






**THE  
FIRST  
HARVEST**

**Better Cotton Initiative**  
-----  
**2010 MEMBERS REPORT**

# HIGHLIGHTS


## BETTER COTTON PRODUCTION

-  More than **68,000** farmers received training against a target of 44,000
-  More than **28,000** farmers produced Better Cotton in 2010/2011 season
-  Over **93,000** hectares were cultivated as Better Cotton
-  An average of **42%** of project farmers met BCI's Minimum Production Criteria
-  Better Cotton farmers produced over **77,000 MT** of Better Cotton lint

## DEVELOPING THE BETTER COTTON SYSTEM

-  BCI and its Implementing Partners worked together on **15 projects** in Brazil, India, Mali and Pakistan
-  A centralised **Bale Tracking System** to maintain the integrity of the Better Cotton supply chain was developed in 2010
-  **Supply chain co-ordinators** appointed in India and Pakistan
-  **29 ginners** used Bale Tracking System successfully
-  Significant progress in extending reach and engagement in **China and Tajikistan**

## MEMBERSHIP GROWTH

-  BCI membership increased from 25 in January 2010 to **73** by May 2011



Copyright Arvind



**THE BETTER COTTON INITIATIVE (BCI)** is a multi-stakeholder initiative that exists to make global cotton production:

**BETTER** for the people who produce it,

**BETTER** for the environment it grows in and

**BETTER** for the sector's future.

**This is BCI's first Annual Report to Members.**

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# MESSAGE FROM THE COUNCIL

I know that 2010 will always be a landmark year in my memory. For it was in this year that many years of thought, labour and discussion finally came to fruition. Literally! In 2010, Better Cotton was successfully harvested. In 2010, theory became practice for almost 70,000 farmers around the world. And in 2010, we had unequivocal proof that the Better Cotton System not only produced a more sustainable cotton, it changed lives for the better.

Admittedly, we've still got a long way to go. 2010 also produced many valuable lessons, lessons that we are trying to learn from. This learning process is at the core of what BCI is all about. We know that we aren't going to know everything up front. We know that the cotton industry is a complex and dynamic organism of which nobody has a complete overview. And we know that regular adjustments are going to have to be made. Which is why, from the very beginning, there has been a conscious effort within BCI to create a culture of openness, understanding

and cooperation. When combined with dedication and a spirit of practical implementation you get a unique culture that has enabled us – in a relatively few short years – to make the dream of Better Cotton a usable, wearable reality. Products containing Better Cotton are already being shipped to stores.

Looking towards the future, there are a number of issues that have to be addressed. On the farm level, a robust administration is sometimes a challenge, but we're working to find the right balance between too much communication and too little. Furthermore, many retailers still need to focus on accurately mapping their supply chains. This would not only help send the right signal to all the players in the supply chain, but will also make it easier for retailers to procure Better Cotton. Scalability is also a potential obstacle. We are aware of the danger of becoming a victim of our own success, so we are examining low-cost, easy to implement models that would enable BCI to meet its objective of making Better Cotton a truly

mass market commodity.

But first, let us celebrate 2010 – the landmark year in which Better Cotton was first produced and successfully travelled through the supply chain. Our dream of transforming the entire industry will not happen overnight. But the seeds have been planted.

It's been a collective effort from the very beginning and this year's harvest – indeed, BCI itself – wouldn't be possible without the immense support and dedication of our Implementing Partners, our generous donors, the BCI Secretariat and – of course – the farmers themselves. In such company, it has been an immense honour to act as BCI Council chairman. While I have already handed the plough to Michael Kobori, who took over as chairman in July 2011, I will continue to be active alongside the rest of you in this great adventure.

Happy reading!

**Guido Verijke,**  
2010 Council Chairman



**(From left to right):**

Bilal Israel Khan, Guido Verijke, Michael Kobori, Helena Helmersson, Janet Mensink, Keith Tyrell, Lise Melvin, Hammad Naqi Khan, Henrik Lampa, David Rosenberg, Chris Ward

[BCI Council, May/June 2011]



# PROGRESS AGAINST STRATEGIC PLAN

## Connecting supply with demand

2010 represented a great start for Better Cotton, training more than 68,000 farmers (against a target of 44,000!) and seeing a cultivation of almost 230,000 hectares. Average compliance (% of project farmers that met BCI's Minimum Production Criteria) was a very respectable 42% and together, BCI farmers produced over 77,000 MT of Better Cotton lint.

“

*Reduced use of pesticides and water and more income for farmers – BCI clearly leads to more sustainability in cotton production.*”

[ WWF ]

	PAKISTAN		INDIA		MALI		BRAZIL		TOTAL	
	Better Cotton	BCI Project Total	Better Cotton	BCI Project Total	Better Cotton	BCI Project Total	Better Cotton	BCI Project Total	Better Cotton	BCI Project Total
# farmers	12,209	42,278	12,871	22,314	3,610	3,953	49	49	28,739	68,594
Area cultivated	39,421	160,444	16,232	29,083	10,121	10,121	27,655	27,655	93,429	227,303
MT of lint cotton	21,004	86,723	10,263	17,974	3,380	3,380	42,533	42,533	77,185	150,610
Yield	1,522	1,544	1,917	1,873	795	795	3,668	3,668		

“

*BCI is an important strategic direction for the cotton sector. For us, it helps create new trade relationships and forms part of our approach to risk management.*”

[ ECOM COTTON GROUP ]

“

*Based on learning together the BCI promotes farmers to take their own responsibility in improving their livelihood. It respects local conditions, and focuses on year on year improvements. All this helps in finding the best and most innovative ways of supporting farmers.*”

[ SOLIDARIDAD ]



