



# Better Cotton Production & Uptake Report – Q4 2022

For Better Cotton Members only

December 2022





# Introduction

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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 at different levels of the supply chain.

By publishing this information, Better Cotton intends to support its Members making available data to help improve the linkages between supply and demand.

This report is published on a quarterly basis.

Better Cotton operates under our [anti-trust policy](#).

NOTE: The information in this report is made available to Better Cotton Members only. Please do not share outside of your organisation.

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- 🌱 **Better Cotton Production**
- 🌱 **Better Cotton Uptake**
- 🌱 **Membership Numbers**

Content



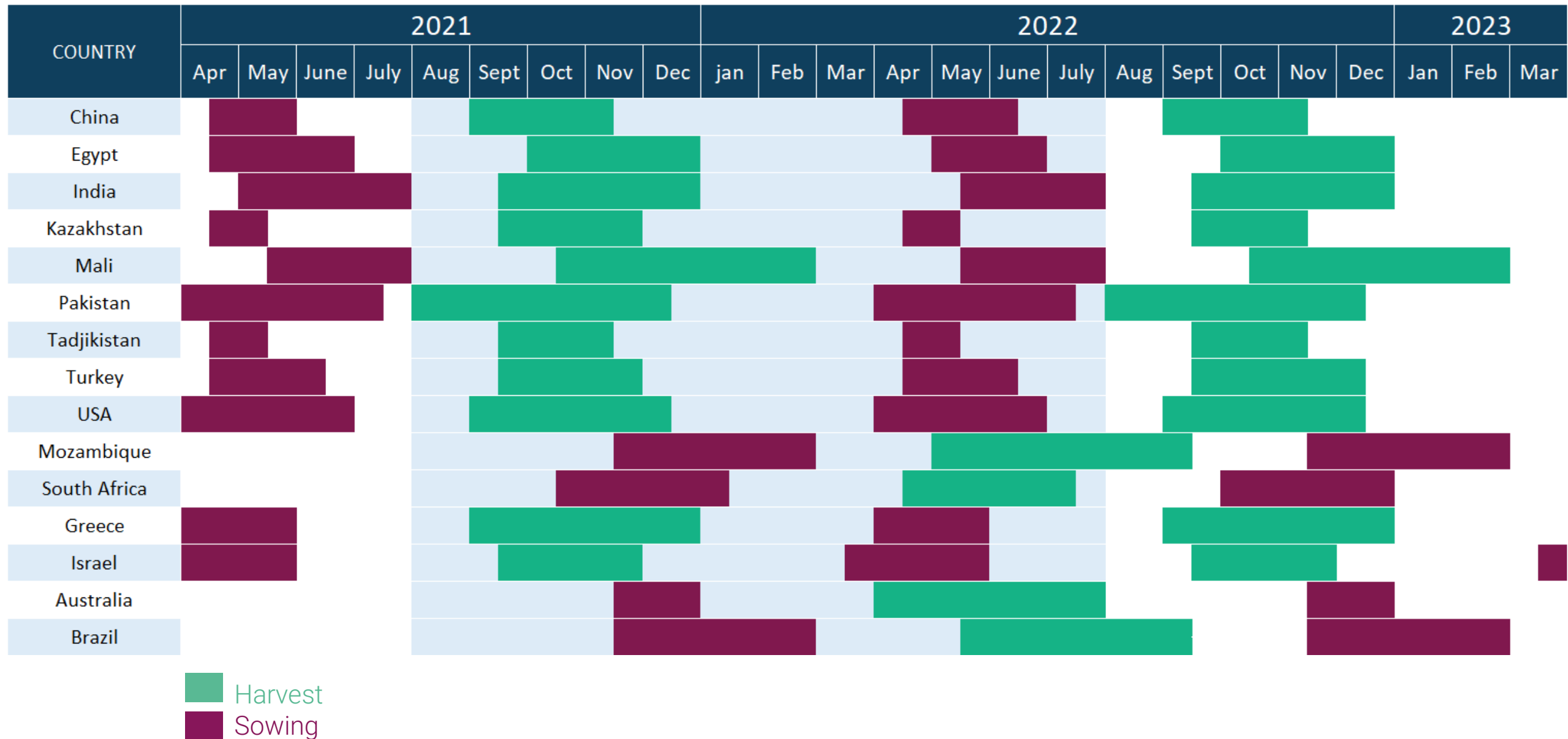


# Better Cotton Production



# Cotton Production Calendar

Seasons 2021-22 and 2022-2023



This table represents the 2021-22 and 2022-2023 cotton seasons for Better Cotton producing countries and countries with equivalent cotton standards.

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

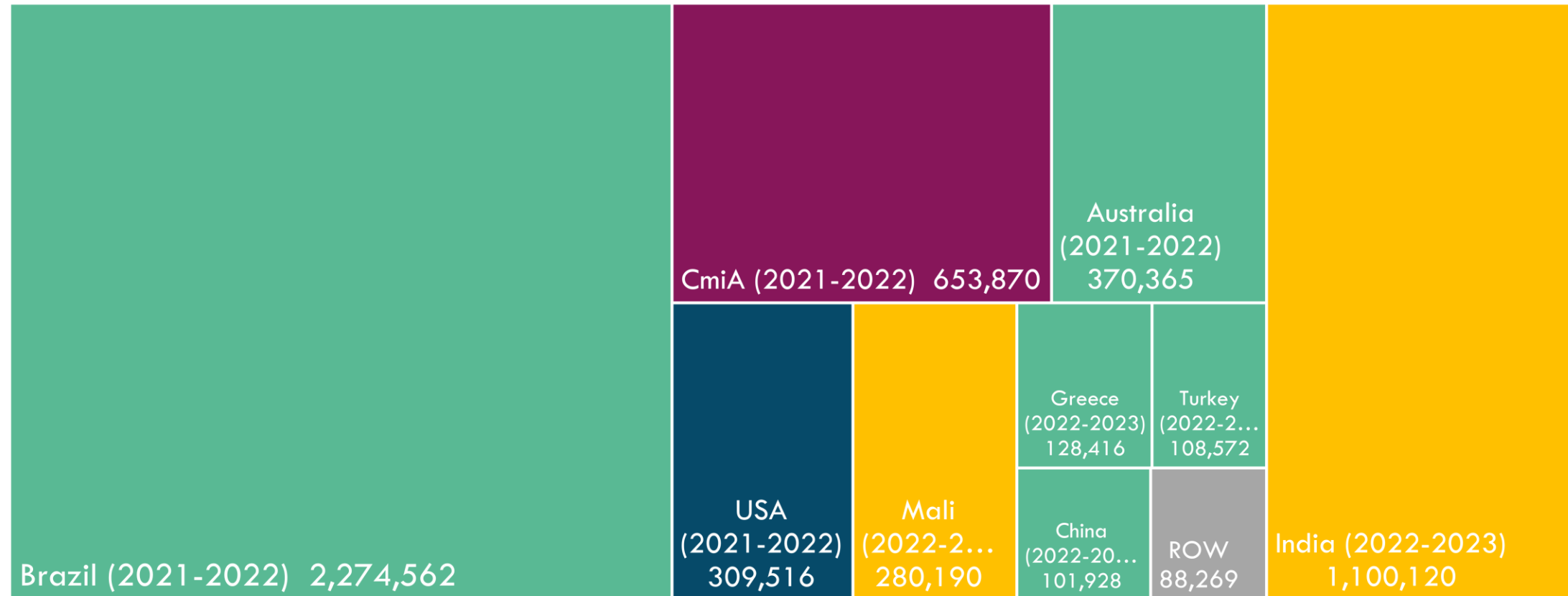
The start of the season corresponds to the beginning of the harvest in the Northern Hemisphere and ends in the following calendar year with the harvests in the Southern Hemisphere.

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/>

# Better Cotton Production

2021-2022 (Southern Hemisphere) and 2022-2023 (Northern Hemisphere)



This graph shows the volume of Better Cotton lint production at country level for a specific season.

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

In the 2020-21 cotton season, approximately 4.8 million metric tonnes (MT) of Better Cotton were produced, equivalent to 20.5% of the world cotton production.

The 2021-2022 cotton season production estimate lies around 5,1 million MTs.

