

Introduction to BCI

June 2020

WHY COTTON

- Over **26 million** tonnes of cotton produced each year,
- In around **85 countries**,
- Supporting the livelihoods of **250 million people** in the production stages alone.





PRINCIPLE CHALLENGES

IN COTTON FARMING

CHILD LABOUR

PESTICIDES

SOIL DEGRADATION

SMALLHOLDER POVERTY

WATER MANAGEMENT

HABIBTAT LOSS



Cotton is the world's most widely used natural fibre. Millions of smallholder farmers grow around 26 million tonnes of cotton annually, facing multiple challenges.

HISTORY OF BCI

In 2005, a **group of visionary organisations came together** to work out a practical solution that would secure the sustainable future of the cotton sector.

In 2009, **the Better Cotton Initiative was established** as an independent organisation and officially launched.



MISSION AND AIM

MISSION

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**.

AIM

BCI aims to transform cotton production worldwide by developing Better Cotton as a sustainable mainstream commodity.

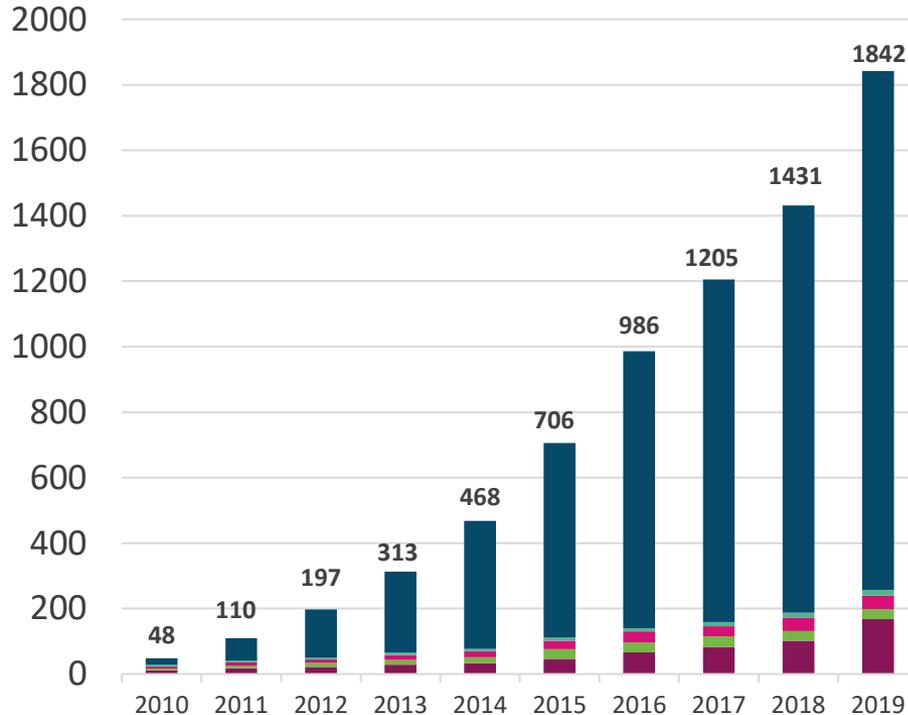


AN INTRODUCTION TO BCI

BUILDING A
SUSTAINABLE COTTON SECTOR



BCI GLOBAL MEMBERSHIP



1,952 Members as of 04 June 2020

- Suppliers & Manufacturers
- Associate Members
- Civil Society
- Producer Organizations
- Retailers and Brands

