The Better Cotton Initiative exists 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, by developing Better Cotton as a sustainable mainstream commodity.
The Better Cotton Initiative (BCI) is the largest cotton sustainability programme in the world. Last year, together with its partners, BCI provided training on more sustainable agricultural practices to close to 1.6 million farmers from 23 countries and mobilised €8.9 million in field-level investment. BCI is truly a joint effort, encompassing organisations all the way from farms to fashion and textile brands, driving the cotton sector towards sustainability.

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**New Members**

BCI achieved 94% of the end of year membership target by the third quarter and expects to end 2017 with more than 1200 members. New Retailer and Brand Members for the quarter included: Kmart Australia, Rituals Cosmetics Enterprise BV, Louis Vuitton Moët Hennessy (LVMH), SCA Hygiene AB and DK Company A/S.

**Standard Revision**

The Better Cotton Standard review process entered its final phase. Major revisions are currently being finalised with oversight from the BCI Council. Changes to the Standard include an adjustment on pesticide restriction and new approaches to gender discrimination, water stewardship, biodiversity management and land use.

**Better Cotton Growth and Innovation Fund**

The first round of applications for the 2018/19 season were due in September. BCI will conduct face-to-face meetings with all applicants to improve proposals throughout October 2017. The goal for the 2017/2018 season is to reach 1.8 million farmers.

**Communications**

The BCI Annual Report (www.bciannualreport.org) was released on 20 July and includes highlights from the year, farmer stories and key global figures.
Selected Country Highlights

Pakistan

The Rural Education Economic Development Society (REEDS) hosted a Pakistan Better Cotton Knowledge Network (BKN) meeting of BCI Implementing Partners in the city of Rahimyar Khan. Participants conducted field visits and met with two exemplary female farmers, Shama Bibi and Nasreen Bibi, who are leading the way for female cotton farmers in the country.

China

BCI hosted a field trip for Retailer and Brand Members to a Better Cotton smallholder project in Weixian County, Hebei Province, from 20 – 22 September. There were 20 participants from IKEA, H&M, IC Group, Okaid, Eurogroup, Burberry, MQ, VF Corporation, Target, AEO and HEMA. Through field visits, farmer interviews and a gin tour, participants learned how BCI Farmers have experienced an increase in their yields and decreased pesticide usage.

India

The third Regional Members’ Meeting was held in New Delhi on 18 September. There were 180 attendees representing 120 companies – including 30 Implementing Partners, 40 Ginners, 90 BCI Supplier and Manufacturer Members and 20 BCI Retailer and Brand Members – who participated in this engaging event.

Prior to the Business and Climate Change Summit held in New Delhi from 31 August – 1 September, Mr. Brice Lalonde, the Summit’s President who is also the former French Environment Minister, and Claudia Busch, from BCI, visited BCI Farmers in Madhya Pradesh.

United States

The Southern US was hit by two major hurricanes in August and September. Of the two hurricanes, Hurricane Harvey caused greater damage to cotton crops in the South Texas region. ‘Modules’ or round bales of already-harvested cotton were damaged as they awaited transport to gins, while unharvested cotton was totally or partially destroyed. In North Florida and Southern Georgia and Alabama, the damage was less severe, mostly blown down or twisted cotton plants that will make mechanical harvesting difficult and reduce yields.
At the end of the third quarter, BCI had reached 94% of its 2017 membership target and expects to end 2017 with more than 1200 members. Over the last two years, BCI has focused on growing demand, which is reflected in the large number of organisations from the supply chain, and retailers and brands that have joined BCI.

BCI concluded Q3 with 78 Retailer and Brand Members, which is 76% of the annual target for this member category. These retailers and brands, who must set sourcing targets, play an important role in increasing demand for Better Cotton. New Retailer and Brand Members for the quarter include: Kmart Australia, Rituals Cosmetics Enterprise BV, Louis Vuitton Moët Hennessy (LVMH), SCA Hygiene AB and DK Company A/S.

