Smallholder livelihoods: Shifting the economics of cotton farming

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SMALLHOLDER LIVELIHOODS

NO SUSTAINABLE COTTON
WITHOUT A LIVING INCOME FOR FARMERS

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SMALLHOLDER COTTON FARMERS
LIVE IN POVERTY

Smallholder are the majority (99%) of cotton farmers. Most of them do not earn a living income.

Living Income is the net annual income required for a household in a particular place to afford a decent standard of living for all members of that household. Elements of a decent standard of living include food, water, housing, education, health care, transport, clothing, and other essential needs including provision for unexpected events.

(Living Income Community of Practice 2020).
TO MAKE COTTON SUSTAINABLE
WE NEED TO ACT ON FARMERS POVERTY

- Poverty is a root cause of unsustainable cotton farming practices.
- Poverty is an obstacle to the adoption of sustainable farming practices.
- BCI will fail if Better Cotton farmers remain poor.
At BCI it was always **assumed** that cotton farmers' livelihoods would improve.

Farmers' livelihoods is **now explicit** in the 2030 strategy.

**All levers** must be considered in our efforts to ensure a living income for cotton farmers.
LEVERS OF FARMERS INCOME

ALL CAN CONTRIBUTE TO A LIVING INCOME

\[
\text{LAND SIZE} \times \text{YIELD} \times \text{PRICE} - \text{COST OF PRODUCTION} + \text{DIVERSIFIED INCOME} = \text{HOUSEHOLD INCOME}
\]

FOCUS CROP

(IDH)
SMALLHOLDER FARMERS LIVELIHOODS

MANY CHALLENGES

- Cotton VS other crops.
- Traceability down to the farm level?
- Better Cotton to remain attractive and affordable.
- No actor can achieve it alone. Collaboration is required.
- Need to address power imbalances in the cotton chain.
BCI and the cotton sector can be no less than very ambitious.

- Not just resilience
- Not even just a living income
- Not just survive but thrive

Better Cotton is the world’s leading sustainability initiative for cotton. Our mission is to help cotton communities survive and thrive, while protecting and restoring the environment.
Thank you