



Better Cotton Production & Uptake Report – Q3 2021

For Better Cotton members only

November 2021



Introduction

The Better Cotton Production and Uptake Report provides Better Cotton members with an overview of the amount of Better Cotton expected to be available on the market as well as the latest information on Better Cotton uptake in the global supply chain.

By publishing this information, Better Cotton intends to support its members in sourcing Better Cotton by improving the linkages between supply and demand.

This report replaces the previous Better Cotton Global Report. It is published on a quarterly basis and is available to Better Cotton members only.

NOTE: The information in this report is meant for Better Cotton Members only. Please do not distribute outside of your organisation.

BCI operates under our anti-trust policy. For more information visit the [Better Cotton website](#).



🌱 **Better Cotton Production**

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🌱 **Membership Numbers**

Content



Better Cotton Production

Cotton Calendar

Season 2020-21

COUNTRY	2020												2021											
	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
China																								
Egypt																								
India																								
Israel																								
Kazakhstan																								
Mali																								
Pakistan																								
Tajikistan																								
Turkey																								
USA																								
Madagascar																								
Mozambique																								
South Africa																								
Australia																								
Brazil																								

This table represents the 2020-21 cotton season for Better Cotton producing countries and equivalent standards.

The Better Cotton calendar runs approximately from August to July and aligns with the International Cotton Season set by the International Cotton Advisory Committee (ICAC).

The start of the season corresponds to the beginning of the harvest in the northern hemisphere (excluding the sowing months), and ends in the following calendar year with the harvests in the southern hemisphere.

The 2020-21 Better Cotton season kicked off in Pakistan in August 2020. In all northern hemisphere countries (with the exception of Mali), the 2020-21 season ended in December 2020. In southern hemisphere countries, Better Cotton was harvested over Spring/Summer 2021, with the last Better Cotton crops harvested in Brazil in September 2021 (although the season officially ended in July).

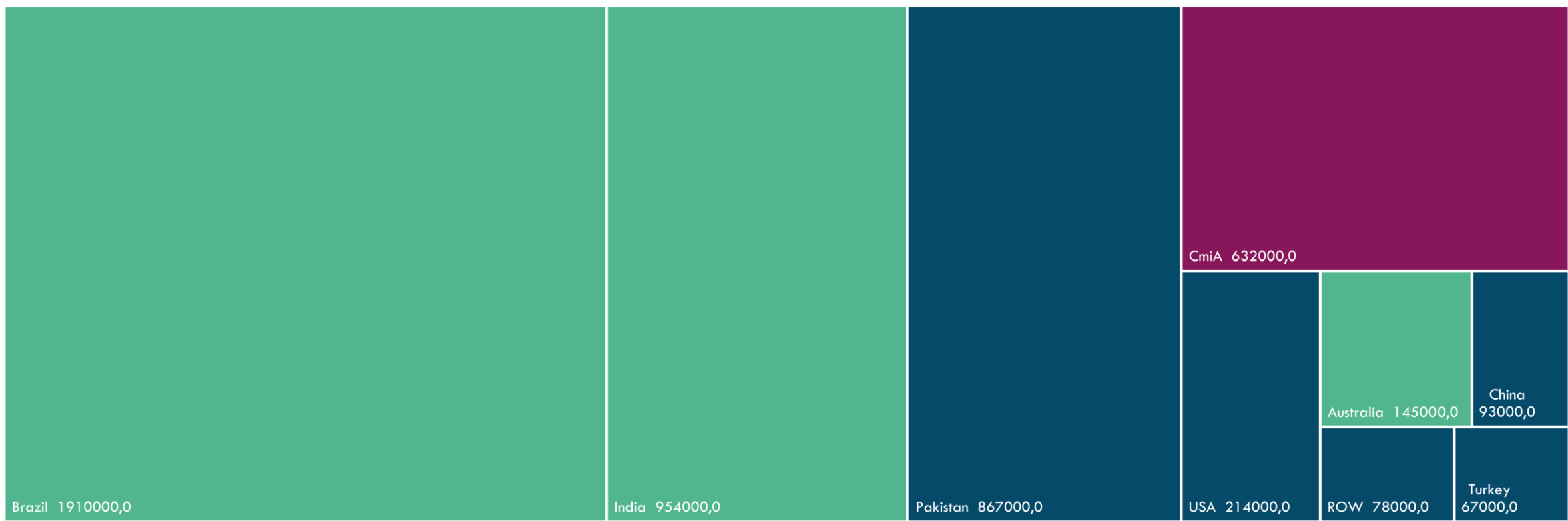
Due to climatic conditions, the start and end of cotton seasons in specific countries may vary each year.

More information at: <https://bettercotton.org/where-is-better-cotton-grown/>



2020-21 Better Cotton Production

~ 4.9 million metric tons (MT) of Better Cotton lint expected



In the 2020-21 cotton season, approx. 4.9 million MT of Better Cotton are expected to be produced, equivalent to 20.5% of the world cotton production.

This graph shows the amount of Better Cotton lint produced at country level.

Note: Production estimates for each country are provided by Better Cotton's Implementing Partners in each country. Depending on the stage of production, the data will represent early season estimates, late season estimates, licensed figures and final post-harvest figures.

*Cotton Made in Africa (CmiA) countries in 2020-21 include: Benin, Burkina Faso, Cameroon, Cote d'Ivoire, Mozambique, Nigeria, Tanzania, Chad, Uganda, Zambia

Early season estimates: figures estimated by participating producers four weeks after sowing the cotton crop