<table>
<thead>
<tr>
<th>Members by category</th>
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<tbody>
<tr>
<td>Retailers and Brands</td>
<td>78</td>
</tr>
<tr>
<td>Producer Organisation</td>
<td>33</td>
</tr>
<tr>
<td>Civil Society</td>
<td>34</td>
</tr>
<tr>
<td>Associate Member</td>
<td>10</td>
</tr>
<tr>
<td>Suppliers and Manufacturers</td>
<td>1008</td>
</tr>
<tr>
<td>Total Members</td>
<td>1163</td>
</tr>
<tr>
<td>BCT Users</td>
<td>1352</td>
</tr>
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<table>
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<tr>
<th>Members by Region</th>
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</tr>
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<tbody>
<tr>
<td>Africa</td>
<td>21</td>
</tr>
<tr>
<td>Asia</td>
<td>846</td>
</tr>
<tr>
<td>Europe</td>
<td>231</td>
</tr>
<tr>
<td>North America</td>
<td>43</td>
</tr>
<tr>
<td>Oceania</td>
<td>6</td>
</tr>
<tr>
<td>South America</td>
<td>16</td>
</tr>
<tr>
<td>Total</td>
<td>1163</td>
</tr>
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(Source: BCI September 2017)
During Q3 2017, uptake of Better Cotton at both the spinner, and retailer and brand level were significantly higher than in Q3 2016. Year-to-date figures were also higher than 2016. These increases of uptake at two critical levels of the supply chain demonstrate an increased demand for Better Cotton. Moving into the fourth quarter, which is historically the strongest quarter for spinner, and retailer and brand uptake, the Demand Team at BCI is optimistic that 2017 will be another record-breaking year.

### Uptake of Better Cotton

<table>
<thead>
<tr>
<th></th>
<th>2016 (MTs)</th>
<th>2017 (MTs)</th>
<th>Increase from Previous Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spinner Uptake Q3</td>
<td>159,943</td>
<td>202,929</td>
<td>26.8 %</td>
</tr>
<tr>
<td>RB Uptake Q3</td>
<td>128,620</td>
<td>177,202</td>
<td>37.7 %</td>
</tr>
<tr>
<td>Spinner Uptake YTD</td>
<td>539,578</td>
<td>815,506</td>
<td>51.1 %</td>
</tr>
<tr>
<td>RB Uptake YTD</td>
<td>323,265</td>
<td>475,224</td>
<td>47.0 %</td>
</tr>
</tbody>
</table>

(Source: BCI September 2017)
Standard Revision

The BCI Standard review process entered its final phase in the third quarter. The second round of public consultation ended in February, and the BCI Project Team analysed stakeholder feedback, bringing key issues to the attention of the Standards Revision Committee. The committee flagged several issues related to feasibility that prevented the Secretariat from presenting a revised Standard to the BCI Council for final approval in Berlin during the BCI Global Cotton Conference, as originally planned.

The BCI Council is conducting discussions in a stepwise manner, progressively agreeing on major revision topics, and plans to align on a final draft in the fourth quarter.

Major changes in the revised version of the BCI Principle and Criteria include:

- **Adjustment on pesticide restriction,** taking into consideration the banning of the Rotterdam Convention pesticides and the World Health Organization and Global Harmonised System classified pesticides (or active ingredients), on the acute toxicity phasing out process and natural substance use. The concept of minimum personal protective equipment (PPE) will also be included.
- **A water stewardship approach** that includes new components on resource knowledge and identification as well as collaboration and collective action towards local sustainable use of water.
- **A biodiversity management plan** focusing on the identification, mapping and restoration or protection of biodiversity resources, degraded areas, beneficial insects and riparian areas.
- **Development and implementation** of a risk-based approach to high conservation value assessment.
- **A comprehensive soil management** approach that includes identification of soil type and soil testing.
- **Clarification of how climate change mitigation and adaptation** is addressed under the revised standard.
- **Clear position on gender equality,** which is aligned with the International Labour Organisation (ILO) Decent Work agenda requirements on gender.
- **Requirement to further reduce foreign contamination of fibre through phasing out of synthetic bags during harvest.**

Results, Impacts and Learning

Fieldwork began for the midline study of the Demonstrating and Improving Poverty Impacts (DIPI) research effort. DIPI is a four-year impact evaluation seeking to measure the contribution that voluntary standard systems are making to poverty alleviation and pro-poor development. BCI’s evaluation, which is taking place alongside two other evaluations of standard systems, is commissioned by ISEAL and funded by the Ford Foundation.

BCI’s DIPI evaluation focuses on a project in Andhra Pradesh, India. It is led by the Natural Resources Institute at the University of Greenwich. The evaluation will include baseline, midline, and endline studies and uses a mixed methods approach of randomised controlled trial design with in-depth qualitative inquiry. The baseline study was conducted in 2015. The report is available on BCI’s website (http://bettercotton.org/resources/research/). The endline study will be conducted in 2018.
Currently, Better Cotton is grown in 25 countries on five continents. Here are highlights from six diverse production countries. BCI is an inclusive standard applicable to a range of contexts, from smallholder farmers in developing countries to large, mechanised operations.