2012 GOAL	2010 PROGRESS TOWARDS 2012 GOALS	2011 ACTIVITIES
15% of global cotton production is represented by the demand of BCI brand/retailer members.	3.6% of global production (as of Dec. 2010, based on figures from ICAC).	Further develop the value proposition for Retailers and Brands, develop new communication materials and share case studies on field impact.
1.3% of global cotton production (300,000 MT of lint) is produced as Better Cotton from Brazil, India, Pakistan, and West & Central Africa.	25.7% of goal: 77 185 MT.	Potential volume of over 258,000 MT of Better Cotton lint for 2011/12 (if all farmers qualify).
50% of Better Cotton produced is used by BCI Retailer and Brand members.	<p>Unique bale identification code (UBIC system established and successfully used in India, Mali and Pakistan.</p> <p>29 gins working with the Better Cotton system to segregate Better Cotton bales. Procurement by Retailers and Brands in progress.</p>	<p>Number of cooperating gins likely to increase (92 registered to date).</p> <p>Due to many factors, only 5,708 MT lint were given UBICs (excluding Brazil). BCI is working with the supply chain to significantly increase the percentage of Better Cotton baled as well as boost buyers' ability to locate and procure Better Cotton.</p>
The Better Cotton System is developed in China & Central Asia.	Xinjiang pilot to start in China in 2011 (estimate of 4,000 producers covering 8,300 ha).	BCI Council approval to set up BCI in Tajikistan in 2012, subject to securing funding.
Publicly available information is accessible allowing any country to grow Better Cotton.	Information on the Better Cotton System is available online in English, French and Portuguese. Production Principles and Criteria for Better Cotton have also been translated into Chinese, Spanish and Russian.	Website to be renovated and made more user-friendly in 2011 and member only material made available in a password protected section.
Enhanced financial profitability for farmers producing Better Cotton is demonstrated.	Case study Better Cotton farmers in Mali showed a 25% increase in profitability over conventional farmers.	With 2 <sup>nd</sup> year figures and as training efforts bear more fruit, we should see a more stable trend towards increased profitability.
The analysis of data from farm assessment shows positive results.	Early assessment suggests a significant reduction in water, fertiliser and pesticide use can be achieved.	Next season data analysis will be given a huge boost through the use of the Project Database.
At least 60% of the BCI Association's operating costs are covered by membership fees.	Of the total income received, membership fees accounted for 25%.	Council decision to reduce goal to 30% with target of 100% self-sustaining by 2015. Focus in 2011 to develop more sustainable revenue model for BCI.



# MEMBERSHIP

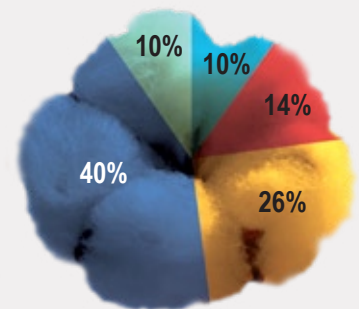
## Foundation for success

2010 was the first year that BCI was operating as an independent membership association and this presented an opportunity to test our membership offer and management process. Since its initiation in 2010, membership has significantly increased, from 25 in January 2010 to 73 by May 2011 (Figure 1).

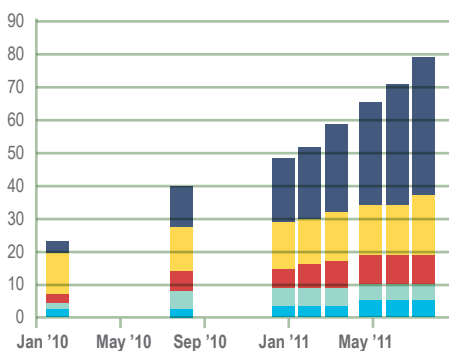
### In 2010, we helped our members successfully bring Better Cotton from seed to product. Key activities over the year included:

- A Communications Toolkit was developed in 2010 to support members with internal and external communications.
- The Annual Membership Workshop was held in December 2010. It was attended by 40 member and advisory committee representatives. Feedback from the workshop praised the facilitation, sharing and learning aspects of the day.
- A Supply Chain Working Group was launched in the second half of 2010. This group will help members identify and overcome barriers, share best practices and learn about what works from each other. It also provides a common forum for members to discuss and trial different options for improving cotton traceability.
- The BCI Bale Tracking system was launched and weekly Better Cotton inventory updates made available to all members to further support efforts to buy and use Better Cotton.

Members per category 2010



- Producer Organisations
- Civil Society
- Retailers & Brands
- Suppliers & Manufacturers
- Associate Members



- SM – Suppliers & Manufacturers (and other intermediaries)
- RB – Retailers & Brands
- CS – Civil Society
- AM – Associate Members
- PO – Producer Organisations

Figure 1: Growth in BCI membership

“

*As a multi-stakeholder initiative, BCI credibly focuses on those aspects of cotton cultivation that we believe will move both farming practices and the market in a positive direction.*”

[ H&M ]



“

*The goal of the Better Cotton Initiative is the same as ours — to transform the way all cotton is grown around the world — to be more sustainable.*

”

[ LEVI STRAUSS &amp; CO ]



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## Member feedback – what you are telling us\*

### Sourcing of Better Cotton in 2010

Brands & Retailers, Suppliers & Manufacturers (and other intermediaries); and Traders were asked about their sourcing practices in 2010. Out of 16 members, five successfully sourced Better Cotton in 2010. Explanations for this relatively low number included:

- The problem of increased prices in comparison to conventional cotton
- The difficulty in finding Better Cotton
- The Indian export quotas
- Members being new to BCI

