



Better Cotton Production & Uptake Report – Q3 2023

For Better Cotton Members only

September 2023



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 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.



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

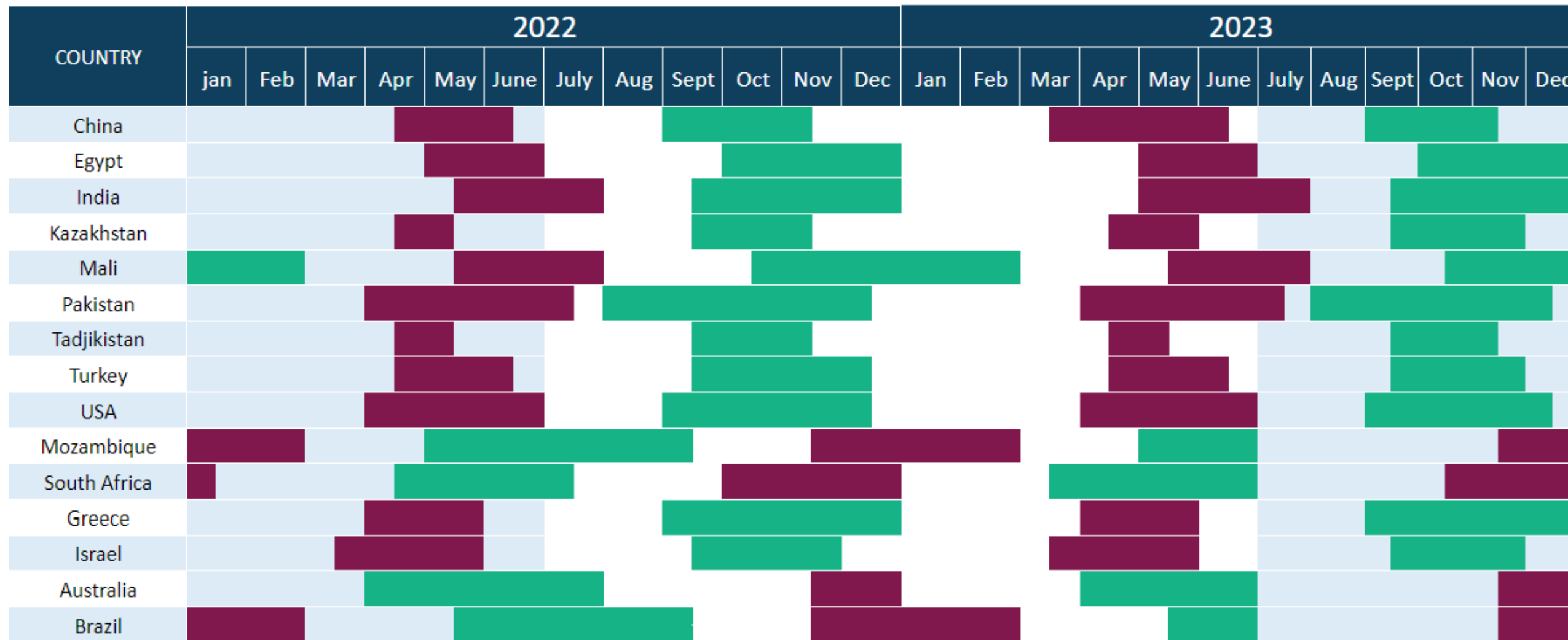
Content



Better Cotton Production

Cotton Production Calendar

Season 2022-2023



■ Harvest
■ Sowing

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

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

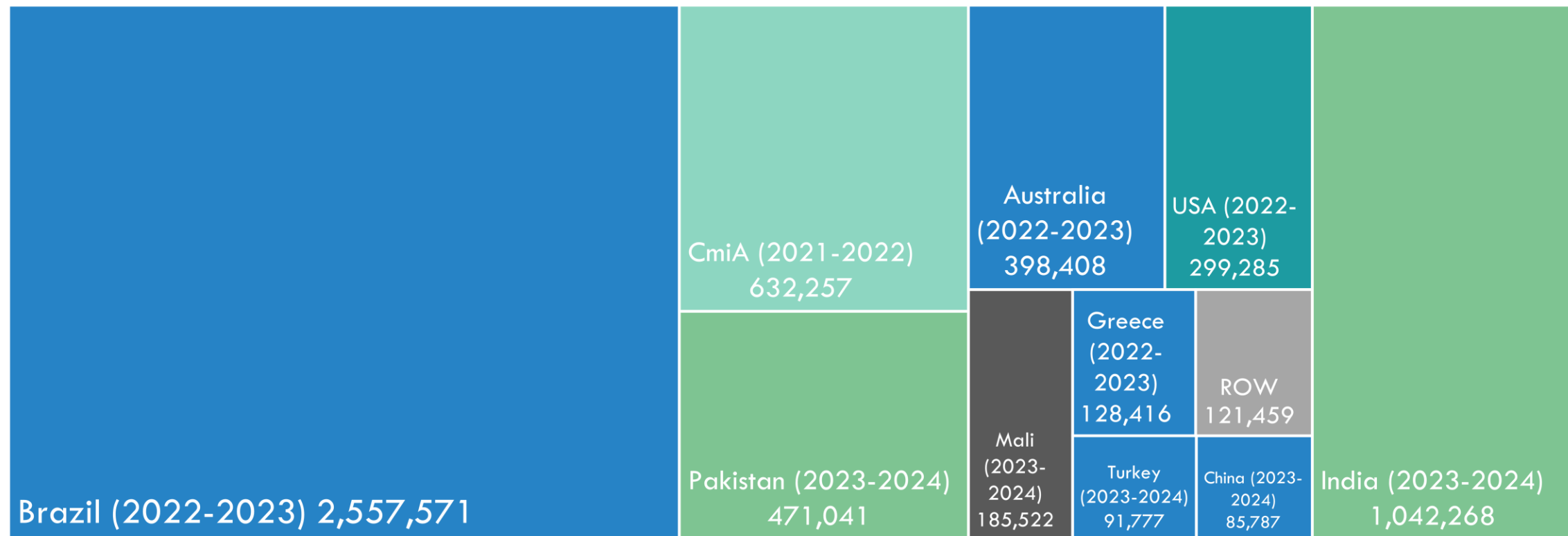
The start of the season corresponds to the beginning of the harvest in the Northern Hemisphere and ends in the following calendar year with the harvests in the Southern Hemisphere.

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) Better Cotton production (in MT)



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 2022-23 cotton season, approximately 2.1 million metric tons (MT) of Better Cotton were produced. In addition our benchmark partners' contribution bring the total up to 5.1 million MT, equivalent to 22% of the world cotton production.

*Cotton Made in Africa (CmiA) countries in 2022-23 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 2022-23 is 24'620'000 MT. Source: [ICAC](#) (as of October 2023)

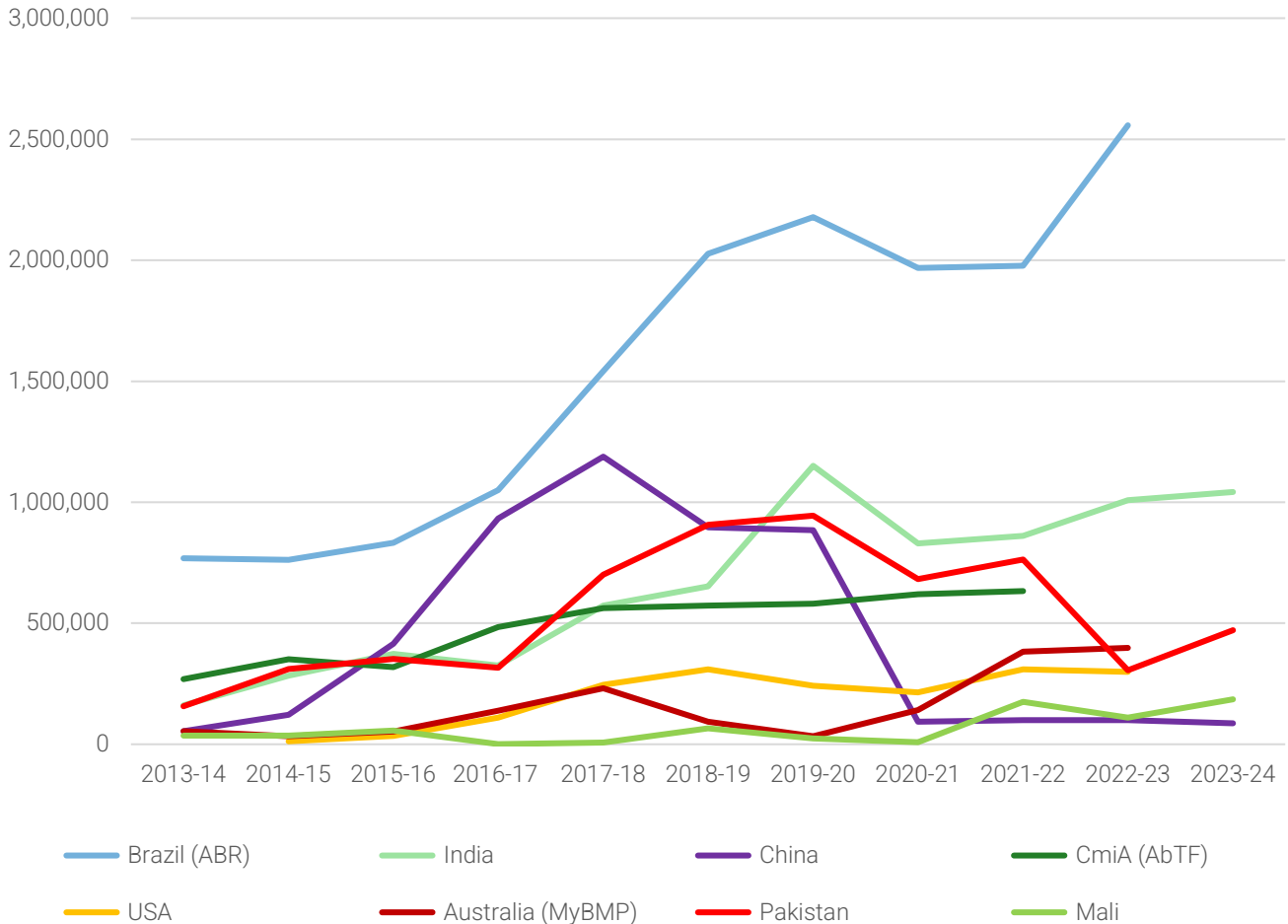
| Rest of the World (ROW) | |
|--------------------------|--------|
| Kazakhstan (2022-2023) | 4,382 |
| Tajikistan (2023-2024) | 16,206 |
| Mozambique (2022-2023) | 14,350 |
| South Africa (2022-2023) | 1,617 |
| Israel (2022-2023) | 17,303 |
| Egypt (2023-2024) | 7,959 |
| Uzbekistan (2023-2024) | 59,642 |