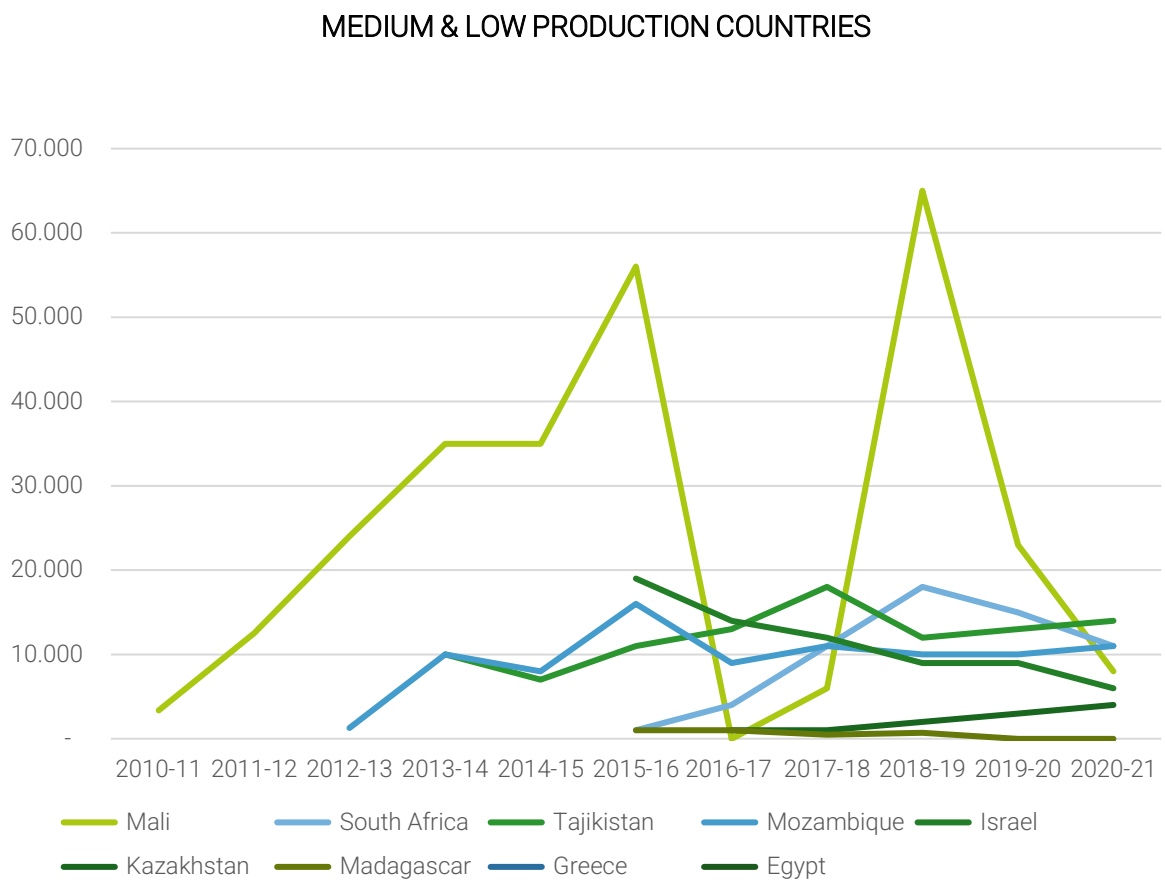
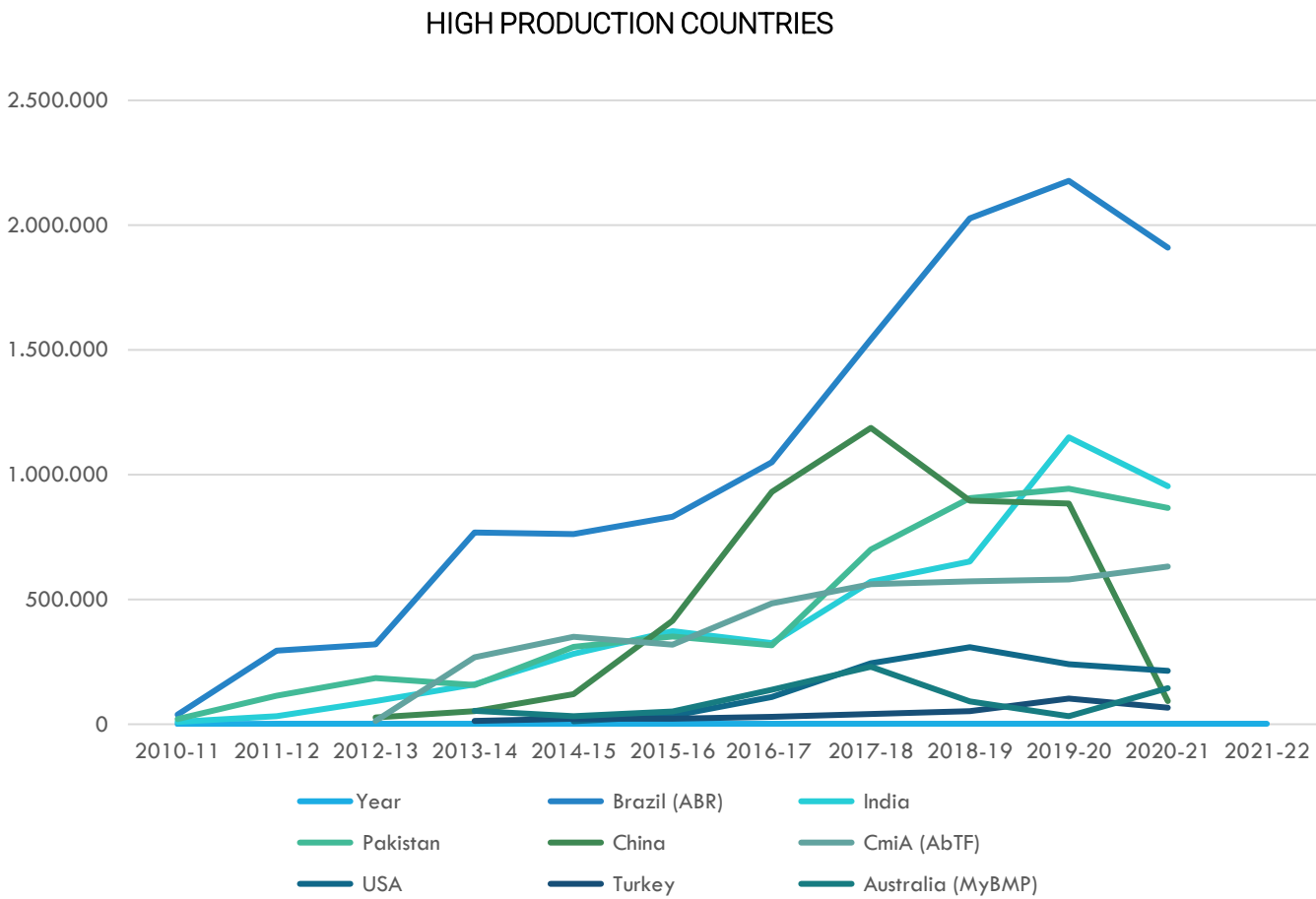
Licensed figures: amount of licensed Better Cotton pre-harvest

Final post-harvest figures: actual figures calculated post-harvest

Rest of the World (ROW):	
Greece	23,000
Mali	8,000
South Africa	11,000
Tajikistan	14,000
Israel	6,000
Kazakhstan	4,000
Mozambique	11,000
Egypt	1,000

