

BCI MEMBERSHIP FEES

2017 – 2022 FEE STRUCTURE

BCI Membership Fees are different for the five membership categories, representing the entire cotton supply chain. All members must pay a membership fee, on an annual basis, in accordance with the BCI membership fee structure. Details are outlined in this document.

In June 2016, the BCI Council approved new membership fees as of 1 January 2017. This fee structure has since been extended over 2021 and 2022 by the BCI Council in June 2020 and May 2021 respectively. All BCI Membership Fees are invoiced in Euros (€) only.



Civil Society

Civil Society: any not-for-profit organisation which serves the public interest and common good related to the cotton supply chain.



Producer Organisation

Producer Organisations: any organisation that works with or represents cotton producers, i.e. cotton farmers and farm workers. *Farmers are never required to become BCI Members and pay fees, they can simply become a licensed BCI Farmer. [Click here](#) to find the farmer licensing details per country.*



Suppliers & Manufacturers

Suppliers and Manufacturers: any commercial organisation within the cotton supply chain beyond the farm gate and before retail, from buying, selling and financing to processing. This includes ginners, spinners, mills, cut and sew and cotton traders.



Retailer & Brand

Retailers and Brands: any consumer facing commercial organisation, including apparel, home, travel and leisure.



Associate

Associate Members: organisations that do not fit into any of these categories but have an invested interest in supporting Better Cotton.

Civil Society

The table below shows the fees for the membership category Civil Society only. *In April 2020, the BCI Council approved new membership fees for the Civil Society membership category to come into effect 1 July 2020, valid through 2023.

Mid 2020 - 2023* MEMBERSHIP FEES FOR CIVIL SOCIETY



Fee Level	Annual Income (EUR)	Annual Fee (EUR)
National Non-OECD	N/A	100 €
National OECD	N/A	300 €
Small International	< 1,000,000 €	500 €
Medium International	1,000,000 € - 10,000,000 €	1,000 €
Large International	> 10,000,000 €	2,000 €

*Fees are subject to annual review by the BCI Council.

The fee level is determined based on the organisation's scope of activities and annual income.

- i) An organisation that only has activities within one country is defined as national and if it has activities in multiple countries, as international.
- ii) For a national scope of activities, fees are defined based on whether the organisation is registered in a non-OECD or in an OECD country.
- iii) For an international scope of activities, fees are based on previous year's annual income as per fee table.
- iv) Additional proxies accepted include the budget or revenues of the cotton-related activities carried out by the organisation.

The Organisation for Economic Co-operation and Development (OECD) is an intergovernmental economic organisation with 35 member countries, founded in 1961 to stimulate economic progress and world trade. Check [here](#) for the list of OECD countries.

Producer Organisation

The table below shows the fees for the membership category Producer Organisations only.

Farmers are never required to become BCI Members and pay fees, they can simply become a licensed BCI Farmer. [Click here](#) to find the farmer licensing details per country.



2017 - 2022* MEMBERSHIP FEES FOR PRODUCER ORGANISATION

Fee Level	Annual Fee (EUR)
National Non-OECD	100 €
OECD – Sub-national	500 €
OECD – National and Supranational	1,000 €

*Fees are subject to annual review by the BCI Council.

The fee level is determined by whether the organisation is based in a non-OECD country or in an OECD-country. If it is based in an OECD-country and its activities are limited to one region it is distinguished Sub-national; if the activities are spread wider than that it is distinguished as National and Supranational.

The Organisation for Economic Co-operation and Development (OECD) is an intergovernmental economic organisation with 35 member countries, founded in 1961 to stimulate economic progress and world trade. Check [here](#) for the list of OECD countries.

The fee structure provides for the possibility that fees are not charged for Producer Organisations in the poorest non-OECD countries: the definition covers those countries ranked between 145 to 188 on the [UNDP Human Development Index](#). In terms of major cotton producing countries, this would include Pakistan, Bangladesh, Madagascar, Senegal, Mozambique, Zambia, Benin, Côte d'Ivoire, Burkina Faso, Chad and Mali.

Suppliers and Manufacturers

The table below shows the fees for the membership category Suppliers and Manufacturers only. In November 2017, the BCI Council approved new SM membership fees to come into effect 1 January 2018.