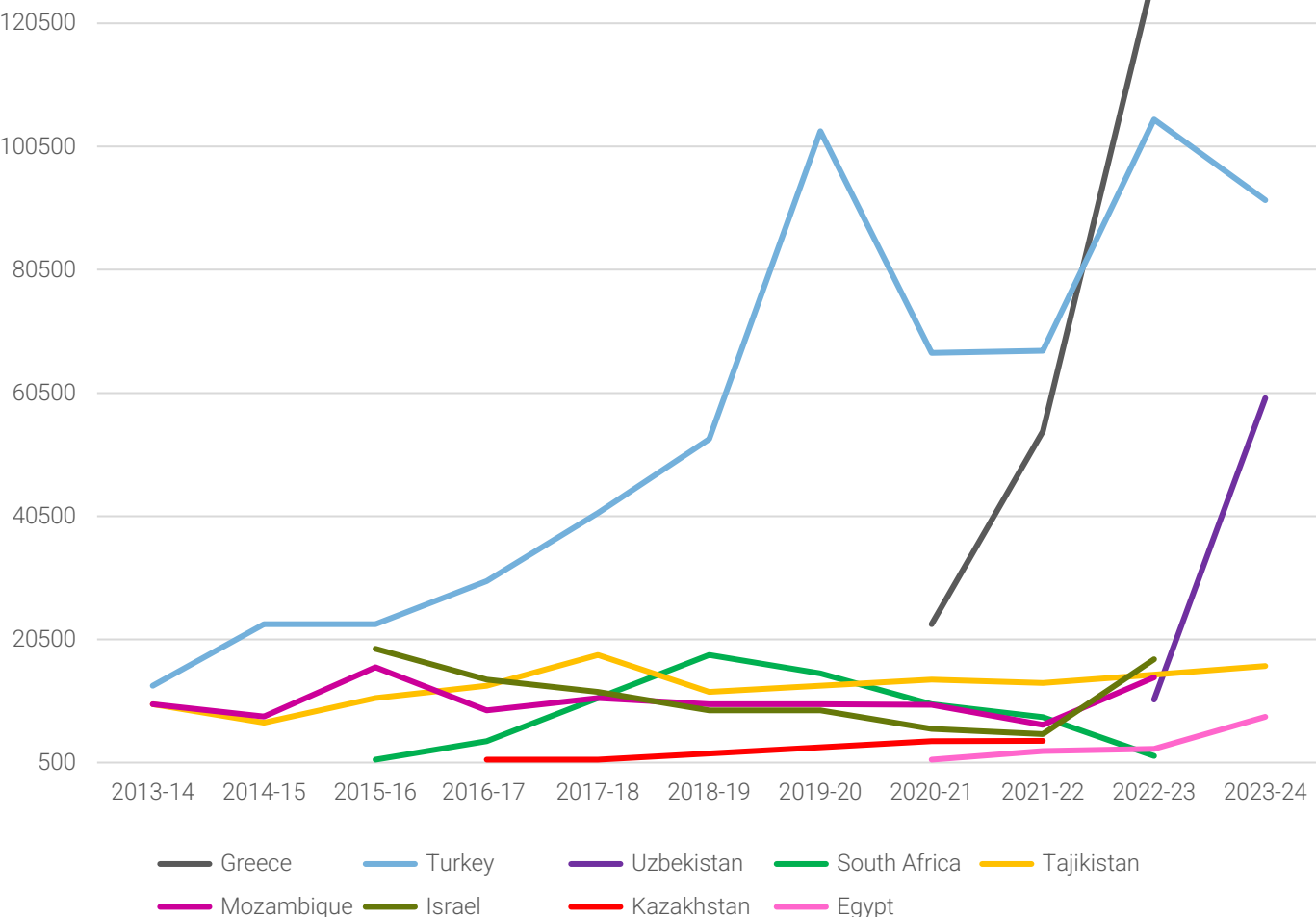
Better Cotton Production Growth

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

HIGH PRODUCTION COUNTRIES (Producing > 100,000 MT)



MEDIUM & LOW PRODUCTION COUNTRIES (Producing < 1000,000 MT)



Brazil and India were the top two Better Cotton producing countries in 2022-2023, with roughly 70% of global Better Cotton production.

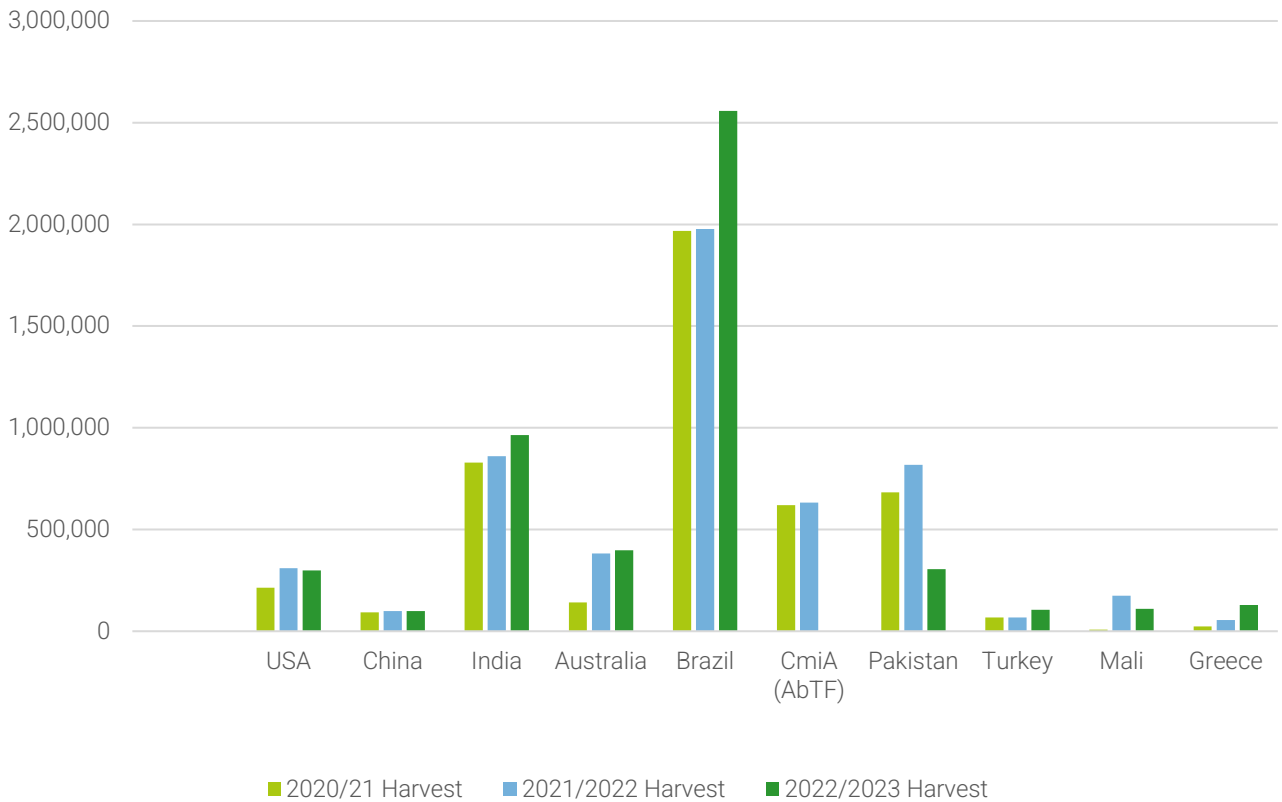
The Better Cotton Programme in Greece experienced the most significant growth during the season 2022-2023, reaching 130'000 MT.



