of hired workers for the definition of smallholder employer in the Indian context?
- Is it possible to define the different categories at national level or will state-specific categorisation be required?
- What does this farm categorisation mean for working with the 'Better Cotton' system (e.g. who should or should not have access to BCI enabling mechanisms?).

Before the questions were addressed specifically, some comments were made on the information in the document:

1. There was some debate and disagreement as to whether the distinction made in the document regarding farm size is specific to cotton or not (as opposed to total farm size). BCI clarified that the information was more designed as an example to initiate discussion.
2. The question was also asked whether a distinction should also be made for irrigated land.

The discussions in plenary centred on the issue of on what basis could farmers be best categorised as either smallholders or large farmers; while no consensus was reached on the best means of doing this, it was generally agreed that more than one criteria was essential to be taken into account when making the distinction (i.e. farm size on its own is not a sufficient means by which to classify a farmer). It was also generally agreed that any categorisation cannot be done at a national level but must be done at a state level. BCI noted that they are already in the process of following this approach in Andhra Pradesh.

The various comments and ideas presented are listed below:

- "I have a problem with the use of acreage as the definition. Instead, I would recommend the use of an indicator for defining the 'poorest of the poor', not however based on income, but rather on a peer evaluated criteria." It was stressed that the criteria needed to be developed 'internally', and not imposed by outsiders.
- It was noted that the information on cotton from GeoCities gives the acreage for rain fed and irrigated, as well as state based breakdowns. An effort should be made to match the geographical data with the farmer's data.

- For Indian farming, only for cotton farmers is it quite reasonable to be defined by size, as long as rain fed and irrigated farms are distinguished.
- There is a standard classification that distinguishes standard and marginal.
- It was agreed that categorisation is needed for decent work, and it was suggested it could perhaps use the number of family members working on the farm, compared to the number of employees. This, combined with the use of geography (rain fed / irrigated) and a bit of intelligence, is the most sensible approach to categorising farmers as either small or large.
- Participatory methods are a much better indicator, as each village is different. The categorisation should be defined by the people themselves (through PRA exercise for example), not outsiders
- It was argued that a participatory method is not enough, and that some kind of standard (i.e. with objective criteria) is required.
- Community farmer's data is important. Social and economic both are important, and therefore information through the farmer is useful. A social and economic measure is needed that is specific
- It was noted that every commodity has a different classification – but there is one
- Regarding land holding size and / or the dependency on hired labour, it was argued that a broader perspective was needed; i.e. the focus should not only be on these issues, but also on questions such as “Why is the farmer a farmer?, what is their background?”.
- It was suggested that the value of the land could be a good indicator
- It was said that the size of the land should not be used to ‘discriminate’; the differentiation should focus on the need for financial support, which should be assessed by the community.
- It was argued that all aspects should be considered and that financial capacity must be considered. It was also highlighted that state-based classifications are available from each state government
- It was noted that the categorisation is not only needed for the benefit of the farmers, but for the workers who are the poorest.
- It was highlighted that the issue of tenant farmers without landholding also needs to be taken into account — another argument as to why farm size is not a sufficient means for differentiation.

National Guidance Material

Presentation

Allan Williams (BCI Technical-Environmental Coordinator) gave a presentation on BCI's plans to develop National Guidance Material (NGM). The need for NGM was highlighted as being driven by BCI's desire to formulate a globally applicable definition of 'Better Cotton' – the Principles, Criteria and Enabling Mechanisms – that nevertheless also takes into account local conditions and circumstances. This local interpretation of how to grow 'Better Cotton' is to be realised through the identification and documentation of best management practices and other locally adapted tools available to farmers. The general term used for this information in version 1.0 is National Guidance Material. It was stressed that NGM will be designed to be a 'Tool Box', that is a range of potential practices for farmers to use, and will not be a prescriptive list of practices that farmers must use

The following points were then made about BCI's newly-revised approach on how it is planning to develop NGM:

- Initially, as was discussed at the first RWG meeting, the thinking was that BCI would undertake responsibility for the development of National Guidance Material in a two-pronged approach: 1) through commissioned research, and 2) with the support of each of the Regional Working Groups.
- The documents provided to participants before the meeting that listed tools or best management practices for the issues considered in the principles, criteria and enabling mechanisms, were the result of the commissioned research undertaken by CABI and Ergon & Associates.
- As well as identifying the available tools, the research also endeavoured to highlight any constraints associated with implementing the tool.
- The approach to developing NGM is now being modified for two main reasons:
 - The difficulty in developing a single set of National Guidance Material for countries with diverse production systems – and India was noted an excellent case in point
 - The difficulty in getting to the level of detail sufficient required using desktop studies and meetings that need to cater to a wide range of stakeholder interests.
- It was stressed that there is still a vital need for detailed information on the practical options available to a farmer as to how they might be able to meet the BCI criteria.

- Rather than BCI establishing itself as the primary developer of this information, the meeting was advised that BCI will instead act as a collector, holder and sharer of this information. BCI thinks that this is a much more manageable long-term task, and also believes that it provides a service that does not currently exist globally — no general information resource on more sustainable cotton growing practices having been identified. Information developed by projects is all too often ‘lost’ in filing cabinets once the project funding ends, meaning that subsequent projects often have to re-invent information.
- Thus for the identification of the locally-relevant best management practices, tools etc., that a farmer might use to grow ‘Better Cotton’, rather than BCI itself undertaking this task, BCI will look to have the people actually working with farmers identify and develop the appropriate information to help them grow ‘Better Cotton’. BCI considers that such an approach is also more compatible with a locally driven implementation process. Any effort to grow ‘Better Cotton’ will require some form of coordinated implementation process, and such a process will require implementation partners with good local knowledge – including information on the range of materials already available to help farmers to grow ‘Better Cotton’. BCI will work with the implementing partner to identify appropriate information that can support local implementation for each criterion. BCI has made a start by identifying material that already exists with the commissioned research, and handing over primary responsibility allows BCI to focus more attention on developing material to fill any gaps that are identified, rather than re-packaging information and resources that are already available.
- To help ensure that this information is not lost, one of the requirements of being an implementer of ‘Better Cotton’ will be to share the information developed or obtained by the project with BCI. BCI plans to store that information in a database, to develop a document library that stores all the information identified / developed by projects working to implement ‘Better Cotton’, that will then be made available by BCI to other ‘Better Cotton’ implementers.
- In summary, BCI’s role is one of facilitating the on-going development and sharing of appropriate regional information, rather than being primarily responsible for developing it.
- The meeting was advised that as well as the revised approach to the development of NGM, BCI is also going to develop a supporting document that will provide more detailed explanation on the Principles, Criteria and Enabling Mechanisms. The focus of this supporting document will be on detailing the scope of the Principles and Criteria and on providing information, such as International Conventions, that is globally relevant.
- The target audience will be primarily people working with farmers to implement ‘Better Cotton’, but it is anticipated that it will also be a useful resource for people who want to know more about ‘Better Cotton’, as well as perhaps more independent cotton farmers interested in growing ‘Better Cotton’.
- Examples of the sort of information likely to be included in the guidance notes were given as:
 - A general reference section with key documents (Details on WHO Class I pesticides, and the Stockholm and Rotterdam conventions, details on relevant ILO conventions, useful general reading and where to find appropriate documentation, etc.)
 - More detailed explanation of what is meant by some of the terms used in the definition of Better Cotton, for example, What constitutes ‘healthy’ and ‘appropriate’ – terms used in the criteria focused on safe application of pesticides
 - A detailed explanation of the concept of child labour, especially the distinction between acceptable and unacceptable forms of child labour, and the meaning of hazardous work, to name 2 examples
- In conclusion, the meeting was advised that the focus of the small work group session will be on the tools and best management practices discussed at the start of the presentation, and BCI’s approach to developing a database or library for this information. Participants were asked to break into 6 groups, around the following subject areas: soil and water management, crop protection, fibre quality management, decent work, access to finance, and knowledge sharing and skills development.

Each group was provided with the research information commissioned by BCI, and the following questions were asked to help with the further development of the NGM database:

- Regarding the list of ‘tools’ or BMP’s provided for your group:
 - Are there critical missing sources / references?
 - Do you have any comments on tools / practices themselves: if so, please add, modify, delete as necessary
- There were also specific questions for the small groups considering the issues of decent work and access to finance.

Due to the limited time available, the information developed by the small groups was not reported back to the plenary, and is summarised below.

Group Reports on National Guidance Material

Crop protection

This group made a number of changes to the list of 'Best Practices' detailed in the Table provided, as well as suggesting sources of additional information.

1. Changes were suggested to the table in the following areas:

- i) IPM practices - Seed treatment under bio control should be modified, as treated seed available for non-organic farming practices cannot be re-treated with bio control agents. However, seed treatment can be proposed for control of sucking pest. Soil treatment with *Trichoderma* / *pseudomonas* can be proposed for the control of wilt diseases.
- ii) IRM should be included for all insect pests
- iii) The recommendation that organophosphate and pyrethroid pesticides be used should be removed / or modified as per the pesticides allowed under BCI principle on crop protection
- i) Regarding ITK, note that they should be tested locally and modified, before suggesting as a BMP
- ii) The pest list needs to be updated every year, thus also the monitoring tools required for new pest complexes

2. Other information available, but not listed in the references:

- i) For IPM in Cotton, see recent books, edited by Dr. Dhawan and Dr. O.P. Sharma, including Cotton bollworm control in small scale production, Innovation in IPM, Integrated Pest Management: Dissemination and Impact; and Handbook of Plant Protection – edited by S N Puri and O. P Sharma
- ii) For IRM, and insect management generally, see books and articles published Dr. Kranthi (especially on IRM)
- iii) For use of resistant varieties, refer to IGMORIS site and CICR site
- iv) For Non Pesticide Management (NPM), refer to CSA.
- v) See also BMP Manual available from WWF -India.

