

# Better Cotton Membership Fees

Last updated November 2024

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. **Fees are subject to annual review by the Better Cotton Council.**

The membership fees listed in this document were approved by the Better Cotton Council in December 2023. Previously, in October 2023 the Council approved a one-time Traceability Activation Fee to be charged to Retailer and Brand Members that would like to access Better Cotton's physical traceability solution and source traceable Better Cotton. In June 2024 the Council approved a revised Fee Waiver Policy with the purpose to support organisations that could otherwise not afford to engage with Better Cotton as members.

The new fees established in this brochure will be effective from 1 April 2024.

## 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 ginneries, 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.

retailer &  
brand

associate

# Membership Fees

## Civil Society

The table below shows the fees for the membership category Civil Society only.

### 2024 MEMBERSHIP FEES FOR CIVIL SOCIETY



| Fee Level            | Annual Income (EUR)      | Annual Fee (EUR) |
|----------------------|--------------------------|------------------|
| National Non-OECD    | N/A                      | 120 €            |
| National OECD        | N/A                      | 350 €            |
| Small International  | < 1,000,000 €            | 580 €            |
| Medium International | 1,000,000 - 10,000,000 € | 1,150 €          |
| Large International  | > 10,000,000 €           | 2,300 €          |

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's headquarters are 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 38 member countries, founded in 1961 to stimulate economic progress and world trade. Check [here](#) for the list of OECD countries.

## Producer Organisation

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



### 2024 MEMBERSHIP FEES FOR PRODUCER ORGANISATION

| Fee Level                         | Annual Fee (EUR) |
|-----------------------------------|------------------|
| Non-OECD                          | 130 €            |
| OECD - Sub-national               | 630 €            |
| OECD - National and supranational | 1,270 €          |

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

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

## Supplier and Manufacturer

The table below shows the fees for the membership category Supplier and Manufacturer only.



### 2024 MEMBERSHIP FEES FOR SUPPLIER AND MANUFACTURER

| Fee Level  | Annual Cotton Related Turnover (EUR) | Annual Fee (EUR)     |                |
|------------|--------------------------------------|----------------------|----------------|
|            |                                      | Other Intermediaries | Cotton Traders |
| Very Small | < 50,000,000 €                       | 2,420 €              | 3,620 €        |
| Small      | 50 - 100,000,000 €                   | 4,430 €              | 6,330 €        |
| Medium     | >100 - 200,000,000 €                 | 6,330 €              | 12,650 €       |
| Large      | >200 - 400,000,000 €                 | 10,120 €             | 21,510 €       |
| Very Large | > 400,000,000 €                      | 12,650 €             | 30,480 €       |

The Supplier and Manufacturer 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 ginnerers.

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.

## Non-Member BCP Access

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 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 990 EUR per year.

## Retailer and Brand

Retailer and Brand (RB) Members pay a membership fee for 12 months of membership as well as a variable Volume Based Fee (VBF) based on a calendar year of Better Cotton sourcing. The 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 the 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 Retailer and Brand only.

#### 2024 MEMBERSHIP FEES FOR RETAILER AND BRAND



| Fee Level  | Annual Cotton Consumption (Metric Tons) | Annual Fee (EUR) |
|------------|-----------------------------------------|------------------|
| Very Small | < 5,000 MT                              | 7,250 €          |
| Small      | 5,000 - 20,000 MT                       | 12,650 €         |
| Medium     | >20,000 - 50,000 MT                     | 23,000 €         |
| Large      | >50,000 - 125,000 MT                    | 38,530 €         |
| Very Large | > 125,000 MT                            | 57,500 €         |

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. 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.

## 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 (it excludes for instance, certified organic cotton, Fair Trade Certified™, etc.) in a calendar year.

The first table below indicates 2024 VBF rates. They were established in 2023 and apply to Better Cotton sourced from 1 April 2024. The second table indicates the old VBF rates (2016 – 2023) that still apply for Better Cotton sourced from 1 January to 31 March 2024.

