



Annual Report 2022-23

BETTER
COTTON
GROWTH &
INNOVATION
FUND



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Photo: Tata Djibe, Agronomist, in a cotton farm in Kara. Photo by Better Cotton/Seun Adatsi. Location: Kolondieba, Mali. 2019.



Introduction

The Better Cotton Growth and Innovation Fund (Better Cotton GIF or the Fund) is a field-level funding programme. It is designed to further the Better Cotton mission by promoting sustainability in the cotton sector and helping farming communities to survive and thrive while protecting and restoring the environment.

As part of Better Cotton's 2030 Strategy, there is an aim to drive deeper change and achieve demonstrable farm-level impact while maintaining, and where possible continuing to, scale. The Better Cotton GIF has embarked on a new phase to better assist Better Cotton in achieving this.

This report will review some of the accomplishments of the season and changes undergone by the Fund itself.

Photo: Sakena Bibi, Farm-worker and mother-in-law to Better Cotton Farmer Jam Muhammad Saleem, planting cotton seeds. Photo by Better Cotton/Khula Jamil Location: Muzaffargarh, Punjab, Pakistan. 2018.

How does the Fund work?

Better Cotton Retailer and Brand Members contribute to the Fund through a fee-based levy dependent on the volume of Better Cotton they procure and declare (Volume-Based Fee or VBF). This fee enables brands to directly and efficiently support field-level programmes. Additionally, the Better Cotton GIF invites institutional donors (GIZ for this reporting period) and private foundations (currently IDH and the Laudes Foundation) to match the fees contributed by the private sector. The Better Cotton GIF also encourages programme partners to contribute to their own projects.

Who is involved in the Fund

The Better Cotton GIF is governed in partnership with Better Cotton Retailer and Brand Members, civil society organisations and donors.

The GIF Governance: GIF's board is made up of three members: the Better Cotton CEO, COO and one Senior Director. There are two multi-stakeholder committees that support and approve the Fund's investment programme: the Buyer and Investor Committee (BIC)¹, which focuses on supply and demand linkages, and the Field and Innovation Impact Committee (FIIC)², which oversees the annual GIF application process and ultimately decides on grant allocation.

How is funding allocated?

The GIF's funding is directed towards projects which support farming communities to adopt practices consistent with the Better Cotton Principles and Criteria but to also, in this new strategic period, go above and beyond mere compliance. A smaller amount of funding is dedicated to innovative or research-based projects. Following a rigorous review process of requested proposals, the FIIC awards grants to projects which align with the Fund's annual priorities, long-term strategy and assessment criteria.

Photo: Better Cotton Programme expert Jia Yongqing, 75, stands in his field. Photo by Better Cotton/Yuyang Liu
Location: Weixian, Hebei, China. 2019.

1. In season 2022-23 BIC members are: Target, Laudes Foundation, IKEA, H&M, GIZ, GAP Inc., Fast Retailing, C&A, American Eagle, Action BV, The Children's Place, Better Cotton and IDH.

2. FIIC members included representatives from the following organisations in the 2022-23 season: IDH, Better Cotton, Gap Inc., C&A, IKEA, Pesticide Action Network, Laudes Foundation and GIZ



2022-23: An overview



Farmers

Women:
119,670
Men:
1,393,498



Workers

Women:
767,544
Men:
925,780



Metric tonnes

1,689,433



Hectares

2,582,156

Project grants and activities*

Better Cotton GIF grants for the 2022-23 cotton season:

€12,684,999

Programme partner and other partner's contributions:

€5,538,891

Total portfolio value:

€18,223,890

Cotton farmers supported by the Fund in India, Pakistan, China, Mozambique, Mali and Turkey:

1,513,168

* The audit for these grant amounts is pending and they are subject to change. Due to seasonal differences, Mozambique contributions to these figures are based on contracted grant figures and mid-season report data.

2022-23: Highlights

There has been a notable increase in women at all levels globally, reflecting the focus on gender this season.



Women representation:

Producer Unit Managers:

65% increase

Field Facilitators:

47% increase

Farmers:

14% increase

In season 2022-23, which runs from the end of March to the beginning of April, the GIF started its shift to multi-year funding, to enable Programme Partners to retain staff and better plan. In line with Better Cotton's intentions to drive 'deeper change', all partners submitted a three-year project plan which detailed how their activities would ultimately lead to benefit for individual community members and the farming environment, under the strategy's five impact areas: Soil Health, Women's Empowerment, Pesticide Reduction, Climate Change and Smallholder Livelihoods.

The farmer to Field Facilitator ratio also changed in a positive direction, with the ratio of farmers to field facilitators decreasing from 420 farmers per FF to 360 from 2021-22 to 2022-23. This has been a priority of the Better Cotton GIF over the past two seasons; field facilitators are a crucial part of the Better Cotton system and they need to be able to provide effective support to farmers.