Soil and water management

This group updated the Table provided, as follows:

Table 1: Revised Table of tools for soil management

Brief description	Tool in more detail	Information re justification	Constraints	Potential indicators	Source
Tillage	Minimum tillage – Ploughing/harrowing to make soil friable. No. of ploughing and harrowing will vary depending upon the soil.	Good land preparation encourages better germination.	Expose soil pest and pathogen and weed seeds to sunlight, predators	Reduced farmer's losses and increase yields.	Approved Packed of practices with SAUs and Operational Cotton Projects.
Land formation	Bed/ridge/compartament bunding/counter bunding depending upon the area	For moisture conservation, better irrigation, aeration conserves soil fertility.	Availability of implements/idea concept.	Increased yields and reduced crop losses	Approved Package of practices for Cotton: Maharashtra State. Information complied by Dr. M. Sabesh of CICR
Soil Amendment	Use well decomposed, available FYM using bio-cultures for compost, Recycle biomass	Early planting gives higher yields	Depends on cropping system and availability of machinery	Increased yields	Approved Package of Practices for cotton: Gujarat State information complied by Dr. M. Sabesh, Central Instt for Cotton Res.
Nutrient Management	Sheep and Cattle penning, Poultry manure etc. Tank silt wherever possible Wormi-compost Gypsum/pyrite etc depending upon the soil problem Use of fertilizers depending upon soil analysis (use soil testing kits for rapid analysis). This can be applied as basal dose and top dressing. (latter especially for N&K). Foliar applications can applied as required.				
Cropping systems	Use of local nutrient management practices such preparations from animal waste e.g., Panchkavya, Amrit pani etc. and biofertilizers if available Intercropping and alley cropping with short duration legumes including Pigeon pea, jowar, Maize, and some vegetables as recommended for the area Crop Rotation/green manuring				
Cultural practices	Intercultivation for weed control, moisture conservation and aeration Planting spacing depending upon soil and seed material. E.g., paired rows, ridge, bed planting				
Water conservation	Proper land preparation system as indicated above, Alternatively alternate furrow, Drip irrigation, Mulching				
Sowing & Establishment	Dry sowing/early sowing Maintaining optimum plant population Drilling / Dibbling depending upon the situation Drip, Micro drip, sprinkler whatever is feasible.				
Irrigation system	Fertigation combined with irrigation if possible. Feasible Watershed concept on Area basis.				
Weed Management	Interculturing, weedicide application in especially in heavy rainfall area.				
Choice of genotype	Early maturing Drought tolerant Pest/disease resistant		Need to take into account the soil, problems of the area		

Fibre quality management

The group provided the following information:

- i) Selection of genotypes recommended for the zone / region (to the extent possible, encourage 1 variety / 1 village concept)
- ii) Cultivation of cotton to be undertaken according to recommended package of practices
- iii) For harvesting, following to be implemented:
 - a. timing of picking
 - b. protective gear to ensure human hair does not get mixed with seed cotton
 - c. avoid hessian cloth/polythene bags for picking and storage of seed cotton
 - d. storage of seed cotton at farmer's home should not be on the ground but on cotton cloth
 - e. transportation of seed cotton from house to market yard so as to avoid contamination
 - f. avoid market yard contamination:
 - storage platforms
 - use of conveyor belts to reduce handling
 - g. packing of lint should be in cotton cloth
 - h. bales to be fastened with materials of standard specifications
- iv) For training, the following areas should be concentrated upon:
 - a. pre-sowing: seed varieties, land preparation and water management
 - b. in-season: timing of final irrigation, IPM, nutrient management,
 - c. pre-harvesting: use of picking bags, protective clothing, storage of kapas (seed cotton) and transportation of kapas
 - d. ginner: advise them of farmers involved in BCI

Decent work

The group advised the following regarding missing sources / references / advice:

- Information on the definition of child labour as opposed to child work: child labour act, constitutional right to education etc. – need to look at national legal demands.
- Information on Health and safety/Child labour: suggest look at
 - Andhra Pradesh: Child labour and health and safety issues in hybrid cotton seed production (Seed Association of India in collaboration with local NGO's like MV Foundation)
 - The standards for tea production
 - Work being done by ILO in collaboration with government on issue of child labour in cotton seed production in Andhra Pradesh
- Specific comments were also made:
 - The ILO standards are too high as a minimum demand. Enforcement of law is weak, for example legal minimum wages.
 - SA8000 certification is too expensive. Local level/community level monitoring is more effective.
 - Managing information flow is a challenge.
- The following suggestions were made for how to go about education and awareness raising:
 - Training of grand panjayats/village heads/opinion leaders in BCI demands (requirements)
 - KVK government scheme for technical support for farmers
 - Train the trainer concept: Master trainer among farmers who will expand the awareness to more farmers
 - E-systems: Internet and mobile phones to spread information
 - E-systems: CSC (Common service centres), supply driven today, decent work could be monitored by this
- It was also noted that the criteria should be seen as an aspiration that we / BCI farmers should reach in next few years.

- It was suggested that the demand (requirements) be prioritised:
 - 1) Forced labour according to Indian definition
 - 2) Child labour
 - 3) Discrimination
 - 4) Freedom of association.

Access to finance

In answer to the questions of whether, in relation to the 'tools' provided beforehand on access to finance, there are any critical missing sources/ references?, and what are the current best practices/success stories on access to finance?, the group responded with the following:

- Cooperative Development Foundation/Federation, karimnagar, Andhra Pradesh which promoted Mulkanoor Cooperative, caters to the financial needs of farmers from production to marketing
- MARI (Modern Architects for Rural India): developed corpus at the co-op society through member savings and external grant support
- Formal banking, DCCB Akola, in Maharashtra for production and WC to spinning mills doing fairly well
- Ankapur Farmers Society, Nizamabad district Andhra Pradesh
- NCDEX, MCX- derivatives, forward contract
- It was noted that for transition into BCI farmer needs investment like vermin bed, etc., to be provided

Comments on the tools provided beforehand:

- Very supportive as BCI enabling mechanism is effective producer groups, KOUTLA-B case is classic example. Scale-comment in challenge is not relevant.
- A note of caution though: government policies may not encourage this kind of initiative as it has political influence
- Tools are excellent but require modifications: area based contiguous producer groups, family should be the member as a unit. At village level federation of producer SHG should be there, borrowing limits to be enhanced in line with crop demand for finance, repayments to be season linked as existing is monthly repayments. Needs to be aligned with the crop loaning to avoid over finance or duplication
- The concept is to wean away from cotton to develop alternate crops like soybean, less water intensive crops
- Warehouse: there is no space for the farmer to store seed cotton in warehouse (small holders)
- Insurance: yes health, life and crop insurance alternatives needed; as well as support to the small holders for treating compensation; village should be taken as a unit.
- Contract farming: if farmer loses crop, there should be compensation and inputs and extension is very much needed
- ILO SFP: decent work and access to finance is addressed through this program: considers the challenge of the social aspect of financing on equity basis, but not sure on how working conditions issue could be best addressed.
- An important question is "How can BCI ensure that efforts to promote access to finance coordinate with those of state and other actors?"

Knowledge sharing and skills development

- How does feedback make its way back to the farmer (monitoring & evaluating)?
- Reference to formal education: highlight the role of Universities, local bodies and Government in driving education
- The need for a central repository of information constantly being updated (owned by?) at central or at a district level
- Drive dissemination of information using alternate media (e.g. cell phones / TV / rural haats / weekly markets)
- Also drive dissemination through farmer associations (KVK's etc.)
- Create a 'Better Cotton Farmer' community
- Use of mela's (large scale gathering / fair) to disseminate information
- Noted that the support system will require on-going funding.

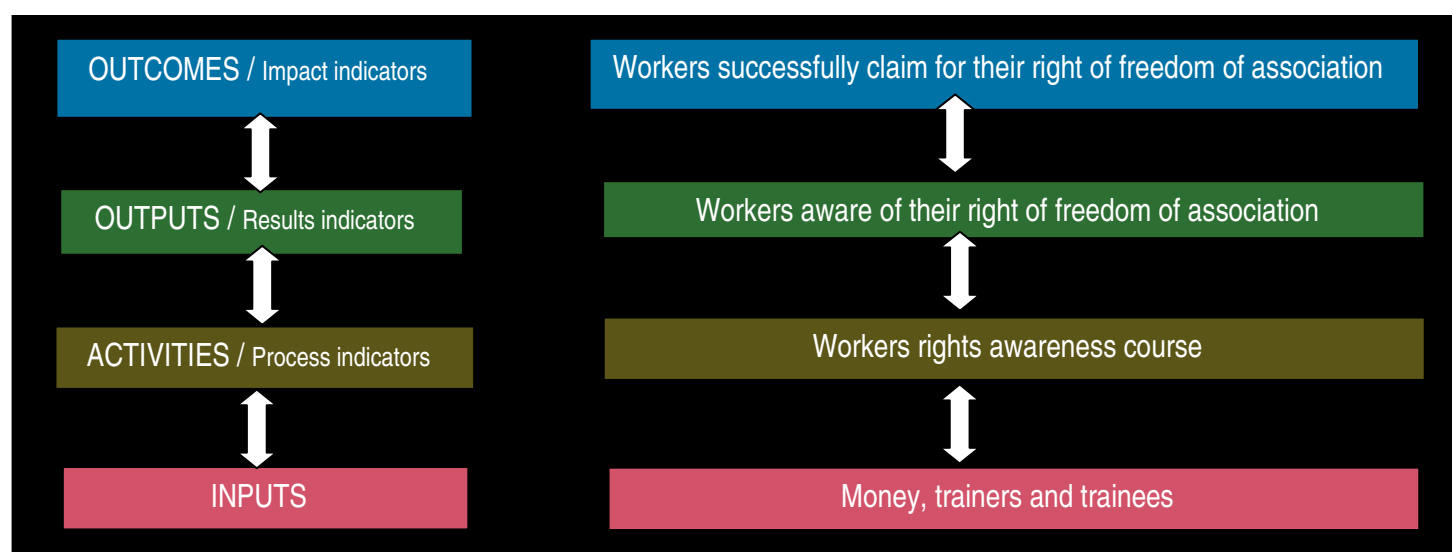
IMPACT AREAS AND IMPACT INDICATORS

Identifying Impact Indicators

Ellie La Trobe-Bateman (BCI Field Project Coordinator) provided the meeting with an overview of the BCI approach to assessing the impact of growing 'Better Cotton'. The presentation, which was supported by a handout provided to meeting participants (Annexure 3), made the following main points:

