

Measuring Cotton Consumption: FAQ for Suppliers and Manufacturers

November 2020

1. What are the revised conversion factors?

The following table gives the BCI conversion factors used since mid-2013, as well as the revised conversion factors obtained from research carried out by BCI with its members in 2018 and 2019.

Yarn Type	Current conversion factors (Yarn-to-Fibre)	Revised conversion factors (Yarn-to-Fibre)
Combed (ring-spun yarn)	1.28	1.35
Carded (ring-spun yarn)	1.1	1.16
Open-End (rotor yarn)	1.1	1.11

2. Why is BCI introducing revised conversion factors?

With this new publication [‘Measuring Cotton Consumption: Conversion Factors & Multipliers’](#), BCI is providing revised conversion factors for converting the weight of cotton yarn, fabrics and end-products into weight of cotton fibre consumed to manufacture yarns.

The revised conversion factors better reflect today’s textile production environment. They were derived from survey responses received from about 200 Supplier & Manufacturer Members of BCI in a 2018-2019 survey we conducted.

From the survey data analysis, BCI is able to provide revised conversion factors for more types of yarn combed and carded yarns as well as open end yarn, allowing members to be more specific when using the BCP.

It is important for suppliers and manufacturers to note that retailers & brands do calculations based on final products and, to some extent fabrics, to carry out business projections, and evaluate targets for sourcing Better Cotton. We expect the revised conversion factors to reduce the discrepancies between the amount of BCCUs that suppliers allocate to orders and the amount of BCCUs that retailers & brands calculate for those orders. You can consult the FAQ for retailers and brands to understand how they use the conversion factors.

3. How did BCI derive the revised conversion factors / multipliers in the publication?

The revised conversion factors / multipliers published are the result of a collective work managed by BCI with its Supplier & Manufacturer (SM) Members who participated in our surveys (~200 respondents), as well as numerous discussions with industry experts and

Textile Exchange. BCI also consulted with a Retailer & Brand (RB) Member Advisory Group on this work.

For more details on the methodology, please see the document [‘Measuring Cotton Consumption: Conversion Factors & Multipliers’](#).

4. Who do the revised conversion factors apply to?

The revised conversion factors mainly apply to:

- retailers and brands (members and non-members) wanting to calculate how much cotton fibre is used in their business as well as how many BCCUs they can expect as they set targets and place BCI orders
- suppliers who are non-manufacturing entities and who want to calculate the cotton fibre consumption of their products
- suppliers who are manufacturing entities wanting to evaluate their overall Better Cotton needs

It is important to note that suppliers who are manufacturing products must transfer BCCUs via the BCP by declaring their actual input materials. Based on the inputs of yarn type and yarn volume, the BCP will automatically apply the right conversion factors to determine how many BCCUs correspond to actual transactions. It is important to note that the BCP only uses conversion factors that apply to yarn.

5. Is the ‘Measuring Cotton Consumption: Requirements & Guidance’ document applicable to suppliers & manufacturers?

No. [‘Measuring Cotton Consumption: Requirements & Guidance’](#) is only applicable to BCI Retailer & Brand Members. It sets the requirements for Retailer & Brand Members to calculate and verify their annual cotton fibre consumption. Suppliers and manufacturers are not required to do this calculation. However, it can be insightful for suppliers and manufacturers to understand the process that the retailer and brands are using to assess their Better Cotton Sourcing needs i.e. it helps with understanding customer needs.

BCI is updating the revised yarn conversion factors in the BCP on 4 January 2021, so suppliers and manufacturers will see a change in BCCU volumes to be transferred with the product. **Please recall that the BCP only applies conversion factors at yarn level.**

6. What are main features of the ‘Measuring Cotton Consumption: Requirements & Guidance’ document?

The new document [‘Measuring Cotton Consumption: Conversion Factors & Multipliers’](#) explains what cotton consumption means, what factors should be considered when calculating cotton consumption, it provides revised conversion factors for different production processes and for different product types, including for the first time for BCI, a new conversion factor for open-end yarns.

BCI is updating the revised yarn conversion factors in the BCP on 4 January 2021, so suppliers and manufacturers will see changing BCCU volumes to be transferred with the product. Be aware that the BCP only applies conversion factors for yarn.

7. When will these revised conversion factors become applicable?

For suppliers and manufacturers, the revised yarn-to-fibre conversion factors can be used to assess their Better Cotton sourcing for the current cotton buying season as they may have some impact on sourcing.

However, it is important to note that BCI will only update the conversion factors in the Better Cotton Platform (BCP) on 4 January 2021. This means that from 4 January 2021, all transactions in the BCP will be based on the revised conversion factors which are different and higher than what is in the BCP since 2013. The BCP only uses conversion factors that apply to yarn.

Yarn Type	Current conversion factors (Yarn-to-Fibre)	Revised conversion factors (Yarn-to-Fibre)
Combed (ring-spun yarn)	1.28	1.35
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8. Our waste (fibre loss rates) from lint to yarn is not as high as the rates that you provide in the document.

BCI conducted a survey of its Supplier & Manufacturer Members in 2018-2019 and 200 Suppliers & Manufacturers from various countries responded. The revised conversion factors represent uptake by spinners based on cotton from key countries. The Better Cotton Platform (BCP) uses average conversion factors and does not distinguish between countries of origin. All spinners should therefore use BCI's conversion factors for consistency when planning their sourcing requirement.

9. If BCI Retailer & Brand Members calculate the expected BCCUs by converting from their end-product weights, and we provide them with BCCUs according to the actual input materials that we used, there will likely be some discrepancies between the two figures. What do I do if my customer is not getting the BCCUs they expect?

Such discrepancies between BCP inputs and what retailers and brands calculate are expected to happen and we have passed on this message to retailers and brands. There will always be some discrepancy between this and the amount of BCCUs that suppliers are sending via the BCP. This is explained in Section 5.1. of ['Measuring Cotton Consumption: BCI Conversion factors and Multipliers'](#).

Suppliers must agree with their customers on the BCCU coverage they will be supplying and deliver against them e.g. if you agreed to source your customer's entire cotton containing order as Better Cotton, you need to enter the transaction as a 100% BC allocation on the BCP. This is the best way to reduce discrepancies for your customer. Then, refer your customer to Section 5.1. of ['Measuring Cotton Consumption: BCI Conversion factors and Multipliers'](#).

10. By the date of implementing new request, as suppliers, we still have a BCCU inventory received from suppliers before 2021 based on the current conversion factors, but my customers request me to transfer the BCCU according to revised conversion factors. What is BCI expecting us to do?

The reason we are communicating these changes to you now is for you:

- to prepare for them during the current buying season using the revised conversion factors for your forecasts
- to estimate the variances (~ 5 - 6%) for your orders
- to inform your customer on time that you cannot provide 100% allocation for already placed orders that spill-over into 2021.

11. Do I need to calculate the cotton consumption for my product using these revised conversion factors?

No. The revised conversion factors will be updated in the BCP on 4 Jan 2021 and it will automatically calculate product allocations for manufacturing entities.

For non-manufacturing entities, these factors help with BCCU forecasts.

It is important to note that the BCP only uses conversion factors that apply to yarn.

12. Is BCI offering training on these new requirements?

Yes, BCI will be publishing updated materials, communications, and training webinars for suppliers on the revised conversion factors and BCP update. Look out for invitations and messages from Better Cotton Initiative. More information on support available will be available in November 2020.