

Better Cotton Production Principles and Criteria – Terms of Reference

Title:	Better Cotton Production Principles and Criteria- Terms of Reference
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1. Orientation

This document provides a Terms of Reference for the Better Cotton Production Principles and Criteria. This includes why the Principles and Criteria are needed, why Better Cotton is unique in the sector, the objectives and outcomes of the Production Principles and Criteria, the revision process and risks and mitigation strategies for implementing the Principles and Criteria.

2. Why are the Better Cotton Production Principles and Criteria needed?

Cotton is one of the most important and widely grown crops in the world. It is estimated that nearly 35 million hectares are under cotton cultivation, representing about 2.5% of the world's arable land. About 80 countries produce cotton on a commercial scale and more than 90% of cotton farmers live in developing countries on farms of less than 2 hectares. Nearly everywhere it is grown cotton represents an important cash crop for farmers and an economically valuable part of the total national economy. Cotton is for millions of people, in some of the world's poorest countries, a vital and unique link to the global economy. The International Cotton Advisory Committee estimates that there are about 300 million people who work in the wider cotton industry each year.

There are various negative social and environmental impacts associated with cotton cultivation worldwide that undermine its sustainability. Attention is needed at the farm level where serious impacts on people and the environment can occur. Inefficient irrigation techniques, poor cultivation practices, and improper use of pesticides and fertilizers threaten the availability of clean water, soil fertility, human health and biodiversity. As well as the health and safety impacts related to pesticide use, socio-economic impacts have been reported to include arduous working conditions (particularly for women workers), child labour and forms of forced or bonded labour, as well as indebtedness due to high input prices, crop failure, delayed payment and/or unaffordable rates of interest.

Achieving improvements in the social and environmental conditions of cotton production is essential for human and environmental health, the livelihood of millions of people worldwide, and the future of the commodity. The negative effects of using agricultural soils and water resources for cotton production need to be significantly reduced, and production methods need to respect the principles of long-term sustainability. From a social point of view, farmers and workers need to be able to earn their living from growing cotton, without having to take unacceptable risks.

Since 2006, the Better Cotton Initiative (BCI) has been working with organisations from across the cotton supply chain and interested stakeholders to facilitate a solution for the mainstream cotton sector. The BCI's philosophy is to develop a market for a new mainstream commodity: 'Better Cotton' and thereby transform the cotton commodity to bring long - term benefits for the environment, farmers and other people dependent on cotton for their livelihood.

3. What is unique about Better Cotton?

Better Cotton is different from other initiatives in a number of ways:

- » It addresses sustainability holistically, combining environmental, social and economic issues in one integrated programme
- » Its goal is to transform mainstream cotton production

- » BCI is committed to measuring the impact of Better Cotton at farm level
- » It engages and supports all cotton supply actors, from producers to retailers
- » BCI provides a central digital repository of Better Cotton bales with unique bale identification codes
- » Supply creation is balanced by active efforts in creating sufficient demand

4. Objectives and outcomes of the Production Principles and Criteria

Objectives:

1. To describe the broad areas under the control of the farmer that need to be addressed by the farmer for the production of Better Cotton at the global level.
2. To provide a greater level of detail on the specific areas to be addressed within each Production Principle.
3. To determine the level of commonality of the issues addressed by producing Better Cotton worldwide

Outcomes:

The social and environmental outcomes of the Production Principles and Criteria, and the sustainability issues addressed, are captured in the following principles of 'Better Cotton':

- Better Cotton is produced by farmers who minimise the harmful impact of crop protection practices.
- Better Cotton is produced by farmers who use water efficiently and care for the availability of water.
- Better Cotton is produced by farmers who care for the health of the soil.
- Better Cotton is produced by farmers who conserve natural habitats.
- Better Cotton is produced by farmers who care for and preserve the quality of the fibre.
- Better Cotton is produced by farmers who promote Decent Work.

These social and environmental outcomes are expected to interlink with positive economic outcomes for cotton farmers, in which the adoption of better practices reduces the cost of agricultural inputs while increasing yield and fibre quality, enabling an increase in financial profitability.

6. Revision Process

At a maximum, the period between reviews shall not exceed five years. The date of the next scheduled review shall be made publically available. For full details regarding the revision process for the Production Principles and Criteria please see 'The Better Cotton Production Principles and Criteria standard setting and revision procedure' document.

7. Assessment of risks in implementing the Production Principles and Criteria and risk mitigation

The following table identifies key risks to the Better Cotton Production Principles and Criteria and describes BCI’s strategy to mitigate these risks.

Key Risks	Strategy to Mitigate
Lack of farmer understanding or incentive to conform	BCI places particular emphasis on the importance of regular engagement and capacity building of Better Cotton farmers by our Implementing Partners. This helps to ensure that farmers understand the Better Cotton Standards System, their role in the Standards System and the rationale for becoming a Better Cotton farmer and continuously improving.
Lack of personnel competence (skills, knowledge or attributes)	BCI has strict criteria for assessing and selecting Partners with whom to work with. This is backed up through regular capacity building support for Partners, to ensure that staff have the sufficient knowledge and skills to managed Better Cotton projects.
Lack of 3rd party verifier capacity	The BCI Secretariat is responsible for the identification and training of verifiers, to ensure that they have the capacity to carry out verification successfully. In countries where there is not adequate 3 rd party verification capacity, international verification bodies are contracted with a proven track record.
Potential for false claims in the self-assessment process	Many of the most important benefits of being a Better Cotton farmer are derived from cost savings associated with reduced inputs (e.g. reduced use of pesticides, commercial fertiliser, irrigation water etc.) and enhanced profitability (e.g. increased yield, etc.). There is no price premium for BC, therefore if a farmer makes a false claim in their self-assessments they are primarily ‘cheating themselves’ and losing out on the direct benefits of Better Cotton production for increased profitability. This is clearly and repeatedly communicated to farmers by Partners though it is recognised that there is still a risk that farmers will make false self-assessments. The peer review, 2 nd party credibility check and 3 rd party verification processes are designed to maximise the likelihood of identifying false claims. Substantial effort is made by BCI and its Partners to ensure that throughout the farmer, learning group and producer unit level, all are aware of the negative consequences of falsifying self-assessment claims, and that this risks disqualification from producing Better Cotton. The Better Cotton Assurance Program has a number of mechanisms in place to reduce the risk of false claims and a risk assessment methodology is applied consistently.