Turkey

3
Projects



Programme Partners

- Canbel
- UNDP GAP
- WWF Turkey



Programme results 2022-23



Better Cotton has been working in Turkey since 2013 with its Strategic Partner IPUD (Good Cotton Practices Association). IPUD works with three Programme Partners which each implement one project. This year, the programme expanded by 20% compared to the previous season, with significant growth in the south-eastern part of the country. Programme partners strengthened their collaboration with local organisations and institutions to increase the technical capacity of Field Facilitators and to improve the range and quality of services delivered to farmers.

● Farmer Spotlight: Teslime Çakmak

Teslime Çakmak, a Better Cotton Farmer since 2019, is 70 and lives in the Torbalı district of Izmir with her family. Cotton is the most important crop her family cultivates, but they also plant maize and vetch for use as animal fodder for their livestock.

Following the soil health training given by one of Canbel's field facilitators, Teslime's family asked to participate in the *More Organic Matter* field trial planned by the programme partner.

Soil samples from Teslime's farm showed that the amount of organic matter was very low. The plots used for cultivated cotton were divided into three parts for the trial. The first part used organic fertiliser, the second used organic fertilizer and vetch as a cover crop and the third was used as a control plot. In the first part, the soil organic matter increased from 0.98% to 1.13%. In the second part, it increased to 1.25%. In the control plot, it decreased to 0.97%. The yields of 'pilot' parts were 6.4MT/ha whereas the yield of the control plot was 5.6MT/ha.

Teslime and her family members had smiling faces after the harvest. This project and its results were followed with interest by other cotton producers in the village.

Photo: The right hand side shows cover cropped and green manured part of the field. The left hand side shows no cover cropping or green manuring. Photo provided by Canbel.