- BCI defines impact as “a **significant or lasting change** in people’s lives brought about by a particular intervention or programme”.
- There are various types of indicators, based on the type of activity or outcomes they are designed to measure; these different types of indicators, together with examples, are demonstrated in Figure 2 below.
- The reason for measuring impact was noted as being driven by BCI’s vision of success, and that this vision can be separated between the three pillars of sustainability; environmental, social and economic. Examples were given on what BCI may want to communicate to all levels of the supply chain, including: Do the 'Better Cotton' production principles improve the environment? Does growing 'Better Cotton' improve farm profitability? What are the long-term effects of changing practices socially? Are the results of the 'Better Cotton' activities linked to the impact? Are there any negative effects? It was also pointed out that measuring impact allows BCI to communicate and market the benefits of being involved in BCI.
- BCI will establish global impact areas, i.e. each country growing 'Better Cotton' will need to develop indicators for the same set of issues. However, these impact areas will be broad. An example of a global impact area could be water use, with the actual indicators used to measure the impact being established at the country level.
- The choice of indicators will need to take into account a range of factors, including: availability of information, existing practices, cost of collecting the information, and usefulness (including for the farmer).
- BCI has established an Assessment Programme Working Group to finalise the global impact areas, while the national level indicators will be refined as part of the initial implementation phase of BCI. This group will work from February to March 2008.

Figure 2: Types of Indicators



Group Working Session

The purpose of the impact indicator session was to identify some of the key impact indicators that could be used at a national level to monitor and evaluate the impact of the 'Better Cotton' System. Meeting participants were divided into 3 groups: environmental, social, and economic. Participants were free to join whichever group they felt most comfortable contributing to. The groups were each asked to identify what they considered as the 3 most important impact indicators for their 'pillar of sustainability'. The groups were also asked to identify if there was any regional variation (i.e. between states) in the importance of the impact indicator, and any options for collecting the indicators. The results of the group discussions were reported back to the plenary meeting, and are summarised below in Tables 2 – 4.

It was commented, and acknowledged that impact indicators would be inter-related and in some cases could cover more than one pillar of sustainability. The impact indicators for India identified, such as 'environmental education', 'increased / improved asset creation and investment in other livelihood option' and 'Indebtedness and risk minimisation' are examples of such overlaps in the suggested impact indicators.

Table 2: Environmental Impact Indicators

Potential Impact Indicators for India:	Possible options for methods of collection:	States in India that indicator is applicable to:
Biodiversity: density of non-target fauna in crop at 90 DAS	Field scouting; use of representative farms (5) per district	All states
Soil health (soil organic matter content)		All states
Reduction in chemical input use (fertiliser and pesticides)		All states
Total water use & water quality (salinity, residues)		All states
Environmental education, e.g. knowledge of hazards of pesticide		All states

Table 3: Economic Impact Indicators

Potential Impact Indicators for India:	Possible options for methods of collection:	States in India that indicator is applicable to:
Decreased cost of cultivation and increased profitability Quality improvement (fibre quality, moisture)	Set up benchmark, periodic or seasonal information collection Random sampling and secondary source of information to cross check	All cotton-growing states
Increased / improved access to technology and finance	Set up benchmark, periodic or seasonal information collection Random sampling and secondary source of information to cross check	All cotton-growing states
Increased / improved asset creation and investment in other livelihood option	Set up benchmark, periodic or seasonal information collection Random sampling and secondary source of information to cross check	All cotton-growing states
Indebtedness and risk minimisation		All cotton-growing states

Table 4: Social Impact Indicators

Potential Impact Indicators for India:	Possible options for methods of collection:	States in India that indicator is applicable to:
Health and safety (reduction in pesticide handling related accident and diseases)	Visit primary health centres; interview villagers – identify total number of visits to health centre	
Child labour retention in primary education; number of children involved in cotton harvesting; school attendance / total children in village; number of girls attending school; number of migrant children attending school; number of crèches for migrant children	Local schools (for school attendance) Baseline data (for the reduction of number of children involved)	
Producer/community organisation (no specific indicators defined, but reference made to bargaining power, collective marketing) Education and empowerment: access to knowledge		
Employment Conditions Farm workers, landless labourers)		

FARM ASSESSMENT

Presentation

Ellie La Trobe-Bateman (BCI Field Project Coordinator) provided the meeting with an overview of the BCI approach to Farm Assessment. The presentation, which was supported by a background memo provided to meeting participants (Annexure 4), made the following main points:

- In contrast to Impact Assessment, Farm Assessment is farm-focussed and relates to the activities conducted on the farm, for example, has an integrated pest management programme been implemented?
- The reasons for assessing a farm / a group of farms are to measure progress, drive progress and communicate progress
- BCI has a Version 1.0 of its Farm Assessment Programme, as provided to meeting participants (and see Annexure 4). BCI's approach to finalising how it will undertake Farm Assessment — including the minimum requirements expected of 'Better Cotton' farmers — will be to finalise its consultations with the RWG's, and then to brief the Assessment Programme Working Group, which will report to BCI on options. The BCI Steering Committee (SC) will then agree on the form of Farm Assessment in April 2009.
- It was highlighted that for the first phase of implementation of 'Better Cotton' the SC has decided that BCI will not develop an accredited labelling / audit programme – but that it could still undertake third party assessments. How this could be done would be an objective of the Assessment Programme Work Group. The position on an accredited audit programme will be reviewed in 4 years time.
- Areas to be discussed by the RWG are: what is assessed, how is it done, who undertakes the assessment, how much does it cost and who pays for it?
- Regarding *what* is assessed, currently this centres on the proposed minimum requirements for 'Better Cotton', i.e.:
 - Pesticides are used on crops for which they are legally registered for use, and are correctly labelled (Crop Protection Principle)
 - Child Labour: For hazardous work, the minimum age is 18 years of age (Decent Work Principle)
 - Forced Labour: Employment is freely chosen: no forced or compulsory labour, including bonded or trafficked labour (Decent Work Principle)
 - Plus other minimum requirements (yet to be defined), plus progress requirements.
- Regarding how it will be assessed, BCI is considering a range of options, including self-assessment, participatory assessment, group assessment, second party checks and random 3rd party checks.
- Regarding who pays, this is still to be determined: there is a diversity of opinion, with some people believing that it is better for the farmer to pay (as this will create genuine 'buy-in'), while others maintain that the people who desire the check should be the ones to pay.
- In summary, BCI aims to develop an assessment programme that is flexible and built through a consultative and participatory approach.

Following the presentation, a discussion ensued on the issue of whether planting seed production is included within the Better Cotton System. BCI sought to clarify that it sees a number of issues here. First, if a cotton farmer who grows cotton for planting seed wishes to be a 'Better Cotton' farmer, then they would have to comply with the same requirements as a farmer growing cotton for lint. That is, it is not planned that there will be two different sets of requirements, depending on what the focus of the cotton farmer is: lint production and seed production will both be treated as cotton farming. Second, BCI is not planning to require farmers to purchase cotton seed from 'Better Cotton' farmers. Nevertheless, participants of the RWG suggested that BCI should approach the cotton seed companies to endeavour to have them implement at least the BCI minimum requirements on the farms that produce the planting seed.

Following this discussion, the RWG then broke into 5 groups to address the following questions:

1. Do you have any comments on the current minimum requirements for 'Better Cotton' production?
2. What, if any, additional criteria do you feel should be added to the minimum requirements?
3. Do you agree that group assessment should be used for farm assessment of smallholders?
4. How do existing assessment programmes in India drive progress? Do they have progress requirements? If yes, what are these and how does it work? Please give examples and describe.
5. Who do you think should pay for the assessment of farms in India?

Discussions

Following the group working sessions, each group reported back to the plenary. The results of the discussions are summarised below, under each of the questions.

1. Do you have any comments on the following criteria being selected as minimum requirements for 'Better Cotton' production?