Better Cotton Growth

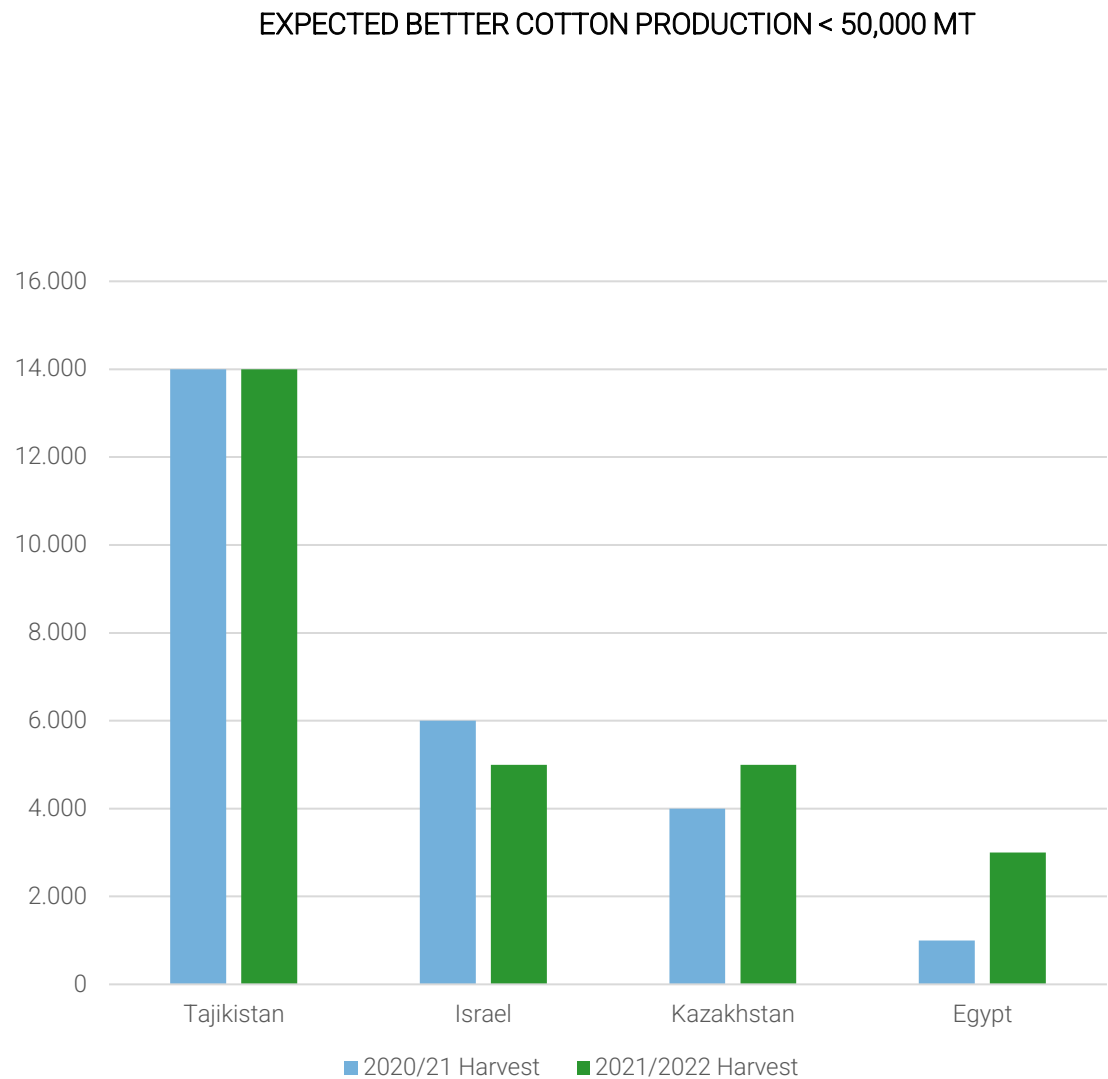
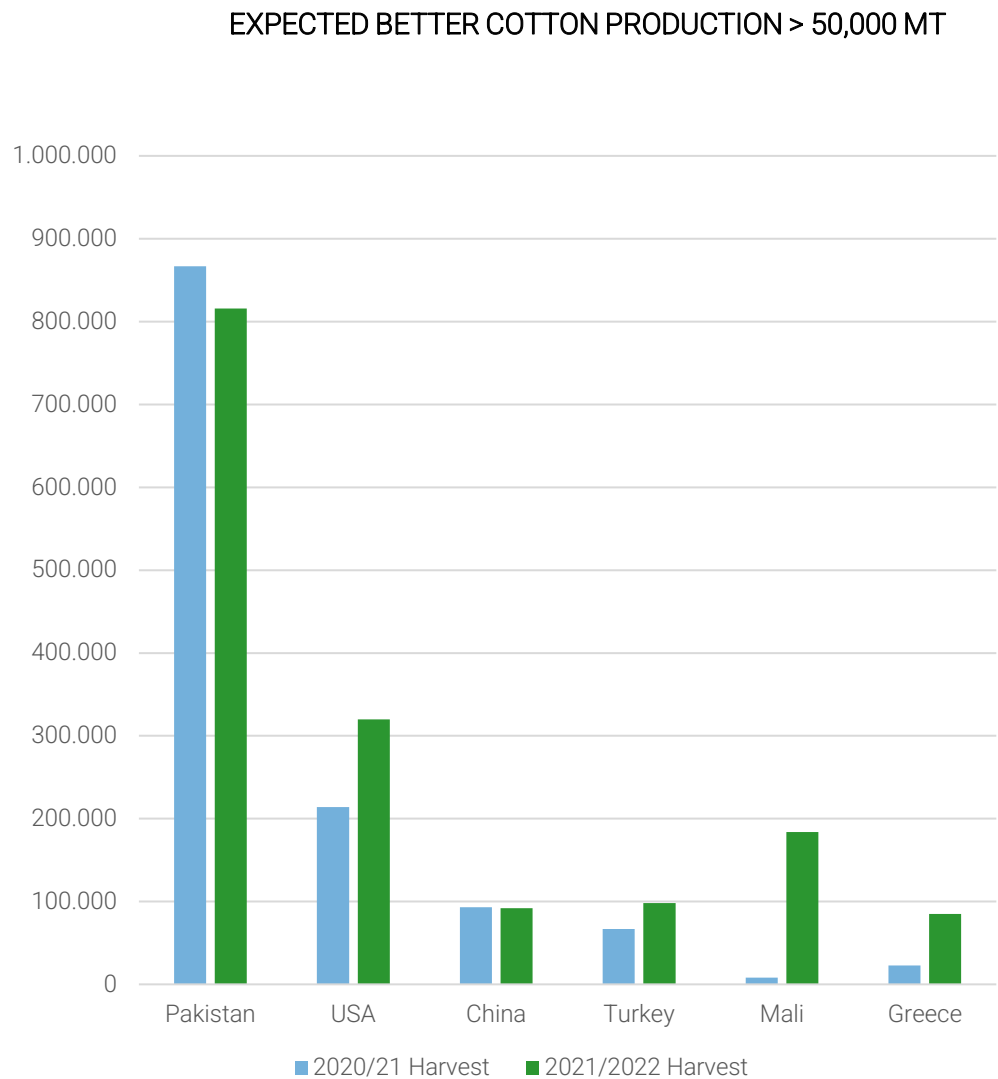
A decade in review – Better Cotton in Production (MT lint)



Brazil, India and Pakistan continue to be the top three Better Cotton producers, producing roughly 75% of global Better Cotton. Due to the Covid situation, weather and market-related challenges facing the cotton sector in Brazil, Israel and Turkey, notable reductions are projected in BC production in 2020/21. The largest reduction came from China since Better Cotton closed operations in the Xinjiang region of China as of the 2020/21 season.

2021-22 Better Cotton Production

Harvest Estimates – Year on year comparison



Large increases are expected in 2021/22 for USA, Mali and Greece. For Mali, the situation is stabilizing for season 2021/22 as the internal conflicts reported in previous season are getting resolved, and there is an initial large increase in the number of participating farmers. For Greece there are expectations of better weather (flood damage in 2020/21) and the number of participating farms doubled. For USA there is a large increase in area harvested expected from 2020/21.

NOTE: As additional early season estimates become available, more countries will be included in these graphs. Early estimations are based on current participating farmers at this early stage.