### How BCI has benefited you

**Top Scorer:** access to a larger and valuable network!

**Other benefits identified by you:**

**For Producer organisations:**

- Assistance of the Regional Coordinator in implementation
- BCI Step-by-Step Guide to Implementation
- Attention given to capacity building for farmers at local level

**For Retailers & Brands:**

- Access to information and knowledge and better understanding of supply chain (supported by the BCI Bale Tracking System)
- Common framework for sharing best practice
- Increased good will and a greater collaborative impact when addressing environmental and social issues
- Access to match funding and support by the BCI secretariat

**For Civil society:**

- Improved access to funding
- Increased expertise and capacity building
- Contribution to, and broadening of, organisational goals
- Providing a clear and widely accepted system to improve cotton sustainability

### How can we support you better?

**Optimise supply chain:** ensuring information is timely and efficiently communicated up to gin level, and that Better Cotton supply and procurement is maximised. More practical information on how to develop one's supply chain, especially in terms of working with suppliers to introduce Better Cotton into the chain. Expanding the work of the Supply Chain Working Group beyond the ginner level and stimulating greater market demand for Better Cotton were also cited.

**Simplify:** both in process and documentation.

**Improve 3<sup>rd</sup> party verification:** making it more affordable, faster, and more credible.

**Provide additional member support material:**

- Communications material
- Business cases
- Carbon footprint figures (conventional vs. Better Cotton)
- Guidelines that provide practical information for implementation for Retailers & Brands

### Member-specific suggestions:

**Producer organisations:**

- Project implementation to be more region-specific (not generalised or modelled on India/Pakistan) – more frequent BCI visits to enhance understanding of region

**Retailers & Brands:**

- Improve the Bale Tracking System, making information more easily available and in real time
- Align project support more closely with existing supply chains, to maximise procurement opportunities
- Provide tracking up to spinners and fabric manufacturers
- Assist smaller companies in supporting farmer projects and activities

**Civil Society members:**

- Better Cotton promotional events to all relevant stakeholders, especially in members' priority regions
- Develop a common portal for news and updates
- Refine farm assessment methods
- Increase number of Producer Organisations and farmers involved

**Suppliers and Manufacturers (and other intermediaries):**

- Help with access to finance

**Associate Member:**

- Support us (Implementing Partner) in engaging more with Retailer & Brand members

[ Moving forward we will consider all of these suggestions (some have already been addressed!) – BCI team ]

\* Feedback was summarised from the annual performance reports to the BCI, which all members are supposed to submit. Of 42 reports sent out, we received 24 back (57%), with the majority of feedback coming from Brands and Retailers. So thanks to all of you that sent in your reports! The target for next year is 80% of members submitting their report.



# BCI GLOBAL LEVEL ACTIVITIES

Global activities are supported by the BCI Secretariat, a small dedicated team that exists to serve and expand membership, and plays a vital role in developing and maintaining the integrity of the Better Cotton System.

## ICT Platform – Bale Tracking System

A centralised Bale Tracking System maintains the integrity of the Better Cotton supply chain and was developed in 2010 through extensive consultation with established IT traceability system providers UTZ Certified. By August 2010 a beta version of the Bale Tracking System was running, ready to record the first Better Cotton harvest. At this time, it was available in all regions except Brazil, as Brazil has its own national bale tracking system. Work to align these two systems was scheduled for early 2011.

One barrier to participation for many gins was the lack of IT facilities. BCI stepped in by helping gins label bales, and entered the data online based on the ginner's paper trail. At the same time BCI is exploring long-term mass-market solutions to the problem, such as using mobile phone technology.

## Engaging retailers' supply chains

To better address the needs of country-specific supply chains (which can vary greatly from country to country), BCI employed a dedicated in-country Supply Chain Coordinator for Pakistan (and did the same for India in 2011).

In 2010, BCI worked together with 55 ginners, providing site visits and group training. Ginners play a critical role in the Better Cotton supply chain and BCI will continue to address ginners' (and other Suppliers and Manufacturers) needs and encourage other ginners to join.

## Preparing the soil for expansion

While Better Cotton was being grown in four countries in the 2010/11 season, plans were already underway to expand the programme to other countries. Dialogue began with Cotton Incorporated, the National Cotton Council and Cotton Council International to explore how USA producers could engage with the

BCI programme. Cotton Inc. produced a thorough analysis on the status of USA cotton production practices and regulations compared with BCI.

BCI worked closely with Cotton Made in Africa (CMiA) to identify a model for mutual recognition, thus maximising the impact of both schemes for farmers in Africa. Terms of Reference for the study were approved in December 2010 and constructive discussions are ongoing.

There has also been significant interest in working with BCI in China and Tajikistan, with BCI programmes planned to start in these two regions in 2012.

## BCI structure

In order to effectively meet the expanding needs of the programme, the BCI team almost doubled in size from seven people at the beginning of 2010 to 13 people at the close. A Development Director was brought on-board in January and a Membership Coordinator in August.



Indian farmer adjusting drip irrigation on cotton plants.



# BCI NATIONAL LEVEL ACTIVITIES

“  
*BCI has done a tremendous job of transferring Best Management Practices, along with further improvements, from the farmers who were making the most profits, looking best after their soil health and environment, and having the happiest farm workers---to those who were previously toiling without much knowledge and consequently missing prosperity.*”

[ B.I. KHAN, FARMERS ASSOCIATES PAKISTAN ]

BCI works with members, Implementing Partners and ginners to support the implementation of the Better Cotton System.