\*Cotton Made in Africa (CmiA) countries in 2021-22 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

**Late Season estimates:** Revised estimates reported during the self-assessment process and according to which Producer Units and Large Farms earn a Better Cotton license

**Licensed figures** Amount of licensed Better Cotton pre-harvest

**Final post-harvest figures** Actual figures calculated post-harvest

Estimated total Global Cotton Production in 2021-22 is 25'444'000 MT. Source: [ICAC](#) (as of October 2022)

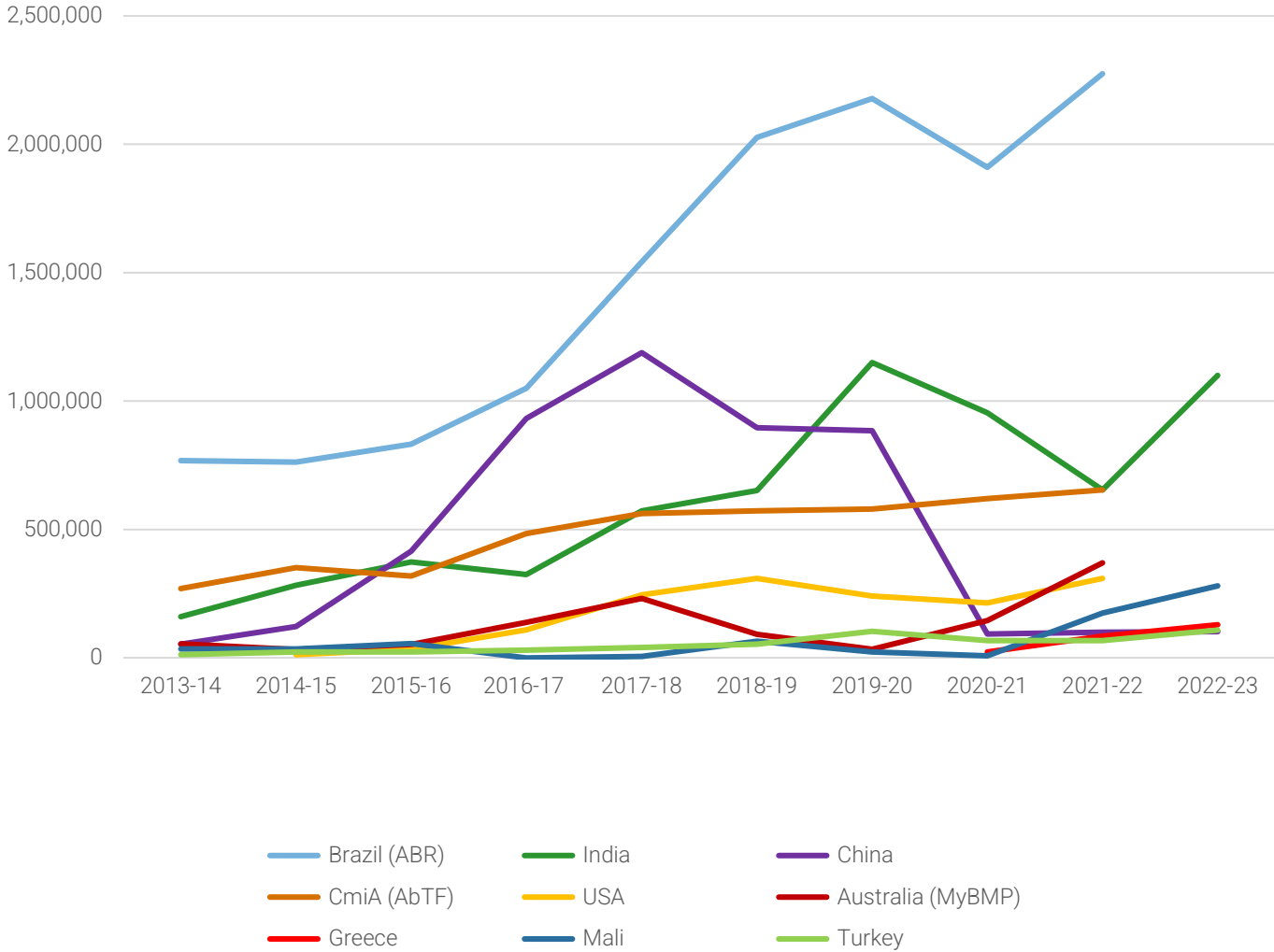
Rest of the World (ROW)	
Kazakhstan (2022-2023)	4.382
Tajikistan (2022-2023)	14,280
Mozambique (2021-2022)	9.046
South Africa (2021-2022)	11,686
Israel (2022-2023)	17.116
Egypt (2022-2023)	2.843
Uzbekistan (2022-2023)	28.916



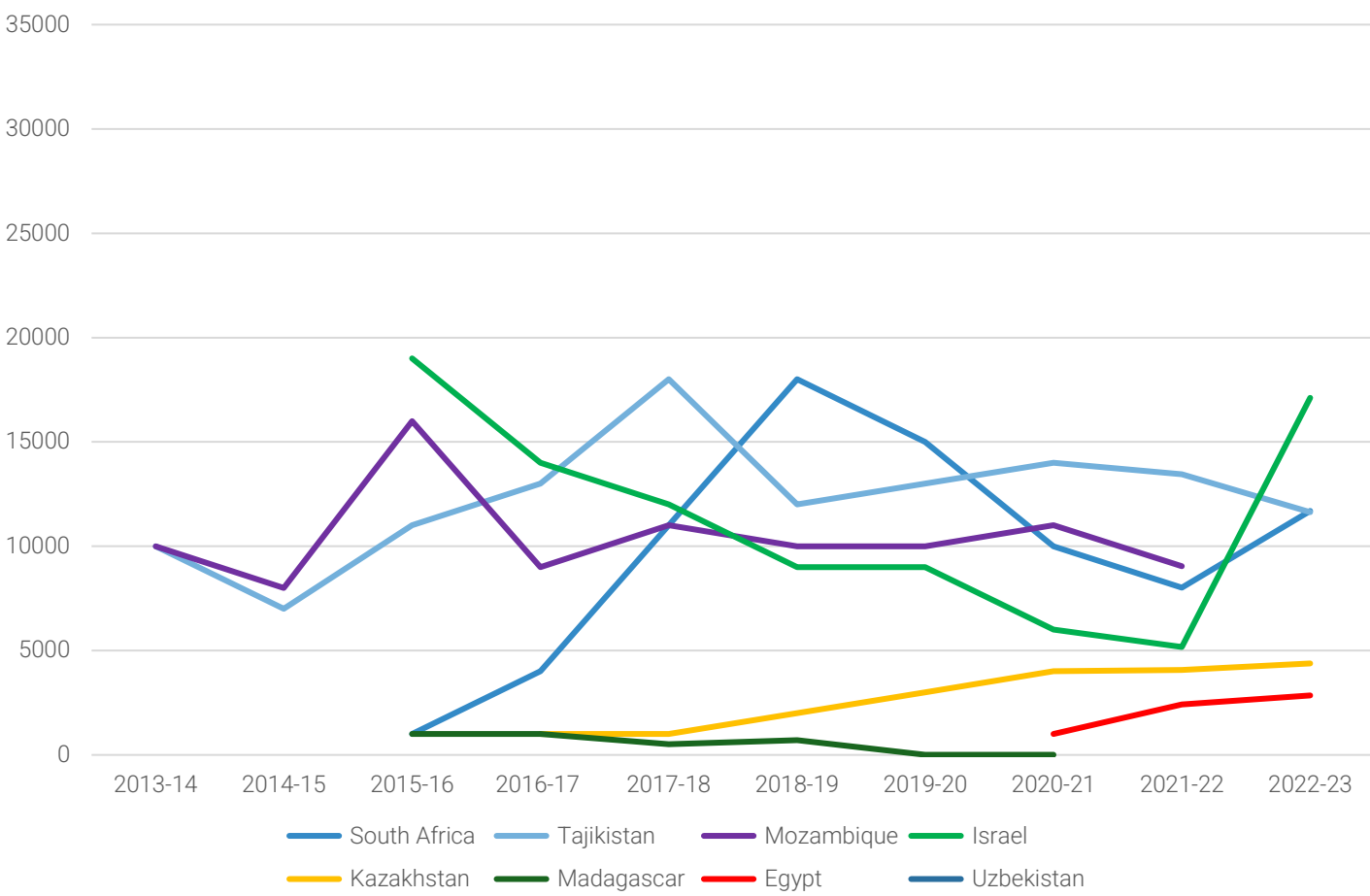
# Better Cotton Production Growth

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

HIGH PRODUCTION COUNTRIES



MEDIUM & LOW PRODUCTION COUNTRIES



Brazil and India are the top two Better Cotton producing countries in 2021-2022 so far, with roughly 65% of global Better Cotton production.