**Pakistan**

**Assurance Programme Implementation and Licensing**

Implementing Partners and BCI Staff conducted second party credibility checks, and third party verifiers completed their assessments. This season 265,293 farmers, representing 92% of the total farmers participating in the BCI Pakistan programmes, qualified for licenses to sell their crop as Better Cotton.

**Centre for Agriculture and Bioscience International (CABI) Training on Natural Enemy Field Reservoir (NEFR)**

CABI, a BCI Implementing Partner, conducted a two-day training session on Natural Enemy Field Reservoir technology. One representative from each BCI project in Pakistan attended the session and received training on how to establish NEFR technology in the field.

**Launch of a New Water Stewardship Programme**

Under the umbrella of the International Water Stewardship Programme (IWaSP), Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH launched the Punjab Water Stewardship Programme (PWaSP). The programme is a collaborative effort between BCI, the Cotton Producers Water Stewardship Partnership (CWaSP) and Lahore Water Stewardship Partnership (LWaSP). IWaSP sponsored a three-day workshop to launch the project and identify quick-win measures at production and processing levels. The workshop resulted in the identification of five priority criteria and five quick-win measures to be undertaken in the coming months.
Story from the Field

Women play an important role in cotton production in Pakistan, but all too often women cotton workers are likely to undertake the least skilled work (such as seasonal or part-time work), and enjoy less job security than men.

BCI’s Implementing Partners in Pakistan, including the Rural Education Economic and Education Development Society (REEDS), seek to create an environment that encourages both men and women to join its Learning Groups. In 2016, REEDS worked with 30 women farmers and 5,072 women workers. BCI currently works with 40,560 women farmers worldwide. One of the women who was engaged by REEDS, Shama Bibi, had lost her husband, a cotton farmer, and was keen to become a farmer in her own right.

“I have learned a lot through my discussions with Learning Group members,” says Shama. “My in-laws are impressed and often come to me for advice on cotton production issues. Next year, I am expecting to achieve a higher yield and better profitability.”

Read Shama Bibi’s full story on page 23.
China

Peer Learning
A cross learning workshop was organised on 7 September to enable large farm representatives from Xinjiang Production and Construction Corporation (XPCC) to share best practices. Nine large farms delivered presentations on their approaches to Integrated Pest Management (IPM), water management and farmer capacity building among other topics.

Meetings with Strategic Partners
BCI’s Chief Operating Officer, Lena Staafgard, visited China in July. Her schedule included meetings with the BCI China Team, the China Cotton Industry Alliance, the Binzhou Agriculture Bureau, Nongxi Cotton Cooperatives, the China Cotton Association and the China National Textile and Apparel Council. BCI and the China Cotton Industry Alliance signed an MoU to jointly promote Better Cotton and more sustainable cotton production in China.

India

Assurance Programme Implementation
India continues to be the largest cotton producing country globally, and the country with the most BCI Farmers. With the majority of cotton sown from May to June, the main focus in the third quarter was to ensure all components of the BCI Assurance Programme were in place. The India Team kicked off the ‘travel season.’ During September and October, the team will visit around 60 Producer Units, covering approximately 250,000 farmers.

Building New Partnerships
With a view to achieving BCI’s 2020 goals, potential new partners are being explored for the coming seasons. A project in partnership with the Maharashtra ‘Project on Climate Resilient Agriculture’ has been established, to be funded by the World Bank. It is expected to start in 2018. This project will be particularly significant considering that the state of Maharashtra accounts for 35% of the country’s total area under cotton cultivation.

The 7th Asian Cotton Research and Development Network Meeting (ACRDN)
The ACRDN was established by the International Cotton Advisory Committee (ICAC) in 1999 to foster regional cooperation in cotton research amongst Asian countries. The 7th ACRDN meeting was held this year in Nagpur. Through the critical networks established at farm level, BCI is increasingly seen as an important player in ensuring that sustainable practices reach cotton farmers in the region.
Mozambique

Sharing Knowledge with Farmers in Brazil

Opportunities to collaborate and share knowledge are a key benefit of the growing Better Cotton network. Amelia Sidumo, BCI Regional Coordinator based in Mozambique, travelled to Brazil to deliver a week of training on implementation methodologies for smallholder farmers. The training was attended by representatives from Associação Brasileira dos Produtores de Algodão (ABRAPA), Associação Baiana dos Produtores de Algodão (ABAPA), Associação Mineira dos Produtores de Algodão (AMIPA), Solidaridad, C&A Foundation and Coopercat.