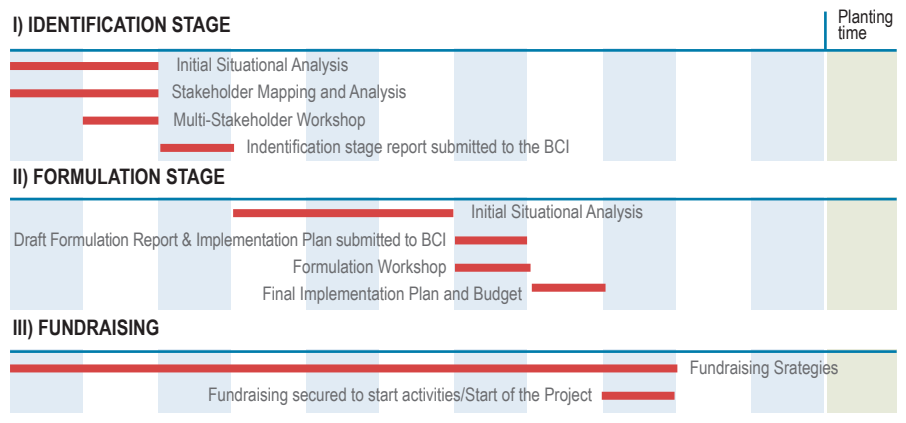
In 2010, BCI and its Implementing Partners were active in Brazil, India, Mali and Pakistan and covered 227,000 hectares. Implementing Partners brought a wealth of knowledge about social, environmental and economic sustainability, and were essential to our success last year. The Implementing Partners' role is to effectively support farmers and workers in meeting the Production Principles and Criteria and in undertaking effective self-assessment. BCI's role is to ensure that Implementing Partners have a comprehensive knowledge of the Better Cotton System in order to do this properly. Accordingly, in 2010, BCI finalised the Step-by Step Guide to Implementation and associated tools (available in French, Portuguese and English) and delivered numerous global or in-country BCI training workshops.

In order to maintain the credibility of Better Cotton, the four BCI Regional Coordinators conducted regular monitoring and 2<sup>nd</sup> Party Credibility Check visits to each of the on-going projects. The BCI Secretariat also led the 3<sup>rd</sup> Party verification process in collaboration with the Fair Labour Association. Following the training of nationally based BCI approved verifiers, 37 verification visits were conducted in 2010, representing approximately 1500 farmers.

Supply chain facilitation was also an important part of national activities in 2010 to enable the production of

segregated Better Cotton bales and BCI conducted site visits and training of participating ginners.

<b>Number of participating countries</b>	4
<b>Number of Implementing Partners</b>	Pakistan – WWF Pakistan India – WWF India, Solidaridad Brazil – ABRAPA Mali – Solidaridad <b>Total: 4 (active)</b>
<b>Number of BCI Regional Coordinators</b>	Pakistan – 2 India – 1 Brazil – 1 Mali – 1 <b>Total: 5</b>
<b>Number of participating farmers</b>	68,000
<b>Number of participating ginners</b>	29 (with 55 taking part in the training)
<b>Total Better Cotton produced (MT of cotton lint)</b>	77,185



The 3 stages prior to implementing a BCI project: Identification stage; Formulation Study and Implementation Plan; and Fundraising.

# BRAZIL

RESPECTING PEOPLE  
AND THE ENVIRONMENT

“

*Brazilian cotton farmers are committed to producing Better Cotton to ensure a better future for the next generations.* ”

[ HAROLDO CUNHA – PRESIDENT OF ABRAPA DURING THE EVENT FARM TO FASHION ]



Copyright: Andrea Aragón (ABRAPA)

Access to drinking water provided to workers in Brazil large farm context. Each hired worker receives a 5-litre bottle in order to keep his or her own water for the day.

The implementation of the Better Cotton System in Brazil started with the planting season at the end of 2010. Cooperating with state-based producer organisations in each case, ABRAPA (the Brazilian Cotton Growers Association) worked in four different states as BCI's Implementing Partner in Brazil. In the first year of producing Better Cotton, both smallholders and Large Farms participated – many being selected for their already high employment of sustainability practices. As a result, although small in number (only 49), compliance with BCI production criteria

was an impressive 100% and together they produced over 42,500 MT of Better Cotton lint. From the beginning, farmer interest in the Better Cotton Initiative was high. For most, BCI is an opportunity to gain recognition for existing practices already in place on their farms. Plans are being made to increase the number of producers and Better Cotton lint production for the next cotton-growing season. Another smallholder area will be added and supported by training on the Minimum Production Criteria.

“  
**Adidas Group has been committed to sustainable business practices in the cotton business. Our goal is to mainstream sourcing BCI cotton, increasing sourcing volumes for sustainable BCI cotton year by year.**”

[ ADIDAS ]



Copyright: BCI / Edina Moresco

**2<sup>nd</sup> Party Credibility Checks conducted by ABRAPA in Mato Grosso Producer Unit**  
 From left to right: Francieli Espada (farm office manager), Andrea Aragón (ABRAPA sustainability manager), José Alberto Espada (Farm technical manager) and Marcelma Silva (Producer Unit Goias).