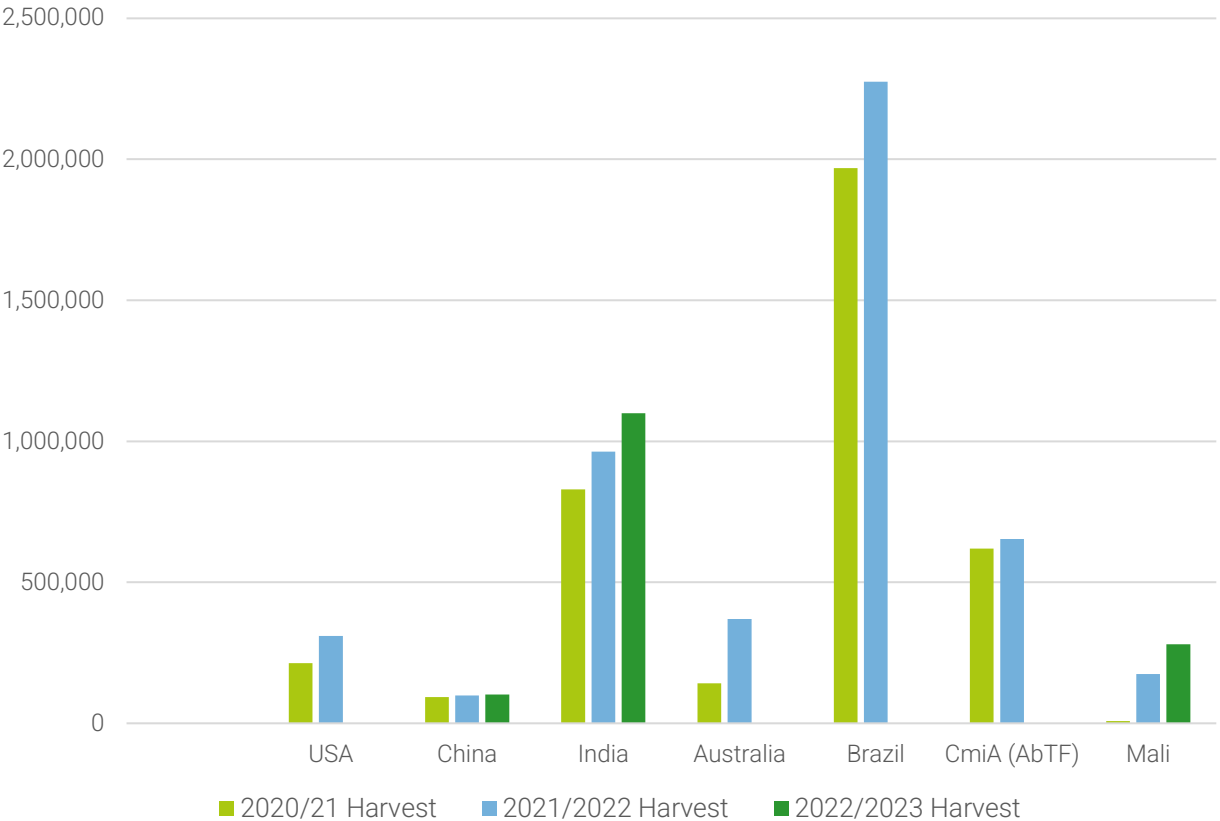
The Better Cotton Programme in Greece experienced the most significant growth during the season 2021-2022, reaching 130'000 MT.



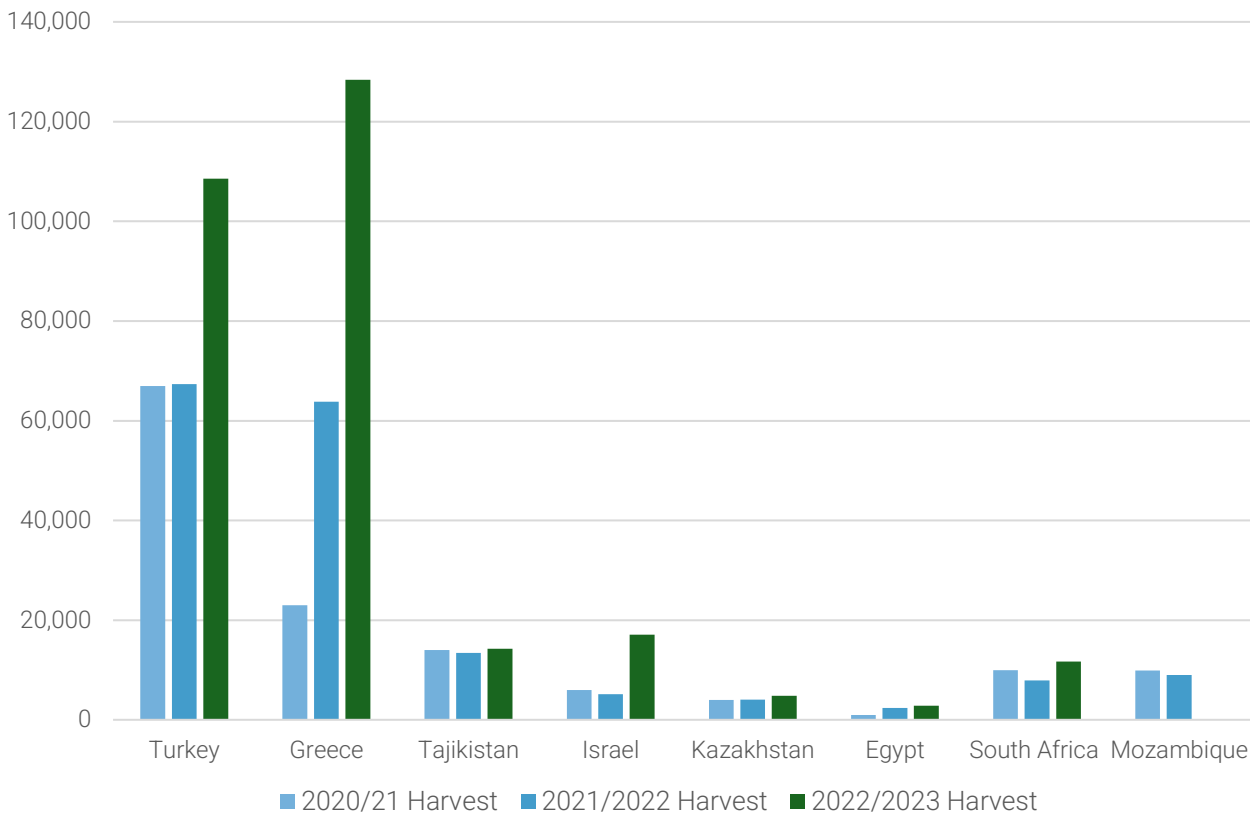
# Better Cotton Production

## Harvest Estimates – Year on year comparison

EXPECTED BETTER COTTON LINT PRODUCTION - COUNTRIES PRODUCING > 100,000 MT (YEAR ON YEAR COMPARISON)



EXPECTED BETTER COTTON LINT PRODUCTION - COUNTRIES PRODUCING <100,000 MT (YEAR ON YEAR COMPARISON)



During the 2021-2022 season, the largest production increases were experienced in Brazil, Egypt, Greece and Mali due to the expansion of Better Cotton Programmes as well as the continuous growth in the number of participating farmers.

Production remains steady in other countries.