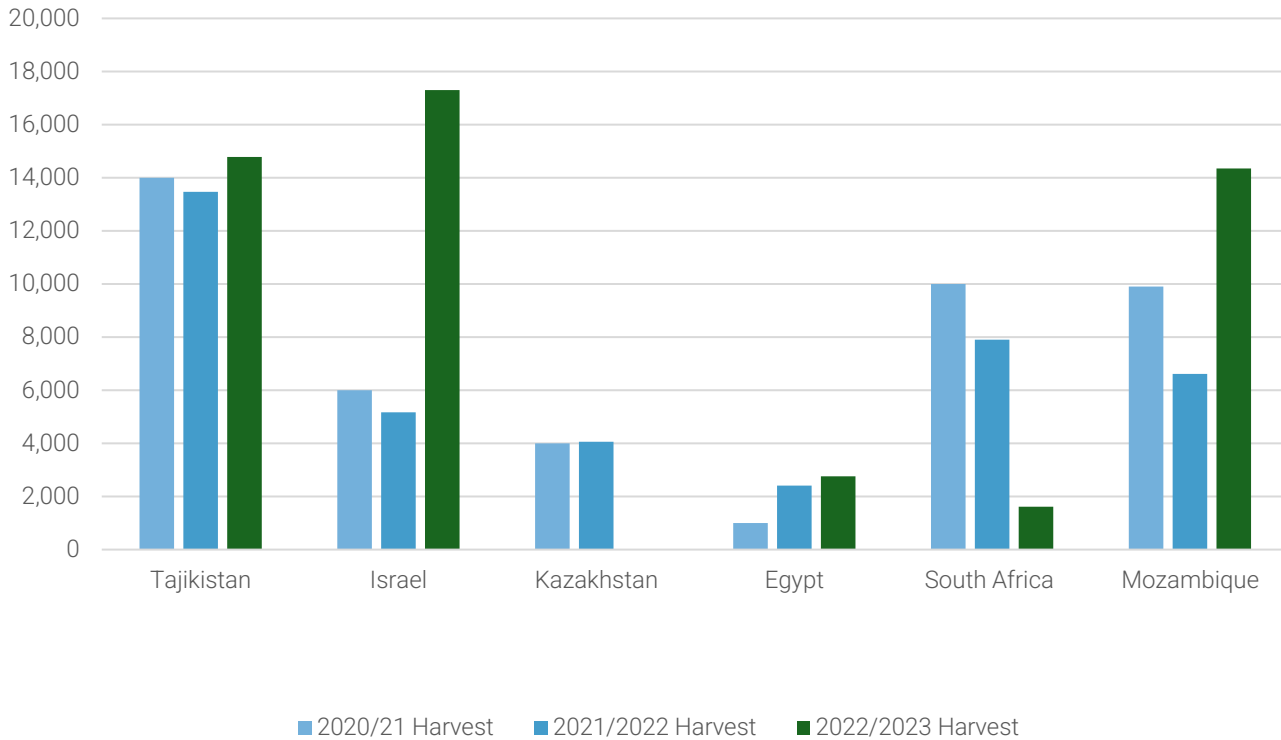
Better Cotton Production

Better Cotton 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 2022-2023 season, the largest Better Cotton production increases were experienced in Brazil, Greece, Israel and Mozambique.

So far in the 2022-23 season, Better Cotton production increases can be seen in most countries, with the exception of Pakistan, who experienced catastrophic flooding during the cotton season.

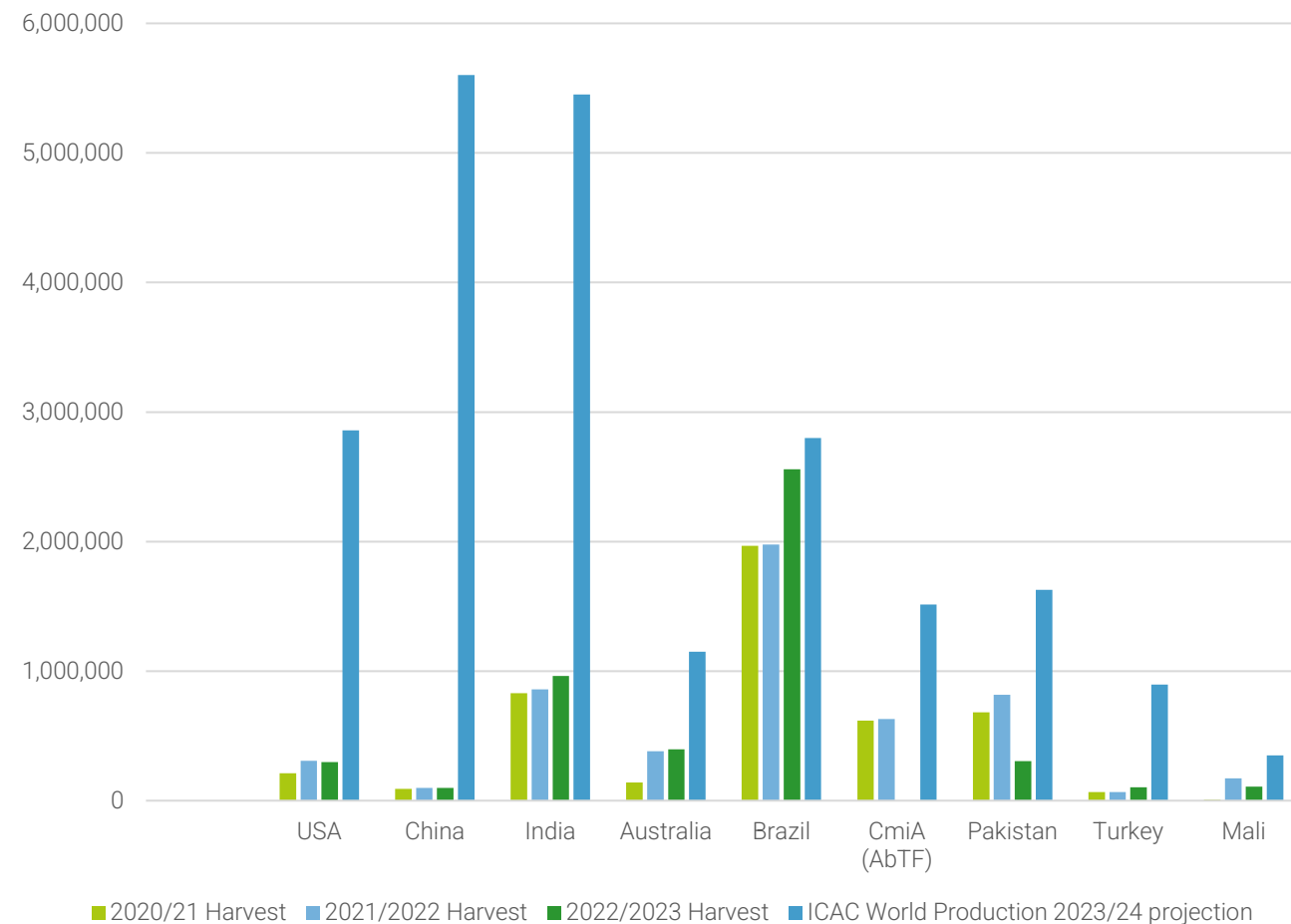
NOTE: As additional early season estimates become available, more countries will be included in these graphs. Early estimations are based on current participating farmers at this early stage.