### Brazil in numbers

Total number of project farmers: **49**

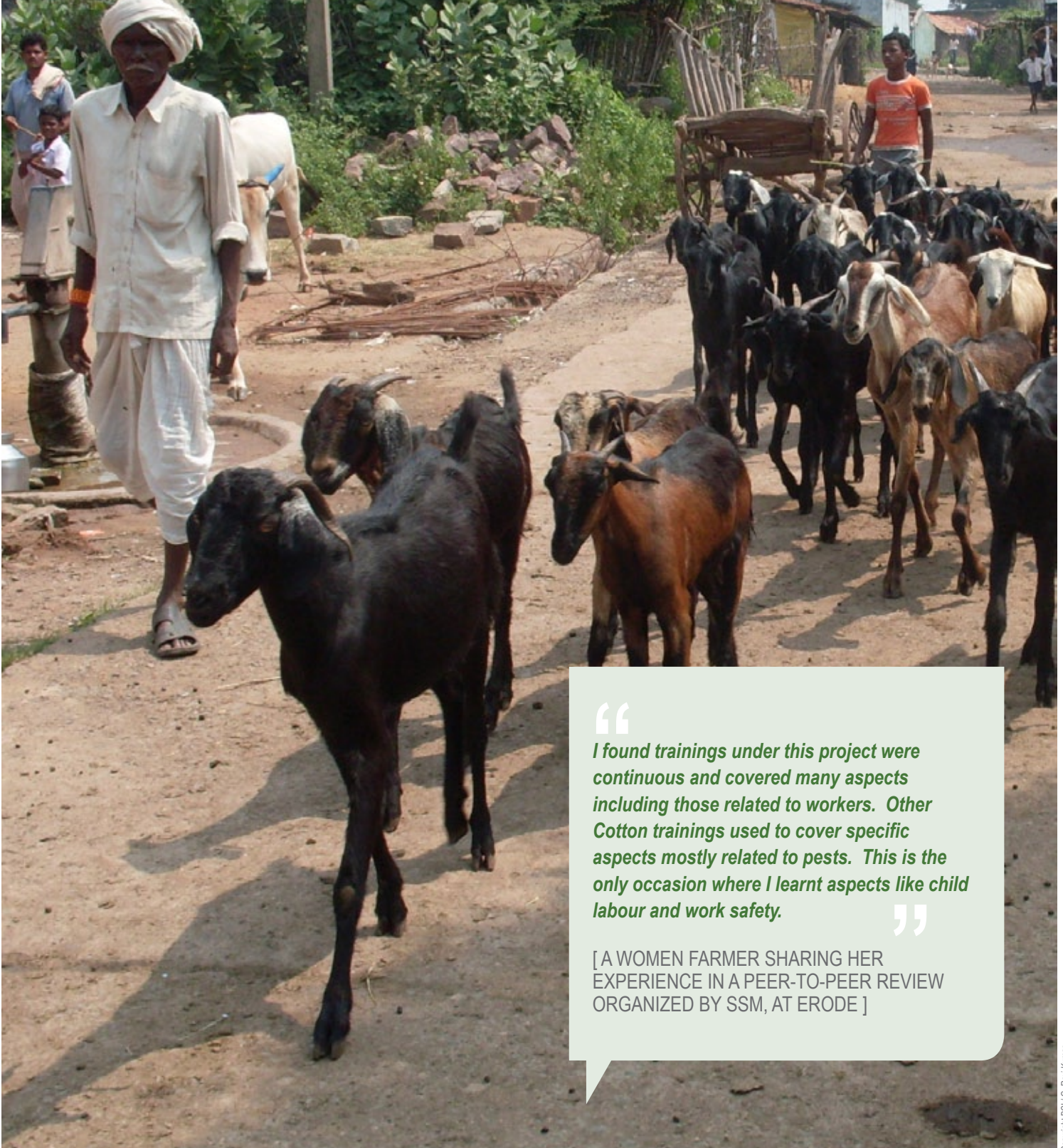
Compliance on BCI's MPC\*: **100%**

Farmers qualifying for BCI's Minimum Production Criteria:	<b>49</b>
Compliance:	<b>100%</b>
Better Cotton lint produced in 2010:	<b>42,533 MT</b>

\* Minimum Production Criteria

# INDIA

DISCOVERING A BETTER  
WAY TO GROW COTTON



“

*I found trainings under this project were continuous and covered many aspects including those related to workers. Other Cotton trainings used to cover specific aspects mostly related to pests. This is the only occasion where I learnt aspects like child labour and work safety.*

”

[ A WOMEN FARMER SHARING HER EXPERIENCE IN A PEER-TO-PEER REVIEW ORGANIZED BY SSM, AT ERODE ]



Copyright BCI/Palankaswamy/Pachagounder

Training programme for farmers under progress in one of the Learning Groups, promoted by Super Spinning Mills.

In India, BCI worked with two Implementing Partners in 2010, Solidaridad and WWF-India, who in turn supported a range of local partners to implement the Better Cotton System across eight states. These local partners are diverse, and include civil societies (MYKAPS, Action for Social Advancement, Modern Architects for Rural India), integrated supply chain actors (Arvind Mills, Super Spinning Mills, Pratibha Syntex) and other private sector agencies (Agrocel, Ambuja Cement Foundation). In total, 22,314 farmers organised into 899 Learning Groups and growing some 30,000 hectares of cotton were introduced to the Better Cotton System. Almost 60% of these farmers qualified to grow Better Cotton. In 2010, BCI conducted three training workshops for the projects:

1. *An introduction to the Better Cotton System*
2. *Overview of the Minimum Production Criteria*
3. *Decent Work*

Farmers were trained on all the Minimum Production Criteria, which resulted in creating mass awareness (especially on labour issues) and visible changes in their production practices. For example, the growing of refuge and border crops for resistance management was practised by many farmers for the first time.

BCI also undertook 2<sup>nd</sup> party credibility checks on 42 Learning Groups and arranged 3<sup>rd</sup> party checks for all projects.

### Strengthening the supply chain

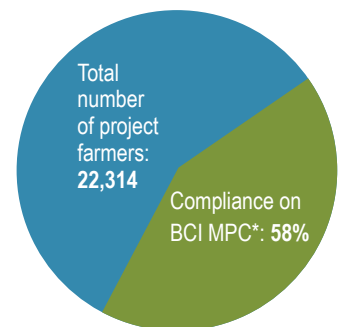
Connecting the farm (supply of Better Cotton) to the retailer (demand) presented some challenges in 2010, due in no small part to the sheer scale of the cotton supply chain in India, and the number of actors. BCI has now employed a dedicated Supply Chain Coordinator for India, as is the case for Pakistan, to better support making this connection in 2011.



