



# Better Cotton Initiative and Smallholders

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The slide features a background image of a cotton field with rows of green plants and reddish-brown soil. A green arrow-shaped graphic points from the left towards the title.



- ❖ 99% of cotton farmers are Smallholders
- ❖ About 75% of cotton is produced in developing countries

The slide features a background image of a woman wearing a red headscarf and a patterned sweater, sitting and handling large amounts of white cotton lint. A semi-transparent grey box is overlaid on the image, containing the two bullet points.



**Making global cotton production better for the people who produce it, better for the environment it grows in and better for the sector's future.**



**Built around the needs and challenges of smallholder farming**

- » Governance
- » Standards
- » Capacity building / producer support
- » Assurance
- » Investment model



## BCI and smallholders in numbers

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SH account for **99.5%** of Better Cotton **farmers**

SH account for **65.8%** of Better Cotton **Area**

SH account for **49.1%** of Better Cotton **volume**

## The business case for Cotton smallholders

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Higher yields

*combined with*

Lower input costs

*leads to*

Better profits and better livelihoods



## The business case for Cotton smallholders

	India	Pakistan	Mali	China
Yield	↑ 18%	↑ 15%	↑ 8%	↑ 11%
Water	↓ 14%	↓ 14%	Rain-fed	↓ 23%
Pesticides	↓ 23%	↓ 24%	↓ 55%	↓ 10%
Synthetic Fertilisers	↓ 28%	↓ 17%	→ -2%	→ -1%
Organic Fertilisers	↑ 22%	↑ 85%	↑ 46%	↑ 42%
Profits	↑ 44%	↑ 42%	↑ 14%	↑ 37%

## Governance and Smallholders

- SH's interest and expertise represented in membership and council.
- Healthy balance in Large Farms Vs. SH supply insured by dual global targets:
  - 8.2 million MT cotton lint in 2020
  - 5 million farmers in 2020

## The BCI Standards and Smallholders

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### One unique global standards

- 6 production principles broken down into generic criteria

### 3 farmer categories

- Small holders
- Medium farms
- Large Farms

## Capacity Building and Smallholders

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- BCI relies on **Implementing Partners**

- Better Cotton Fast Track Programme as **Farmer Support Fund**.

## Assurance Program

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- Two distinct approaches for different farm categories
- For Smallholders:
  - Organised into Producer Units (appr. 3,500)
  - “New generation” assurance program

## Investment Model

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- Currently in transition.
- Need to balance Large Farm vs SH supply growth
- Volume-based fee paid by brands and retailers on all Better Cotton Sourcing
- Feed into a producer support fund