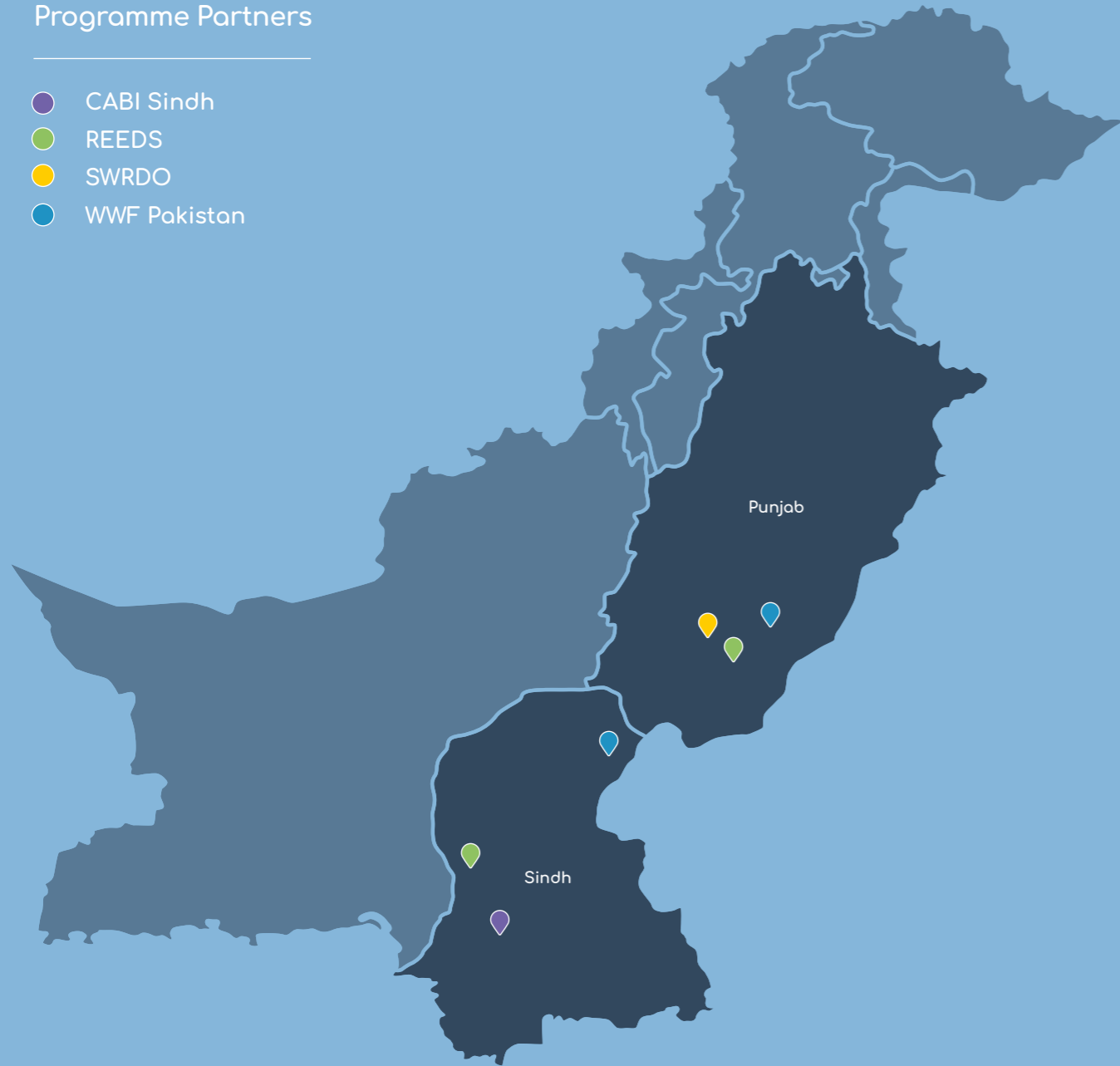
Pakistan

6
Projects



Programme Partners

- CABI Sindh
- REEDS
- SWRDO
- WWF Pakistan



Programme results 2022-23



The Better Cotton GIF has been working in Pakistan since 2016 with four Programme Partners implementing six projects. Pakistan faced drought at sowing time and severe flooding from July to September. Sindh was hit hardest by heavy torrential rainfall and flash floods, having severe social and environmental consequences. Punjab was less affected by flooding, but excessive rains damaged crops and led to reduced yields. The GIF worked with Programme Partners, particularly in Sindh, to reallocate funding to alleviate some of the hardships brought by these climatic events.

Farmer Spotlight: Wazeer Ali

Before joining the Better Cotton project, Wazeer Ali didn't know about composting and how it could improve his yields. Wazeer said, "I was fed up with chemical farming which had detrimental effects on my soil, the environment, human and crop health. Last season, I was faced with a shortage of chemical fertiliser as well as a lack of finances to purchase it....I then inquired about composting with CABI's field facilitator."

Wazeer made compost for one acre of his land last year: He was worried because he had never used compost on his cotton crops as a fertiliser. However, he was happy with the results; the compost maintained his crop's yield while causing no ill effects to him or his environment. "The results were amazing. I also saved nearly 50% of the money I would have spent on synthetic fertiliser."

Wazeer said he would not hesitate to share his experience with other farmers, "and I plan to develop compost for my whole farmland. CABI staff are helping us to obtain pressed mud [sugarcane waste] from the local sugar factory to add to our compost," he added. "I am very thankful to CABI who have built my capacities and encouraged us to use such biological methods to save the environment and biodiversity."

Photo: Wazeer Ali working with his compost and sharing lessons with others. Photo provided by CABI.