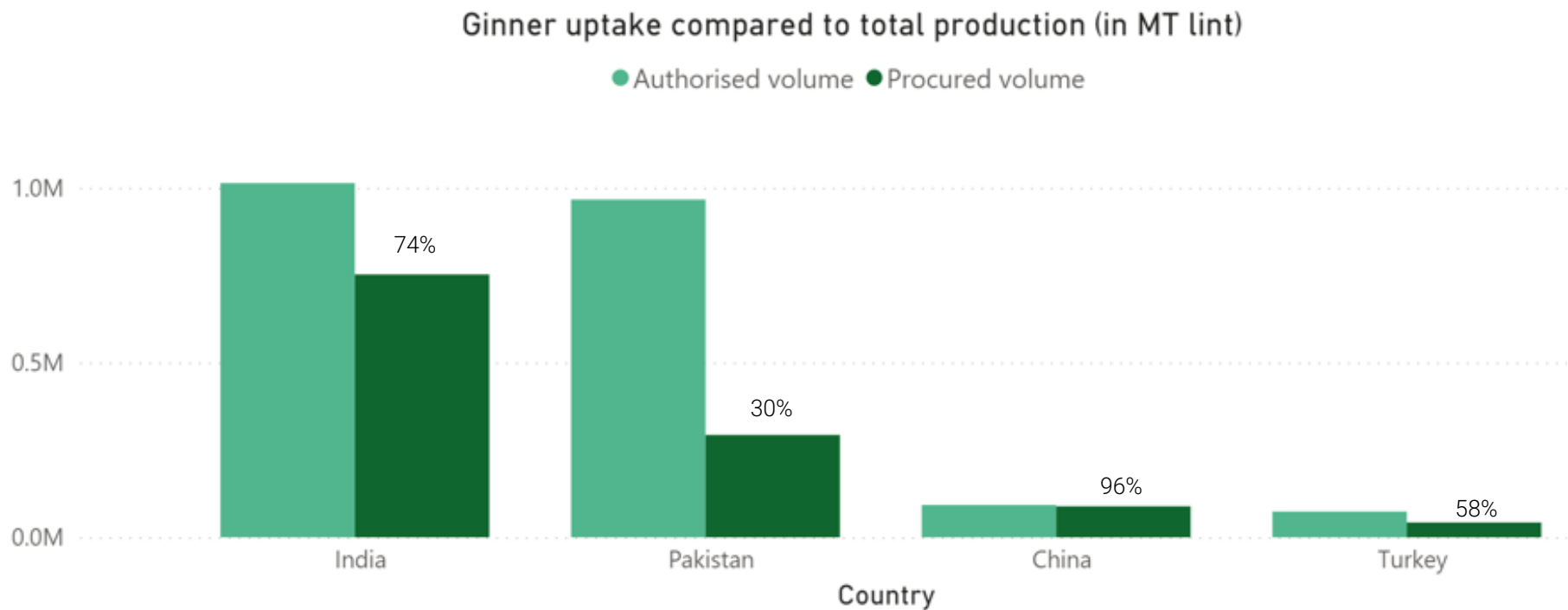
Better Cotton Uptake

Definitions

BETTER COTTON CLAIM UNIT (BCCU)	The designated unit that corresponds to 1 KG of Better Cotton lint procured from a participating BCI ginner by a cotton traders or a spinning mill. BCCUs are transferred through the Better Cotton Platform to fulfil BCI orders.
BCCU INVENTORY	Current inventory level (in BCCUs) often broken down by supply chain category and/or country.
BETTER COTTON UPTAKE	Sourcing and purchasing of cotton in the supply chain that is allocated Better Cotton Claim Units.
GINNER UPTAKE	Volume of Better Cotton lint equivalent (in MT) procured from farms by a ginner processing Better Cotton within a given time period.
SPINNER UPTAKE (LINT)	Volume of Better Cotton lint (in MT equivalent of BCCUs) procured by spinning factories from participating ginner within the relevant time period (monthly, quarterly or annually), broken down by country.
FABRIC MILL UPTAKE (YARN)	Volume of Better Cotton procured from participating spinners by fabric makers and vertically integrated mills within the relevant time period (monthly, quarterly or annually), broken down by country.
RETAILER AND BRAND (RB) UPTAKE	Volume of Better Cotton in MT (equivalent to BCCUs) procured by retailers and brands as part of their orders of cotton-containing products associated with a Better Cotton claim within a given time period.
MT EQUIVALENT	Unit corresponding to one metric ton (1,000 kg of cotton lint) or 1,000 BCCUs.

Ginner Uptake

Largest Producing Countries – 2020/21 Cotton Season



WHY IS GINNER UPTAKE IMPORTANT?

Ginner uptake allows us to see how much Better Cotton has been purchased from farmers* by gins during the season. Working closely with Implementing Partners in smallholder countries, Better Cotton has prioritized increasing ginner uptake for the 2020-21 season.

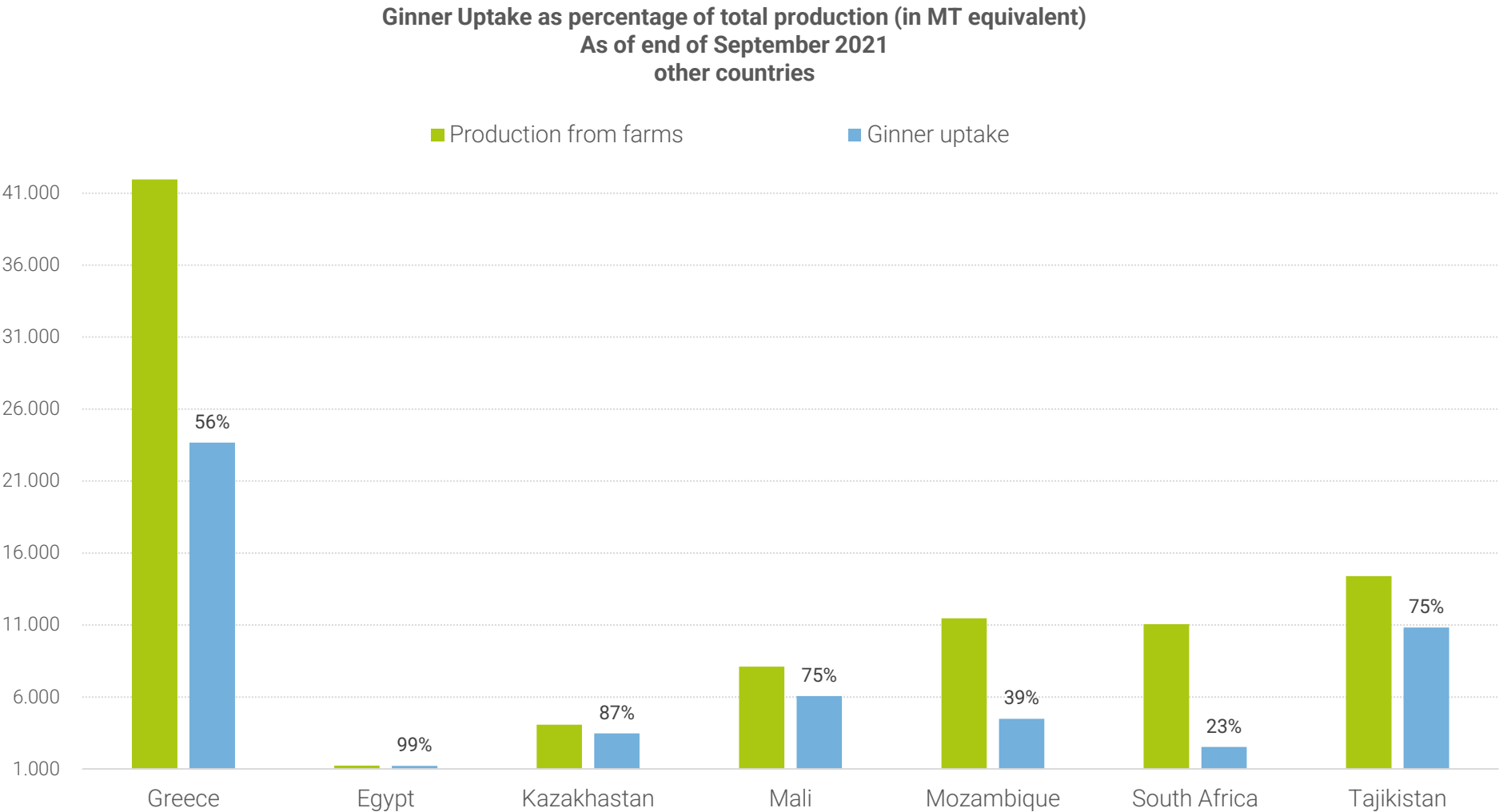
*In these countries farmers sell seed cotton to ginner who process the lint cotton. Gins own the resulting lint bales and market them to spinners and traders.

In these countries the **2020-21 cotton season** has ended. The ginner uptake percentages for these countries are therefore final.

As the new cotton season has just started, ginner uptake percentages for 2021-22 will be included in upcoming reports.

Ginner Uptake

Other Countries – 2020/21 Cotton Season



WHY IS GINNER UPTAKE IMPORTANT?