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



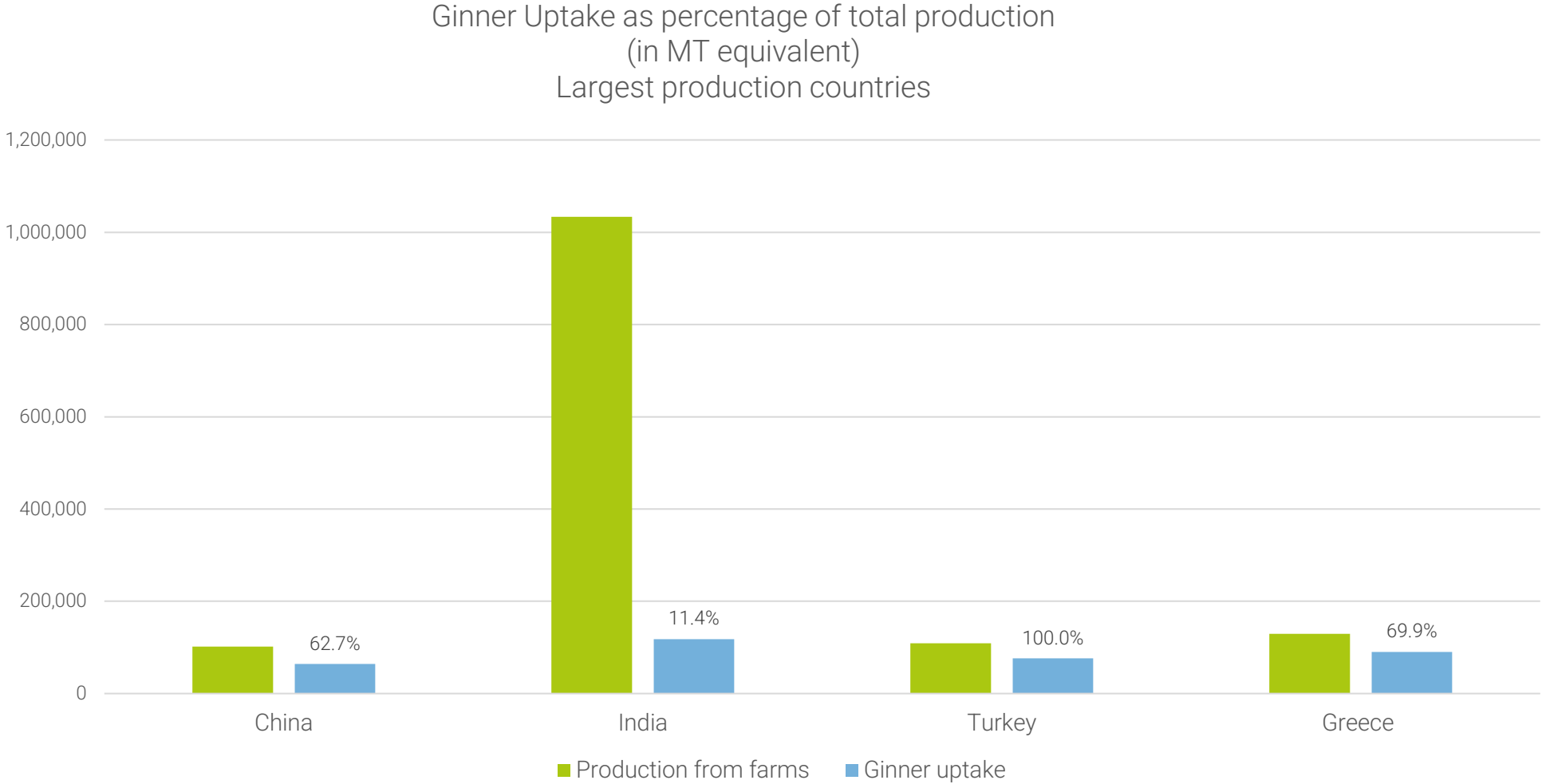
# Definitions

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 Better Cotton 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

## Large Producing Countries – 2022/23 Cotton Season



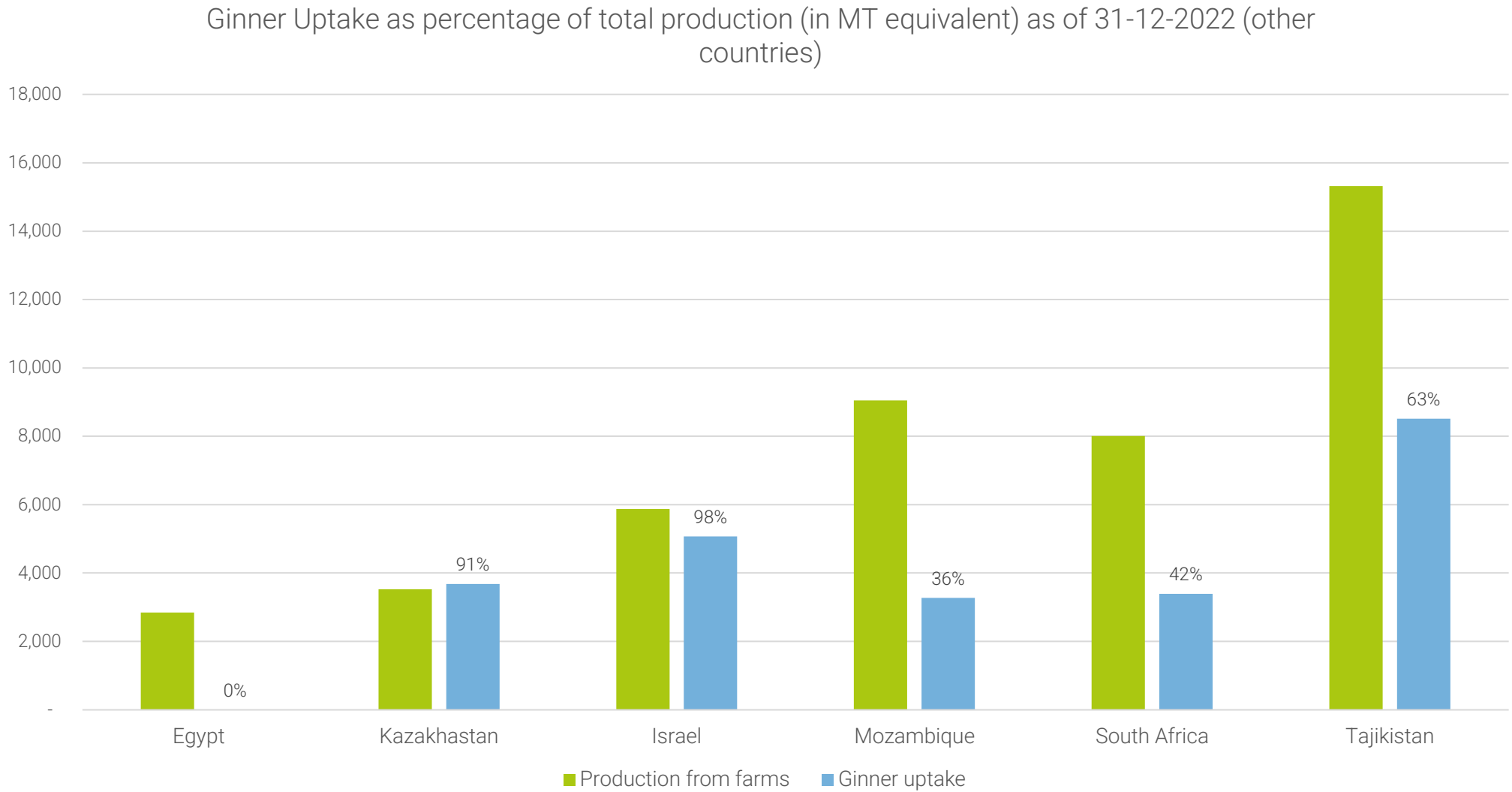
**WHY IS GINNER UPTAKE IMPORTANT?**  
Ginner uptake allows us to see how much Better Cotton has been purchased from farmers\* by ginners during the season. Working closely with Programme Partners in smallholder countries, Better Cotton has prioritised increasing ginner uptake for the 2020-21 season.

\*In these countries' farmers sell seed cotton to ginners who process the lint cotton. Ginners own the resulting lint bales and market them to spinners and traders.

In these countries the **2021-22 cotton season** has finalised so these uptake numbers are final.