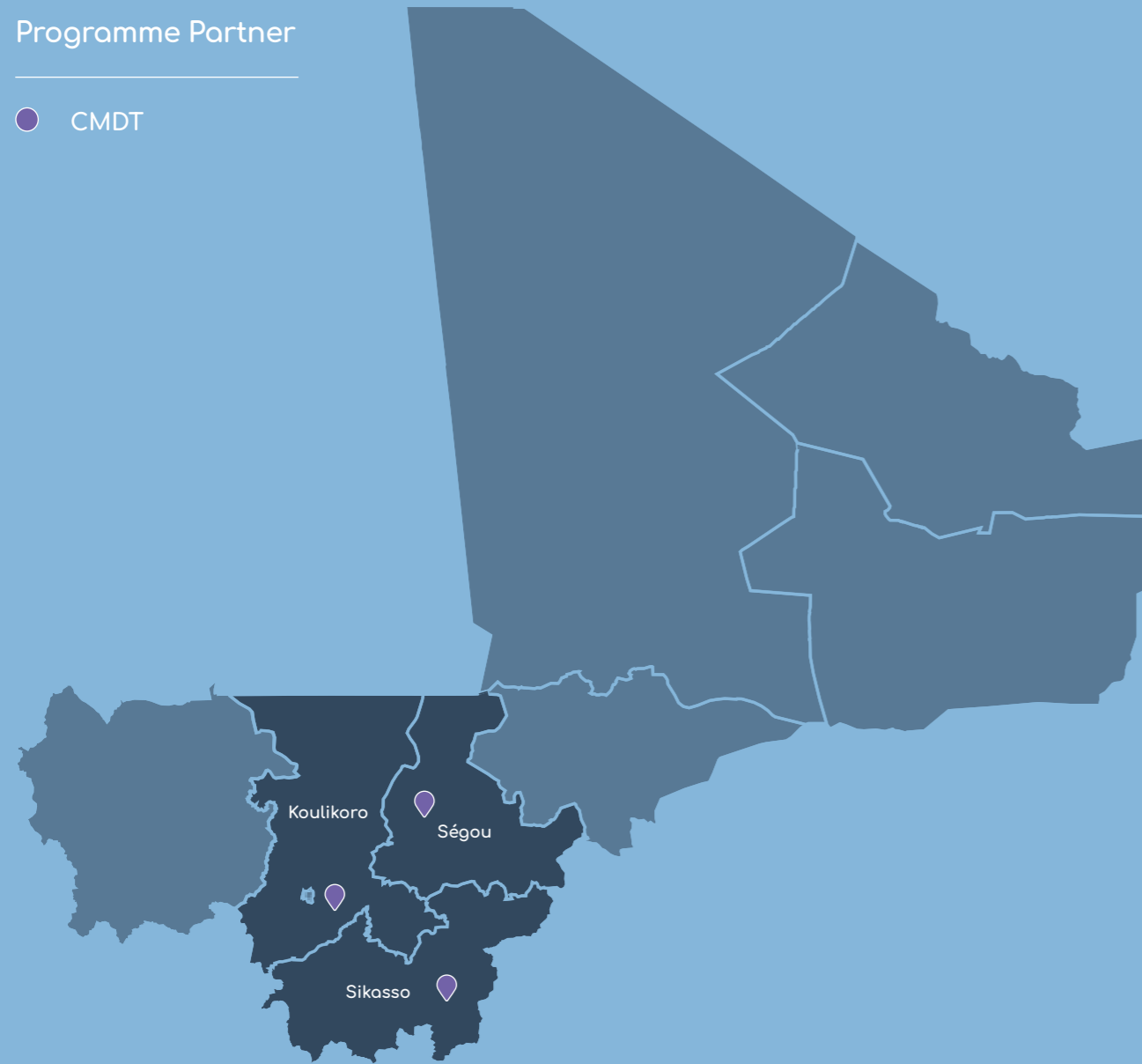


Mali

Programme Partner

● CMDT

1
Project



Programme results 2022–23



The Better Cotton GIF works with one Programme Partner which implements one project. Cotton production in Mali is rain-fed and is carried out by small family farms. Soil health has been the major focus of this year's activities. The Programme Partner has been analysing the soil of participant farmers and drawing up a fertility map, which gives the type of soil and the level of fertility per area so the fertilisation formula can be adapted. It has also set up soil health demo plots across all 31 producer units. These will allow farmers to observe different techniques for improving soil health which they can then apply on their own land. The Programme Partner has also supported women with different income generation activities and started to explore the possibility of a processing unit to recycle empty pesticide containers.

● Farmer Spotlight: CMDT and Livelihoods Programmes

The village of N'Golokouna in the Koutiala region of Mali, known as the 'old cotton basin', relies heavily on cotton cultivation. All farmers in the village have been members of Better Cotton since 2014. Women in the village have formed two associations that generate income.

The first association received training to produce soap using cotton residue. Thirty women participated and were provided with production equipment. The second association was supported in small ruminant breeding, with twenty women participating in a revolving fund that allowed each of them to purchase three sheep, including one breeding ram. In addition, the women received training in breeding techniques and six-month of follow-up support from a vet.

Djeneba Dao, the president of the Confederation of Women's Associations in Koutiala, stated that this support from Better Cotton should prove a valuable contribution to an increase in the women's confidence, skills and income generation.

Photo: Sheep and Soap-Making Equipment Delivered to Women in N'Golokouna in a Handover Ceremony. Photos provided by CMDT.



Mozambique



Programme Partner

- SAM Mutualli
- SANAM
- SanJFS



3
Projects

Programme results 2022-23*



* Due to seasonal differences, the figures presented are based on mid-season reports and the grant amount is the contracted amount.

Better Cotton GIF works with three Programme Partners, each of which implements one project. Programme Partners have reported extreme weather conditions this year, including cyclones and heavy rainfall. However, they have been successful thus far in completing their planned activities and are optimistic about the remainder of this year's cotton season.

Farmer Spotlight: SanJFS and Regenerative Agriculture

120 farmers associated with San JFS started the practice of intercropping this season, planting beans, crotalaria, lablab and sunflower. The beans and lablab help restore soil fertility through nitrogen fixation. Crotalaria helps fight against nematodes and provides green manure as it grows very quickly. Sunflower is used as a border plant to attract cotton pests away from the cotton plants. Farmers can also eat the seeds, and if there is sufficient production, can create a little extra income by selling them. Intercropping also helps improve soil structure as the remains of crops can be used for mulching.