*Plus **7,000** Better Cotton Platform Users, in addition to membership*

Business Case

FOR ALL ACTORS



Civil Society

Protect the environment, improve livelihoods



Producer Organisation

Better farming practices, lower costs, risks



Suppliers & Manufactures

Securing business, managing risks



Retailers & Brands

Scalable, affordable system, managing risks, credible comms



Associate Member

Investment, collaboration, linked to organisation & customer interests

SAMPLE OF BCI RETAILER & BRAND MEMBERS



100% SUSTAINABLE COTTON TARGETS



BCI GLOBAL REACH

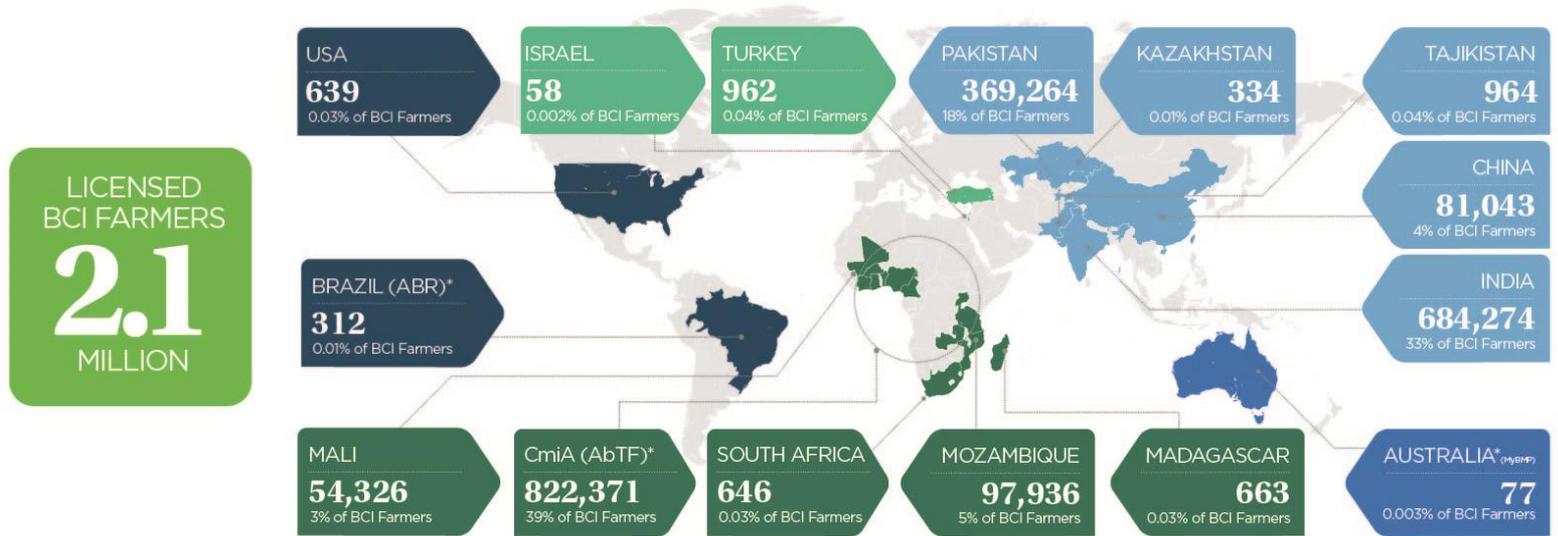
2018-19 COTTON SEASON



NB: This figure is subject to change based on the finalisation of 2018-19 ICAC world production figures. Source of ICAC World Production Figures: <https://icac.gen10.net/statistics/index14.18>

BCI FARMERS AROUND THE WORLD

2018-19 COTTON SEASON



*BCI recognised equivalent standard

CmiA countries: Benin, Burkina Faso, Cameroon, Cote d'Ivoire, Ghana, Mozambique, Nigeria, Tanzania, Uganda and Zambia

A close-up photograph of a person's hands holding a white, shallow bowl filled with dark, oval-shaped cotton seeds. The person is wearing a light-colored, possibly yellow or green, garment. The background is dark and out of focus. A large, semi-transparent purple circle is overlaid on the left side of the image, containing the title and subtitle text.

The Better Cotton Standard System

What makes BCI function

BETTER COTTON STANDARD SYSTEM

A holistic approach to sustainable cotton farming which covers all three pillars of sustainability: environmental, social and economic.

1. Principles and Criteria
2. Capacity Building
3. Assurance Programme
4. Chain of Custody
5. Claims Framework
6. Results and Impact



PRINCIPLES & CRITERIA

BETTER COTTON IS GROWN BY FARMERS WHO...



