

Better Cotton Membership Fees

Last updated November 2023

All Better Cotton Members pay a membership fee on a twelve-month basis in accordance with the Better Cotton membership fee structure. Better Cotton Membership Fees are invoiced in Euros (€). It may be subject to Value Added Tax (VAT) in some territories. The membership fees are different for all five membership categories at Better Cotton. The fees are subject to a periodic review by the Better Cotton Council.

In November 2022, the Better Cotton Council approved an inflationary adjustment to membership fees to be applied as of 1 April 2023, the start of the Better Cotton Financial year. In October 2023 the Council approved a Traceability Activation fee to be charged to Retailer and Brand members that would like access Better Cotton's physical traceability solution and source traceable Better Cotton.

Membership Categories

There are five membership categories as defined in the Better Cotton Statutes and reproduced below.



CIVIL SOCIETY: any non-governmental organisation that is not-for-profit and serves the public interest and common good related to the cotton sector.



PRODUCER ORGANISATIONS: any organisation that engages with and aims to represent cotton producers.



RETAILERS AND BRANDS: any for-profit organisation selling goods or services directly to consumers or, intended for direct use of consumers.



SUPPLIERS AND MANUFACTURERS: any organisation that runs for-profit activity within the cotton supply chain beyond the farm-gate and before the retail, from buying and selling to processing. This includes ginner, spinners, mills, cut and sew and cotton traders.



ASSOCIATE MEMBERS: any organisation that has a valid interest in becoming a member of the Association but does not fall within the other categories.

Membership Fees

Civil Society

The table below shows the fees for the membership category Civil Society. These fees were approved by the Better Cotton Council in April 2020 through 2023 and so remain unchanged.



2020 – 2023 MEMBERSHIP FEES FOR CIVIL SOCIETY

Fee Level	Annual Income (EUR)	Annual Fee (EUR)
National Non-OECD	N/A	€ 100
National OECD	N/A	€ 300
Small International	< €1 000 000	€ 500
Medium International	€1 000 000 - 10 000 000	€ 1 000
Large International	> €10 000 000	€ 2 000

The table above lays out fees based on the organisation’s scope of activities and annual income.

An organisation that only has activities within one country is defined as national, and in multiple countries, as international.

- For a national scope of activities, fees are defined based on whether the organisation is registered in a non-OECD or in an OECD country.
- For an international scope of activities, fees are based on the organisation’s previous year’s annual income as per the fee table.
- Proxies for annual income that we accept include the budget or revenues of the cotton-related activities carried out by the organisation.

The Organisation for Economic Co-operation and Development (OECD) is an intergovernmental economic organisation with 35 member countries, founded in 1961 to stimulate economic progress and world trade. Check [here](#) for the list of OECD countries.

Producer Organisations

The table below shows the fees for the membership category Producer Organisations only.



2023 MEMBERSHIP FEES FOR PRODUCER ORGANISATIONS

Fee Level	Annual Fee (EUR)
National Non-OECD	€ 110
OECD – Sub-national	€ 550
OECD – National and Supranational	€ 1 100

The fee level is based on whether the organisation is registered in a non-OECD country or in an OECD-country:

- If it is registered in an OECD-country and its activities are limited to one region it is distinguished as Sub-national.
- If it is registered in an OECD-country and its activities are spread over wider regions, then it is distinguished as National and Supranational.

The Organisation for Economic Co-operation and Development (OECD) is an intergovernmental economic organisation with 38 member countries, founded in 1961 to stimulate economic progress and world trade. Check [here](#) for the list of OECD countries.

The fee structure provides for the possibility that fees are not charged for Producer Organisations in the poorest non-OECD countries: the definition covers those countries ranked between 160 to 191 (i.e. Low Human Development) on the [UNDP Human Development Index \(HDI\)](#). In terms of major cotton producing countries, this would include Pakistan, Madagascar, Senegal, Mozambique, Benin, Burkina Faso, Chad and Mali. New and existing members can apply for a fee waiver if they are based in any of the listed countries.

Suppliers and Manufacturers

The table below shows the fees for the membership category Suppliers and Manufacturers only.