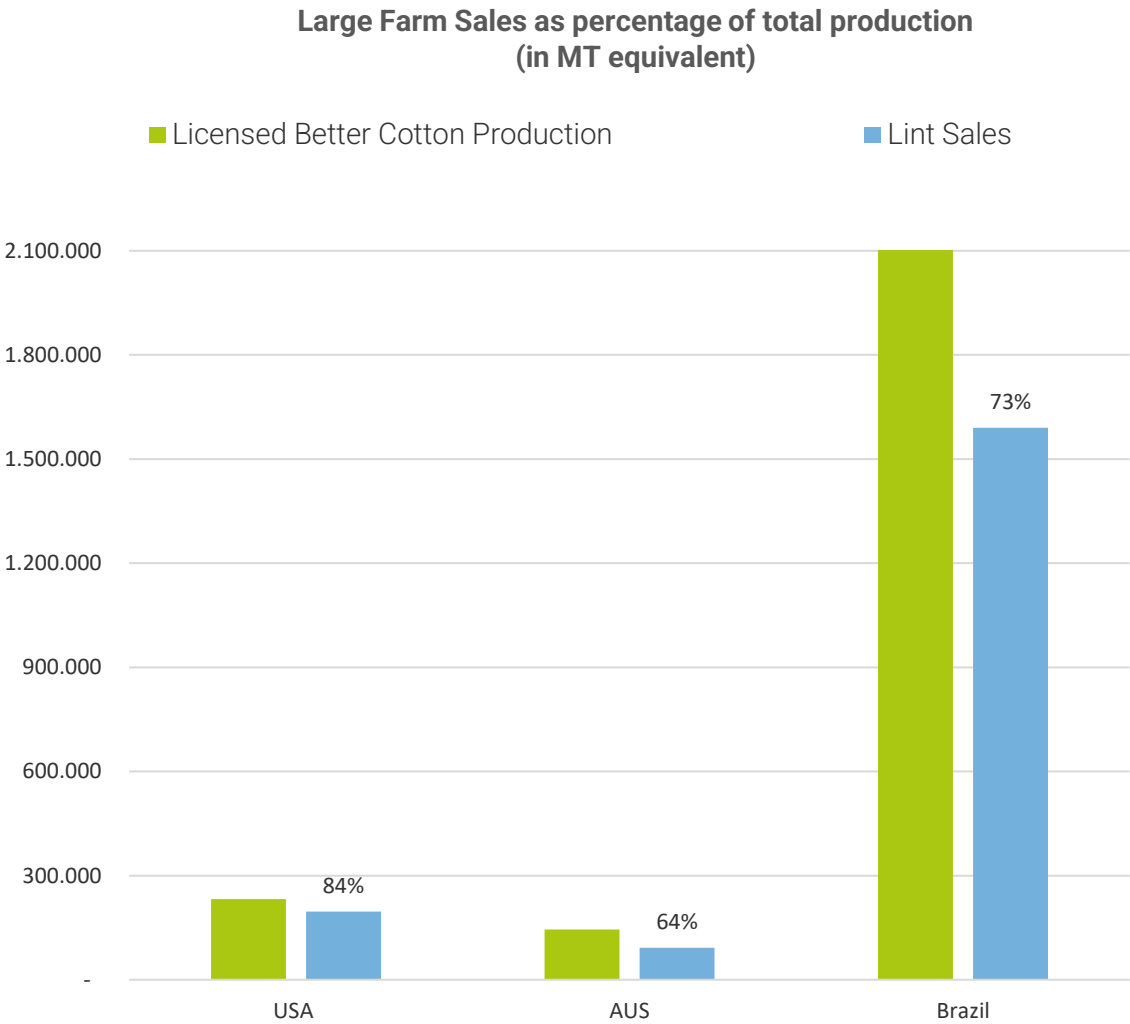
Ginner uptake allows us to see how much Better Cotton has been purchased from farmers* by gins during the season. Working closely with Implementing Partners in smallholder countries, Better Cotton has prioritized increasing ginner uptake for the 2020-21 season.

*In these countries farmers sell seed cotton to ginner who process the lint cotton. Gins own the resulting lint bales and market them to spinners and traders.

For all countries, except for South Africa and Mozambique, ginner uptake percentages for season **2020/21** are final.

Season **2021/22** is now starting and these numbers will be shared within the upcoming report.

Large Farm Lint Sales



**HOW IS BETTER COTTON UPTAKE
MEASURED IN LARGE FARM COUNTRIES?**

Unlike smallholder countries, where ginners buy seed cotton from farmers, then gin and market bales, in Large Farm (LF) countries like Australia, Brazil and USA, ginners merely provide a ginning service to the farmer, who retains ownership of the resulting bale and typically sells it to a trader. Thus, we measure uptake by the amount of cotton purchased from farms by traders.

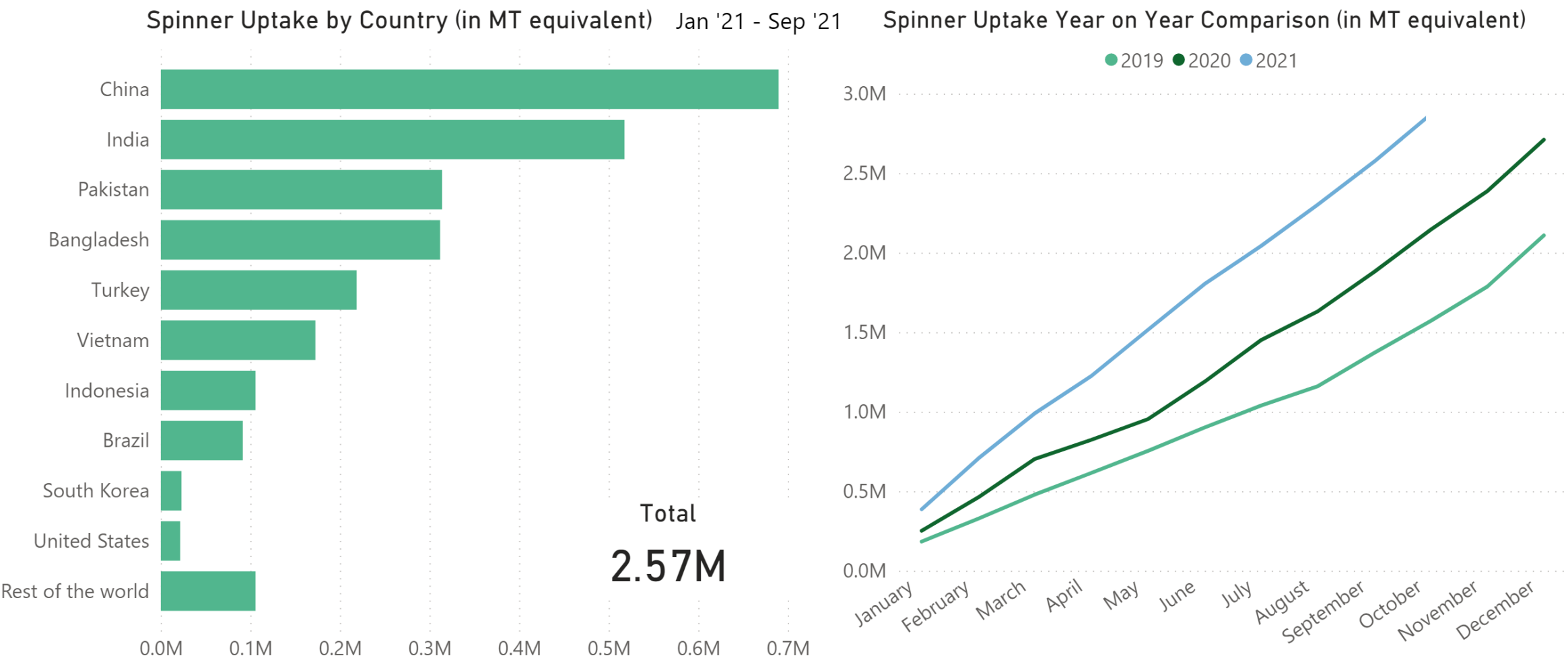
USA large farm sales for the 2020/21 cotton season are final.