2018 - 2022* MEMBERSHIP FEES FOR SUPPLIERS AND MANUFACTURERS



Suppliers & Manufacturers

Fee Level	Annual Cotton Related Turnover (EUR)	Annual Fee (EUR)	
		Other Intermediaries	Cotton Traders
Very Small	<50,000,000 €	2,000 €	3,000 €
Small	50 - 100,000,000 €	3,500 €	5,000 €
Medium	100 - 200,000,000 €	5,000 €	10,000 €
Large	200 - 400,000,000 €	8,000 €	17,000 €
Very Large	> 400,000,000 €	10,000 €	24,000 €

*Fees are subject to annual review by the BCI Council.

The Suppliers and Manufacturers' membership category is available in two sub-categories: Cotton Traders and Other Intermediaries.

The fee level is determined by the cotton share (percentage) of the company's or group's previous financial year's sales turnover as evidenced in its financial statement.

If you are a company that does not source cotton lint (i.e. stand-alone fabric mills, end consumer product manufacturers and sourcing agents) and you do not wish to apply for BCI membership, there is an alternative option to engage in Better Cotton procurement for your Retail and Brand customers. [Click here](#) for more details about how to gain access to a user account on the Better Cotton Platform (BCP), available for 500 EUR per year.

Retailers and Brands

Retailer and Brand Members pay a Membership Fee based on 12-months of membership and a variable Volume Based Fee (VBF) based on a calendar year. Total cost of participation in BCI is a combination of these fees.

The annual membership fee is calculated based on the member's total cotton lint consumption and the VBF is calculated based on the total BCCUs collected in the Better Cotton Platform (BCP) per calendar year, which reflects how much Better Cotton is represented in the sourcing of cotton containing products.

Membership Fee

The table below shows the fees for the membership category Retailers and Brands only.

2017 - 2022* MEMBERSHIP FEES FOR RETAILERS AND BRANDS



Retailer &
Brand

Fee Level	Annual Cotton Consumption (Metric tons)	Annual Fee (EUR)
Very Small	< 5,000 MT	6,000 €
Small	5,000 - 20,000 MT	10,000 €
Medium	20,000 - 50,000 MT	18,000 €
Large	50,000 - 125,000 MT	30,000 €
Very Large	> 125,000 MT	45,000 €

*Fees are subject to annual review by the BCI Council.

The Fee Level is determined by the Annual Cotton Consumption based on the retail or brand's previous year's usage of cotton lint, understood as the cotton required at ginner level, to produce all their cotton-containing products. The 12-month reporting period for this evaluation could either be calendar year or fiscal year.

BCI provides a calculator to help carry out the cotton lint calculation on request. Third party cotton calculation methods e.g. SCAP Calculator (UK), and retailer's or brand's staff calculations are also accepted provided the result is for cotton lint. Calculations are subject to audit at the discretion of BCI by a BCI-appointed third party auditor at the member's cost. Please note that as part of implementing the Better Cotton Programme, Retailers and Brands are expected to put in place a robust evaluation of their annual cotton lint consumption that would support any public claims they intend to make. They are liable for any public claims related to their cotton consumption.

Volume Based Fee

The Volume Based Fee is paid by Retailer and Brand members to fund the field implementation of the Better Cotton Standard System. It provides the core funding for the BCI Growth and Innovation Fund. It is variable based on the amount of Better Cotton represented by sourcing of cotton-containing as Better Cotton in a calendar year.

The 2017 – 2022 VBF rates are given in the following table.

2017 - 2022* Volume Based Fee Rate (EUR/MT BC procured)



Retailer &
Brand

Volumes of cotton sourced as Better Cotton						
Absolute Procurement	Relative procurement**					
	< 20%	≥ 20%	≥ 40%	≥ 60%	≥ 80%	100%
≤ 200 MT	15.0 €	14.0 €	13.0 €	12.0 €	11.5 €	11.0 €
>200 - 1,000 MT	14.0 €	13.0 €	12.0 €	11.0 €	10.5 €	10.0 €
>1,000 - 3,000 MT	13.0 €	12.0 €	11.0 €	10.0 €	9.5 €	9.0 €
>3,000 - 5,000 MT	12.5 €	11.5 €	10.5 €	9.5 €	9.0 €	8.5 €
>5,000 - 25,000 MT	12.0 €	11.0 €	10.0 €	9.0 €	8.5 €	8.0 €
>25,000 - 75,000 MT	11.5 €	10.5 €	9.5 €	8.5 €	8.0 €	7.5 €
>75,000 - 150,000 MT	11.0 €	10.0 €	9.0 €	8.0 €	7.5 €	7.0 €
>150,000 - 300,000 MT	9.0 €	8.0 €	7.0 €	6.0 €	5.5 €	5.0 €
>300,000 MT	8.0 €	7.0 €	6.0 €	5.5 €	5.0 €	4.5 €

*Fees are subject to annual review by the BCI Council.