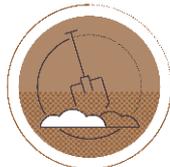
Crop Protection

...minimise the harmful impact of crop protection practices



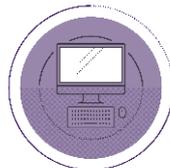
Water

...promote water stewardship



Soil Health

...care for the health of the soil



Management System

...operate an effective management system



Biodiversity

...enhance biodiversity



Fibre Quality

...care for and preserve the quality of fibre



Decent Work

...promote decent work

CAPACITY BUILDING

Capacity building is key to the BCI approach. It consists of two key elements:

- Building Implementing Partner capacity (by BCI Secretariat)
- Cascade farmer training and provide support (by Implementing Partners)



ASSURANCE PROGRAMME

- **Assesses whether farmers can be licensed** to sell Better Cotton
- Minimum requirements as **Core Indicators**, and Continuous Improvement Plan towards **Improvement Indicators**
- Combines **second-party assessments** by BCI and **third-party verifications**
- **Support from Implementing Partners** in improving performance of farmers



BCI Farmer Results

ENVIRONMENTAL AND ECONOMIC INDICATORS (2017-18 COTTON SEASON)

BCI Farmers vs. Comparison Farmers

The farmer results presented here compare the country averages of key social, environmental and economic indicators achieved by licensed BCI Farmers to non-BCI Farmers in the same geographic areas who are not participating in the BCI Programme. We refer to the latter farmers as Comparison Farmers.



Environmental indicators

- Pesticide Use**
The indicator measures the volume of active pesticide ingredient applied, per hectare of cotton cultivated.
- Synthetic Fertiliser Use**
The indicator measures the volume of synthetic fertiliser applied, per hectare of cotton cultivated.
- Organic Fertiliser Use**
The indicator measures the frequency of organic fertiliser use.
- Water Use for Irrigation**
The indicator measures the volume of water used for irrigation, per hectare of cotton cultivated. Water use is not recorded for rain-fed cotton cultivation.

Economic indicators

- Yield**
The indicator measures the amount of harvested cotton, per hectare.
- Profitability**
The indicator measures profitability, defined as the net income earned from producing the cotton crop.

In the 2017-18 season, the Better Cotton Standard System was directly implemented in 12 countries. This overview shares results from five of those countries and not the others for the following reasons.

In Israel, Mozambique and South Africa, Comparison Farmer data was not available because most of the cotton farmers in these countries were already participating in the BCI Programme.

In Kazakhstan, Madagascar and Mali, there was only one licensed Producer Unit (a grouping of BCI Farmers) and BCI's data confidentiality agreements prevent public reporting of a single Producer Unit's results.

In the US, BCI only works with large farms, and Comparison Farmer data is not available because it is considered commercially confidential information.

Water m³/ha

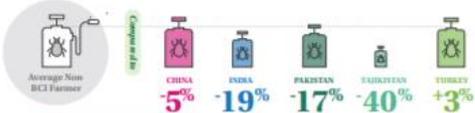
BCI Farmers in all five countries used **LESS** water for irrigation than Comparison Farmers.



Tip How to talk about the results:
BCI Farmers in China used 18% less water than Comparison Farmers.

Pesticide kg/ha

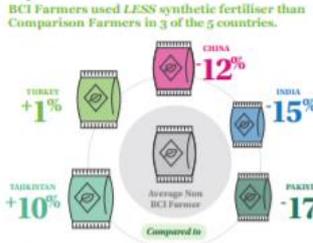
BCI Farmers used **LESS** pesticide than Comparison Farmers in 4 of the 5 countries.



Tip How to talk about the results:
BCI Farmers in India used 19% less pesticide than Comparison Farmers.

Synthetic fertiliser kg/ha

BCI Farmers used **LESS** synthetic fertiliser than Comparison Farmers in 3 of the 5 countries.



Tip How to talk about the results:
BCI Farmers in Pakistan used 17% less synthetic fertiliser than Comparison Farmers.



Organic fertiliser yes/no

BCI Farmers **USED** organic fertiliser more often than Comparison Farmers.



Tip How to talk about the results:
In Pakistan, BCI Farmers used organic fertiliser 4% more often than Comparison Farmers.

Yield lint mt/ha

BCI Farmers in all five countries had **HIGHER** yields than Comparison Farmers.



Tip How to talk about the results:
BCI Farmers in Tajikistan had a 19% higher yield than Comparison Farmers.