Table 5: Comments on proposed minimum requirements

Criteria	Comments
Pesticides are used on crops for which they are legally registered for use, and are correctly labelled (Crop Protection Principle)	<p>Group 1: Agree, noted that BCI should disseminate information about legally registered pesticides</p> <p>Group 2: Suggested add: Only the registered pesticides recommended (including non-use of pesticides recommended against) by the state agencies / SAUs, to be used in accordance with IPM principles; a scientific approach must be followed by farmers</p> <p>Group 3: Suggested focus be on "Optimising the use of chemicals inputs, particularly pesticides which are essential and with possible substitution with organic inputs"; link to safe use</p> <p>Group 4: Should comply [with] specification of CIBRC on application</p> <p>Group 5: No comment</p>
Child Labour: For hazardous work, the minimum age is 18 years of age (Decent Work Principle)	<p>Group 1: Minimum age should be revised to 14 years as per the law of India; [what constitutes] hazardous works in agriculture needs to be enlisted [clearly explained]</p> <p>Group 2: As per Child Labour Act, agriculture operations [are] not hazardous; no child labour to be used for pesticide application in BCI fields as (the) criteria</p> <p>Group 3: Use of any kind of child labour and forced labour for hazardous work.</p> <p>Group 4: Clarify what is hazardous work, i.e. spraying is hazardous work. Child work, which does not hamper education and in own farm can be accepted if body protection is used.</p> <p>Group 5: No comment</p>
Forced Labour: Employment is freely chosen: no forced or compulsory labour, including bonded or trafficked labour (Decent Work Principle)	<p>Group 1: Agree</p> <p>Group 2: OK</p> <p>Group 3: (Agree)</p> <p>Group 4: OK</p> <p>Group 5: Some penalty should be imposed if violated</p>
Additional suggestions on minimum requirements	<p>Group 1: Organic manure, FYM 2 tons per acre per year to be applied</p> <p>Group 2: Proper disposal of pesticide containers</p> <p>Group 3: Safe use of pesticides</p> <p>Group 4: Farmers are trained how to use pesticides and how to protect themselves or part of FFS, organic or fair trade certified farmers.</p> <p>Group 5: Input management, Water management, Integrated Nutrient Management (The norms to be worked out); these need to be regionally specific</p>

Following the discussion on the issue of hazardous work, and the relationship between it and appropriate and inappropriate forms of child labour, BCI explained that the essential thing is to clearly define what hazardous work is, as this can then form the basis for deciding whether work being undertaken by a child is acceptable or unacceptable; only once hazardous work is defined can the form of a minimum requirement relating to child labour then be properly debated. This is especially relevant as India has not ratified the ILO Convention dealing with the issue of hazardous work; it was suggested to BCI that it should review the provisions of the Child Labour Act.

2. Do you agree that group assessment should be used for farm assessment of smallholders?

Group 1: Agree, reason peer pressure and group dynamics

Group 2: Individual assessment in group process

Group 3: Yes

Group 4: Participatory assessment need to be added; Minimum record keeping by small farmers, i.e. dates of spraying, bills from purchase of chemicals

Group 5: See comments under question 5.

3. How do existing assessment programmes in India drive progress? Do they have progress requirements? If yes, what are these and how does it work? Please give examples and describe.

Group 1: Front line demonstration on production technology, Mini mission 2, TMC. Monthly progress, followed by project report.

Group 2: Eradication of child labour program in Andhra Pradesh is driving the progress. Integrated Pest Management Program in Punjab and Insecticide Resistance Management in 12 cotton-growing states. Mandal mahila Samakhyas for accessing funds under different programs in AP (SERP-DRDA: IKP)

Group 3: FT, ORGANIC, ICM, IPM. They have their own criteria and assessment guidelines.

Group 4: Organic farms, internal control systems exist added with external checking and records for spraying, reduce chemical fertilizer and increase use of bio-fertilizers and bio-pesticides etc; IPM leads to sustainable production, less pesticides etc.

Group 5: Present programs are not well structured and fragmented. BCI should provide the framework

4. Who do you think should pay for the assessment of farms in India?

Group 1: Initially BCI, Beneficiaries - Buyers, when it takes off other stakeholders could be considered

Group 2: Definitely not the farmers, (should be) supply chain or BCI

Group 3: Initially BCI - perhaps supply chain?

Group 4: Share the cost between government, (today subsidising chemicals and will save on that), farmer, cooperatives and buyers

Group 5: In order that everybody has sense of social responsibility as per respective ability to pay as they get different percentages of value chain. We understand that retailer get 60% of value chain whereas the farmers supply 10 % of value chain. The model of cooperative in Warangal can start from farmers' contribution in this growing bond and the respective shares can be judiciously worked out. The pivotal point will be every body would follow BCI principles and practices and belong to that ethos group and create an environment of sharing experience and further the cost will be collected by BCI

Everyone (therefore) contributes differing amounts depending on their position in the value chain, and BCI coordinates this.

Retailer should pay to BCI factor in their costing and BCI; Farmers should give negligible or moderate fees to BCI so that it has belonging to BCI; Member fees for each stakeholder based on the traffic (they) can bear

This issue of who should pay was debated by the members of the group, with some feeling that why should a farmer pay? – What benefit does he receive by paying for a farm assessment? Others however argued that paying for assessment was the same as paying to be a member of an association that in turn provides you with a 'brand' based on being associated with something that is positive – which provides an advantage. Paying therefore is important to build a sense of participation in this positive brand.

It was also noted that increased profitability for the whole chain is potentially of value to everyone in the chain

Another comment was that once people receive something for free, it then becomes very difficult to start to charge them for it; the example of asking farmers — and them refusing — to pay a 10 % fee on extension support was cited as a case in point. This was disputed though, with the comment being made that farmers will pay for something they see value in.

5. Do you have any ideas you want to put forward to BCI regarding how farm assessment is implemented in India?

Group 1: —

Group 2: *Third party assessment or develop BCI own assessment team*

Group 3: *A core group should be formed to develop procedure of assessment*

Group 4: *Assessment need to happen on various levels farm, cooperative, traders... Government should control through their (social justice and empowerment), government give out policy, BCI should connect/lobby with government and get government involved*

Group 5: —

THE 'BETTER COTTON' SUPPLY CHAIN

Presentation

Allan Williams (BCI Technical-Environmental Coordinator) provided the meeting with an overview of the Supply Chain System that the BCI Steering Committee recently agreed to. The purpose of the session was to receive feedback from the meeting on the various Supply Chain System elements, in particular to seek advice as to who has to be involved to operationalise the elements, and to receive any feedback about constraints or issues that might have to be addressed to implement these elements in the Indian context.

The main points made in the overview of the Supply Chain System were:

- One of the critical components of the Better Cotton system is how to take the cotton produced by a farmer involved in BCI, and make it available to interested retailers. And equally as critical is to work out how to do this in a way that is credible, yet minimises any additional cost burdens on the various supply chain participants, from farmer to ginner to spinning mill.
- BCI very clearly recognises that discussion with, and collaboration and support from a range of partners will be required to make these elements a reality.
- The rationale for having a supply chain system was provided: In summary, it derives from a number of factors including the need for any communication about 'Better Cotton' being based on a system that provides a level of assurance that the product being sourced is somehow 'better', or more responsibly produced.
- It was highlighted that the challenge is of course how to best balance this need for assurance with minimising cost.
- The elements of the supply chain system were developed following a series of interviews with representatives from the various stages of the supply chain in each of the 4 BCI regions. For India, a number of organisations were contacted, including people running projects, ginner, merchants, exporters and spinners.

The actual elements of the 'Better Cotton' Supply Chain are as follows:

- *Establishment of a common system, globally:* It is the strong preference of BCI that there is only 1 system irrespective of where the cotton is grown, in order to keep things as simple as possible, and therefore to also keep the costs as low as possible. However the need for some modifications to take account of regional differences is expected.
- *Have 100% 'Better Cotton' bales:* BCI considers that 100% 'Better Cotton' bales are required to provide the greatest number of options to the supply chain, and thus allows the greatest ability to build demand for 'Better Cotton'. 100 % 'Better Cotton' bales are considered the minimum requirement for satisfying market demand. (There will be an allowance for non-'Better Cotton' gin runs - that is, there will not be a requirement that the gin be cleaned down between gin runs of 'Better Cotton', and other cotton.).
- *A 'Better Cotton' Descriptor:* As well as the bale actually containing 100 % 'Better Cotton', BCI will seek to have the bale identified as such, for example, by adding initials to the current descriptor / bale tag / stencil.
- *Segregation of 'Better Cotton' to the bale:* Given that 100% 'Better Cotton' bales are sought, the cotton needs to be kept separate at all stages up to ginning; and BCI will take responsibility for the system up to the creation of the bale.
- It was emphasised that the BCI Supply Chain System *will only operate up to the gin*, and that responsibility for tracking the bale of 'Better Cotton' from the gin to the garment will be the responsibility of the person interested in sourcing 'Better Cotton', likely the retailer. A number of reasons are behind this boundary:
 - 1) Resource requirements and cost considerations: BCI sees its primary on-going role as focussed at the farm level, in particular supporting the adoption of better farming practices so that 'Better Cotton' can actually be produced. Stopping the involvement of BCI at the bale helps to maintain this focus, and to ensure that its resources are not spread across too many responsibilities; and

- 2) Flexibility. Different end-users of cotton will have different needs, and different requirements regarding the level of knowledge they want about the cotton in their supply chain. For example, it could range from the typical organic supply chain, whereby the source of the cotton in a specific garment is known, to knowing that a specific product range contains some cotton of a particular quality (such as 'Better Cotton') to knowing only that the cotton has not come from a particular region or country. Rather than BCI trying to design a system that caters for this wide range of needs, it was considered that it should be left to the end - user to set up a system that suits their individual need - especially as the end-users are the people best placed to identify the best way to work with their existing supply chains to source bales of 'Better Cotton'.
- *Regionally based:* As BCI appreciates that keeping 'Better Cotton' separate during storage and transport will require additional work on the part of all those who handle, store and process the cotton, BCI would like the supply chain to be based on existing - but regionally appropriate - boundaries that are preferably linked to commercial quantities or lots. This was also presented as a good example of where regional differentiation will be necessary: an appropriate boundary in India may be the village, in parts of West & Central Africa it might be an entire gin catchment, and in Brazil an appropriate boundary may well be a single large farm.
- *Weighing:* The Supply Chain system will seek to keep track of cotton weight at both the harvest stage where it will be vital for monitoring yield, and also at the gin - to build in an element of cross-checking to ensure that the quantity of cotton coming off farms matches the cotton being delivered to and baled by the gin as 'Better Cotton'.
- *Documented:* Lastly, a manifest system, such as a paper trail, or other appropriate system will be sought, that documents the chain of custody of the 'Better Cotton' from the farm to the gin.
- The meeting was then asked to consider the issues:
 - Who are the critical organisations for BCI to discuss implementation of each of the elements detailed above?
 - Are they (the organisation) regionally - dependent? e.g. local ginner vs. APMC / trade association
 - Can the auction / secondary market system be by-passed in the initial implementation stage?