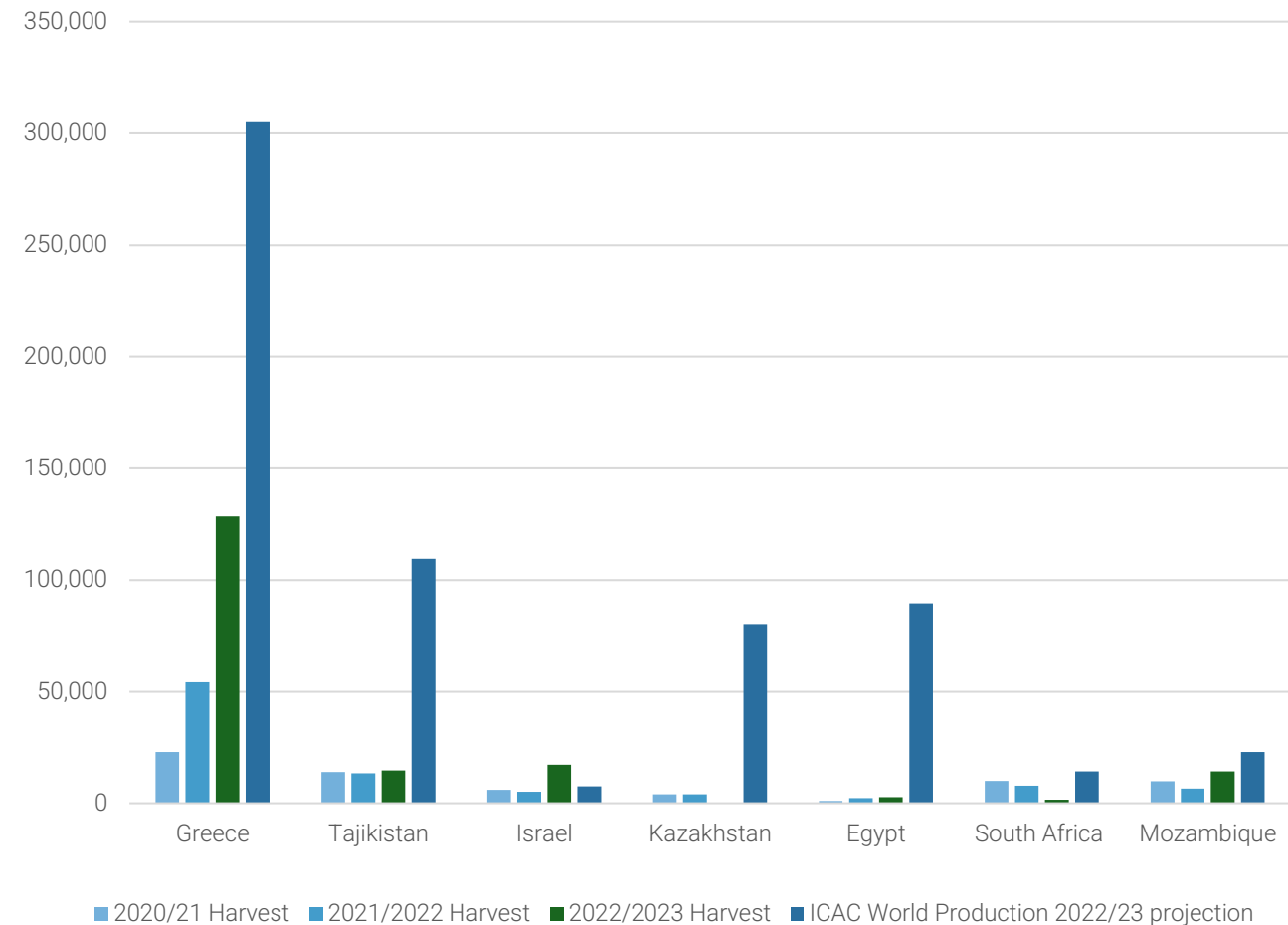
Better Cotton Production

Better Cotton Harvest Estimates – Year on year comparison – including [ICAC 2022-23 projections](#) (Country Online 03/04/2023)

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)



Out of the countries Better Cotton operates in, China and India are projected to be the two largest cotton producing countries in the 2022-23 season. In 2022-23 so far, Better Cotton represents 22% of total projected cotton production in India.

NOTE: USA, Australia, Brazil, CmiA and Mozambique early season estimates are not yet available for the 2022-23 season. As additional early season estimates become available, the 2022-23 figures for the USA, Australia, Brazil, CmiA and Mozambique will be included in these graphs. Early estimations are based on current participating farmers at this early stage.