In Australia, the 2020/21 cotton season is still ongoing and final sales figures will be confirmed in upcoming reports.

Large farm sales in Brazil have just started for the 2020/21 cotton season. The percentage displayed relates to final sales rate for the 2019/20 cotton season.

Spinner Uptake

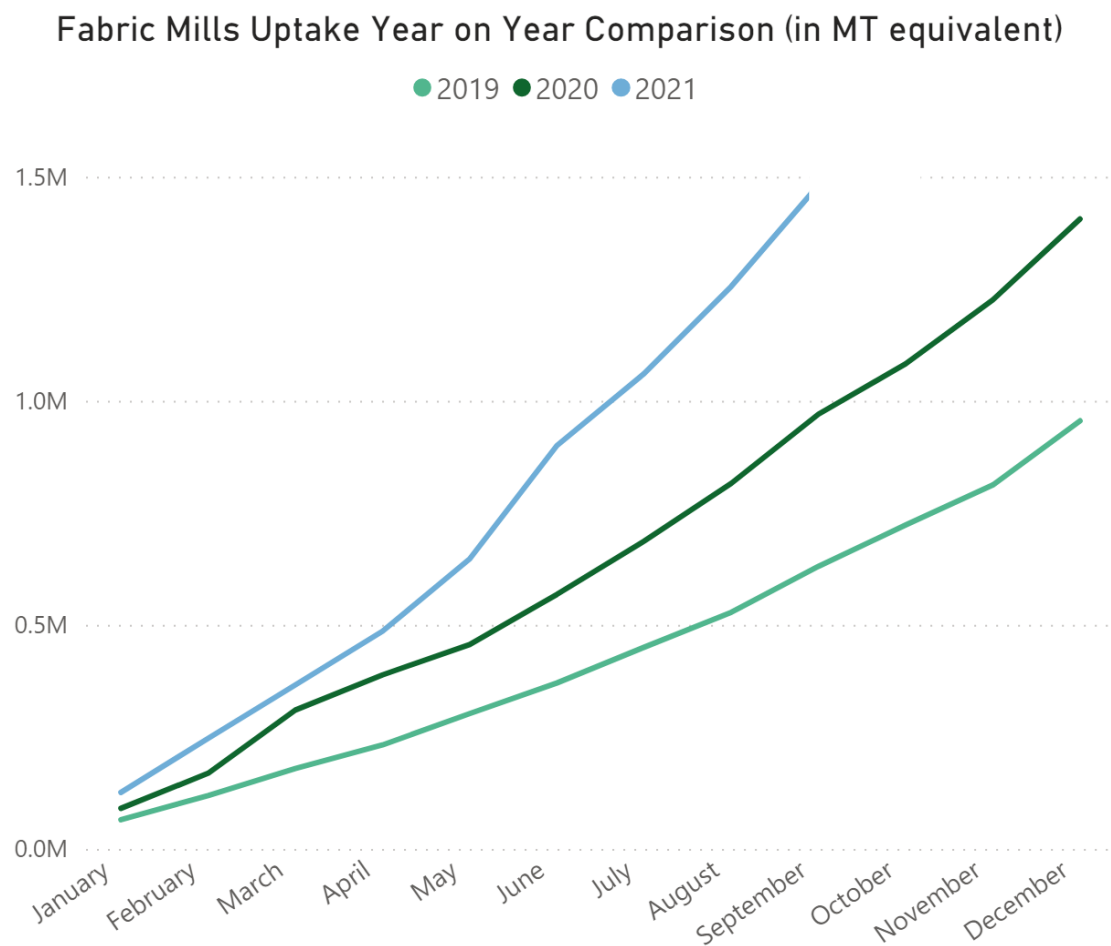
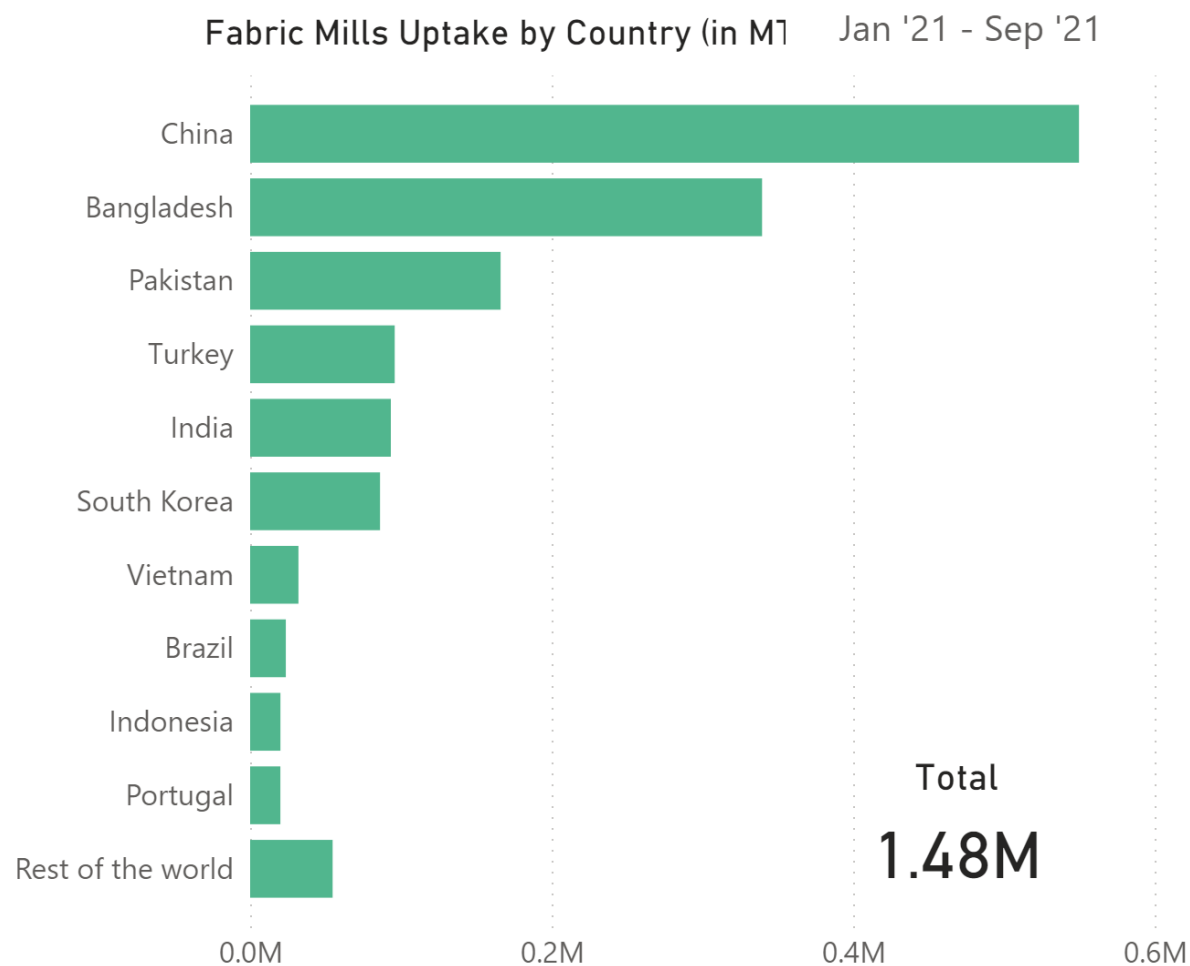
Cumulative Spinner Uptake (in MT equivalent)



WHY IS SPINNER UPTAKE IMPORTANT?
Spinner uptake shows the volume of Better Cotton sourced by spinners in each country (left graph) and the total volume procured by spinners globally (right graph). This data can help farmers and traders target their marketing of bales, and help new retailers & brands see which markets have the highest levels of spinners sourcing Better Cotton.