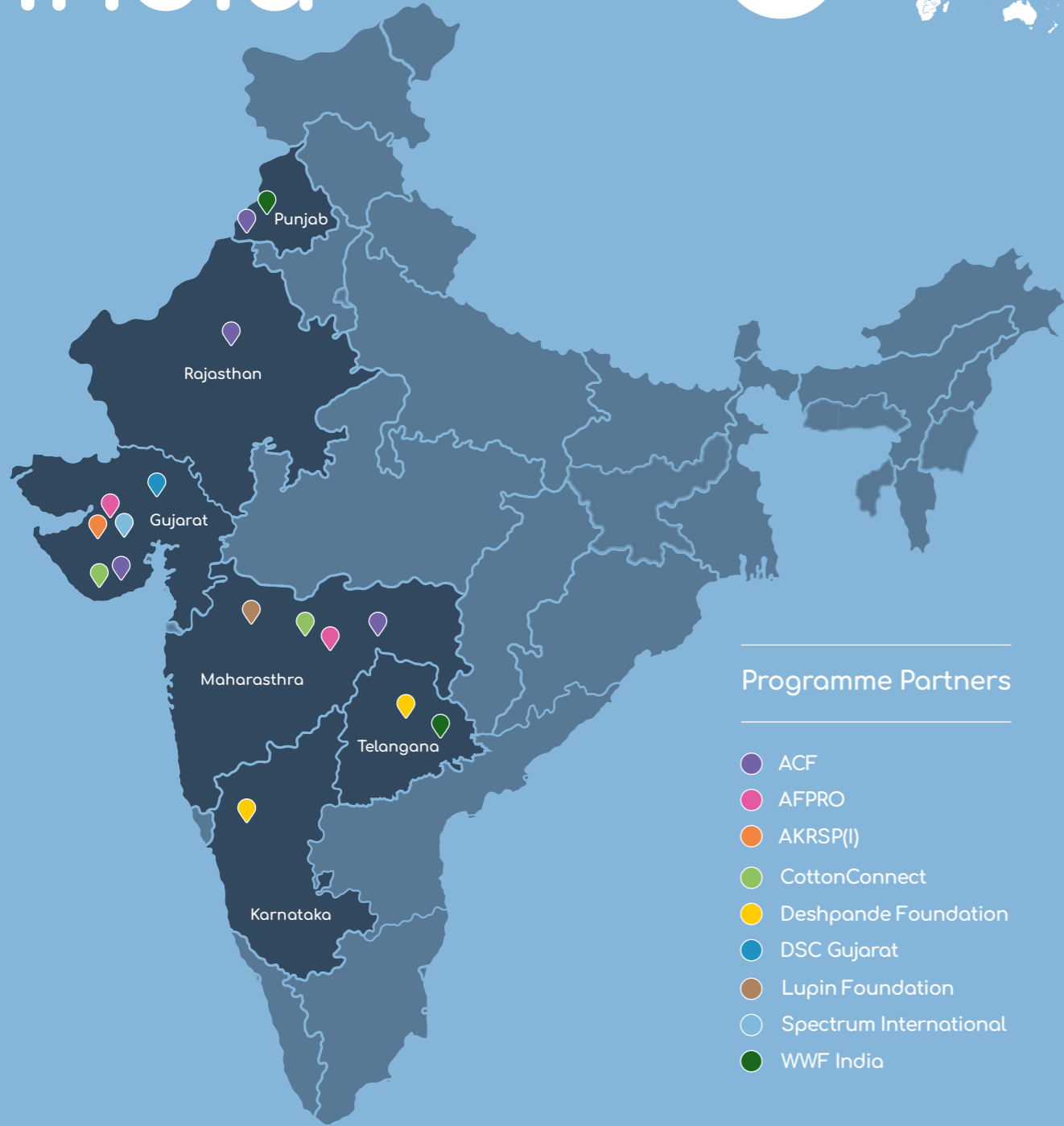
Some trialling of syntropic agriculture also started on the land of two farmers and some of San JFS' own land. The tree species planted were acacia, gmelina, neem, mango, macadamia and avocado. These were planted alongside cowpea, pigeon pea and maize. San JFS also ordered a shredder for plant remains to obtain fine material for soil cover. They collected soil samples from the land used in these trials to compare and confirm improvements in soil nutrition.

Photo left: Degraded area recovery. **Top right:** Intercropping of cotton with beans, crotalaria, lablab and sunflower. **Bottom right:** Syntropic farming. Photos provided by SanJFS.



India

16
Projects



Programme Partners

- ACF
- AFPRO
- AKRSP(I)
- CottonConnect
- Deshpande Foundation
- DSC Gujarat
- Lupin Foundation
- Spectrum International
- WWF India

Programme results 2022-23



India is one of Better Cotton's largest countries in terms of Better Cotton Farmers. The GIF works with nine Programme Partners which implement sixteen projects. India experienced increased challenges relating to intrusion of wild animals on farms this season. This issue also deterred some farmers from experimenting with intercropping (as some of the intercropping plants are food crops that attract animals), one of the practices Better Cotton is trying to encourage. Many Programme Partners see this as a significant problem and are trying to develop innovative solutions. Climate change-related weather events such as off-season heavy and continuous rain posed difficulties for some farmers; this is another huge challenge for partners to try to overcome.

● Farmer Spotlight: Shri Lakh Veer Singh

Irrigation channel closures in Hanumangarh, Rajasthan, cause problems for farmers who have no other means of irrigating their farms. Farmers sought support from ACF which showed farmers how to use plastic bags to create 'cotton nurseries' which are much more water-efficient. Each bag is filled with soil and some well-rotted manure.