Discussions

During discussions in open plenary, two main issues were addressed: who does BCI need to talk to regarding the implementation of the various elements, and what practical considerations or issues does BCI need to be aware of. The following points were made:

- Farmer, cooperatives, producer organisations are all potential partners
- It will be essential for BCI to work with existing government mechanisms for segregation, thus state government is a critical partner in implementing the 'Better Cotton' Supply Chain System
- APMC (Agriculture Producer Marketing Committee) Market yards in India are a major avenue for selling cotton – so it may be difficult to by-pass the market yards, as recommended, given that 70% plus is marketed by APMC yards
- BCI was advised that both Government agencies (representing more or less 30%) and private traders buy cotton from farmers
- It was noted that receipts are created in the system in order to satisfy government tax requirements – so there is a documented paper trail that can be built on or utilised by BCI, noting though that farmers did not normally receive copies of receipts currently. Meeting participants thus felt that a total system is available through the existing government requirements, but also that it needs refinement
- Regarding transport to the gin: usually based on a lorry load which is 8 tonnes, but there is a range of different situations, with farmers, ginner and intermediary agents all potentially taking responsibility for transporting the seed cotton to the gin
- Regarding weighing of seed cotton: if farmers take it straight to the gin, it is at the gin that it is weighed first, but if traders buy it, it is weighed at the farm gate
- It was stated that the gin would be a good unit for coordinating the 'Better Cotton' Supply Chain. Furthermore, there are ginner associations that BCI could work with, at both state and district level based; they can be well organised (especially in Gujarat)
- Regarding identification of bale: the gin can do it. It is mandatory that each bale should be properly marked (recommendations exist from the government), confirming that the gin association should be the focal point to discuss the identification of 'Better Cotton' bales

- Regarding segregation, a number of practical considerations or issues were raised:
 - Farmers might initially only grow some of their cotton as 'Better Cotton', making segregation more difficult and / or costly
 - How to implement the planned 'regional' or village based approach to segregation if only one part of the village is implementing 'Better Cotton'?
 - Segregation related to moisture content is already undertaken
 - It was emphasised that quality is also important to consider when segregating 'Better Cotton'
 - Farmers usually sell on an individual level, rather than on a 'village' basis that would make commercially-sized lots for transport (and therefore segregation) easier
- Regarding assessment of the seed cotton, it was noted that
 - Checking of the kapas for foreign elements (water and other things to make the load heavier) was normally done by the purchaser / grader
 - Fibre properties (length, strength, uniformity) also checked by some buyers. Moisture can be checked by hand but also by moisture meters
 - The ginner is the focal point when it comes to grading
- Grading is based mainly on experience, more than scientific methods (which may provide avenues for improvement)

In summary, the feeling received by BCI was that while more work would be required to implement the elements of the Supply Chain System (and especially meeting with the critical stakeholders, government and gins), the elements were feasible to implement.

IMPLEMENTING 'BETTER COTTON' IN INDIA

Presentation

Ellie La Trobe-Bateman (BCI Field Project Coordinator) provided an overview of BCI's plans for implementation in each of the other BCI focus regions.

The road map was again presented, (See Annexure 1), with the focus on India. The main points to note were that:

- Implementation does not only include the adoption of the BCI Principles and Criteria, it also includes implementing a Farm Assessment programme, an Impact Assessment programme, the Supply Chain System, and support mechanisms for farmers.
- In WCA, BCI is working with the regional cotton producer organisation AProCA in order to define the countries where implementation will first start. There are numerous programmes already existing in the region, and BCI seeks to collaborate as much as possible with these programmes in order to have the greatest impact, and for implementation to start in 2009.
- In Brazil, BCI is working with the national farmer's association (ABRAPA) in order to identify a number of areas that are representative of the diversity in Brazil regarding both farm size and agro climatic conditions. BCI will work with both smallholders and large farms with a range of implementation partners that are yet to be defined.
- In Pakistan, BCI is still to hold the second regional working group meeting (planned for March 3/ 4, 2009). BCI intends to work in close collaboration with WWF Pakistan and IKEA in order to transition their existing sustainable cotton programme to the 'Better Cotton' System for the 2010 planting season.
- In India, BCI intends to start work transitioning existing WWF-India / IKEA / Marks and Spencer programmes to the 'Better Cotton' System for the 2010 planting season.
- Other programmes and organisations wishing to formally adopt the 'Better Cotton' System would be able to do so after all BCI guidance documents had been completed in 2010.
- BCI is looking into establishing a smallholder farm support fund during 2010, which will support expansion by other programmes looking for funding for activities to implement 'Better Cotton'.

The group work of the session was introduced, which focussed (in light of BCI's desire to work, where possible, with existing projects and activities) on gathering information on:

1. What programmes are there, either existing or planned, that address one or more of BCI's Production Principles / or that could be compatible with BCI?
2. Who are the Project Partners?
3. Are there gaps in these programmes or projects when viewed against the Better Cotton System? – What support is needed to fill those gaps
4. Are there existing indicators?
5. Is there opportunity for expansion?

The meeting was divided into two groups, with one group looking at the questions from the perspective of southern states, (Karnataka and Andhra Pradesh), the other from the perspective of central / more northern states (Gujarat and Maharashtra).

Group presentations

The two groups reported back to the meeting as follows:

Central (Maharashtra and Gujarat)

1. Which existing programmes and planned programmes could be compatible with the 'Better Cotton' System?

- Technology Mission – TMC on IPM and INM
- BMP in IKEA WWF projects
- Prime Minister / Chief Minister Package
- Participatory Irrigation Management Programme
- Maharashtra Water Sector Improvement Programme
- National Agriculture Innovative Project
- Agri business development
- SBI Sukhibaliraja Initiative
- Clean Cotton Initiative

2. Who could the project partners be to address each of the BCI production principles?

- Private Companies such as Arvind, IKEA
- State Agriculture University
- Government Departments
- Krishi Vigyan Kendra
- NCIPM (National Centre for IPM)
- NGOs such as:
 - Agrocel
 - BASIX / AFPRO (Action for Food Production)
 - SEVA
 - Gramuikas Trust
 - CARD
 - AKRSP
 - SATNIK
 - TATA Trust
 - BAIF (Bharatiya Agro Industries Development Research Foundation)

3. How could these organisations be engaged with?

There needs to be an interface (e.g. Regional Coordinator) from which BCI can coordinate

4. In addressing the BCI Production Principles; are there any gaps that cannot be filled by regional capacity?

No gaps regarding cotton, but there is a gap regarding the choice, influence and management practices of the crop that is grown in rotation with the cotton crop

5. *What indicators are already being collected by programmes / organisations in the region that could be used by BCI for tracking results or impact?*
 - AFPRO – IPM and BMP project - pre and post project information
 - IKEA projects – e.g. WWF and Agrocel
6. *How could initial implementation be expanded?*
 - BCI to approach the programmes
 - BCI to bring together compatible programmes and go from there

South (Karnataka and Andhra Pradesh)

1. *Which existing programmes and planned programmes could be compatible with the 'Better Cotton' System? (Mostly on Production principles)*
 - ICM – AGROCEL – in Vijayanagaram, Orissa, Karnataka, Tamilnadu
 - Livelihood project - DFID funded in Karnataka (Richer)
 - AME (FFS) project – Karnataka, Tamilnadu and Andhra Pradesh
 - FFS –IPM project, organic village project being implemented by Government of Karnataka (Agriculture Department)
 - NCIPM in Dharwad, Raichur
 - Organic projects implemented by OXFAM, Organic Chetna, Zameen Organic
 - FFA project in Andhra Pradesh (Federation of Farmers Association, Hyderabad)
 - AFPRO projects in Andhra Pradesh, Karnataka
 - IKP – NPM project
 - BASIX model of microfinance, with agriculture productivity enhancement, ID in Adilabad
2. *Who could the project partners be to address each of the BCI production principles?*
 - MV foundation – for decent work criteria
 - UNICEF
 - NCPCR – (working on child labour in cotton seed production)
 - Young lives project

For agronomic principles

 - AFPRO
 - University of Agricultural Science, Dharwad
 - Department of Agriculture, Karnataka
3. *In addressing the BCI Production Principles are there any gaps that cannot be filled by regional capacity?*
 - No gaps
4. *What indicators are already being collected by programmes / organisations in the region that could be used by BCI for tracking results or impact?*
 - Profitability, cost-benefit ratio
 - Pesticide pollution level in cropping system
 - Fertiliser use
 - Carbon content of soil
 - Gender studies
5. *How could initial implementation be expanded?*
 - Lobby with the key officials government, for proper policy changes
 - Start with the government ATMA projects of government
 - Influence the CCI, retailers

Discussions and Questions

The following comments and questions were made following the presentations:

- For the southern states Agrocel also has existing indicators that BCI could use. Contact should be made following the meeting by BCI.
- BCI must involve all parts of the supply chain to be successful – all levels are important to engage with for successful expansion. A question was raised regarding how BCI is communicating to supply chain members. BCI responded that it will be an ongoing careful process. BCI is currently developing communications material for different potential partners. At a regional level this can be worked on further with the employment of the BCI Regional Coordinator.
- Apart from the people that are involved in the BCI are there any plans of the textile industry for expansion?
- There are several projects on going at present, for example Oxfam, who are working with 5,000 farmers, to convert from conventional to organic. If they adopt BCI principles can they be considered a BCI project? BCI responded that it would be possible and beneficial to work towards BCI adopting the 'Better Cotton' System. Guidelines for how to do this will be available in 2010.
- In Gujarat, many people could be interested in BCI. BCI clarified that we are open to work with any willing partners in the medium to long term because of our vision of shifting conventional to more sustainable cotton production at national level. However, you cannot be a BCI project or sell 'Better Cotton' until you are not applying the set of defined criteria of the 'Better Cotton' System, which will be ready in 2010.
- WWF is planning to test the production principles in different regions, including Punjab, Gujarat, Andhra Pradesh and Maharashtra
- Regarding expansion in the future, one of the key conclusions was that BCI urgently needs to engage and work with the government and the existing FFS system. Successful FFS programmes already exist in every state and funding is available.