# Ginner Uptake

## Other Countries – 2021/2022 Cotton Season



**WHY IS GINNER UPTAKE IMPORTANT?**

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

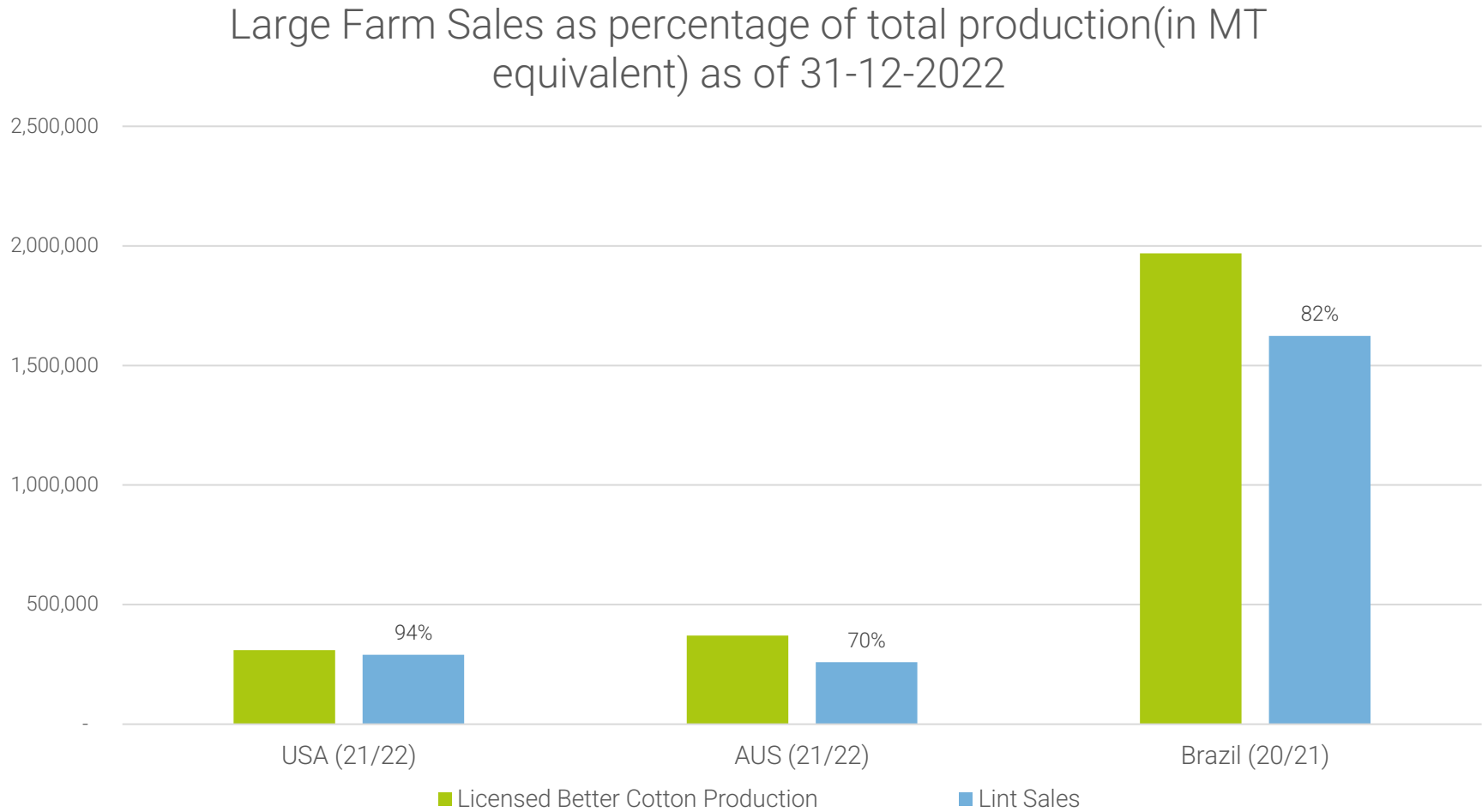
\*In these countries farmers sell seed cotton to ginners who process the lint cotton. ginners own the resulting lint bales and market them to spinners and traders.

Season **2021/22** is over for most of the countries with the exception of Mozambique and South Africa.

For Mozambique and South Africa (Southern Hemisphere) uptake will continue to increase.



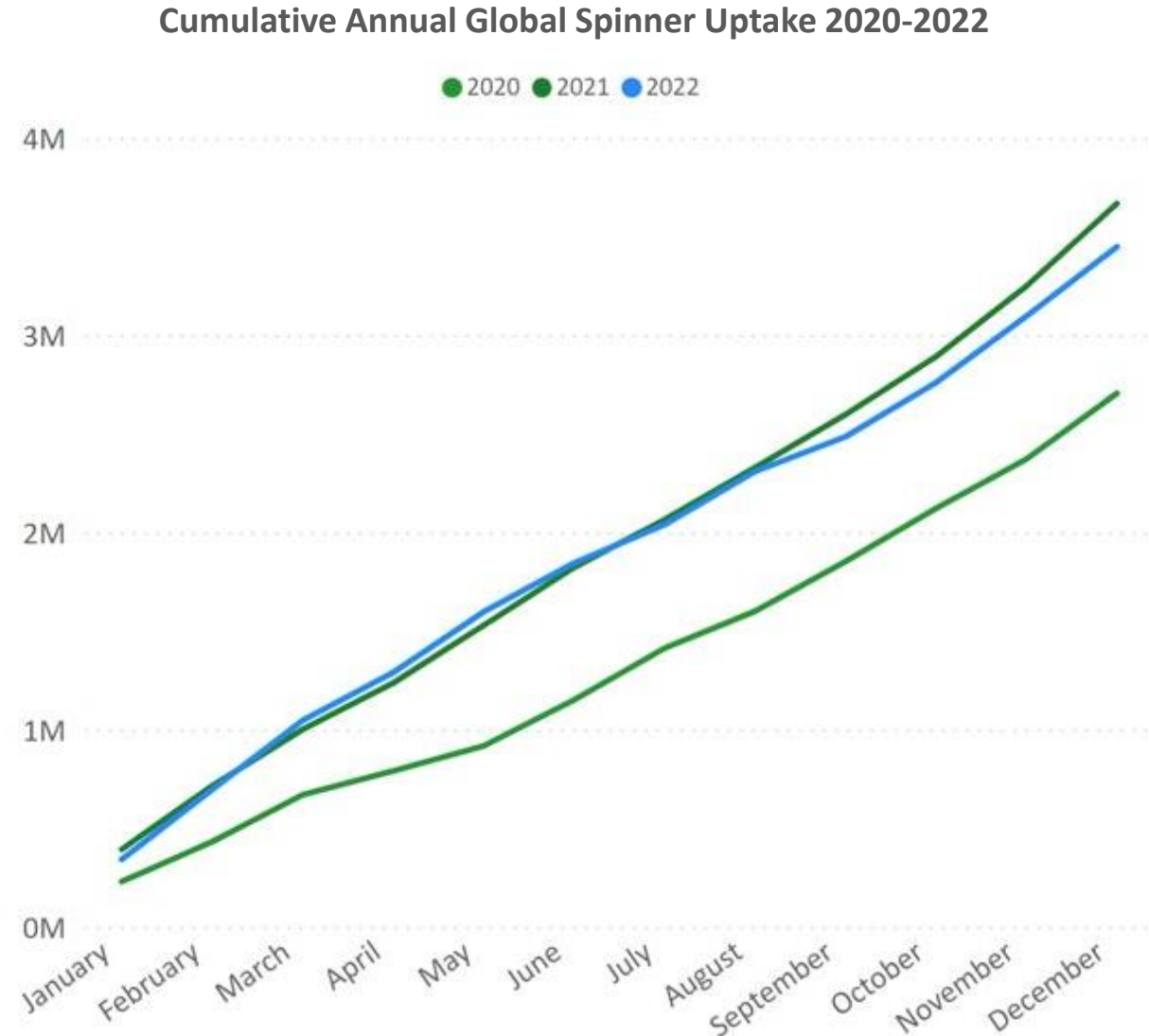
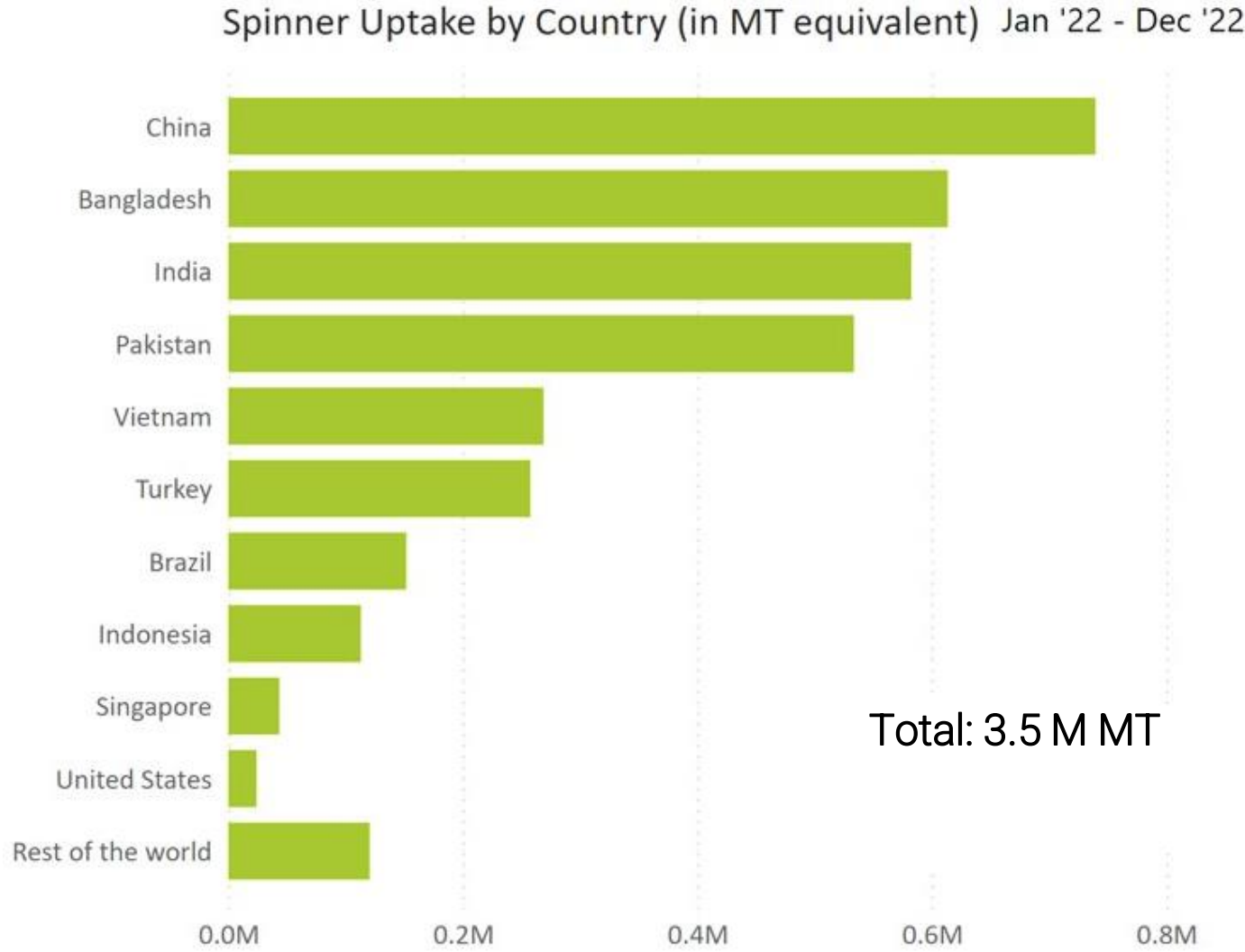
# Large Farm Countries