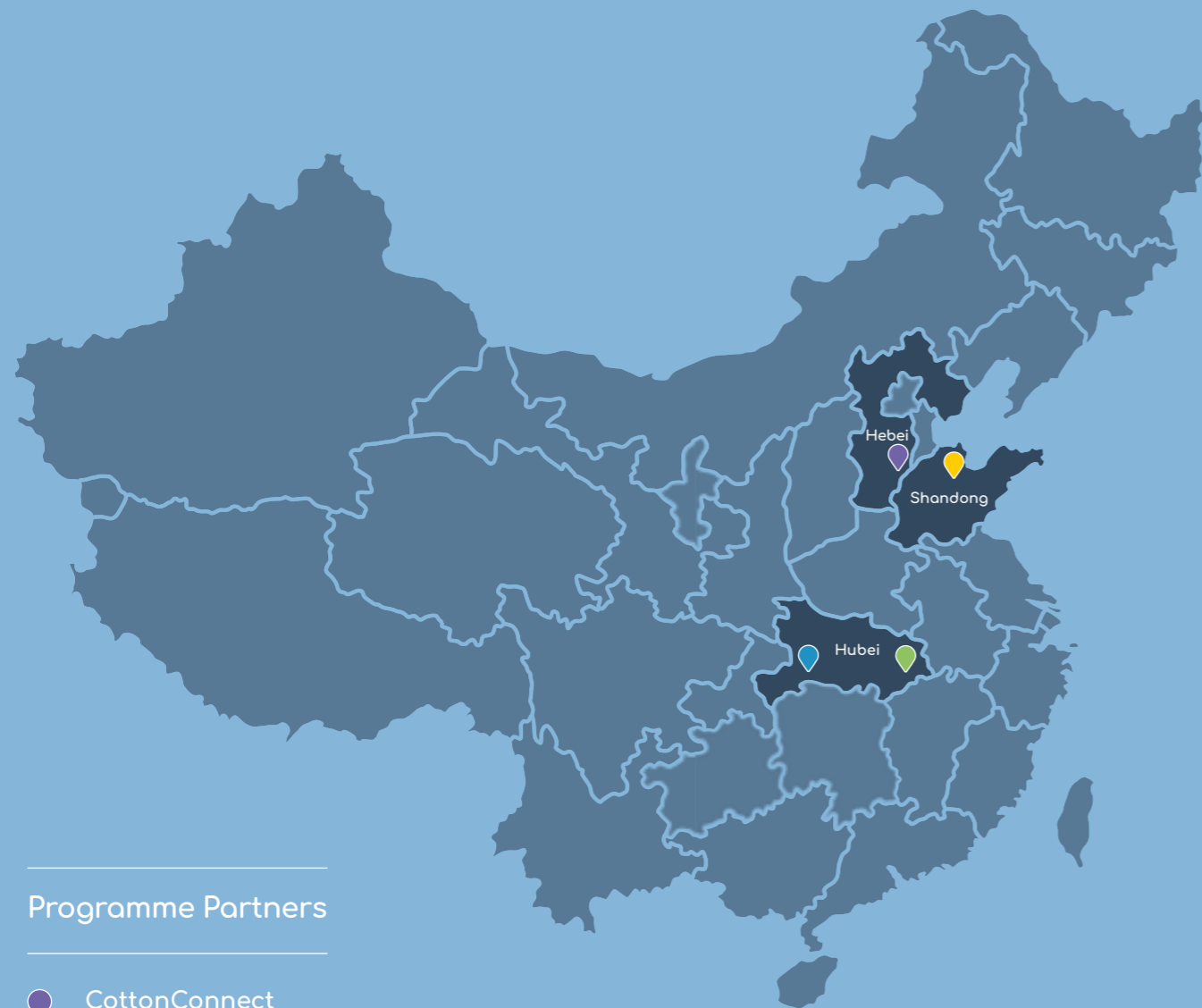
One Better Cotton farmer, Shri Lakh Veer Singh, tested this practice, planting about 2,000 seeds in bags. After 45 days, the plants were transplanted into his field, once the channel had been reopened. Lakh Veer was able to save water, watering for 60 days rather than the usual 45. Normally he gets about 4.5-5 quintal (450 – 500kgs) of cotton from one bigha (approximately one quarter of a hectare) with delayed sowing. This year, he yielded 8 quintals of cotton.

Lakh Veer found this method of cotton growing very beneficial. After cotton harvesting, many farmers approached him to learn from his experience. He is very grateful to the ACF team for their valuable support.

Photo: Lakh Veer with the seeds he planted in plastic bags. Photo provided by ACF.