OVERVIEW

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

1. The presentations by IKEA and Levi highlighted the strong retail interest in sourcing 'Better Cotton'
2. The elements of the supply chain system that BCI will use were seen as feasible, noting that BCI will have to collaborate closely both with the ginners and the state governments, as an essential matter
3. There was a range of views on who should pay for farm assessment
4. Regarding farmer categorization (as to whether they are a smallholder, smallholder-employers or large farmer): land holding size is not a sufficient differentiator: local level refinement is necessary
5. For the issue of a minimum requirement on the use of child labour, BCI will develop a better explanation of the distinction between acceptable and non-acceptable forms of Child Labour, as well as better defining what is (and isn't) hazardous work
6. Strong on-going interest in collaborating with and helping BCI was expressed
7. A desire that a forum for regular information sharing be established (e.g. website, regular meetings, a formal BCI Forum)
8. General agreement on Impact Areas, and that country specific indicators are needed for India
9. General agreement that local development of NGM is an appropriate approach for BCI to take
10. Seed production: BCI should look at having seed companies incorporating BCI minimum requirements
11. There is a lot of information available on the profitability of adopting better management practices, which meeting participants offered to share with BCI.

EXPECTATIONS AND IDEAS FOR CONTINUING INVOLVEMENT WITH BCI

At the beginning of Day 2, meeting participants were advised that when the regional working group process was first established, only two RWG meetings were anticipated, thus making this the last official RWG meeting. However, in light of some of the questions being asked, and with a view to maintaining and building the relationships that have been established via the RWG process, it is worth considering how to maintain the developed relationships. Meeting participants were requested to advise BCI how they would like to retain their involvement (if any) with BCI – particularly if they were not considering being directly involved in implementing a 'BCI' project. Individual ideas and comments are summarised under main themes, below.

Interested in entering into a partnership with BCI, or supporting its work

- Be a partner to:
 - Develop National Guidance Material on farm related principles
 - Implement field project for testing the 'Better Cotton' System in Andhra Pradesh & Karnataka
 - Build capacity of agencies through Training of Trainer's for developing FFS facilitators for India
 - Be part of advisory panel in farm related issues
- Be involved with BCI to:
 - Disseminate BMP's for 'Better Cotton'
 - Provide market linkages with / to farmers groups / with trading partners
 - Facilitate the procurement of cotton for BCI through / from farmers groups
 - Organise farmers into groups / clusters in major cotton growing areas
- Support BCI to promote Decent Work in the field
- Keen to work with BCI as our interests match on triple bottom line approach (people, profit, planet / social, economic, environment)
- Interested in implementing the BCI project from farm to fashion, with the support of brands, to market 'BCI' cotton
- Will continue in implementing the principles through projects / field testing / procurement of 'Better Cotton'
- BCI can be incorporated with ongoing efforts for 'Better Cotton' production; we can be key partners in implementation
- Keen to work with BCI to provide communications support
- Offer to create greater awareness about the benefits of BCI to the Indian cotton sector, through circulation of BCI's relevant published material
- Collaboration between CAI's research wing (COTTAP) and BCI projects, particularly in Maharashtra
- Potential for coordination between BCI and COFA, especially on issue of producer organisation in the form of knowledge sharing, capacity building of farmers and training; also, at a later stage, a combined project based on the learnings, research and future road map of BCI
- Willing to work with BCI in projects in Gujarat, Maharashtra and other states

- Willing to share field experiences with BCI
- Can make grant cum loans to NGO's, voluntary agencies and promotional organisations
- Promote farmers clubs, with grants of up to Rs 10,000 per annum for first 3 years available to banks, NGO's
- Conduct evaluation programme
- Participate in implementation at community level for testing the BCI standards and documenting the process in Maharashtra and Andhra Pradesh
- Participate in BCI activities at the national and regional level by contributing in promotional activities, knowledge sharing and advisory to BCI
- Advocacy with government at state and central level
- Desire to be associated with BCI in form of advisory knowledge sharing
- Offer to contribute and share in the discussions on small holder issues and challenges in the cotton supply chain
- Look to playing an active role in BCI in India, and willing to be part of the following groups / studies (suggested necessary to ensure the success of BCI Indian initiative): impact assessment group; strategic communications tools to farmers; research on farmers response to BCI; education / communication programme to farmers at the implementation stage of BCI
- Desire to be associated by contributing technical input, and helping to fine-tune aspects of BCI, in areas of expertise, including cotton growing, communication with farmers, economic, marketing, textiles etc.
- Would like to be part of the BCI programme as follows:
- Sharing the lessons learned over last 4 years, especially on good practices related to building producer organisation, internal control systems and establishment of supply chain from farm gate to garment
- A strategic partner in project implementation
- Ready to work with BCI, focussed at grassroots level interaction

Regular 'follow-up' meetings / information sharing

- For BCI and other partners to present what has been done, and learnings
- To hear what other similar initiatives or research has come up with to be able to develop BCI criteria and programmes
- To receive regular electronic updates of BCI in India
- To participate in future meetings of BCI India Stakeholders (once or twice per year)
- BCI could also consider establishing a share point website to post updates & host dialogues amongst BCI India stakeholders (e.g. particular projects and Best Management Practices could also be posted as learnings for all)
- An annual meeting to discuss and review BCI working, strategies etc.
- There should be an annual meeting to review, discuss and decide strategies to meet challenges based on feedback
- Yearly consultative meeting in India by BCI to understand issues and challenges associated with cotton farmers

Establishment of a 'core group'

- BCI should form a core group for achieving BCI at regional level and also to connect with the global level
- Regional core group needs to be formed having local representation
- Advisory group should have representations from all disciplines to take care of production, social and economic constraints
- India BCI network could be good forum for information sharing which could be part of global BCI network

Regional Coordinator

- Regional Coordinator a must for implementation and monitoring

Miscellaneous comments and queries (mainly what BCI should / needs to do)

- Cannot get results without involvement of local extension agencies
- What is the role of government organisations in BCI
- BCI should consider using the IFOAM smallholder certification scheme (www.ifoam.org)
- BCI should set more specific criteria for producer organisations / trader of the 'Better Cotton'
- (Need to clarify) NGO role in overall supply chain of cotton
- (Need to clarify) perception of BCI regarding the role of NGO to maintain forward and backward linkages effectively and efficiently
- How is BCI going to work with farmers to cultivate 'Better Cotton' as the transition phase is critical & requires time and fund investment
- As well as focussing on reducing farm costs, need to pay attention to 'controlling' the marketing system / supply chain better, so as to also improve the market price received by the farmers
- Need to associate with NGO's already working in cotton development and extension in India

- Support in linking the retailers into cotton projects
- Mobilise all the stakeholders (especially who are part of the supply chain) or create awareness on 'Better Cotton' concept
- Mainstream BCI principles in cotton research. Government extension and CCI etc.
- Undertake the following pieces of work: impact assessment; strategic communications tools to farmers; research on farmers response to BCI; education / communication programme to farmers at the implementation stage of BCI
- BCI should concentrate on marketing

NEXT STEPS

The meeting was advised as follows regarding the immediate next steps for BCI in India:

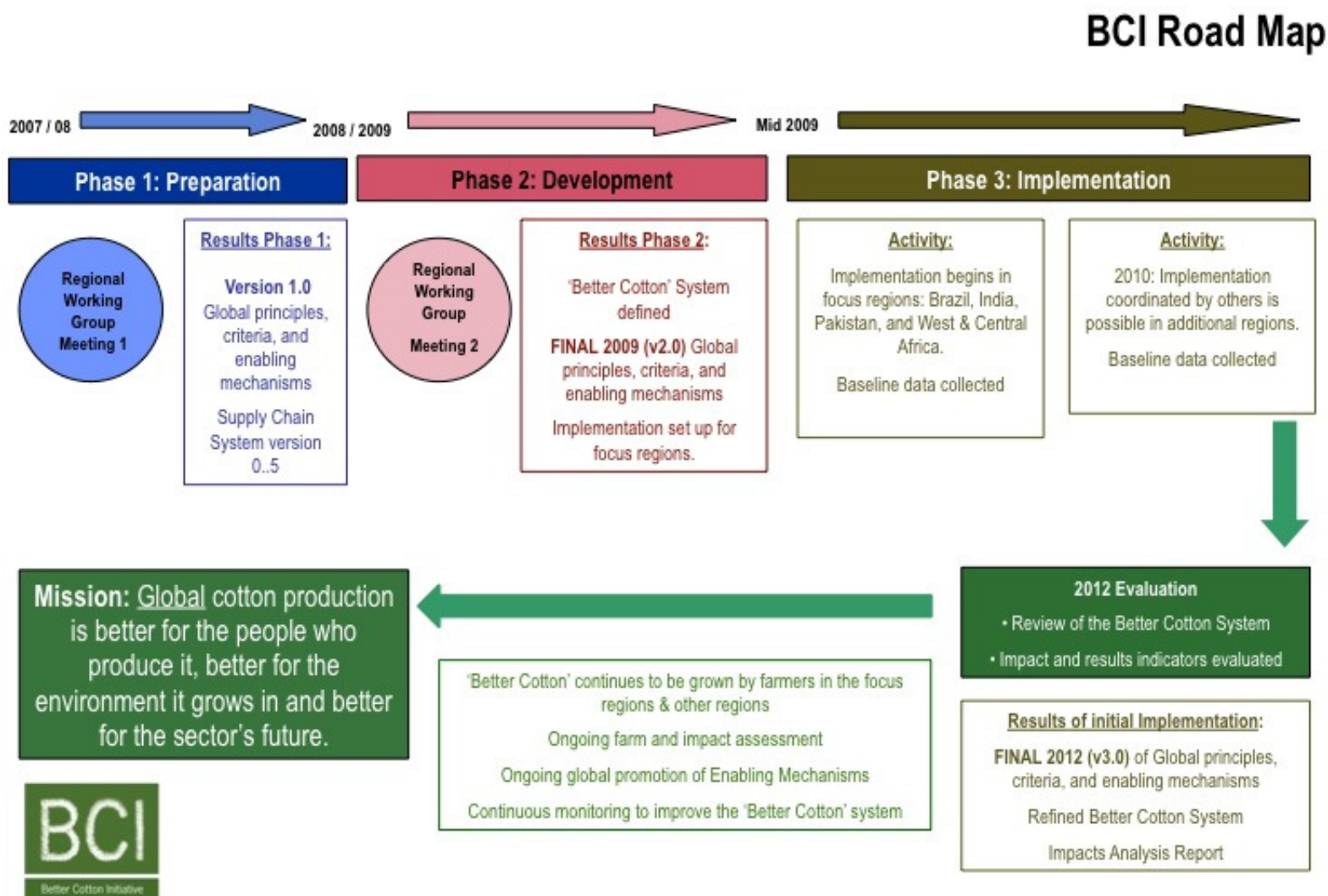
- The presentations from the meeting would be posted on Basecamp, BCI's web-based collaboration tool
- The draft report from the meeting would be emailed directly to participants by 5 February, with comments due back from participants by 18 February. Meeting participants were informed that people's names would be included in the report as a record of who attended the meeting, and that no comments made during the course of the meeting would be attributed to the person who made the comment. Participants were also advised that the listing of participants was not intended to act as any endorsement of the outcomes of the meeting.
- BCI is working to develop the protocols as to how existing projects can transition to become 'BCI' projects, in particular through working with the projects being run by WWF in Maharashtra (in association with IKEA) and in Andhra Pradesh (with Marks & Spencer)
- BCI will be endeavouring to hire a Regional Co-ordinator for South Asia by May 2009; meeting participants will be sent the Job Description in case they have an internal network that it could be distributed on
- Version 2.0 of the Principles, Criteria and Enabling Mechanisms will be published in July 2009, together with the supporting global guidance material
- Work on the other components: the Impact Indicators, farm Assessment Programme, and Supply Chain System will continue
- The first point of contact at BCI for members of the Regional Working Group is Allan Williams: allan.williams@bettercotton.org.

PARTICIPANTS

Name	Organisation
Pramod Kumar Singh	IKEA India
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B. Devindar Reddy	WWF-India
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R. Joginder	MARI
Gagan Mehta	Solidaridad
Colleen Kohlsaat	Levi Strauss & Co
Dr J. Diraviam	AME Foundation, Bangalore
Vasumathi K	Basix Hyderabad
K.R. Kranthi	CICR Nagpur
O.P. Sharma	NCIPM, New Delhi
Dr. S. S. Patil	USA, Dharwad
V.B. Ladole	CARD, Amravati
Suresh Kotak	Kotak & Co. Mumbai
Pramit Chanda	IKEA India
S. G. Salunke	AFPRO
M V Sakhare	AFPRO
K Venkateshwara Rao	Nabard
Y. Ramakrishna	Chetna Organic Farmers Association
Kishor Chandra	WWF-India
Y.G. Prasad	CRIDA, Hyderabad
O. P. Agarwal	Cotton Association of India
K Nagaraj	Karnataka State Dept. of Agriculture
B. R. Palaksha Goud	Karnataka State Dept. of Agriculture
Dr Anna Rao Hasnabade	Deputy Director of Agriculture Nanded, Department of Agriculture, Maharashtra
Dr A. K. Dhawan	Punjab Agricultural University, Ludhiana
Alok K Gupta	OXFAM India, New Delhi
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Allan Williams	BCI

ANNEXURES

ANNEXURE 1: BCI ROAD MAP



Updated Feb 2009

ANNEXURE 2: DISTINGUISHING SMALLHOLDERS AND LARGE FARMERS

Memo on Large and Smallholder Distinctions

2nd Regional Working Group India

What's the issue?

BCI is committed to developing a conception of 'Better Cotton' which can be grown by *all* cotton farmers (i.e. including both smallholders and large farms) as '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 India, and that not all farms or farmers have the same needs or the same capacities.

For example, 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. In particular, BCI makes the distinction between three types of cotton producers: smallholders (self-employed/family smallholdings), (ii) smallholder *employers* and (iii) large farm *employers* (see Version 1.0 of the Global Principles, Criteria and Enabling Mechanisms)

BCI defines **smallholders** as cotton producers that are not structurally dependent on permanent hired labour, and who manage their farm mainly using their own and their family's labour.

BCI defines **smallholder-employers** as smallholder farmers who employ a significant number of hired workers, either permanently or for a specific task.

BCI defines **large farms** as those cotton farming operations which are structurally dependent on permanent hired labour.

Accordingly, some criteria for the Decent Work production principle are applicable to all, and some only to smallholder employers and large farm employers.

Moreover, this distinction has also important implications for the implementation of BCI enabling mechanisms. BCI will provide and/or coordinate resources based on the assessment of the needs of different cotton farming communities. For instance, the needs of smallholders with regards to access to finance and producer organisation are likely to be different than large farms. The achievement of the enabling mechanisms will therefore assume different forms, priorities, and scale in different farming contexts.

During the first Regional Working Group in India in April 2008, participants broadly agreed with the rationale and approach proposed by BCI – to make a distinction between smallholder and large farms on the basis of needs assessments, and to derive the extent and form of capacity building from this assessment.

The question remaining is: where and how to draw the line between these three categories of cotton farmers?

Cotton Farmers in India

Estimates of the number of farmers involved in cotton cultivation in India vary widely: a reliable estimate appears to be about 4 million farmers¹, while campaigning organisations² have claimed that there may be as many as 10 million. Though some processes in some states are mechanised, picking is entirely by hand. In the central and south areas, cotton farms are usually family-run, mixed, and small (according to ICAC 2005, 55% are less than 2 hectares and 32% between 2-6 hectares).

¹ Commodity Specific Study: Cotton, National Bank for Agriculture and Rural Development, Mumbai, 2006

² The Deadly Chemicals in Cotton, Environmental Justice Foundation in collaboration with Pesticide Action Network UK,

The Indian government classifies farmers as marginal, small, semi-medium, medium or large farms as follows: a marginal farmer is defined as cultivating agricultural land up to 1 hectare (or 2.5 acres). A small farmer is defined as cultivating between 1 hectare and 2 hectares' (i.e. less than 5 acres). Semi- medium farmers are cultivating between 2 to 4 ha (5 to 10 acres), medium farmers are cultivating between 4 to 10 ha and large farmers more than 10 ha (see table 1).

Table 1: Farm Size Demographics, India (2000-2001 statistics)

Description	Size	Average Size (ha)	Total Holdings (%)	Area (%)
Marginal Farms	<1 ha	0.4	62	18.7
Small Farms	1-2 ha	1.42	19	20.2
Semi-Medium	2-4 ha	2.72	12	24
Medium	4-10 ha	5.81	6	24
Large	>10 ha	17.12	1	13.1
All Farms		1.33	100	100

Source: Agriculture Census Division, Ministry of Agriculture, Government of India

http://dacnet.nic.in/eands/At_Glance_2008/ch_16/tb16.1.xls

Landholding size also varies from state to state in India. According to Gupta (How 'White' is cotton? A report on Cotton farming in India by Dipankar Gupta 2008), while cotton farmers tend to be small land owners, there are exceptions to this rule. About 21.5% of cotton farmers in Rajasthan have large holdings. Punjab is a close second as 17.31% of holdings fall under this category and there are an important number of medium farmers in the state. In contrast, large farmers comprise only 0.03% and 2.9% of cotton farmers in Andhra Pradesh and Maharashtra respectively (see table 2)

Table 2: Category wise distribution of farmers (%)

Category of farmers	Rajasthan	Punjab	Andhra Pradesh	Maharashtra	Gujarat
Marginal (<1 ha)	4.8	8.3	27.3	10.2	21.4
Small (1-2 ha)	7.9	10.2	38	39.3	26.7
Semi-Medium (2-4 ha)	19.2	25	25.4	35.2	21.8
Medium (4-10 ha)	46.5	39.1	9.2	12.3	21.2
Large (>10 ha)	21.5	17.3	0.03	2.9	8.9

Source: Dipankar Gupta (2008)

For BCI, it is important to understand and coordinate with Indian established norms regarding farmers' categorization and the different categories of farmers presented here are therefore a very useful starting point. However, while the proportion of hired labour usually goes up with the amount of land owned/operated, this distinction on the basis of farm size might not be sufficient for the purposes of the differential application of the BCI decent work criteria as we need to clearly distinguish between smallholder, smallholder employers and large farm employers.