Profit net income/ha

BCI Farmers in 4 of the 5* countries had **HIGHER** profits than Comparison Farmers.



Tip How to talk about the results:
BCI Farmers in Turkey had 13% higher profits than Comparison Farmers.

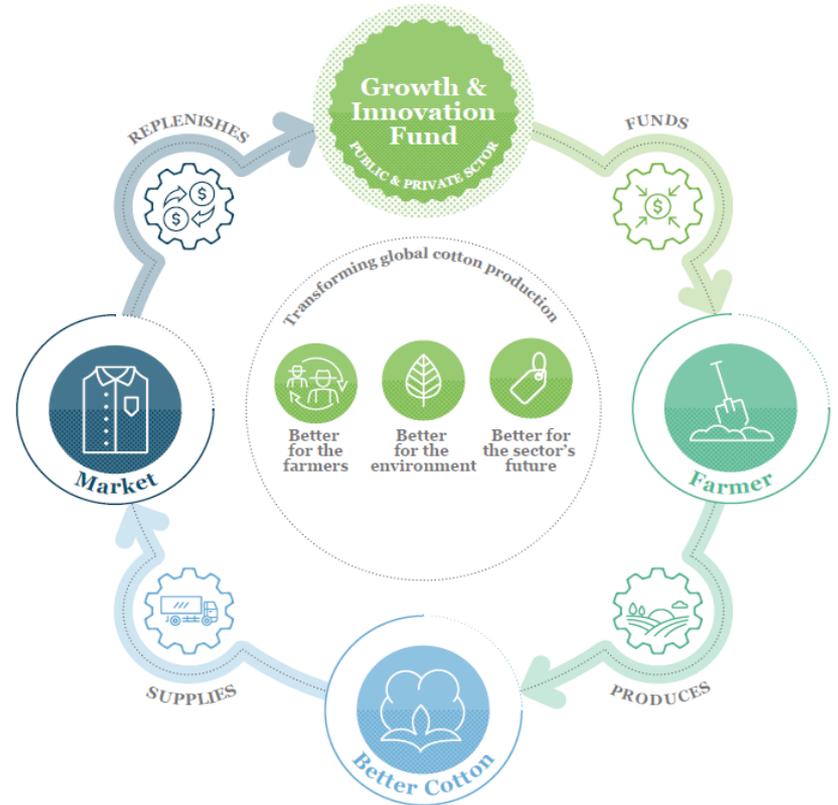
*Due to data quality challenges with Comparison Farmers, the profitability indicator for this season has been omitted for Tajikistan.

THE GROWTH & INNOVATION FUND

Designed to support BCI's goals by:

- Identifying and investing in field level programmes...
- ...while fostering the adoption of the Better Cotton Standard System.

More at www.bettercottonfund.org



MEET A BCI FARMER

PAKISTAN

Female Farmer Becomes a Role Model in Pakistani Cotton Community



I train 400 BCI Farmers, as well as supporting other cotton farmers outside of the BCI programme. I also give talks to girls in schools letting them know that cotton farming could be a viable future for them.

BCI Farmer Almas Parveen. Punjab, Pakistan, 2018.