Copyright N. Selvam

Growing border rows of other crops and non-GM (Bt) Cotton became a popular practice among better Cotton farmers in 2010.

### India in numbers



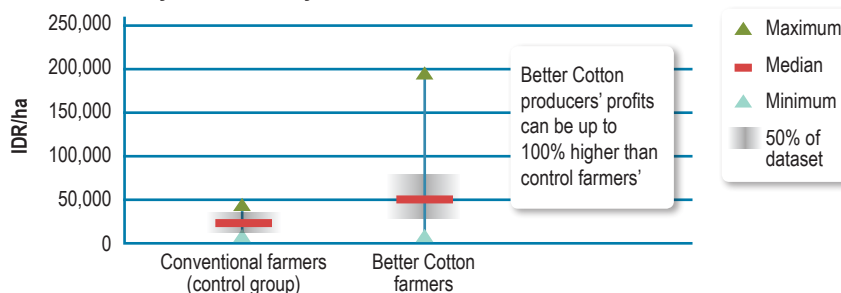
Farmers qualifying for BCI's Minimum Production Criteria: **12,871**

Compliance: **58%**

Better Cotton lint produced in 2010: **10,268 MT**

\* Minimum Production Criteria

### India case study – Profitability



While this study was performed with only a small group of farmers and can't be treated as applicable to BCI farmers in India as a whole, it is illustrative of the positive impact that the Better Cotton System can have on profitability.

# MALI

JOINING HANDS TO PRODUCE  
BETTER COTTON



“

*The Better Cotton system is very beneficial to farmers. It allows farmers to reduce the number of pesticide applications, preserve health, natural habitat and the environment. A farmer improves his income with Better Cotton.*

”

[ SAMBA GOITA, PRODUCER IN  
KARANGANA SECTOR ]

Copyright BCI/Nicolas Petit





Copyright Tala Coulibaly

The head of Karangana Sector (CMDT) and AProCA BCI Project Coordinator make a tour in Karangana Gin to look at Better Cotton Bales produced during the 2010 growing season.

On 1 June 2010, the first Better Cotton project in Africa started in the region of Koutiala, Mali. Farmers have been growing cotton here for a long time and their knowledge of production practices is good. However, in order to meet the levels of sustainability that are in line with Better Cotton Production Principles, support is needed in the areas of crop protection, soil fertility, fibre quality and Decent Work.

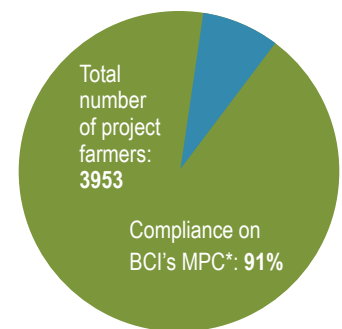
Accordingly, Solidaridad, BCI's Implementing Partner in Mali, is working closely with AProCA (the African cotton producer organisation) to coordinate project activities. AProCA, in turn, works with different local project partners such as CMDT (Compagnie Malienne pour le Développement des Textiles), FAO (Food and Agriculture Organisation of

the United Nations) and Oxfam for the implementation of field activities. In 2010, the CMDT facilitators trained 3,953 producers in Farmer Field Schools on a range of subjects including integrated pest management and Decent Work. In addition 2,581 women cotton pickers were trained on good harvesting methods. In 2011, a literacy programme in combination with management training will be provided to the different local Producer Organisations part of the UR-SCPC (Union Régionale des Sociétés Coopératives de Producteurs de Coton) and the number of farmers will increase to 10,000 from existing and new sectors.



Daouda Traoré, BCI Regional Coordinator, Madame Coulibaly, APROCA Project Coordinator and CMDT facilitators during a Credibility Check Visit in the Karangana Sector.

## Mali in numbers



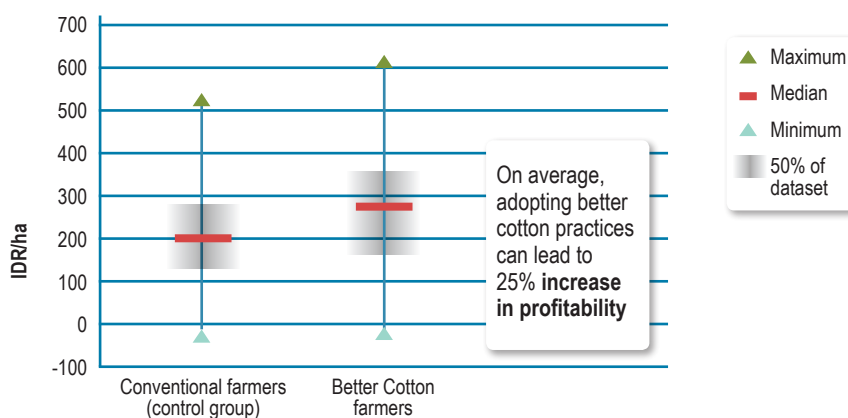
Farmers qualifying for BCI's Minimum Production Criteria: **3,610**

Compliance: **91%**

Better Cotton lint produced in 2010: **3,380 MT**

\* Minimum Production Criteria

### Mali case study – Profitability



The Mali case study, looking at a greater number of farmers than the India case study, also showed a lesser but still significant increase in profitability for BCI farmers as compared to conventional farmers.