**Relative procurement is the percentage of cotton lint sourced as Better Cotton compared to the total cotton consumption.

Pre-payment

To secure funding at the start of the cotton growing season there is an obligatory, non-refundable, pre-payment of VBF, invoiced at the beginning of the year for existing members. The prepaid VBF is equivalent to previous year's sourcing of Better Cotton. With the assumption that members increase their Better Cotton sourcing year-on-year, the prepayment will be smaller than the year-end VBF, thus fully deductible. As this might not always be the case, **BCI will ask members to confirm the amount of pre-payment before invoicing.**

First-time Farmer Support Contribution

All new members must pay a **Farmer Support Contribution**, equal to their membership fee in their first year of joining BCI. This payment will be deducted from the year-end calculated VBF, but it is not reimbursed if not used. This contribution is a one-time contribution to the supply that has been created by Retailer and Brand Members who have been investing since 2010.

Year-end Calculated VBF

Actual VBF calculated at the end of the calendar year is expected to exceed member's pre-payment. All sums exceeding pre-payment will be invoiced at the beginning of the following year. However, if the actual VBF is lower than the pre-payment, **BCI cannot refund any amount as all pre-payments are match-funded and invested in the Growth and Innovation Fund for farmer capacity building.**

Implementation

1. The fees above are applicable as of 1 January 2017.
2. Members of the former Better Cotton Fast Track Program and former Pioneer Membership who earned discounts because of higher levels of funding than other members continue to benefit from those discounts over the agreed periods.
3. BCI makes available to members a 5-year cost projection tool to help with financial planning for fees.

Fee Calculation

Here an example of how costs are determined.

Example: Total Annual Member Costs

FINE FASHION uses 12,000 MT cotton lint annually and would like to join the BCI. They plan to procure 2,400 MT Better Cotton in their first year of membership starting February 2020.

They will pay the following fees to join BCI:

- I. **Membership fee, Feb 2020 – Jan 2021:** Fee Level "Small" = **10,000 €**
- II. **Farmer Support Contribution, Calendar Year 2020** = 10,000 €



Annual Volume Based Fee calculation:

The following explains how Volume Based fees are calculated.

Volume Based Fee, Jan – Dec 2020: 2,400 (BC volume in MT) x 12 (VBF Rate) = **28,800 €**

Absolute procurement = 2,400 MT = 3rd row of VBF Table

Relative procurement = 2,400/12,000 = 20% = 2nd column of VBF Table

VBF Rate: 12 € / MT

Total Annual Cost 2020: 10,000 + 28,800 = **38,800 €**

Invoicing and payments proceed as follows:

At the time of joining for February 2020, Fine Fashion paid a membership fee of 10,000 € and a Farmer Support Contribution of 10,000 €.

- I. Sixty (60) days before its membership anniversary (December 2020) Fine Fashion will receive an invoice for its first fee renewal.
- II. In January 2021, they will receive an invoice for 18,800 € for the remaining VBF they generated in 2020. BCI always invoices all VBF balances in January of the year following the uptake.
- III. In February 2021, Fine Fashion will also receive an invoice for 28,800 € as pre-payment for the year 2021. BCI always invoices prepaid VBF for the current cotton season in February.

Associate Members

The table below shows the fees for the membership category Associate Members only.



Associate

2017 - 2022* MEMBERSHIP FEES FOR ASSOCIATE MEMBERS

Fee Level	Annual Income (EUR)	Annual Fee (EUR)
Small	< 10,000,000 €	1,000 €
Medium	10,000,000 € - 50,000,000 €	2,000 €
Large	50,000,000 € - 100,000,000 €	4,000 €
Very Large	> 100,000,000 €	10,000 €

*Fees are subject to annual review by the BCI Council.

Fees are based on annual revenues from previous financial year. If an Associate Member is engaged in specific cotton activities, the revenue may be based on only those activities. In this case, the revenue needs to be clearly and easily separated from the overall revenue.

<https://bettercotton.org/get-involved/>

Membership@BetterCotton.org