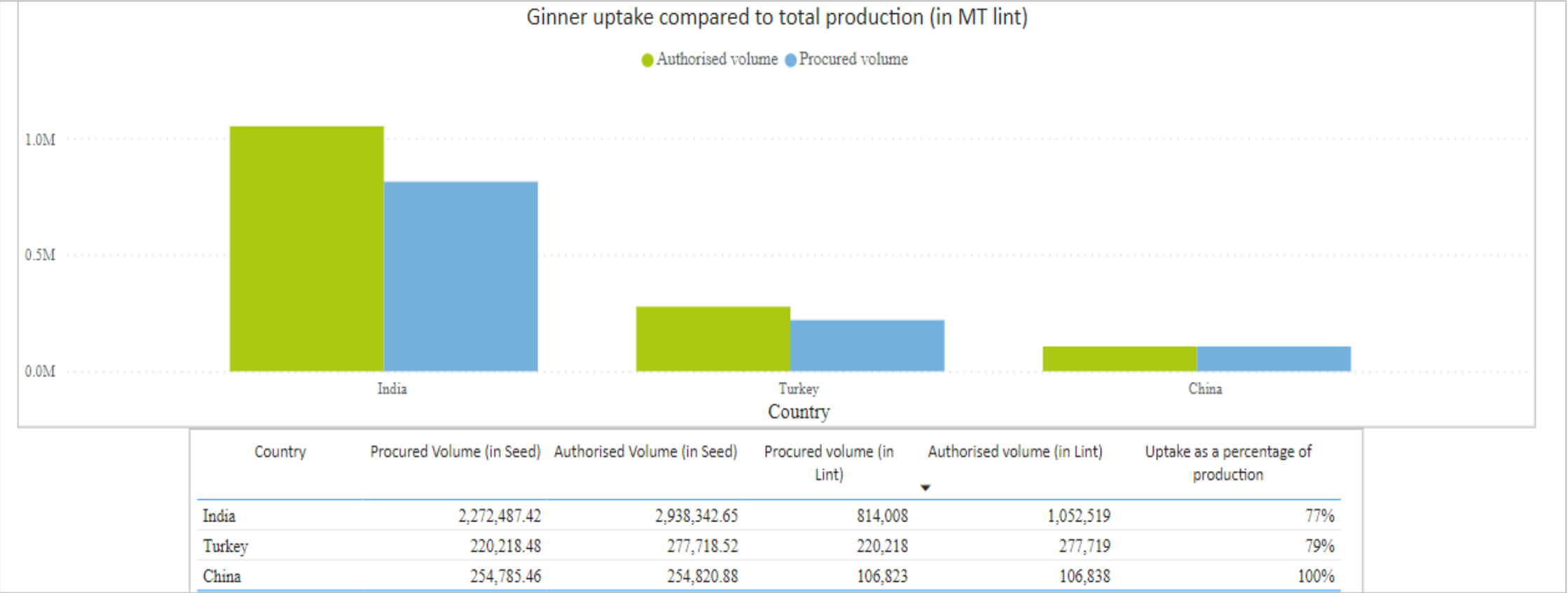
Better Cotton Uptake

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

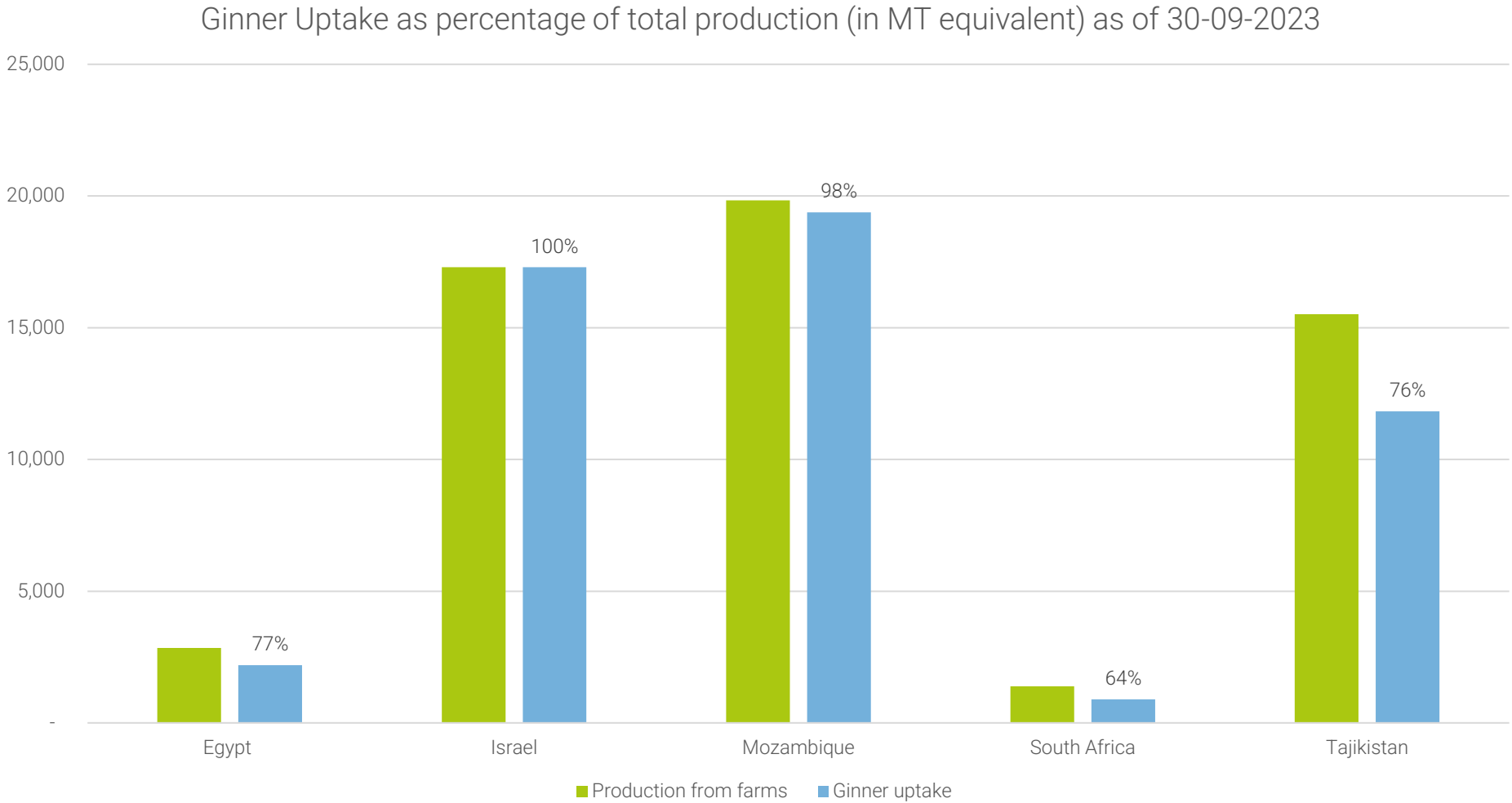


WHY IS GINNER UPTAKE IMPORTANT?
 Ginner uptake allows us to see how much Better Cotton has been purchased from farmers* by ginners during the season. Working closely with Programme Partners in smallholder countries, Better Cotton has prioritised increasing ginner uptake.
 *In these countries, farmers 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 **2022-23 cotton season is ended (Aug/Sept)** and these uptake figures are final.

Ginner Uptake

Other Countries – 2022/2023 Cotton Season



WHY IS GINNER UPTAKE IMPORTANT?

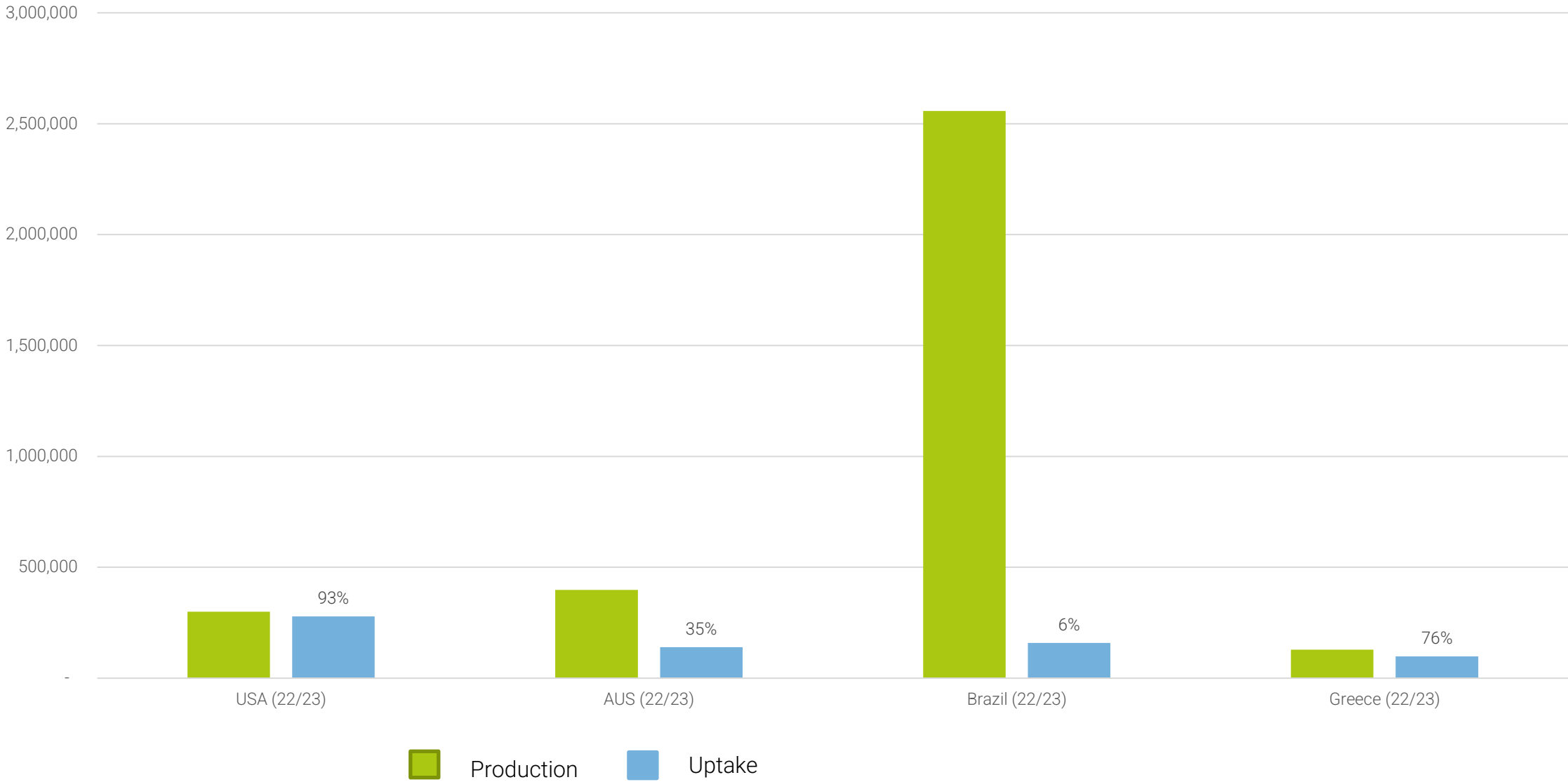
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*In these countries farmers sell seed cotton to ginners who process the lint cotton. ginners own the resulting lint bales and market them to spinners and traders.

Season **2022/23** is over for most of the countries with the exception of Mozambique and South Africa where the season started respectively in July and June 23.

Large Farm Countries

Large Farm Sales as percentage of total production(in MT equivalent) as of 30-09-2023

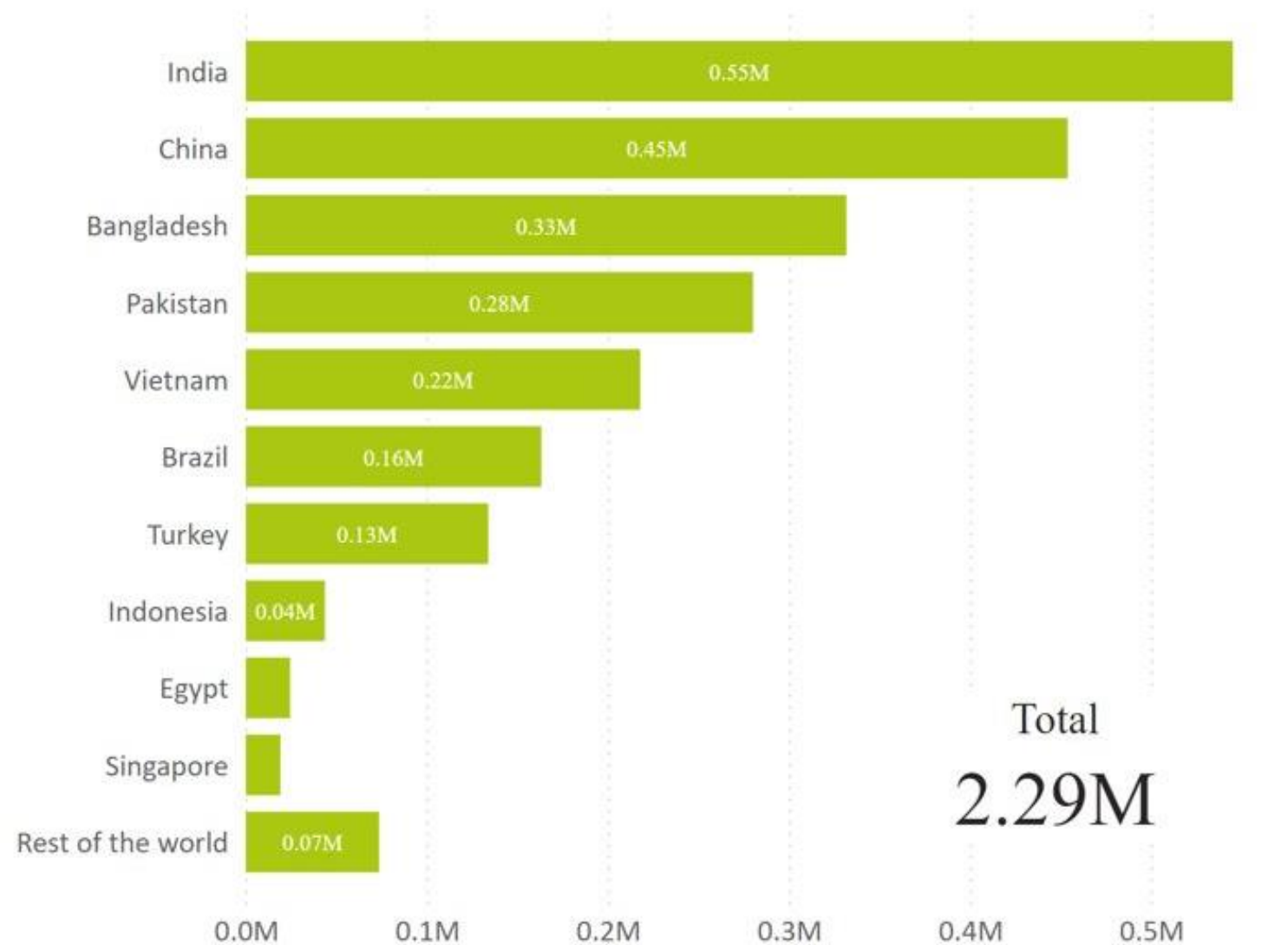


HOW IS BETTER COTTON UPTAKE MEASURED IN LARGE FARM COUNTRIES?
 Unlike smallholder countries, where ginners buy seed cotton from farmers, then gin and market bales, in Large Farm (LF) countries like Australia, Brazil and USA, ginners provide a ginning service to the farmer, who retains ownership of the resulting bale and typically sells it to a trader and/or spinner. Thus, we measure uptake by the amount of cotton purchased from farms by traders and/or spinners.