2023 MEMBERSHIP FEES FOR SUPPLIERS AND MANUFACTURERS



Fee Level	Annual Cotton Related Turnover (EUR)	Annual Fee (EUR)	
		Other Intermediaries	Cotton Traders
Very Small	< € 50 000 000	€ 2 100	€ 3 150
Small	€ 50 - 100 000 000	€ 3 850	€ 5 500
Medium	€100 - 200 000 000	€ 5 500	€ 11 000
Large	€ 200 - 400 000 000	€ 8 800	€ 18 700
Very Large	> € 400 000 000	€ 11 000	€ 26 500

The Suppliers and Manufacturers' membership category is available in two sub-categories: Cotton Traders and Other Intermediaries.

- Cotton Traders are traders dealing in raw cotton only
- Other Intermediaries include spinners, mills, end-product manufacturers, sourcing agents and ginners.

The fee level is determined by the cotton share (percentage) of the company's or group's previous financial year's sales turnover as evidenced in its financial statement.

If your company does not source cotton lint (for example, stand-alone fabric mills, end-product manufacturers and sourcing agents) and you do not wish to become a Better Cotton Member, there is an alternative option to engage in Better Cotton sourcing for your retail and brand customers. [Click here](#) for more details about how to gain access to a non-member supplier account on the Better Cotton Platform (BCP), available for 595 EUR per year.

Retailers and Brands

Retailer and Brand (RB) Members pay a membership fee for 12 months of membership and a variable Volume Based Fee (VBF) based on a calendar year of Better Cotton sourcing. Total cost of participation in Better Cotton is a combination of these fees.

First time RB Members pay a membership fee for 12 months of membership and a “Farmer Support Contribution” equivalent to membership fee in the year of joining Better Cotton. As of the second calendar year, the RB Member is subject to VBF as all other RB Members in Better Cotton.

These fees are explained in more detail below.

1. Membership Fee

The table below shows the fees for the membership category Retailers and Brands.

2023 MEMBERSHIP FEES FOR RETAILERS AND BRANDS



Fee Level	Annual Cotton Consumption (Metric tons)	Annual Fee (EUR)
Very Small	< 5 000 MT	€ 6 300
Small	5 000 – 20 000 MT	€ 11 000
Medium	20 000 – 50 000 MT	€ 20 000
Large	50 000 – 125 000 MT	€ 33 500
Very Large	> 125 000 MT	€ 50 000

The annual membership fee is based on the member’s total Annual Cotton Consumption, that is, the equivalent of the cotton fibre required from spinner level to produce 12 consecutive months of final end products. This is based therefore on a calculation of cotton fibre or lint consumed. Better Cotton provides guidelines and resources for measuring cotton consumption for its members, and they can be found on the Better Cotton [website](#).



2. New Member Farmer Support Contribution

All first-year members must pay an entry **Farmer Support Contribution** equal to their membership fee in their first year of joining Better Cotton. This is a one-time contribution to the supply that has been created by Retailer and Brand Members who have been investing since Better Cotton's foundation in 2010. The Farmer Support Contribution is invested into the Better Cotton Growth and Innovation Fund ([GIF](#)) to support farmer capacity building, innovation and credibility activities.

This payment will contribute towards your sourcing-related fees at the end of your first calendar year in Better Cotton, but it is not reimbursed if you have not sourced Better Cotton, as, after investment into the GIF, the funds are no longer available to Better Cotton.

3. Volume Based Fee (VBF)

The Volume Based Fee (VBF) is paid by Retailer and Brand Members to fund the field implementation of the Better Cotton Standard System. It provides the core funding for the Better Cotton Growth and Innovation Fund. It is variable based on the proportion (%) of Better Cotton sourced in one calendar year compared to the Annual Cotton Consumption available that can be sourced as Better Cotton (and excludes for instance, certified organic cotton, Fair Trade Certified™, etc.) in a calendar year.

The VBF rates were established in 2017 and are given in the following table.

Volume Based Fee Rate (EUR/MT Better Cotton sourced)



Volumes of cotton sourced as Better Cotton						
Absolute Procurement	Relative Procurement*					
	< 20%	≥ 20%	≥ 40%	≥ 60%	≥ 80%	100%
≤ 200 MT	€15.0	€14.0	€13.0	€12.0	€11.5	€11.0
>200 – 1 000 MT	€14.0	€13.0	€12.0	€11.0	€10.5	€10.0
>1 000 – 3 000 MT	€13.0	€12.0	€11.0	€10.0	€ 9.5	€ 9.0
>3 000 – 5 000 MT	€12.5	€11.5	€10.5	€ 9.5	€ 9.0	€ 8.5
>5 000 – 25 000 MT	€12.0	€11.0	€10.0	€ 9.0	€ 8.5	€ 8.0
>25 000 – 75 000 MT	€11.5	€10.5	€ 9.5	€ 8.5	€ 8.0	€ 7.5
>75 000 – 150 000 MT	€11.0	€10.0	€ 9.0	€ 8.0	€ 7.5	€ 7.0
>150 000 – 300 000 MT	€ 9.0	€ 8.0	€ 7.0	€ 6.0	€ 5.5	€ 5.0
>300 000 MT	€ 8.0	€ 7.0	€ 6.0	€ 5.5	€ 5.0	€ 4.5