Fabric Mill Uptake

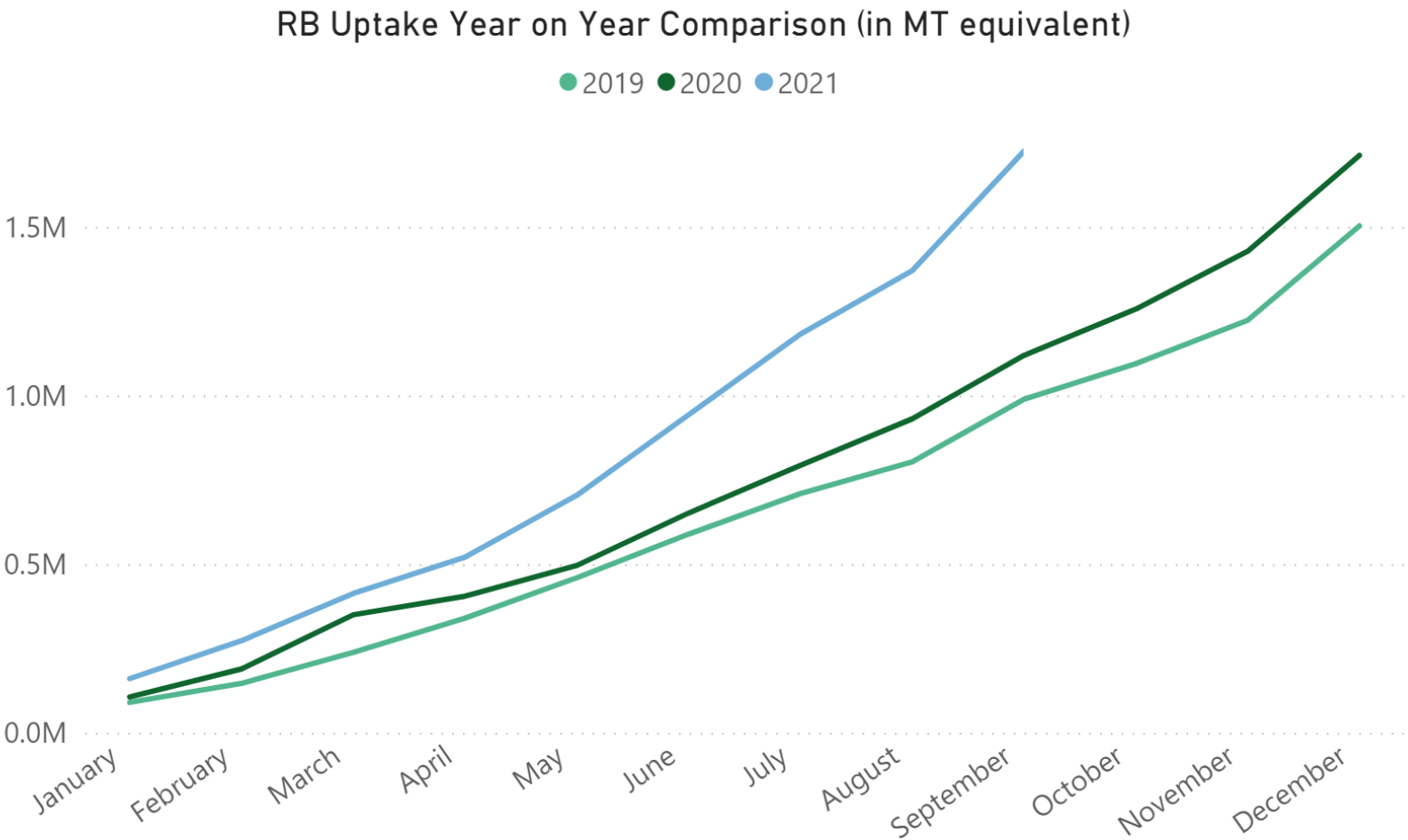
Cumulative Fabric Mill Uptake (in MT equivalent)



WHY IS FABRIC MILL UPTAKE IMPORTANT?
Fabric mill uptake gives retailers & brands an indication of Better Cotton sourcing levels in final production stages.

Retailer & Brand (RB) Uptake

Cumulative Retailer & Brand Uptake (in MT equivalent)



WHY IS RETAILER & BRAND UPTAKE IMPORTANT?

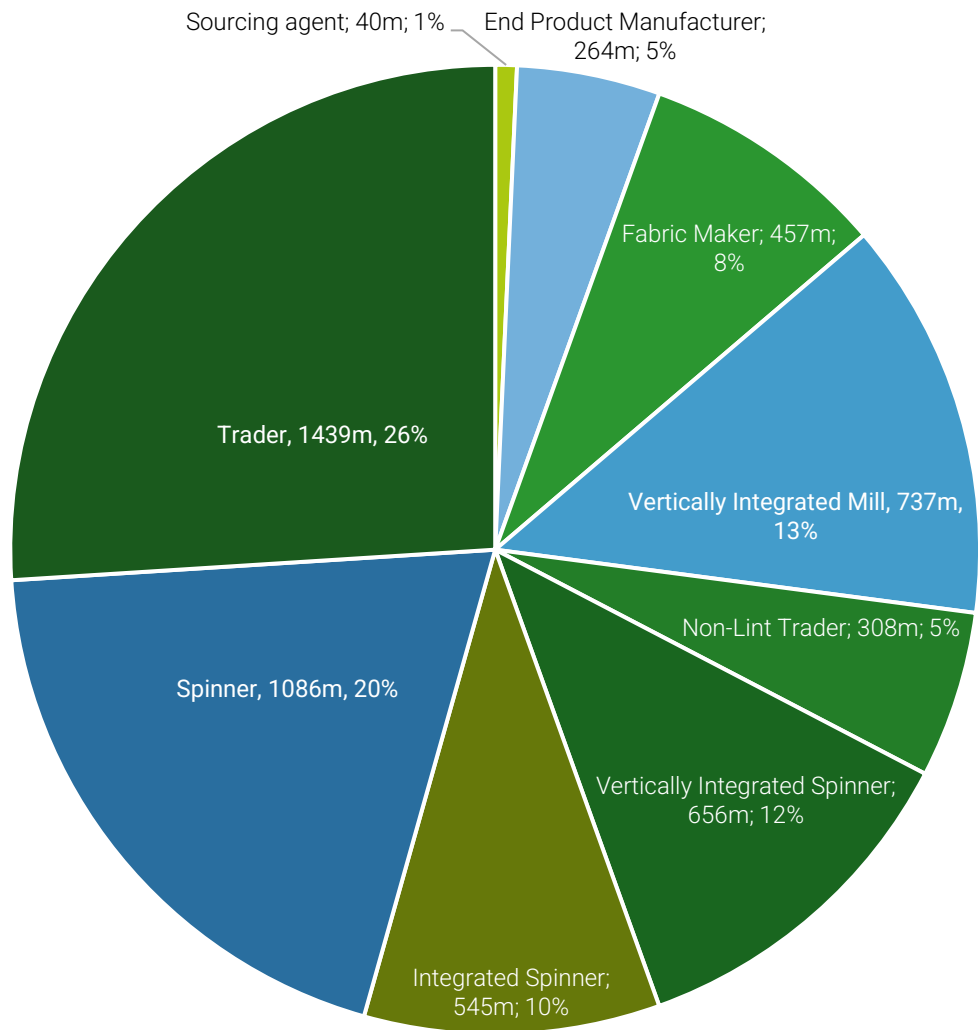
Retailer and Brand (RB) uptake indicates the cumulative amount of Better Cotton (in the form of BCCUs) sourced by retailer and brand members at a given point in time. RB uptake is important because it demonstrates Better Cotton demand at the end of the supply chain. In 2019, Retailer and brand members sourced over 1,5 million MT of Better Cotton, reaching 1.7 million MT at the end of 2020. RB uptake is critical because it translates into funding for farmer training activities, by means of volume-based fees paid to the Better Cotton Growth & Innovation Fund.