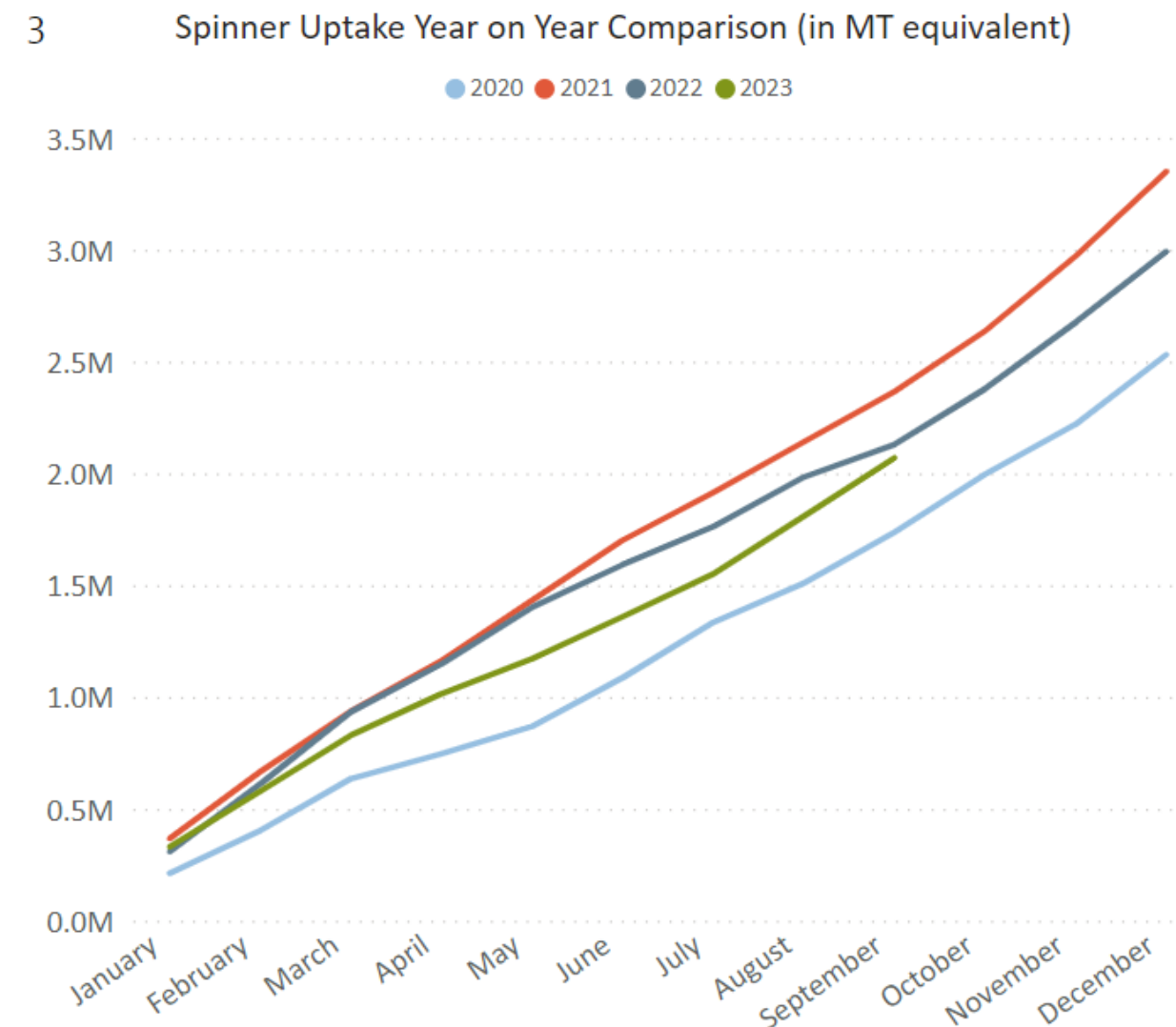
In this graph, you can see uptake for large farms. Australia and Brazil show final figures for the 22/23 season. Australia and Brazilian seasons ongoing (started in June and September respectively) while US is about to end in November 2023.

Spinner Uptake

Spinner Uptake by Country (in MT equivalent) Jan '23 - Sep '23



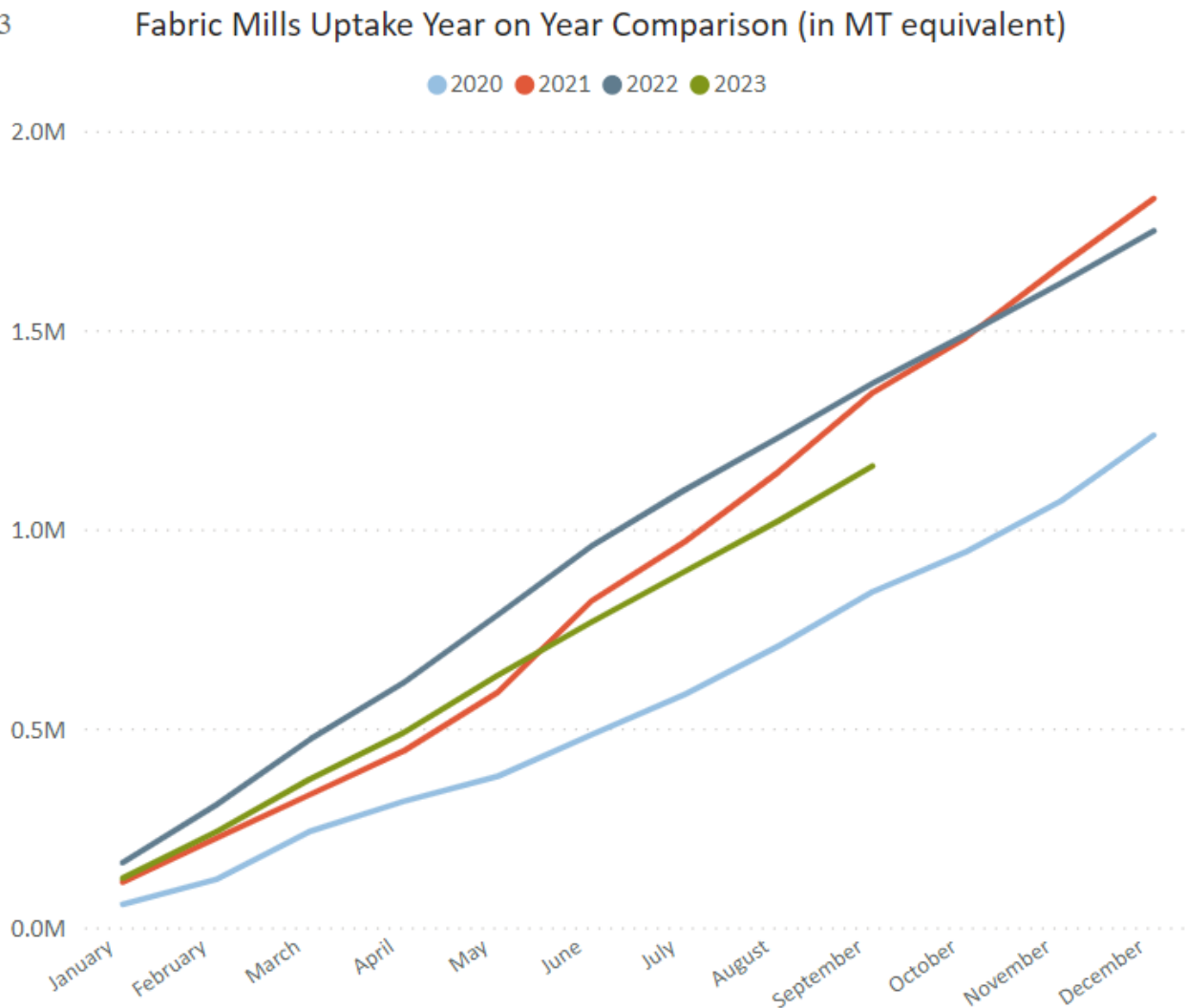
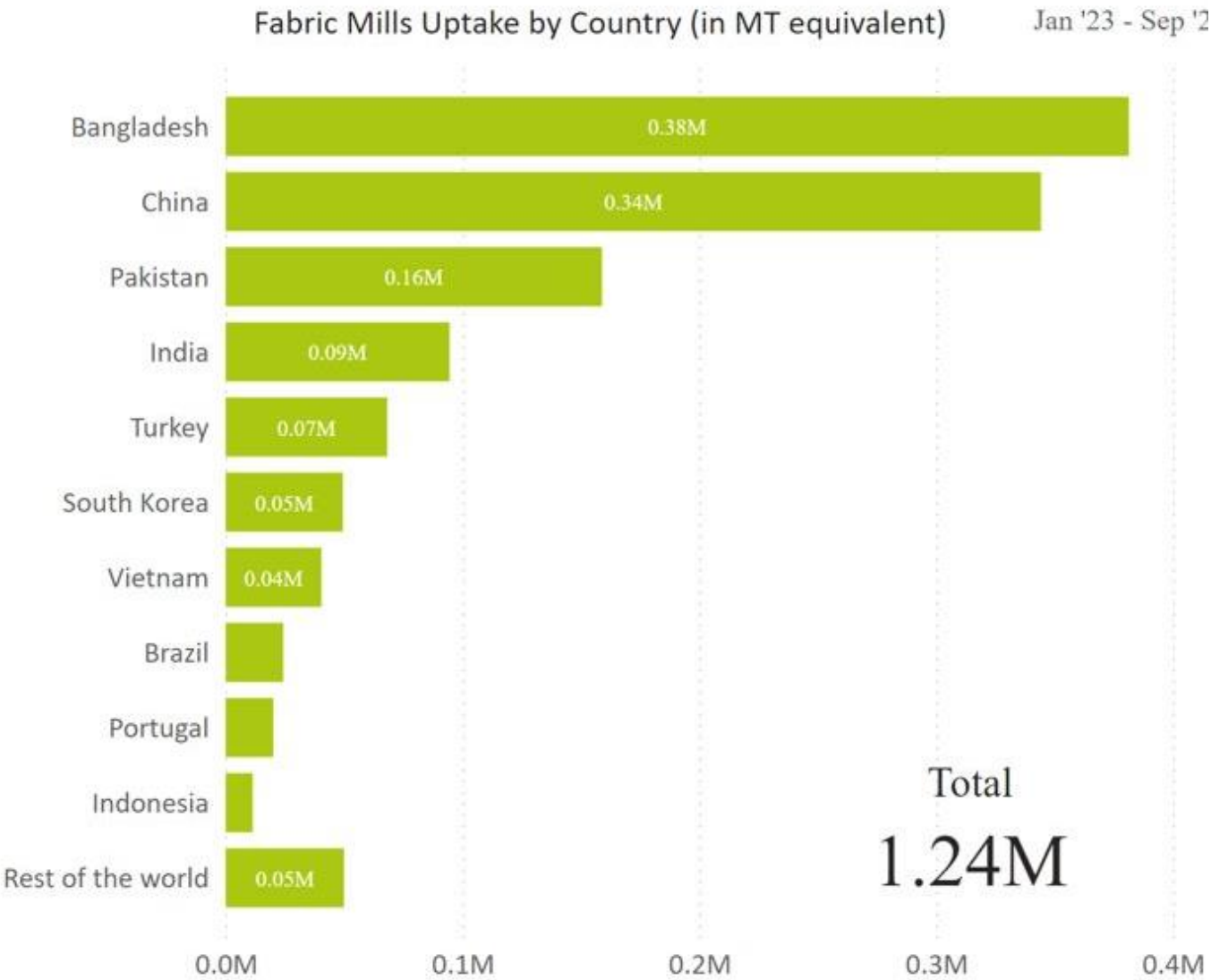
Cumulative Annual Global Spinner Uptake January 2023- September 2023