Kazakhstan

Sharing Knowledge with Implementing Partners in Tajikistan

In Kazakhstan, BCI’s Implementing Partner (IP), Louis Dreyfus Company (LDC), received training sessions from Sarob, BCI’s IP in Tajikistan. The training focused on many topics including BCI Principles for smallholders, agronomic techniques to improve soil fertility, gin-level segregation of Better Cotton, self-assessment and fertilisation methods.

LDC organised field visits for farmers interested in joining BCI next season. The visits focused on fertiliser use and crop quality, and highlighted the potential in increased profits for BCI Farmers.
Our Strategic Partner, Cotton Australia, is urging all cotton growers, farm managers, consultants, agronomists and contractors to list their planted cotton fields in the Cotton Field Awareness Map ‘CottonMap’ to help protect their crop against off-target damage from downwind pesticide application on other crops and areas. The CottonMap is a collaboration between Cotton Australia, Nufarm Australia Limited, the Grain Research & Development Cooperation and the Cotton Research and Development Cooperation.

Cotton Map

Water Management Across the Murray-Darling Basin’s Four States

Cotton Australia, the Queensland Farmers Federation and Central Downs Irrigators Limited have developed a proposal to better manage water recovery. This will contribute to the broader Murray-Darling Basin Plan which is a coordinated approach to water management across the Murray-Darling Basin’s four states (South Australia, Victoria, New South Wales and Queensland) and the Australian Capital Territory.

Story from the Field

In Australia, water scarcity is the biggest challenge for cotton farmers, as cotton is only produced when water is available. Over the last few decades, Australian farmers have made significant progress irrigating their crops with limited water supplies, thanks to advances and uptake in irrigation technology, cutting edge scientific research, and continuous improvement programmes such as myBMP, run by our Australian partner, Cotton Australia. The Australian cotton industry has achieved a 40% increase in water productivity over the last decade.

myBMP is the underlying platform accelerating farmers’ uptake of more sustainable practices in Australia. The programme is aligned to the BCSS production principles, allowing myBMP-certified farmers to sell their cotton globally as Better Cotton. According to Rick Kowitz, Cotton Australia’s myBMP Manager, the opportunity to access Better Cotton markets has provided an additional incentive for cotton farmers to get involved, increasing grower participation in myBMP by 50% since 2014.
Story from the Field Continued...

“The wider community benefits too, as more farmers join the movement,” he explains. “Farmers and regional communities are making the most of more efficient and profitable farming systems, a healthier natural environment, and safer, more rewarding work opportunities,” he says.

Now, 20 years on from the launch of myBMP, Cotton Australia is gearing up to share the world-class knowledge and skills gained by Australian cotton farmers with Better Cotton projects in other countries, particularly those operating at the frontline of climate change. In 2017, the Cotton Australia team will support BCI’s Implementing Partners in Pakistan in delivering training on progressive environmental practices to the country’s farmers.

The move has been made possible through a grant from the Australian Government’s Department of Foreign Affairs and Trade (DFAT), which will be matched by the Better Cotton Growth and Innovation Fund. Together, Cotton Australia, DFAT and BCI aim to reach 50,000 new farmers in 2017, enabling a total of 200,000 farmers in Pakistan to grow and sell Better Cotton.

“We see Pakistan’s cotton farmers not as competitors, but as part of the global cotton industry to which we all belong,” says Cotton Australia’s CEO, Adam Kay. “It’s vital that we work together to address cotton’s sustainability challenges. We can help by sharing our knowledge and expertise with our fellow farmers through BCI.”
Communications

BCI approved 39 consumer-facing claims for members spanning websites, product tags, in-store signage, print materials, social media and sustainability reports. One notable campaign included window displays in Gap’s flagship stores in New York City.

BCI had 69 media impressions, of which 97% were positive. The impressions included appearances in mainstream media – Elle Netherlands (online), MSN Lifestyle (online), Vogue Netherlands (online) – and a dedicated 150-word piece in the UK’s Stylist Magazine among many others.

Better Cotton Growth and Innovation Fund

Project funding applications for the 2018/19 season were due in September – the first phase in a multi-step application process. Through the Fund, BCI aims to train 1.8 million farmers across China, India, Pakistan, Tajikistan, Turkey, Mozambique, Senegal and Mali in 2018/19. The Fund’s Field Innovation and Impact Committee (FIIC) met in London in July and discussed the most effective ways to reach this ambitious target.