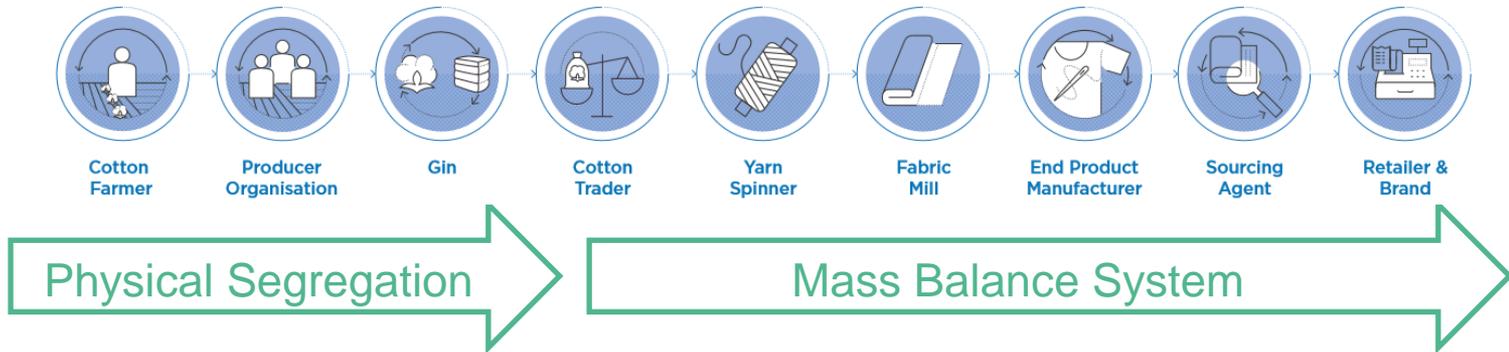


Sourcing Better Cotton

Engaging with your Supply Chain

CHAIN OF CUSTODY

CREATE DEMAND FOR BETTER COTTON



WHY MASS BALANCE?

- No physical segregation
- Less costly to implement
- No disruption to the supply chain
(provided that all purchases and sales of Better Cotton are recorded in the BCP)
- Scalable sustainable sourcing programme
- Enables BCI to reach more cotton farmers





BCI

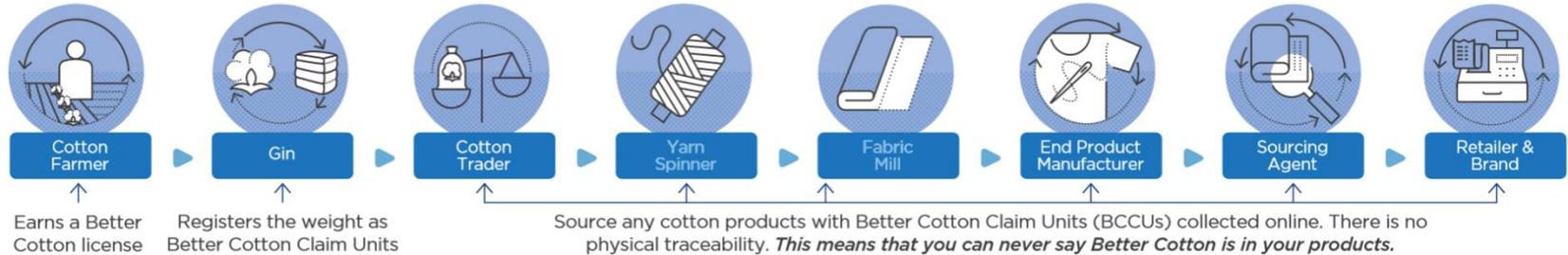
Better
Cotton
Initiative

www.bettercotton.org

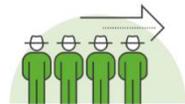
BCI ORDER ~~≡~~ BCI PRODUCT

'Better Cotton' follows a mass balance model,
only companies on the Better Cotton Platform can collect credits online.

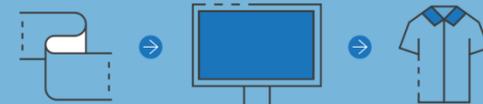
How a company can participate



Why do it like this?

-  Farmers sell cotton as Better Cotton and benefit from the standard. At the same time...
-  ...an efficient and flexible supply chain...
-  ... stimulates more demand for sustainable cotton.
-  The mass balance system is scalable & credible, but claiming it's in your product is never allowed.

i This means

- 
- Your cotton products could be a vehicle for BCCUs, but the only way a 'BCI order' can happen is via your **Better Cotton Platform (BCP) Account.**

THE BETTER COTTON PLATFORM

BCI's online system is used to **report and document** the volume of Better Cotton that suppliers and manufacturers sourced for their customers.



For each product sale entered into the system, **it calculates the cotton (lint) consumption** of the spinner in the chain.