**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 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.

In these tables, you can see uptake for large farms. USA large farm kicked off the new season (22/23) in December 2022.  
 In Australia, the 2021/22 cotton season has started in June 2022, so sales will continue to increase.  
 As concerns Brazil, the graph captures mid-season sales as the season started in June 2022.

# Spinner Uptake



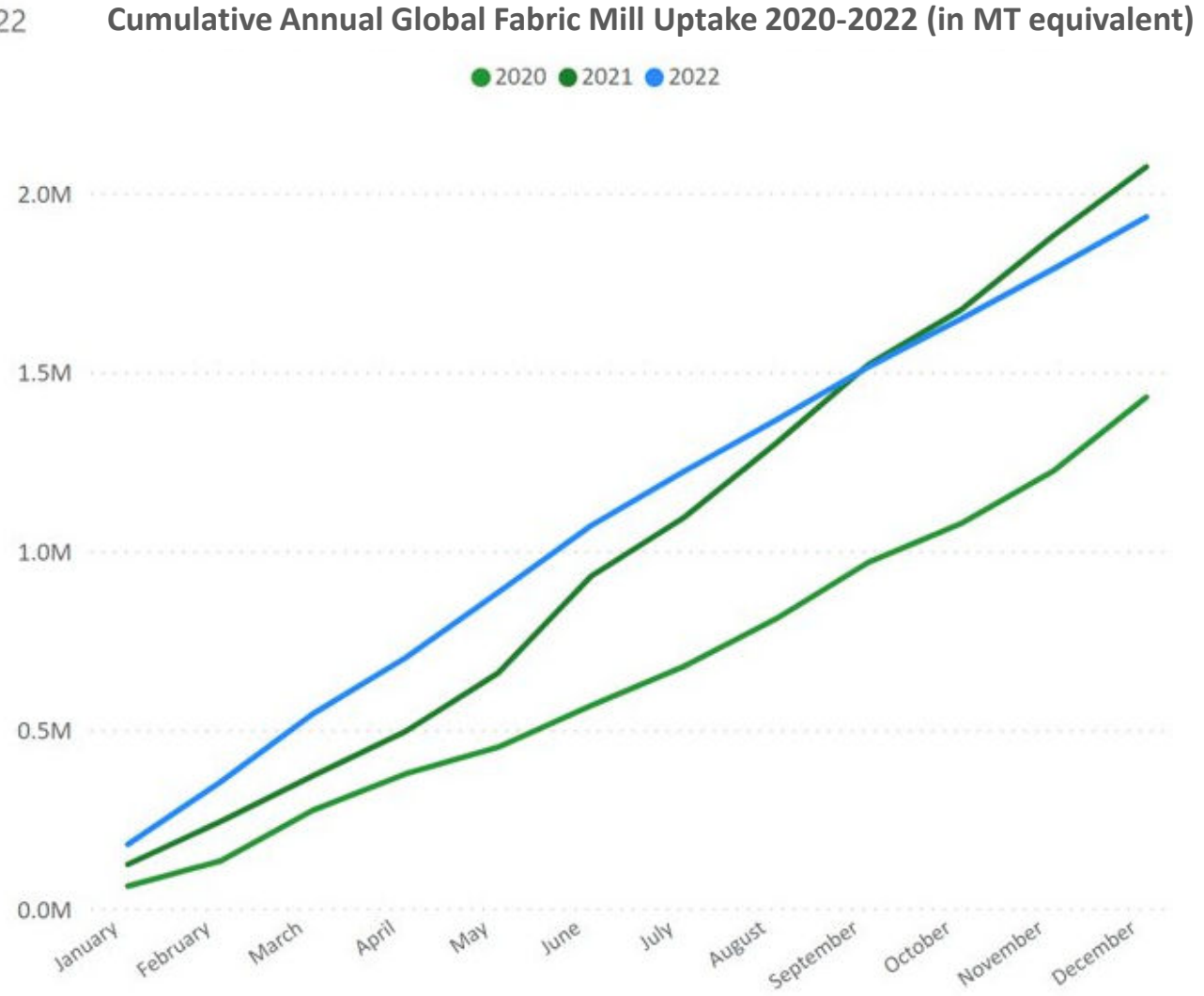
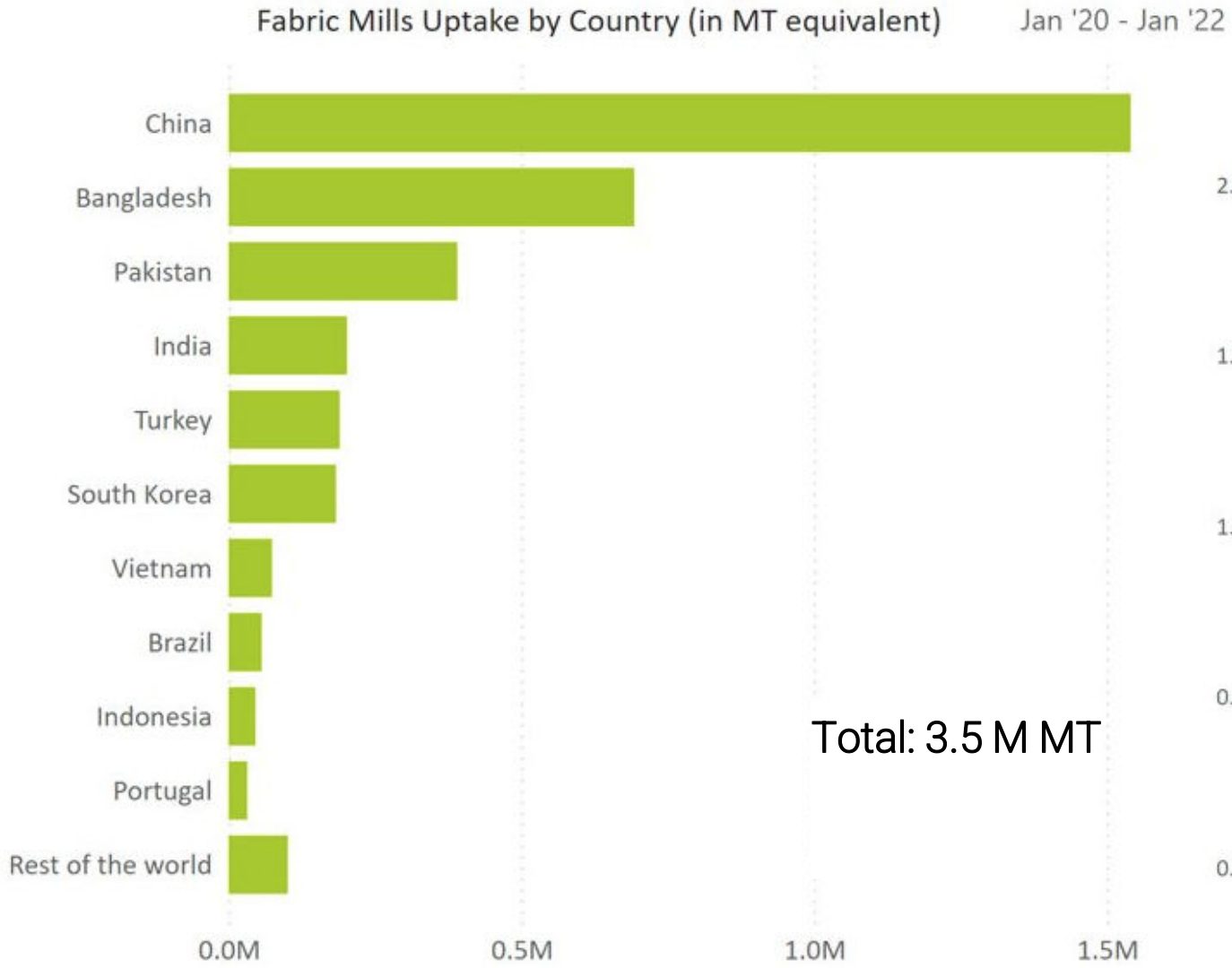
**WHY IS SPINNER UPTAKE IMPORTANT?**  
 Spinner uptake shows the volume of Better Cotton sourced by spinners in each country (left graph) and the total volume procured by spinners globally (right graph). This data can help farmers and traders target their marketing of bales, and help new retailers &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