### 2024 Volume Based Fee Rate\* (EUR/MT BC procured)

| Volumes of cotton sourced as Better Cotton |                        |        |        |        |        |        |
|--------------------------------------------|------------------------|--------|--------|--------|--------|--------|
| Absolute Procurement                       | Relative procurement** |        |        |        |        |        |
|                                            | < 20%                  | ≥ 20%  | ≥ 40%  | ≥ 60%  | ≥ 80%  | 100%   |
| ≤ 200 MT                                   | 17.5 €                 | 16.5 € | 15.0 € | 14.0 € | 13.5 € | 13.0 € |
| >200 - 1,000 MT                            | 16.5 €                 | 15.0 € | 14.0 € | 13.0 € | 12.0 € | 11.5 € |
| >1,000 - 3,000 MT                          | 15.0 €                 | 14.0 € | 13.0 € | 11.5 € | 11.0 € | 10.5 € |
| >3,000 - 5,000 MT                          | 14.5 €                 | 13.5 € | 12.0 € | 11.0 € | 10.5 € | 10.0 € |
| >5,000 - 25,000 MT                         | 14.0 €                 | 13.0 € | 11.5 € | 10.5 € | 10.0 € | 9.5 €  |
| >25,000 - 75,000 MT                        | 13.5 €                 | 12.0 € | 11.0 € | 10.0 € | 9.5 €  | 9.0 €  |
| >75,000 - 150,000 MT                       | 13.0 €                 | 12.0 € | 11.0 € | 10.0 € | 9.5 €  | 9.0 €  |
| >150,000 - 300,000 MT                      | 10.5 €                 | 9.5 €  | 8.0 €  | 7.0 €  | 6.5 €  | 6.0 €  |
| >300,000 MT                                | 9.5 €                  | 8.0 €  | 7.0 €  | 6.5 €  | 6.0 €  | 5.5 €  |

\*Fees are subject to annual review by the Better Cotton Council.

\*\*Relative procurement is the percentage of cotton lint sourced as Better Cotton compared to the total cotton consumption.

### 2016-2023 Volume Based Fee Rate (EUR/MT BC procured)

| 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 €  |

At the beginning of each year, the VBF is collected in time to prepare for the coming cotton-growing season. Therefore, Retailer and Brand Members must understand the invoicing cycle, budget and plan to pay these invoices in a timely manner.

*NOTE: For Better Cotton sourced in calendar year 2024, there is an additional discount of 7% on an opt-in basis, for members paying gross Volume Based Fees of more than 1 million EUR to be applied only to the amount in excess of 1 million EUR.*

## 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 the previous year's sourcing of



Better Cotton by the Member. With the assumption that Members will maintain, or increase, 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](mailto:membership@bettercotton.org).

### Important Note: VBF Calculation for Better Cotton sourced in 2024

VBF for Better Cotton sourced in 2024 will be invoiced according to the regular invoicing cycle, meaning that prepayments will be invoiced at the beginning of 2024 and the net VBF will be invoiced at the beginning of 2025. The prepaid VBF will be based on the 2023 Gross VBF, and therefore will not be impacted by the new VBF rates that apply from 1 April 2024. At the beginning of 2025, the 2024 Gross VBF will be calculated in two parts, one for the first quarter using the old 2016 – 2023 rates, and another for the rest of the year using the new 2024 rates. The VBF rate for both periods will be determined by the total amount sourced in 2024 (absolute and relative procurement). The sourcing period will be determined by the transaction date in the Better Cotton Platform. The impact of the new 2024 rates will thus be seen in your net 2024 VBF invoice at the beginning of 2025.

## 5. Traceability Activation Fee for Retailer and Brand Members Only

Better Cotton Traceability 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](mailto:membership@bettercotton.org). The form is available on [myBetterCotton](https://myBetterCotton.org) (your Primary Contact will have a login).

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:

| Size Category | Cotton Consumption   | 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 made 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 the membership category Associate only.



### 2024 MEMBERSHIP FEES FOR ASSOCIATE MEMBERS

| Fee Level  | Annual Revenues (EUR)         | Annual Fee (EUR) |
|------------|-------------------------------|------------------|
| Small      | < 10,000,000 €                | 1,270 €          |
| Medium     | 10,000,000 € - 50,000,000 €   | 2,530 €          |
| Large      | >50,000,000 € - 100,000,000 € | 5,060 €          |
| Very Large | > 100,000,000 €               | 12,650 €         |

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.

## Fee Waiver Policy

In June 2024 the Council approved a revised [Fee Waiver Policy](#) with the purpose to support organisations that could otherwise not afford to engage with Better Cotton as members. If you think you are eligible please reach out to your Better Cotton key contact or [membership@bettercotton.org](mailto:membership@bettercotton.org) to find out more about making a formal request.