The FIIC also discussed the 2017/18 project portfolio, two early-stage innovation proposals, and potential new country start-up activities in Greece, Burkina Faso, and Argentina. The committee’s expertise and insights are essential to the development of an annual strategy that balances ambition with pragmatism.
2018 BCI Global Cotton Conference and Upcoming Field Trips


Mark the dates in your diary. Keep an eye on the BCI website for online registration, the conference venue and agenda details.

► Donors and Supporters Meeting: 25 June 2018
► Member Only General Assembly: 26 June 2018
► Global Cotton Conference: 27-28 June 2018

Field Trips for BCI Members and Stakeholders

Join BCI for a chance to visit cotton farms, ginners and other actors at the source of cotton production. Six field trips around the world will offer different agendas and registration options. Four field trips took place in the third quarter, and two will take place in the fourth quarter — India and Mozambique. In most cases, attendees will be responsible for their own travel and accommodation at a location close to where the field trip will begin. Ground transportation and other logistics will be provided by the BCI field trip organiser. Click here, (or visit http://bettercotton.org/get-involved/field-trips-for-bci-members/) for more information.
Raising Awareness of Child Labour and Gender Equality

Among the decent work issues we see in some cotton production countries, there are two challenges in particular that we are working hard to address: gender inequality and child labour.

Despite the UN-led global push for education for all, child labour remains a challenge in developing (and sometimes in developed) countries, particularly when families are struggling to make ends meet. We support farmers by helping them to understand and respect national legal requirements, as well as the fundamental, interrelated ILO conventions on respecting minimum ages for young workers (C138) and avoiding the ‘worst forms of child labour’ (C182). In the context of cotton farming, this could mean activities deemed hazardous for children, such as pesticide application.

We highlight the extent to which children can provide help on family farms, share advice on promoting young people’s health and wellbeing, and encourage parents to maximise educational opportunities, where they are available. Increasingly, we are working with our IPs to measure farmers’ awareness of child labour issues.

Our focus on decent work issues extend to gender inequality, too. Supporting women in the cotton supply chain has a multiplier effect, boosting their confidence, and strengthening their standing in their family and community. With women typically investing 90% of their income in their families, it also helps families save towards children’s healthcare and education. BCI currently works with 40,560 women farmers worldwide.

However, all too often, women cotton workers are likely to undertake the least skilled work (such as seasonal or part-time work), and enjoy less job security than men. Women workers globally are particularly vulnerable to low wages, receiving (on average) 25%-30% less pay than men for the same work.

BCI’s Implementing Partners in Pakistan, including the Rural Education Economic and Education Development Society (REEDS), seek to create an environment that encourages both women and men to join its Learning Groups. In 2016, REEDS worked with 30 women farmers and 5,072 women workers. One of the women who was engaged by REEDS, Shama Bibi, had lost her husband, a cotton farmer, and was keen to become a farmer in her own right.

Despite initial resistance from her family, Shama became part of REEDS’ Learning Group in Rahim Yar Khan in 2015, steadily building her confidence and farming knowledge, covering every aspect of cotton growing, from seed to harvest. In particular, she learnt about best practice in observing crop health and spraying chemicals safely, replacing conventional pesticides with natural substances, and improving soil fertility, as well as optimising her irrigation and water harvesting techniques, and promoting decent work.

Now, a year on, Shama is running her farm profitably and is able to provide for her eight dependents. In particular, she has saved costs by using fewer pesticides, reduced post-harvest losses and maximised the crop she can take to market. Meanwhile, improving her understanding of soil health is increasing her chances of cultivating healthy crops in the future.
“I have learned a lot through my discussions with Learning Group members,” says Shama. “My in-laws are impressed and often come to me for advice on cotton production issues. Next year, I am expecting to achieve a higher yield and better profitability.”

Importantly, understanding decent work principles prompted her to send her daughter to school rather than allowing her to help on the farm. Shama’s action is part of a wider trend, according to REEDS executive director, Shahid Saleem.

“The opportunity to share and build knowledge through the Better Cotton project inspires women to invest in their own and their daughters’ education, become involved in women’s entrepreneurship groups and scale up their business activities,” he says. “As they gain confidence and leadership skills, women also gain more respect in the community, and become more involved in household and farm decision-making.”

In 2017, REEDS plans to reach more than 7,300 women workers and 50 female farmers in the rural districts of Rahim Yar Khan and Vehari.