**Rest of the World countries include:**  
 Kazakhstan, Tajikistan, Mozambique, South Africa, Israel, Egypt, Uzbekistan





# Fabric Mill Uptake

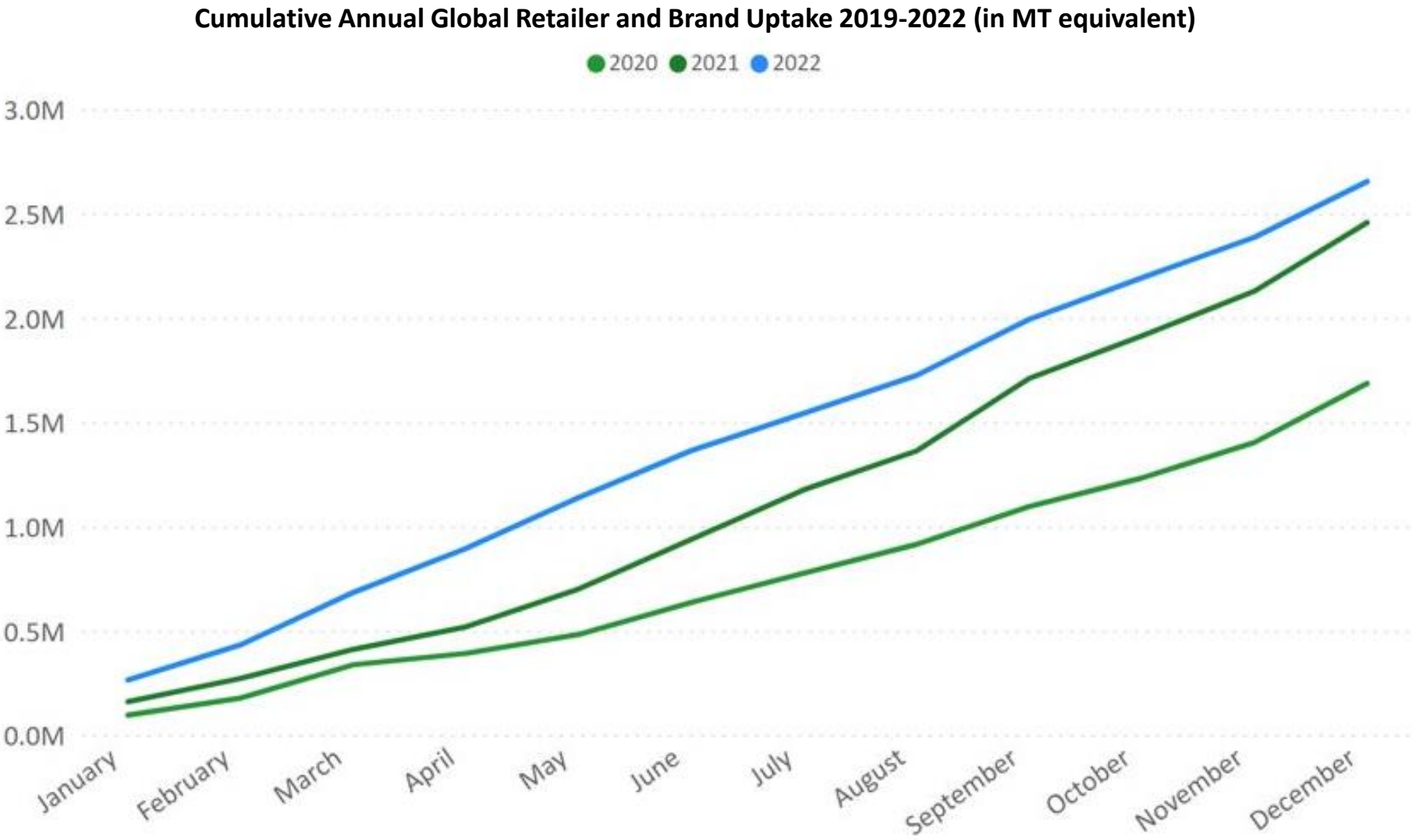


**WHY IS FABRIC MILL UPTAKE IMPORTANT?**  
 Fabric mill uptake gives retailers & brands an indication of Better Cotton sourcing levels in final production stages.

**Rest of the World countries include:**  
 Kazakhstan, Tajikistan, Mozambique, South Africa, Israel, Egypt, Uzbekistan

# Retailer & Brand Uptake

Cumulative Retailer & Brand Uptake (in MT equivalent)



**WHY IS RETAILER & BRAND UPTAKE IMPORTANT?**

Retailer and Brand 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 added over the preceding period.

Retailer and Brand 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 in 2020 and 2.5 million MT in 2021.

Retailer and Brand 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 31December 2022:  
**2.6 million MT equivalent**