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.

Fabric Mill Uptake

Cumulative Annual Global Fabric Mill Uptake January 2023- September 2023 (in MT equivalent)

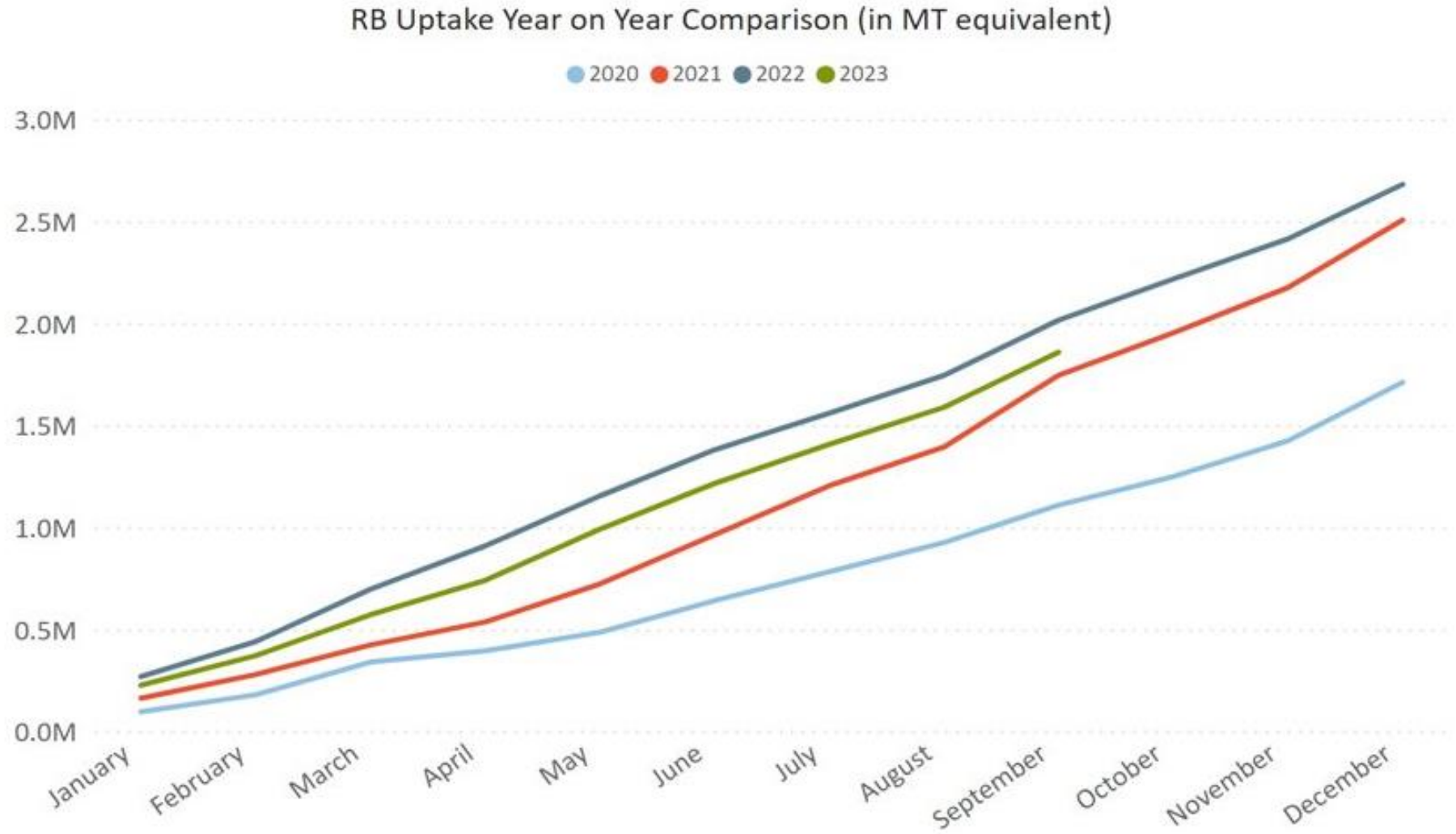


WHY IS FABRIC MILL UPTAKE IMPORTANT?
 Fabric mill uptake gives retailers & brands an indication of Better Cotton sourcing levels in final production stages.

Retailer & Brand Uptake

Cumulative Retailer & Brand Uptake (in MT equivalent)

Cumulative Annual Global Retailer and Brand Uptake 2020- September 2023 (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 2020, Retailer and Brand members sourced over 1,7 million MT of Better Cotton, reaching, 2.5 million MT in 2021 and 2.6 million MT in 2022

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](#).