*Relative procurement is the percentage of cotton lint sourced as Better Cotton compared to the total cotton consumption over a 12-month period.

The VBF provides the core funding of the Growth and Innovation Fund required for capacity building for farmers to grow Better Cotton and therefore, must be collected in time to prepare the next cotton growing season. Therefore, Retailer and Brand Members must understand the invoicing cycle, budget and plan to pay these invoices in a timely manner.



4. Invoicing cycle for Volume Based Fees

Pre-payment of VBF (called Pre-paid VBF or PPVBF at Better Cotton)

To secure funding and share risk at the start of the cotton growing season, there is an obligatory, non-refundable, pre-payment of VBF, invoiced at the beginning of the year for existing Retailer and Brand Members. The prepaid VBF is equivalent to 75% of previous year's sourcing of Better Cotton by the member. With the assumption that members will maintain their Better Cotton sourcing year-on-year, the pre-payment will be smaller than the Gross Year-end VBF, thus fully deductible.

Gross Year-end VBF

At the end of each calendar year, the Gross VBF is calculated based on actual volumes of Better Cotton sourced as registered on the online Better Cotton Platform by 31 December. This is expected to exceed the Member's pre-payment. All sums exceeding pre-payment are invoiced at the beginning of the year following the sourcing year as Net VBF. Please note that in the rare case that the Gross VBF is lower than the pre-payment, **Better Cotton cannot refund VBF as all pre-payments are invested into the Growth and Innovation Fund (GIF) for farmer activities and paid out to Programme Partners. After investment into the GIF, the funds are no longer available to Better Cotton.**

To understand how these fees impact member budgeting and planning, Better Cotton provides additional information and tools for members. Please reach out to your key contact or membership@bettercotton.org.

5. Traceability Activation Fee

The Better Cotton Traceability solution is available from November 2023. A one time, non-refundable Traceability Activation Fee will apply for Retailer and Brand Members who want to start sourcing Traceable Better Cotton. The fee must be paid before the Member can start sourcing. The fee will only provide access to the technical platform, it will not guarantee access to actual Traceable Better Cotton.

The Traceability Activation Fee will be invoiced upon submission of a Traceability Activation form to membership@bettercotton.org. The form is available on myBetterCotton.

A discounted fee is offered to Members that sign up before 1 January 2025. After that date the regular fee will apply. The exact amounts are listed in the table below:

Membership Fee Level	Annual Cotton Consumption (Metric tons)	Promotional Fee*	Regular Fee
Very Small	< 5 000 MT	€ 4 000	€ 6 000
Small	5 000 – 20 000 MT	€ 9 000	€ 13 000
Medium	20 000 – 50 000 MT	€ 25 000	€ 33 000
Large	50 000 – 125 000 MT	€ 50 000	€ 70 000
Very Large	> 125 000 MT	€ 80 000	€ 110 000

*Valid until 31 December 2024.

Traceability Panel Members

Members of the 2023/24 and 2024/25 Retailer and Brand Traceability Panels are not subject to this fee, as they have already committed financial contributions to the programme. Retailer and Brand Members who were not part of the 2023 Panel but did participate in the 2021 or 2022 Panels will receive a 50% discount.

Associate Members

The table below shows the fees for Associate Members.



2023 MEMBERSHIP FEES FOR ASSOCIATE MEMBERS

Fee Level	Annual Income (EUR)	
Small	< € 10 000 000	€ 1 100
Medium	€ 10 000 000 € - 50 000 000	€ 2 200
Large	€ 50 000 000 € - 100 000 000	€ 4 400
Very Large	> €100 000 000	€11 000

Fees are based on annual income (revenue) from the previous financial year.

If an Associate Member is engaged in specific cotton activities, the income may be based only on those activities. In this case, the income must be clearly and easily separated from the overall income.