Total RB uptake by 30 September 2021:
1,719 million MT equivalent

Target for 2021: **2 million MT equivalent**

Inventory Snapshot

Inventory by category as % of global inventory (BCCUs)



Total: ~ 5,532,000 MT equivalent*
*This figure is distributed among over 10,000 companies.

WHY ARE INVENTORY SNAPSHOTS IMPORTANT?
Inventory snapshots show BCCUs availability at each supplier category level at a specific point in time. Snapshots can support companies with their Better Cotton sourcing strategies and improve linkages between supply and demand. Unlike in other categories, ginner inventories are “zeroed” at the end of every cotton season. Because BCCUs are not accumulated in ginner inventories and it is the reason why they are not included in the Inventory Snapshot. It is important to keep in mind that BCCUs can only be transferred on the basis of a corresponding transfer of physical cotton-containing products. BCCUs’ lifecycle ends after reaching retailers and brands inventories.

Inventory Snapshot

Inventory (BCCUs) per category by country – Sep 30, 2021 (excluding traders)

Country	Spinner	Integrated Spinner	Vertically Integrated Spinner	Non-Lint Trader	Vertically Integrated Mill	Fabric Maker	End Product Manufacturer	Sourcing Agent
China	150-300m	150-300m	50-100m	150-300m	150-300m	150-300m	50-100m	5-20m
Bangladesh	150-300m	5-20m	50-100m	100-150m	5-20m	50-100m	20-50m	0 - 5m
Pakistan	150-300m	20-50m	150-300m	50-100m	20-50m	20-50m	20-50m	
Turkey	50-100m	20-50m	100-150m		20-50m	20-50m	20-50m	0 - 5m
India	50-100m	20-50m	100-150m	50-100m	20-50m	5-20m	5-20m	0 - 5m
Brazil	50-100m	50-100m	5-20m	20-50m	5-20m	20-50m	5-20m	
South Korea	0 - 5m	0 - 5m		20-50m	5-20m	5-20m	5-20m	
United States	0 - 5m	20-50m	0 - 5m	0 - 5m	0 - 5m	0 - 5m	20-50m	5-20m
Vietnam	20-50m	5-20m	5-20m	5-20m	5-20m	5-20m	5-20m	0 - 5m
Portugal	0 - 5m	0 - 5m	0 - 5m	0 - 5m	0 - 5m	5-20m	0 - 5m	
Rest of the world	50-100m	50-100m	100-150m	20-50m	20-50m	20-50m	20-50m	5-20m

WHY ARE INVENTORY SNAPSHOTS IMPORTANT?

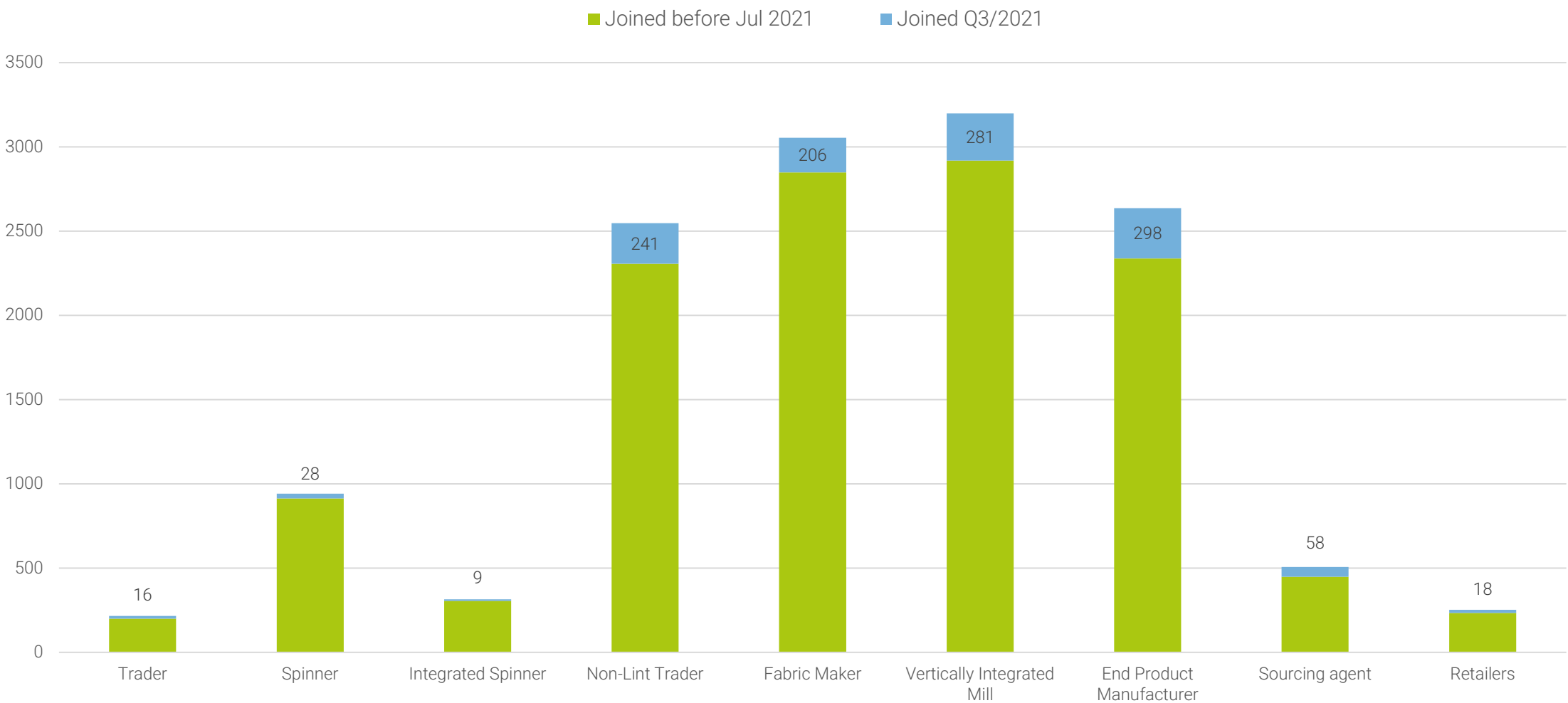
Inventory snapshots can help identify strategic inventories and potential bottlenecks in the flow of BCCUs in supply chains. For instance, fabric mills can use this graph to understand availability of BCCUs at spinning mills in their countries and abroad. Ensuring the smooth flow of BCCUs in the supply chain is critical to increase global retailer and brand uptake.



Membership & Non-Member BCP Supplier Numbers

Better Cotton Global Supply Chain

Number of companies (members and non-member BCP suppliers) with access to the BCP – Sep 30, 2021



WHY IS THE NUMBER OF COMPANIES REGISTERED ON THE BETTER COTTON PLATFORM IMPORTANT?

All transfers of BCCUs between supply chain actors are recorded on the Better Cotton Platform (BCP), by companies that are Better Cotton members, or which enroll for BCP access. The increasing number of companies registering on the BCP is an encouraging sign of the maintained interest towards Better Cotton and the increasing demand for Better Cotton. A full list of suppliers registered on the BCP is available [here](#). A full list of [Better Cotton members](#) can be found on our website.

Member Resources

Go to [Resources library](#) for a complete list of Better Cotton resources

- 🌱 [2020 Annual Report](#)
- 🌱 [Better Cotton Chain of Custody Guidelines](#)
- 🌱 [Mass Balance 3 min video](#)
- 🌱 [Events & Webinars](#)



Thank you

membership@bettercotton.org