# PAKISTAN

FIRST COUNTRY TO PRODUCE  
BETTER COTTON

“

*Our big problem was the extreme attack of sucking pests....by applying (botanical) sprays I had successful results against these pests.*”

[ MUHAMMAD SHAFIQ, FARMER IN  
RAHIM YAR KHAN DISTRICT ]



Awareness raising meeting on the use of native plants as bio-pesticides – Bitter melon, neem and other similar products work as repellent for insect pests.

For the 2010/11 season, BCI cooperated with a single Implementing Partner – WWF-Pakistan – who worked with farmers to grow Better Cotton in four regions covering six districts: Toba Tek Singh, Lodhran, Bahawalpur, Rahimyar Khan, Sukkur and Ghotki. Over 42,000 farmers in 1280 villages cultivated more than 160,000 hectares of cotton. Over 12,200 of these farmers – 30% of the participating farmers – met the Minimum Production Criteria and therefore qualified as Better Cotton farmers, and produced over 21,000 MT of Better Cotton (lint).

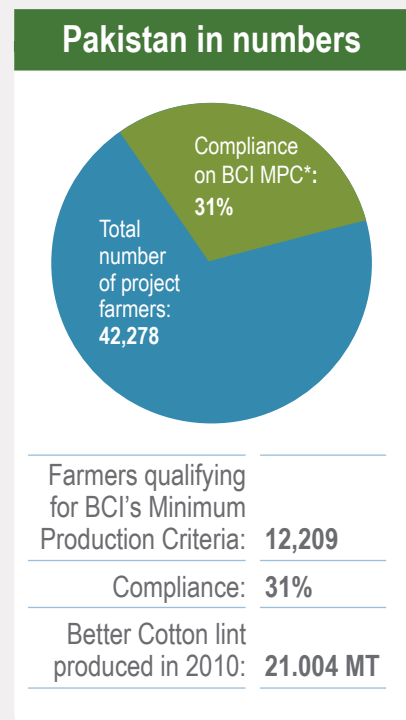
To support WWF-Pakistan staff, BCI organised four separate training sessions, covering all the aspects of how to implement the Better Cotton System. BCI's local staff also visited each district several times to meet with local WWF Pakistan staff and conducted field visits and farmers' meetings.

For ginners based in the project districts, BCI introduced the supply chain for Better Cotton in two separate workshops. Those ginners who showed an interest in participating in the Better Cotton supply chain were then trained, in small group training sessions, on the proper handling, record keeping, segregation and tracking of Better Cotton and the BCI's Bale Tracker System. A lack of technology (eg, computers, internet access) at some gin sites meant that BCI and WWF-Pakistan had to take on the responsibility for data entry. We are currently looking at ways to resolve this issue, long-term.

Next season, WWF-Pakistan will limit itself to the same regions but increase the number of farmers: an estimated 47,000 farmers, covering over 200,000 hectares and producing approximately 150,000 MT cotton lint.



Application of farm yard manure (FYM). A locally developed, low cost, sustainable way of creating and using FYM. Farmers use irrigation water flowing through FYM to first ferment it, and then to fertigate their cotton crop, thereby providing nutrition to the crop and enhancing soil fertility.



\* Minimum Production Criteria



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# ESTABLISHING THE BASELINE

BCI's farm-level Results Indicators help demonstrate the benefits that growing Better Cotton has for farmers, farm workers, cotton farming communities and the environment.

Collected from farmers every season by the Implementing Partners, BCI uses the farm-level Result Indicators to:

- determine effectiveness
- inform strategy
- improve the Better Cotton System
- be transparent/accountable about results from implementing the Better Cotton System

Implementing Partners are supposed to report on:

- Project farmers (all farmers participating in a BCI programme)
- Better Cotton farmers (farmers who qualify on BCI's Minimum Production Criteria)
- Control farmers (if available)

It is important to remember that – especially in year one – it is not possible to attribute significant changes to the Better Cotton System, as many other factors may be influencing outcomes. However, over time, we can be increasingly sure of our results.

The data collected for 2010/11 (Better Cotton's first official season) and summarised below, will be used as a baseline to measure the changes brought by the cultivation of Better Cotton.\*

## 1. Pesticide use and type (kg / hectare / season for each active ingredient):

Every producer records the names and concentrations of pesticides' active ingredients used during the season. More than 50 active ingredients were reported in the three countries.

**Notable 2010/11 outcome:** Endosulfan was not used by Better Cotton farmers in Pakistan.

## 2. Water use for irrigation (m / season / hectare):

Producers measure the volume of water used for irrigation per season. In Pakistan, nearly the entire project area is irrigated, in India a third is irrigated and in Mali no irrigation is used.

**Notable 2010/11 outcome:** A BCI project in India was able to irrigate a larger area using the same amount of water using micro irrigation techniques.

## 5. Fertiliser use and type (kg / hectare / season):

Producers record their use of fertilisers. Over 10 different types of fertilisers have been used at concentrations that vary significantly.

**Notable 2010/11 outcome:** Numerous farmers noted a significant reduction – as much as 50% – in fertiliser costs thanks to BCI methods.

## 6. Profitability of cotton production (net income / hectare / season):

Producers record their costs and income in order to calculate net profit per hectare per season. Many factors can affect profitability.

**Notable 2010/11 outcome:** Mali case study indicates that applying Better Cotton methods can lead to a 25% increase in profits.

Baseline data for the following results indicators will be collected in 2011:

- Working conditions
- Child labour
- Forced labour
- Use of health and safety precautions

These four Social Results Indicators (based on the Decent Work principle) require a different approach than the Agronomic Results Indicators. Often difficult to capture, BCI has explored various ways of assessing them and has

decided, from 2011 onwards, to collect (with the support of the Implementing Partners) two types of information for each of these Social Results Indicators:

**1) Quantitative – compliance with the BCI Production Criteria:** data on different criteria related to Decent Work (number of farmers trained, protective equipment made available to workers, etc...).