IMPACT INDICATORS WORK SESSION

Summary

An impact is a **significant or lasting change** in people's lives brought about by a particular intervention or programme. Assessing impact is more than a measure of how effective and efficient a programme is at using its inputs, or how consistent it is and needs to go beyond measuring the activities of the programme or the direct results of those activities. BCI is interested in measuring impact both qualitatively and quantitatively for each pillar of sustainability: environmental, social and economic.

When determining appropriate national indicators, a balance between accuracy, cost effectiveness and ease of collection will need to be sought. For example, an indicator may provide a very good assessment of impact, but be extremely expensive and time consuming to collect.

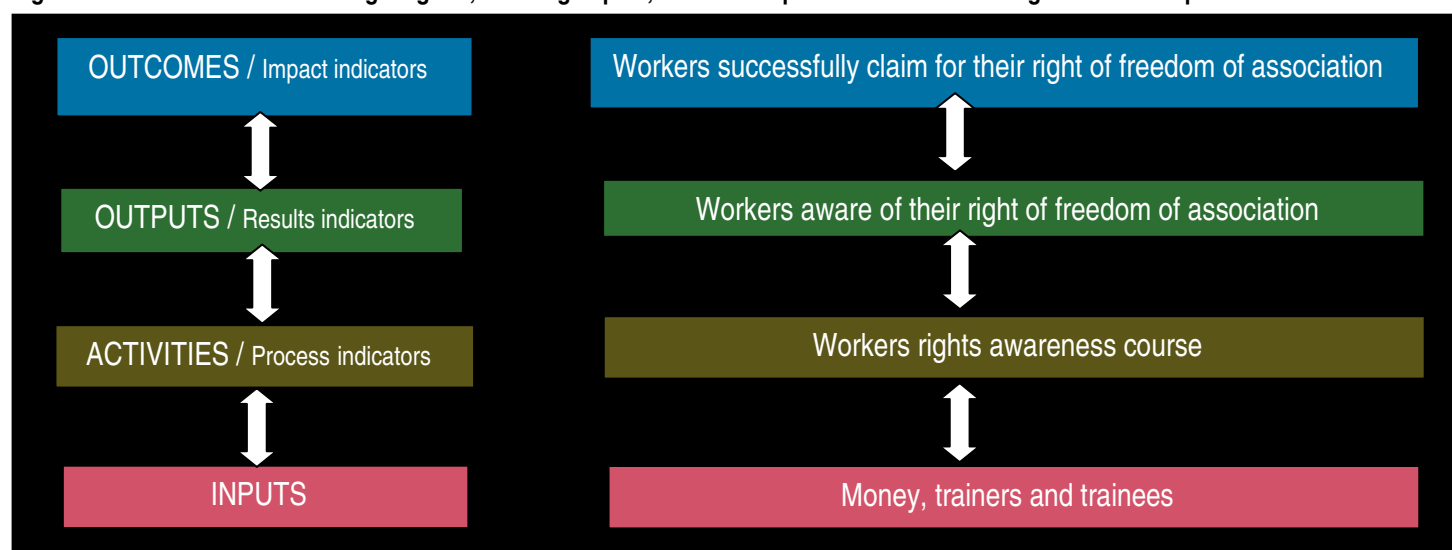
Why measure impact?

BCI has always recognised the need and importance in demonstrating its impact. It is inherent in the 'Better Cotton' System, due to the concept of 'Better', and so evidence is needed that as a result of any intervention by BCI, that 'things' are indeed better. It is important for BCI to measure impact to ensure that its investment has been worthwhile, and to also assist in efforts to promote the BCI approach, i.e. the demonstration of positive impacts is essential to maintain farmer's and other member's interest and involvement in the 'Better Cotton' System.

What is impact?

Figure 2 illustrates how impact indicators can be differentiated from results and processes, and shows an example in which the causal link has been inferred. For example measuring progress requires recording process and results indicators that can be used to relate to the impact indicators. To measure the use of inputs is to measure the efficiency of the programme; in the example that follows this would be to measure how many trainers are used and how much money is spent. To measure the activities and hence record process indicators is to measure the consistency of the programme. To measure the outputs and hence record results indicators is to measure the effectiveness of the programme; in the example below this would be to measure the awareness level of workers to their right of freedom of association. Only by measuring the impact does a programme measure the change in the lives of people, in the environment and in the economy overall; and in the example below this would be reflecting in the actual successful use of their knowledge of the right to freedom of association.

Figure 2: Results based monitoring diagram, showing impact, results and process indicators along with an example.



GROUP WORK

1. Divide into three groups
 - a. Environment
 - b. Social
 - c. Economic
2. Identify a note taker and a presenter to represent the group
3. Discuss and propose 3 impact indicators for India within the group's pillar of sustainability
 - a. Specify states that the indicators apply to
 - b. Specify any particular methods that are relevant
4. Present back to the Working Group

The following table provides examples of areas within each pillar in which BCI could measure its impact. The table provides examples of impact areas and specific indicators that could be measured at a national level. This is for assistance in the work groups.

Please note: these are just a selection of indicators and impact areas for example, please add and discuss more.

Pillar of Sustainability	Example of impact Area	Example Impact Indicators
Environmental	Water use	<ol style="list-style-type: none"> 1. The water table level 2. The volume of water contained in water bodies in an area
	Water quality	<ol style="list-style-type: none"> 1. Nutrient levels 2. Toxicity
	Soil health	<ol style="list-style-type: none"> 1. Organic matter content 2. Level of erosion
	Habitat	<ol style="list-style-type: none"> 1. Average numbers of farm birds species 2. Average numbers of on-farm pollinator species 3. Tree & shrub cover
Social	Health & Safety	<ol style="list-style-type: none"> 1. Annual incidents of cotton farming related injuries 2. Days lost to cotton farming related injuries
	Child Labour	<ol style="list-style-type: none"> 1. Annual incidents of child labour in cotton farms 2. School attendance
	Forced Labour	<ol style="list-style-type: none"> 1. Annual incidents of forced labour in cotton farms
	Other Social Impacts	<ol style="list-style-type: none"> 1. Level of knowledge exchange between farmers 2. Number of producer organisations, 3. Migration level 4. In-debtiness
Economic	Fibre Quality, Trash Content & Contamination	<ol style="list-style-type: none"> 1. Trash and contamination levels 2. Grade
	Poverty Alleviation	<ol style="list-style-type: none"> 1. Numbers living below the poverty line
	Farm profitability	<ol style="list-style-type: none"> 1. Average gross margins (supplied with yield & area information)

FARM ASSESSMENT PROGRAMME

Update Memo – January 2009

Dear Participants of the Second BCI India Regional Working Group Meeting,

This memo is provided as an update to inform you about recent decisions made by the BCI Steering Committee with respect to BCI's Farm Assessment Programme, and serves to complement the document describing the Better Cotton Initiative Assessment Programme, Draft 1.0 For Consultation, August 2008.

Draft 1.0 of the Assessment Programme has been through consultations since August 2008, with the Brazil Regional Working Group, West & Central Africa Regional Working Group, experts on assessment in agriculture, and the BCI Steering Committee.

Through these consultations, the BCI received useful and important feedback which the Steering Committee fully considered and led to the following decisions:

Relating to **what** is assessed:

1. BCI will work with 'minimum requirements', (terminology to be discussed); which will include:
 - *Pesticides are used on crops for which they are legally registered for use, and are correctly labelled*
 - *Child Labour: For hazardous work, the minimum age is 18 years of age*
 - *Forced Labour: Employment is freely chosen: no forced or compulsory labour, including bonded or trafficked labour*
2. Additional minimum requirements must be added to this list and will be defined through discussions with Regional Working Groups and the Assessment Programme Working Group in order to get a balance of requirements across the areas addressed by the BCI Production Principles.
3. BCI will work with progress requirements, i.e. not all BCI Production Criteria need to be met for farmers to sell their cotton as according to BCI ('Better Cotton'), where continuous progress in line with the BCI Production Criteria is required for farmers to continue to sell their cotton as 'Better Cotton'. How that progress is measured is yet to be defined.

Relating to **what methods** are used to assess and **who** assesses:

1. BCI will **not** set up an accredited auditing programme, labelling programme or certification scheme before 2012.
2. In 2012 BCI will review the entire 'Better Cotton' System and consider whether the supply chain component is capable of supporting a certification scheme, and therefore whether an accredited auditing programme is needed.

Beyond these decisions there are key areas of both a Farm Assessment and Impact Assessment Programme that need to be discussed, upon which we would be very grateful for the India Regional Working Group's input.

- Why assess?
- What is assessed?
- What methods are used to assess?
- Who does the assessment?
- Who pays for the assessment?

BCI will also establish an Assessment Programme Working Group (at a global level) to consider feedback received from the BCI Regional Working Groups and make recommendations to the BCI Steering Committee on both Farm and Impact Assessment at the end of March 2008 for approval.

I wish you all fruitful and interesting discussions. Thank you for participating.

Yours sincerely,



Lise Melvin / Initiative Manager, Better Cotton Initiative