Ginner



Trader



Spinner



Fabric Mill



Garment
manufacturer

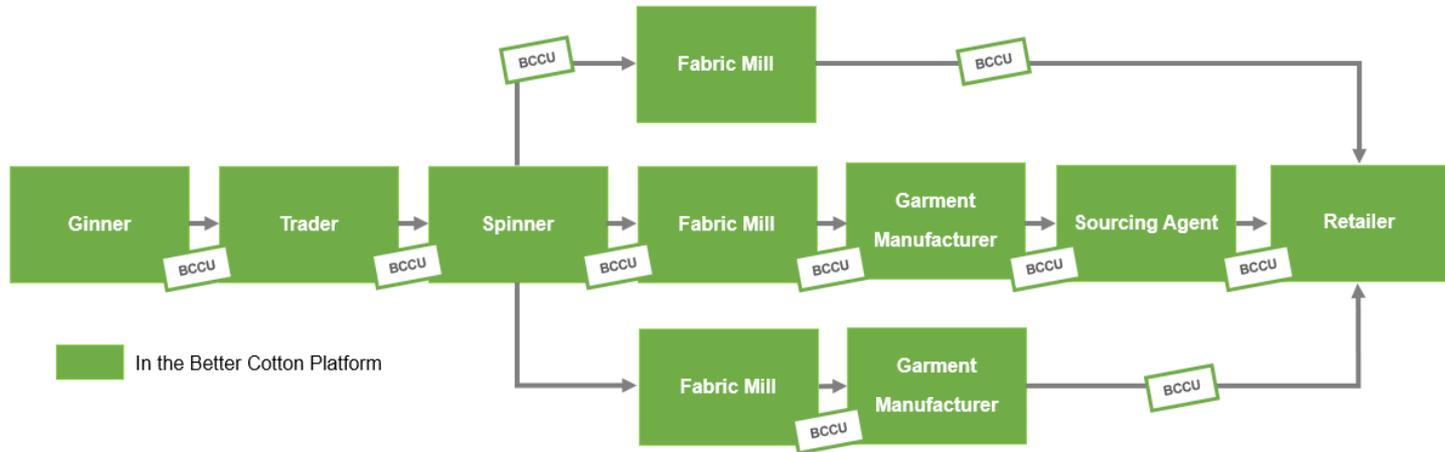


Sourcing
Agents

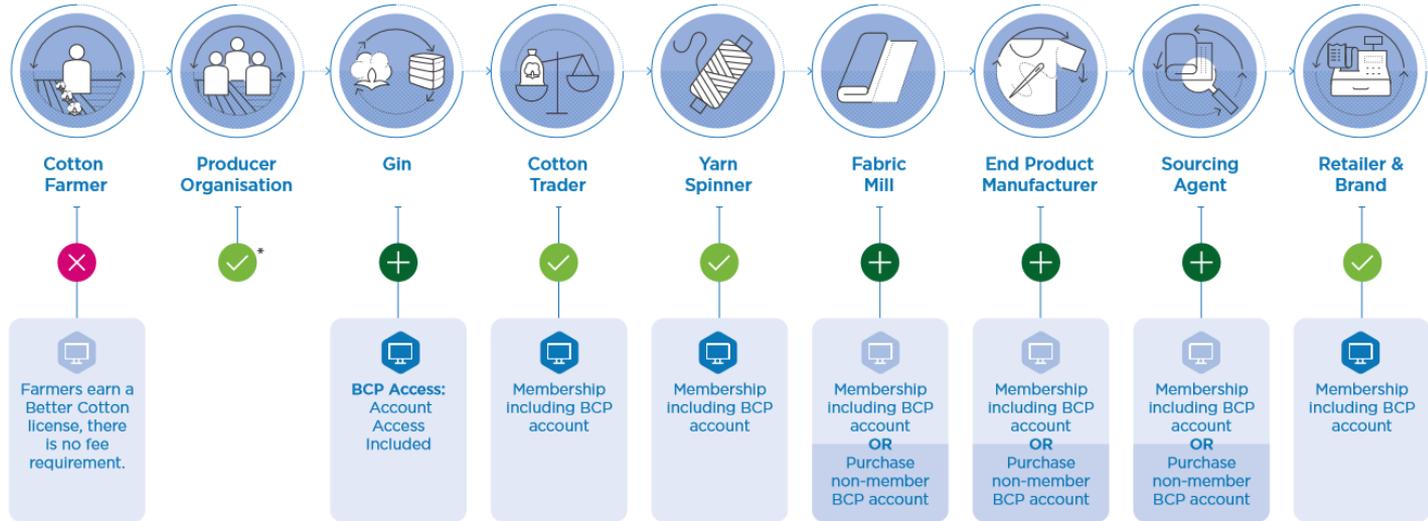


Retailer/
brand

TRANSFERRING BETTER COTTON CLAIM UNITS



MEMBERSHIP OPTIONS FOR THE SUPPLY CHAIN



No Membership Option
 Membership Optional
 Membership Required

BCP Access = Better Cotton Platform, with unlimited accounts and users for BCI Members. BCP access is required for any BCCU's transactions.