**2) Qualitative – identifying meaningful change:** this impact assessment

research would be collected by such methods as semi-structured group interviews, focus group discussions, stories and documentary-style video.

In June 2010 version 1.0 of the ISEAL Code of Good Practice for Assessing the Impacts of Social and Environmental Standards Systems was released, and it was determined that the BCI framework was generally consistent with the requirements of the Code.

\*not including Brazil

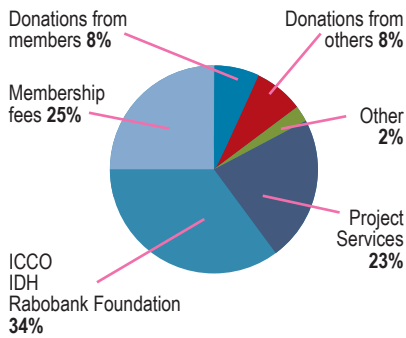
# ACCOUNTS



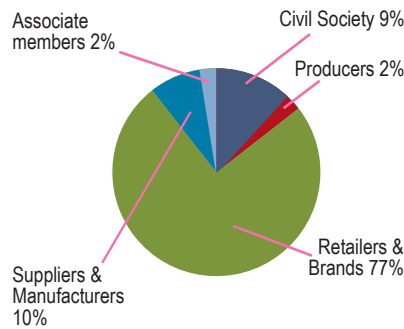
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## BCI Global / National Operations Budget Jan-Dec 2010

### Income



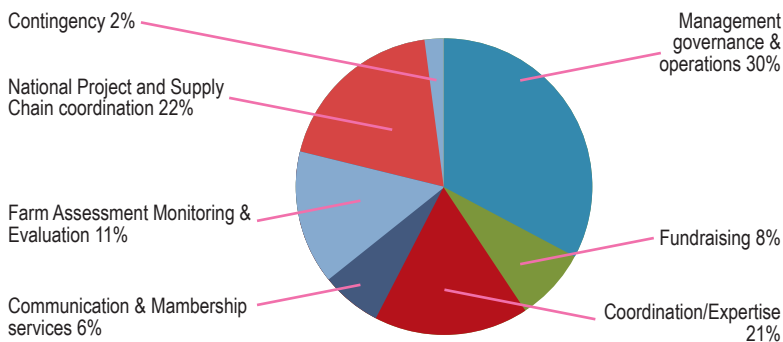
### Membership fees



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Total income in 2010 was 1,052,010 EUR. Total expenditure in 2010 was 1,155,277 EUR, against an approved budget of 1,416,582 EUR. Overall, budget was spent in line with cash available throughout the year.

### Expenditure



### Farmer support

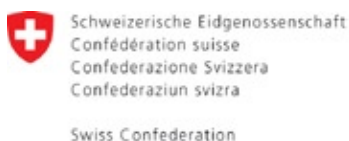
As part of their membership obligations, Retailers & Brands are required to contribute financially to Farmer Support activities. In 2010, total farmer support from BCI members was 1,335,276 EUR.

# OUR PARTNERSHIP WITH DONORS

From time taken to attend Council meetings and participation in consultations, to additional investment in evaluation and studies, our donors have made BCI a stronger, more effective organisation.

The founders of the Better Cotton Fast Track Programme, ICCO, IDH and Rabobank Foundation, not only support BCI directly, but have also created a programme and fund that have dramatically increased the pace of Better Cotton production. Together SECO, Sida and WWF Sweden have provided BCI with the insight and financial security needed to grow an effective organisation.

We take this opportunity to express our grateful thanks, from the BCI Council, Secretariat and members, for their exceptional generosity. Thank you!





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# MEMBERS\*

## Brands and Retailers Members


\* as of July 2011

## Members in other categories

### Associate Members

- Cotton Connect
- SGS
- All Pakistan Textile Mills Association
- Uster Technologies
- Textile Exchange

### Producer Organisations

- Association of Brazilian Cotton Producers
- Association of African Cotton Producers
- Farmers Associates Pakistan
- Kashtkar Development Organisation
- Kissan Dost Association
- Kissan Welfare Association
- Kissan-Dost Association

### Civil Society

- Solidaridad
- Action for Food Production (India)
- Pesticide Action Network - UK
- WWF
- Action for Social Advancement (India)
- Ambuja Cement Foundation (India)
- Cotton Incorporated
- Responsible Sourcing Network
- International Labor Rights Forum

### Suppliers and Manufacturers

- Kariwala Industries
- Arvind Mills
- Rajvir Industries
- Equity
- Winsome Textile
- Indus Group
- Chenab
- Mustaqim
- Sadaqat
- Crescent Bahuman
- Ecom Cotton Group
- Kipas Mensucat
- American Cotton Growers
- Olam
- NSL Textiles
- Maral Overseas
- Amin Textile Mill
- Kasim Textile Mills
- GTN Textiles/Patspin India
- Bimeco Garnhandel
- Ahmed Fine Textiles
- Pratima Agro
- Fazal Cloth
- Sanko Textile
- Nahar Spinning Mills
- Vicunha
- Abhishek Industries
- Patel Cotton
- Naveena Group
- Ashima Group
- Anandi Enterprises
- Huafu
- Cresox
- Orta Anadolu
- Umer Group
- TRC Candiani
- ETF Tekstil
- MARSAN
- Nishat Textiles
- NSL Cotton Corp.
- Shanghai ShenAn Textiles
- US Denim



**BCI** Better Cotton Initiative

FOR MORE INFORMATION ON BCI PLEASE GO TO:  
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