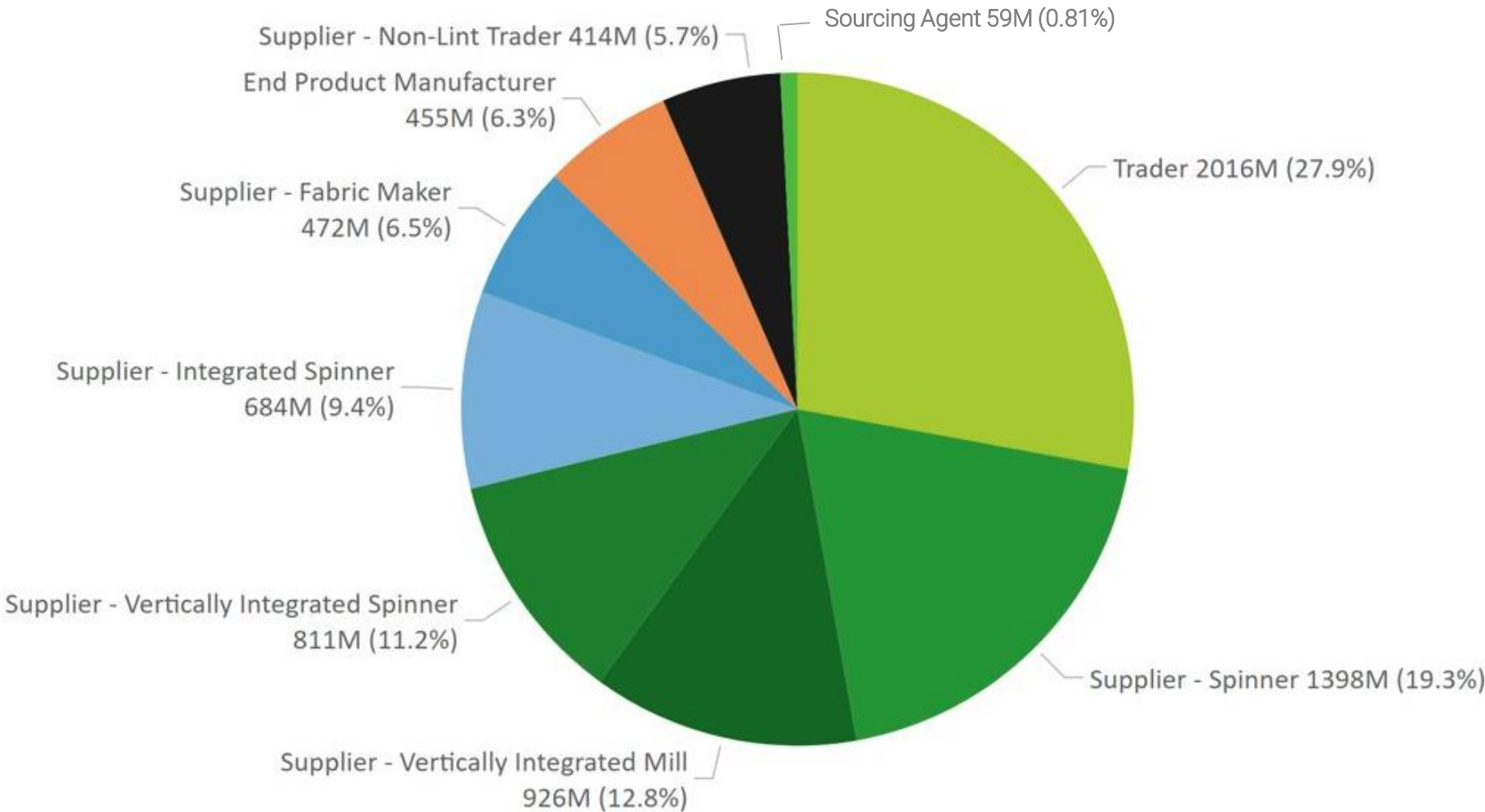




# Inventory Snapshot

Inventory by supply chain category as % of global inventory (BCCUs)

Data as of 31 December 2022



**Total: ~ 7,230,000 MT equivalent\***

\*This figure is distributed among over 10,000 companies.

**WHY ARE INVENTORY SNAPSHOTS IMPORTANT?**  
 Inventory snapshots show the BCCU availability at each supplier category at a specific point in time. Snapshots can support companies with their Better Cotton sourcing strategies and inform 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, their inventory is not included in the Inventory Snapshot.  
 According to Chain of Custody, BCCUs can only be transferred on the basis of a corresponding transfer of physical cotton-containing products.  
 The BCCU lifecycle ends after reaching Retailer and Brand accounts.

# Inventory Snapshot

Better Cotton Inventory within the Supply Chain per Country (in BCCUs)

Data as of 1<sup>st</sup> January 2023

Rank	Country	Spinners	Integrated Spinners	Vertically Integrated Spinner	Non-Lint Traders	Fabric Maker	Vertically Integrated Mill	End Product Manufacturer	Sourcing Agent
1	China	150-300m	150-300m	20-50m	150-300m	150-300m	150-300m	100-150m	5-20m
2	Bangladesh	300-500m	20-50m	50-100m	5-20m	50-100m	150-300m	50-100m	0-5m
3	Pakistan	300-500m	50-100m	150-300m	20-50m	50-100m	100-150m	20-50m	0-5m
4	India	50-100m	20-50m	150-300m	20-50m	5-20m	50-100m	5-20m	0-5m
5	Turkey	100-150m	20-50m	50-100m	20-50m	20-50m	50-100m	20-50m	0-5m
6	Brazil	50-100m	100-150m	50-100m	5-20m	20-50m	20-50m	20-50m	0-5m
7	Indonesia	50-100m	50-100m	20-50m	0-5m	5-20m	0-5m	0-5m	0-5m
8	Vietnam	50-100m	20-50m	5-20m	5-20m	5-20m	5-20m	5-20m	0-5m
9	United States	0-5m	5-20m	20-50m	0-5m	0-5m	0-5m	20-50m	20-50m
10	South Korea	0-5m	5-20m	0-5m	5-20m	20-50m	20-50m	5-20m	0-5m
11	Rest of the world	50-100m	20-50m	50-100m	50-100m	20-50m	50-100m	50-100m	20-50m

**WHY ARE INVENTORY SNAPSHOTS IMPORTANT?**  
 Inventory snapshots can help identify strategic inventories and potential bottlenecks in the availability 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.



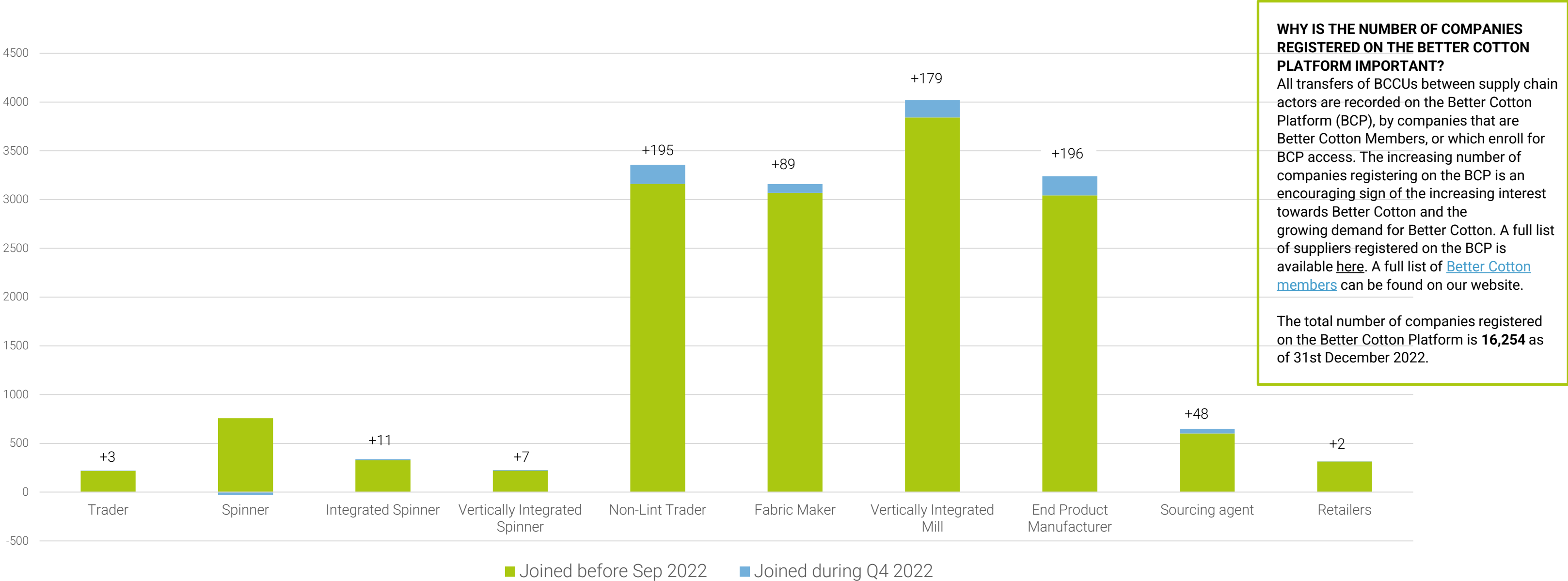


Membership &  
Non-Member BCP  
Supplier Numbers



# Better Cotton Global Supply Chain

Composition and Size of the Better Cotton Global Supply Chain – December 2022





# Related Member Resources

Go to the [Resources library](#) on our website

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- 🌱 [2021 Annual Report](#)
- 🌱 [Better Cotton Chain of Custody Guidelines](#)
- 🌱 [Mass Balance 3 min video](#)
- 🌱 [Events & Webinars](#)





Thank you

[membership@bettercotton.org](mailto:membership@bettercotton.org)

October 2022