* If an Implementing Partner

MEMBERSHIP VS NON-MEMBER BCP ACCESS

FABRIC MILLS, END-PRODUCT MANUFACTURERS &
SOURCING AGENTS



MEMBERSHIP

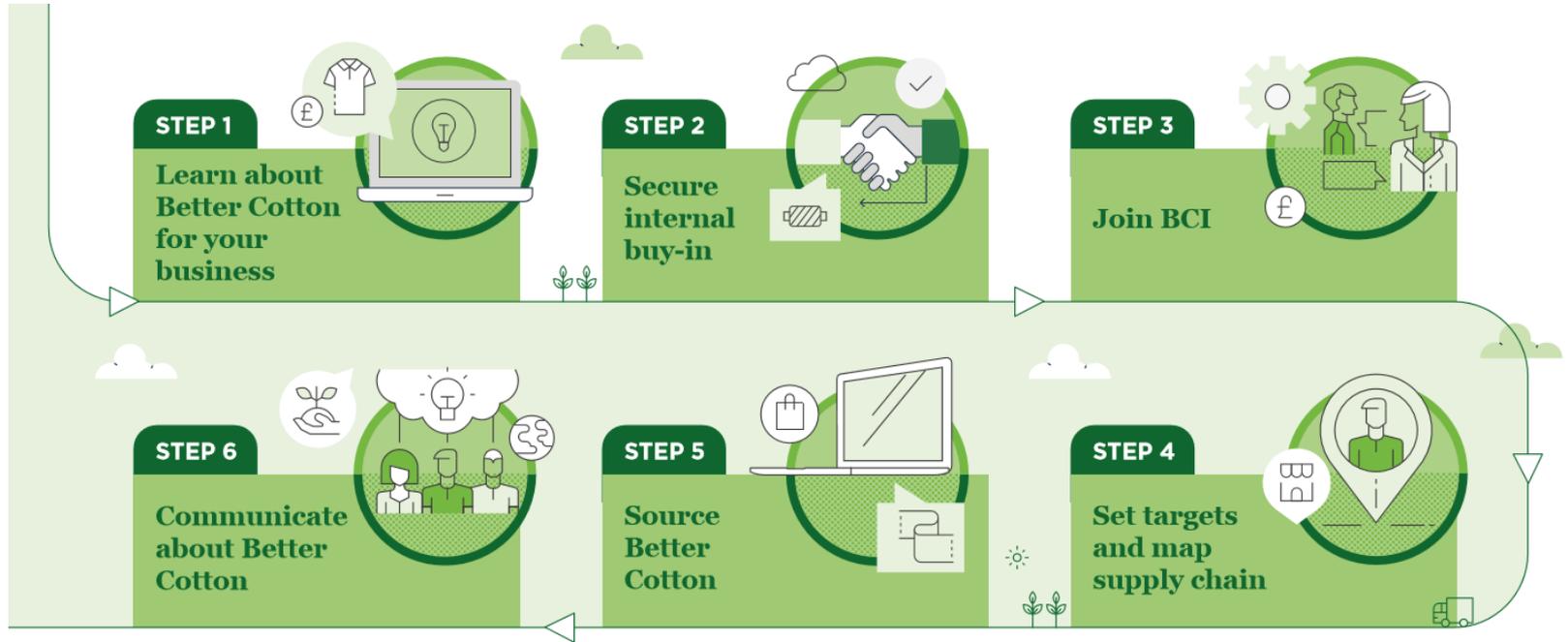
- Optional
- Fees based on annual turnover
- Access to members benefits
- Access to claims

NON-MEMBER BCP ACCESS

- Compulsory
- €500/year
- No access to member benefits
- No access to claims

Membership Roadmap

FOR COMMERCIAL MEMBERS



Thank you

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membership@bettercotton.org