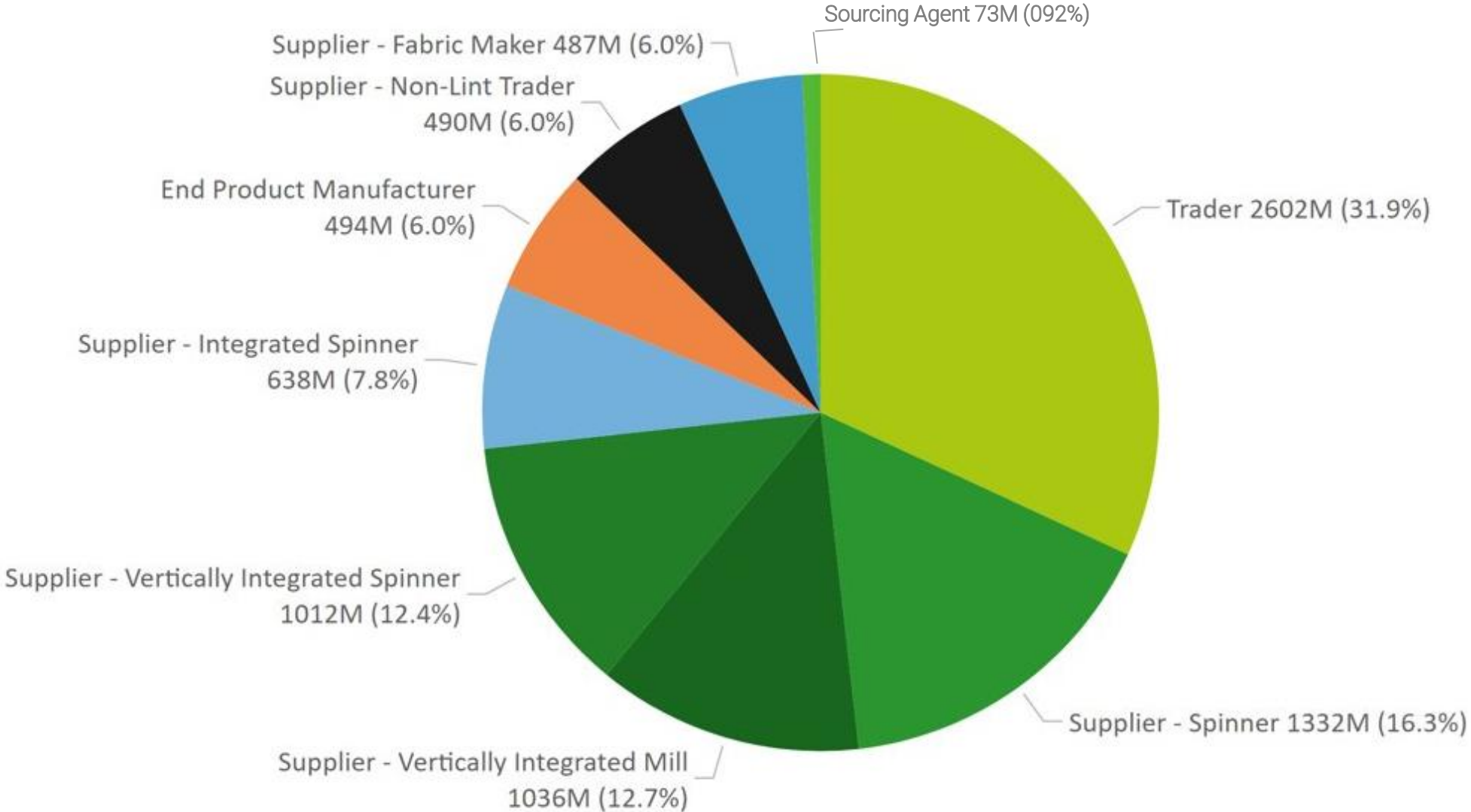
Total RB 2023 uptake as of 30th September 2023: **1,83 million MT equivalent**



Inventory Snapshot

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

Data as of 30 September 2023



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.



Total: ~ 8,160,000 MT equivalent*

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

Inventory Snapshot

Better Cotton Inventory within the Supply Chain per Country (in BCCUs)
Data as of 30 September 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 | 100-150m | 150-300m | 150-300m | 150-300m | 50-100m | 5-20m |
| 2 | Bangladesh | 300-500m | 20-50m | 50-100m | 5-20m | 50-100m | 150-300m | 50-100m | 0-5m |
| 3 | Pakistan | 150-300m | 20-50m | 150-300m | 20-50m | 20-50m | 100-150m | 20-50m | 0-5m |
| 4 | Brazil | 50-100m | 150-300m | 150-300m | 5-20m | 20-50m | 20-50m | 20-50m | 0-5m |
| 5 | India | 50-100m | 20-50m | 150-300m | 20-50m | 20-50m | 100-150m | 5-20m | 0-5m |
| 6 | Turkey | 100-150m | 20-50m | 50-100m | 20-50m | 5-20m | 50-100m | 50-100m | 0-5m |
| 7 | Indonesia | 50-100m | 50-100m | 20-50m | 0-5m | 5-20m | 5-20m | 0-5m | 0-5m |
| 8 | Vietnam | 50-100m | 20-50m | 0-5m | 5-20m | 20-50m | 5-20m | 5-20m | 0-5m |
| 9 | United States | 0-5m | 5-20m | 20-50m | 0-5m | 0-5m | 0-5m | 50-100m | 20-50m |
| 10 | South Korea | 0-5m | 0-5m | 0-5m | 5-20m | 20-50m | 50-100m | 5-20m | 0-5m |
| 11 | Rest of the world | 50-100m | 50-100m | 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.

Total including traders

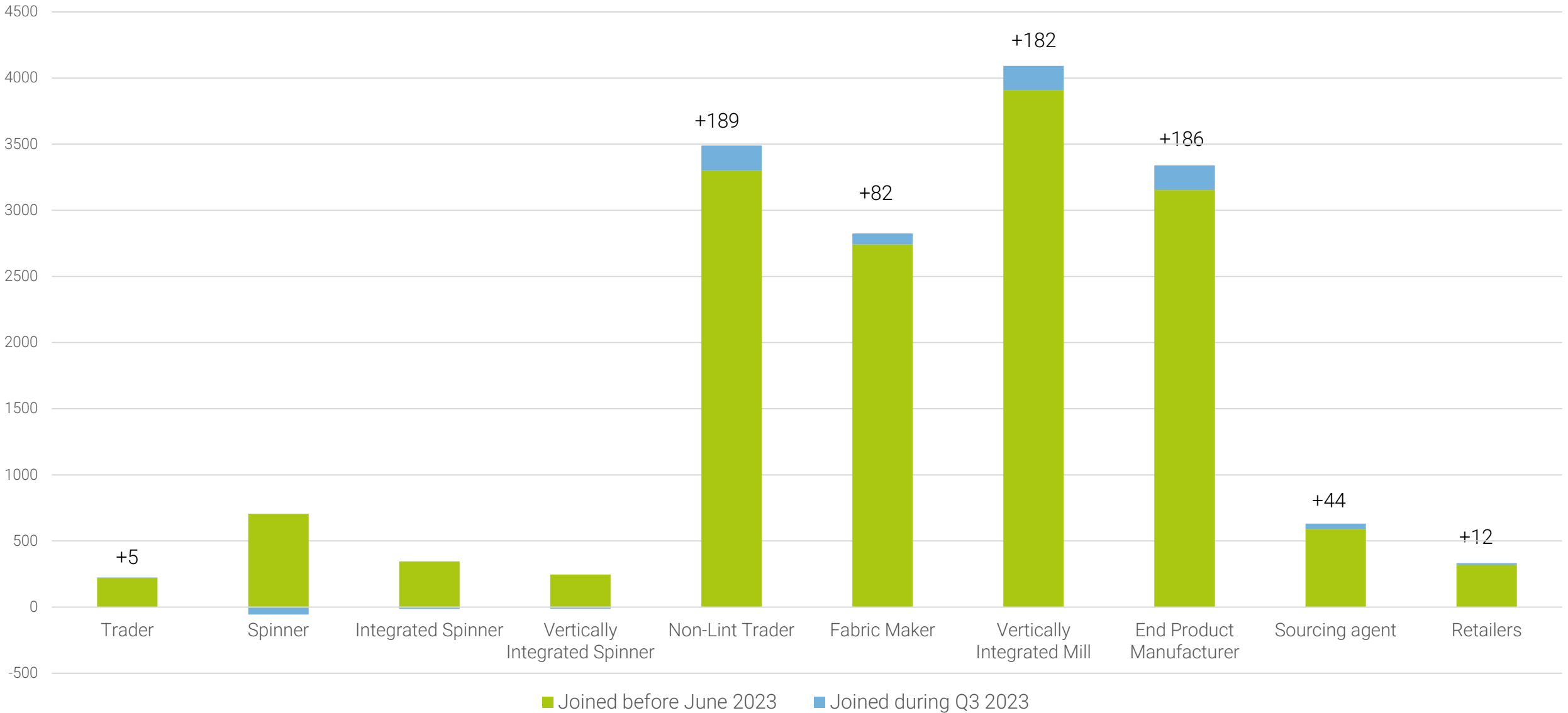
8.19bn



Membership &
Non-Member BCP
Supplier Numbers

Better Cotton Global Supply Chain

Composition and Size of the Better Cotton Global Supply Chain – September 2023



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 increasing interest towards Better Cotton and the growing 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.

The total number of companies registered on the Better Cotton Platform is **16,150** as of 30th September 2023.



Related Member Resources

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

- 🌱 [2022 Annual Report](#)
- 🌱 [Better Cotton Chain of Custody Guidelines](#)
- 🌱 [Mass Balance 3 min video](#)
- 🌱 [Events & Webinars](#)





Thank you

support@bettercotton.org

September 2023