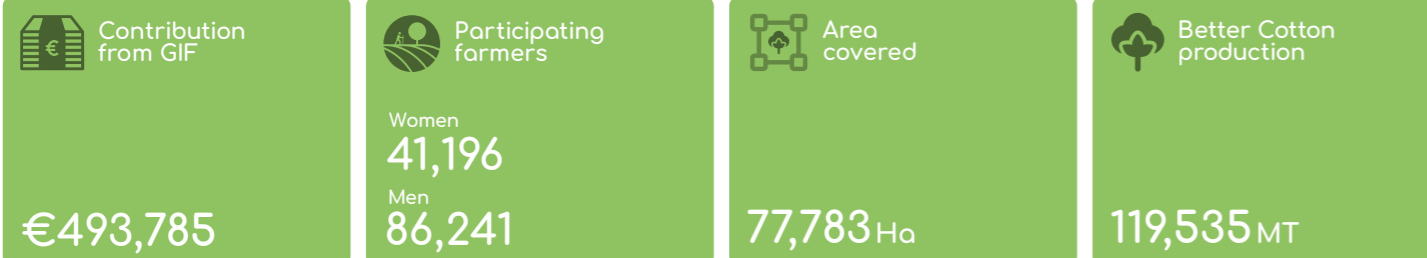
China



Programme Partners

- CottonConnect
- Huangmei
- Nongxi
- Songzi

Programme results 2022-23



The Better Cotton GIF worked with four Programme Partners which each implemented one project. The pandemic continued to be a severe hindrance to the partners as uncertainty and restrictions prevented them from completing their on-site activities. However, despite these challenges, performance from programme partners in China has been consistent and there has been a shift towards more participation of women, both on farm and in staff positions.

Farmer Spotlight: Yonghua Fan

“It was tough to grow cotton – you always had to spray chemicals if you want to make any money,” Yonghua Fan recalled, a cotton farmer in Xiaofanzhuang Village. Fan and his wife rely on 30mu (approximately 2 hectares) of land where they plant cotton.

In the past, they applied pesticides extensively. Fan is allergic to pesticides so his wife took over the job. Fan felt very guilty. “It really hurt each time when I saw my wife carrying the heavy sprayer and spraying the hazardous stuff.”

He then joined the Better Cotton Biodiversity Demonstration Project implemented by CottonConnect. They provided Fan with biopesticides, including *Bacillus thuringiensis*, matrine, and azadirachtin, to control cotton aphids and hormone traps to control cotton bollworms. These alternatives resulted in a reduction of approximately 10 pesticide sprays each season.

Fan was satisfied with the results. Not only can he work with his wife in the field safely, but Fan has noticed an improvement in biodiversity, with the return of many insects that had disappeared. “This is the project we truly need! It helps solve the overuse of chemical pesticides, improve health of my whole family and even environment for next generation.”

Photo: Yonghua Fan and his wife in front of their cotton storage. Photo provided by Huangmei.



Learning and innovation

Perfect Flight (ongoing)

The Brazilian Association of Cotton Producers (ABRAPA) has been Better Cotton's strategic partner since 2013, when its own sustainable cotton certification programme (ABR) was benchmarked with the Better Cotton Standard System (BCSS).

While Brazilian large farm production is highly mechanised, pesticide usage rates in cotton are high by international standards. The predominant method for applying pesticides is through aerial spraying, with approximately 80% of the cotton cultivation area sprayed in this way. The huge size of farms is the reason for using this method, with the average farm being around 2,500 hectares. However, aerial spraying with crop dusters lacks precision, meaning protected areas and waterways can be sprayed unintentionally, and is particularly inefficient for treating field boundaries. This leaves parts of the fields unsprayed which in turn leads to increased infestations and overuse of pesticides elsewhere.

Using the Perfect Flight platform (an application management tool for aerial applications), ABRAPA is working to make pesticide application more precise, with the aim of significantly reducing applications throughout the cotton production cycle. It will do this by combining crop duster spraying with drone applications which are much more accurate.

The project will be completed by November 2023. So far, lessons learned include:

- a. The initial tests to set up the drones demonstrate that the project has high viability, boll weevil mortality figures were around 93%;
- b. Weather can cause applications to fail;
- c. Training at least two people in each state-based association on the 'good practices protocol' and in the handling of the drone is required to ensure that the protocol is fully and correctly used after the end of the project.

Towards the end of the 2022-23 season, further trials are being carried out on demonstration and commercial farms to improve the application efficiency and further improve the mortality rate.

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Photo: Cotton field. Photo by Better Cotton/Carlos Rudiney.
Location: Samambaia Farm, GMS Group, Luziânia District, Goiás, Brazil. 2023.





Changes and 2023-24 Outlook

The Better Cotton GIF, and the Programme Partners it funds, are critical in enabling Better Cotton to deliver on its 2030 ambitions. The GIF is a farm support programme that must be grounded in Better Cotton's strategy and operations. In recognition of this the management of the GIF was brought in-house, in April 2022.

One development resulting from this change in Fund management was the establishment of two new sub-funds. The Knowledge Partner Fund provides funding to organisations that have specific expertise and can provide external support to Programme Partners in identified areas of need. The Large Farm Fund supports research or on-farm trials that will ultimately help Large Farm Partners to adopt agronomic practices that directly contribute to Better Cotton's strategic targets. More information on these and the other two funds, as well as the criteria for each can be found in the Mission and Vision and Guidelines documents.

The progress of these funds, other changes made during the year, and results stemming from these changes, will be presented in the 2023-24 GIF Annual Report.

Photo: Children at Ratane Elementary School. Photo by Better Cotton/Morgan Ferrar. Location: Ratane village, Mecuburi District, Nampula Province. 2019

Annexure 1: Better Cotton GIF summary 2022-23

Countries	Number of PPs	Number of Projects
India	9	16
Pakistan	4	6
China*	4	4
Mozambique	3	3
Mali	1	1
Turkey	3	3
Total	24	33

*All the projects in China are funded directly through Better Cotton.

Annexure 2: Better Cotton GIF Project-wide summary 2022-23

Turkey						
Project	Farmers (W)	Farmers (M)	Workers (W)	Workers (M)	Ha	MT
WWF Turkey	100	494	757	148	4,155	15,305
Canbel	67	1,366	150	550	11,081	63,342
GAP	179	1,541	2,547	2,361	35,237	78,332
Total	346	3,401	3,454	3,059	50,473	156,979

Pakistan						
Project	Farmers (W)	Farmers (M)	Workers (W)	Workers (M)	Ha	MT
CABI Sindh	5	31,529	54,610	23,195	88,777	117,444
REEDS Punjab	102	91,082	14,986	5,357	214,946	251,136
REEDS Sindh	40	18,454	2,465	877	20,207	3,110
SWRDO Punjab	11	33,286	10,500	5,000	38,175	11,002
WWF Pakistan Punjab	111	172,252	40,000	10,000	334,036	136,197
WWF Pakistan Sindh	31	40,013	10,157	6,962	69,465	30,528
Total	300	386,616	132,718	51,391	765,606	549,417

Mali						
Project	Farmers (W)	Farmers (M)	Workers (W)	Workers (M)	Ha	MT
CMDT	109	144,966	354,290	661,089	488,965	109,293
Total	109	144,966	354,290	661,089	488,965	109,293

Mozambique						
Project	Farmers (W)	Farmers (M)	Workers (W)	Workers (M)	Ha	MT
Sam Mutuali	3,571	11,251	175	90	19,490	2,680
San-JFS	6,438	35,939	2,200	11,000	33,903	12,000
Sanam	12,408	33,018	38,800	76,300	29,621	9,450
Total	22,417	80,208	41,175	87,390	83,014	24,130

India						
Project	Farmers (W)	Farmers (M)	Workers (W)	Workers (M)	Ha	MT
ACF Gujarat	1,848	42,423	12,145	14,630	72,325	50,057
ACF Maharashtra	9,588	90,736	15,521	16,380	176,554	95,087
ACF Rajasthan	394	55,420	8,032	14,188	99,206	52,738
ACF Punjab & Rajasthan	779	11,659	1,928	1,285	23,312	16,450
AFPRO Gujarat	2,057	69,201	86,049	60,587	135,065	106,988
AFPRO Maharashtra	5,657	55,171	46,064	44,671	83,620	58,989
AKRSP(I) Gujarat	2,432	20,568	848	1,449	23,689	20,472
CottonConnect Gujarat	6,566	33,225	2,335	4,384	49,910	42,824
CottonConnect Maharashtra	15,333	74,767	7,712	12,443	138,938	95,286
Deshpande Foundation Telangana	18	6,324	5,237	1,255	4,585	4,705
Deshpande Foundation Karnataka	2,164	47,977	38,115	8,416	60,144	44,895
Lupin Foundation Maharashtra	431	13,935	1,153	3,422	8,298	10,810
Spectrum Gujarat	6,983	88,156	6,010	11,144	123,339	44,838
WWF India Punjab	68	19,704	366	2,425	37,040	51,866
WWF India Telangana	14	38,474	3,261	6,558	63,888	19,805
DSC Gujarat	970	24,326	9,328	3,739	16,402	14,270
Total	55,302	692,066	244,104	206,976	1,116,315	730,080

China				
Project	Farmers (W)	Farmers (M)	Ha	MT
CottonConnect	6,903	22,583	15,926	25,800
Huangmei	5,958	11,723	2,157	3,090
Nongxi	4,457	28,065	48,507	74,889
Songzi	23,878	23,870	11,193	15,756
Total	41,196	86,241	77,783	119,535

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Front cover photo: Cotton community harvesting cotton. Photo by Better Cotton/Vibhor Yadav Location: Kodinar, Gujarat, India. 2019.

Photo below: Better Cotton Farm Worker Ali Gümüştop, 52, holding cotton. Photo by Better Cotton/Eugénie Bacher. Harran, Turkey 2022.

