



COTTON OUTLOOK

NEWS • DATA • ANALYSIS



WORLD COTTON DAY 2024



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The stakes are high for cotton



Mike Edwards,
Editor,
Cotton Outlook

Much of the subject matter of this, our fifth Special Feature devoted to World Cotton Day, is inevitably influenced by recent developments related to the climate crisis. Until recently, most of the debate has focused – understandably and rightly – on the implications and challenges of climate change for cotton producers. A rapidly emerging issue, however, is the impact of the transition to net zero on cotton consumption.

For a number of years, the narrative surrounding cotton and sustainability ran broadly as follows: ‘consumers are becoming ever more environmentally conscious and require more information with regard to the provenance of their textile fibres and the credentials of each in the realm of sustainability. It is in the interests of brands and retailers to rise to this challenge.’ The extent to

which this was ever the case is contested by some but the debate is becoming academic. The bottom-up dynamic is rapidly being replaced by top-down initiatives driven by a recognition on the part of governments of the imperatives imposed by the transition to net zero. By far the most significant to date is the EU’s textile strategy, launched in March 2022, which envisages a transformation of the sector by 2030. Where Brussels leads, it is commonly assumed, other jurisdictions may choose to follow.

That being the case, the continuing proliferation and incremental growth of cotton sustainability initiatives is being overtaken by a quasi-legislative process that promises to hold textile manufacturers to account in relation to (amongst other things) the sustainability and traceability of their fibre choices. The stakes for cotton have



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thus been abruptly raised. Small wonder then that several of our contributions to this publication, should dwell on the implications of the shifting landscape described above.

Some in our industry have been swift to grasp the scale and urgency of the challenge posed by the egregious flaws and omissions in the methodology by which the environmental impact of a textile item is currently assessed. For others, perhaps in part because of the Byzantine complexity of the EU processes involved, it seems that the realisation is only slowly dawning. Efforts to make the case for cotton in Brussels are said to be intensifying, complementing the more proactive approach of the wool sector and Make the Label Count initiative, with which cotton advocates are making common cause.

There are welcome signs that the industry's consciousness is moving beyond the constraints of national interest. Cotton Incorporated has of course long been a champion of cotton for the benefit of all producers. This year, the three major exporters to the world market, the United States, Brazil and Australia signed a Memorandum of Understanding at the centenary gathering of the American Cotton Shippers' Association. Will these and other actions be sufficient and timely enough to avert the worst consequences for cotton?

As Bill Ballenden argues persuasively, robust data will be required if the case for our fibre is to be made successfully. Access to data will also be the key to supply chain traceability, a further source of jeopardy for cotton in the context of the reporting requirements enshrined in the EU's vision. Self-evidently, this is a more daunting challenge for the long and fragmented cotton textile supply chain than for the oil-based and much more concentrated synthetic sector.

Even within the cotton industry, it is clear that traceability information is more easily generated in developed cotton-producing countries than in developing nations, where small-holder production is the norm. Major exporters such as Brazil and the United States have already begun to make progress in this regard.

Regardless of the credentials of natural or synthetic fibres in terms of sustainability, the practical and commercial difficulties associated with cotton traceability risk an adverse outcome if a preference for more easily traceable synthetics offers the 'path of least resistance' to the brand or textile manufacturer.

Meanwhile, valuable efforts continue to promote cotton and raise awareness of its attributes by binding together the hitherto rather fragmented links in the cotton-textile supply chain. The highly successful Brazilian initiative exemplifies what can be achieved at a national level when energy and imagination are deployed in the service of cotton.

Global cotton consumption is currently, by our estimation, languishing well below the levels attained at various points earlier in the century. The steady and broadly predictable growth that characterised the second half of the 20th Century, driven by demographic and economic expansion, has given way to a succession of shocks and an altogether less reassuring environment. Macro-economic and geopolitical influences have clearly acted as a brake on recovery but economic factors alone will not be sufficient to reverse the decline of cotton's market.

World Cotton Day encourages us to celebrate all that is good about cotton. Let it also galvanise a vigorous defence of our fibre's contribution to meeting the environmental challenges currently facing the globe.

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“Cotton for Good” has never been a more appropriate theme for World Cotton Day



Mike McCue,
Director of Communications,
International Cotton Advisory Committee

October 7 marks a significant day for cotton advocates worldwide as we celebrate World Cotton Day. Established in 2019, this annual event underscores the importance of cotton in our global economy and highlights its myriad benefits, to both people and the planet.

World Cotton Day was conceived to shed light on the critical role cotton plays in alleviating poverty, empowering women, promoting sustainability, and supporting economies. Since its inception in 2019, the day has grown in significance and scale, drawing attention to the challenges and opportunities within the cotton industry.

In 2021, the United Nations formally recognized October 7 as “World Cotton Day,” reserving the day on its permanent calendar. The official recognition by the United Nations

in 2021 was a monumental step. This acknowledgment not only heightened the visibility of the event but also underscored the global importance of cotton. By reserving October 7 as World Cotton Day, the UN emphasized its commitment to promoting sustainable practices within the cotton industry and supporting the millions of people whose livelihoods depend on it.

The benefits of cotton

World Cotton Day is not just a celebration; it’s an opportunity to highlight the numerous benefits that cotton provides:

- **Poverty alleviation:** Cotton plays a crucial role in poverty alleviation. Every tonne of cotton provides full-time, year-round employment for five people. This is particularly significant in developing countries where job opportunities can be scarce.





the first-ever World Cotton Day celebration was held at World Trade Organization headquarters in Geneva the following year. More than 800 people from around the world traveled to Geneva for the inaugural event in 2019, which was organized by the other Founding Organizations of World Cotton Day: the Food and Agricultural Organization, International Trade Centre, United Nations Conference on Trade and Development, and the WTO. At this event,

there were Ministers from a dozen countries as well as countless senior officers from member governments. World Cotton Day has been celebrated every year since, with cotton and textile professionals around the world organizing their own online and in-person events.

World Cotton Day, which carries the theme, “Cotton for Good,” was created for several primary purposes:

- **Women’s empowerment:** An astonishing 43% of cotton farmers worldwide are women. By providing employment and income, cotton farming empowers women and contributes to gender equality. This empowerment extends beyond economic benefits, giving women greater autonomy and decision-making power within their communities.
- **Biodegradability:** In a world grappling with plastic pollution, cotton stands out as a beacon of sustainability. When discarded, cotton products biodegrade quickly, returning nutrients to the soil in weeks. In contrast, synthetic clothing can take decades or even centuries to break down, contributing to environmental degradation.
- **Carbon sequestration:** Cotton cultivation contributes to carbon sequestration. While every kilogram of cotton produces 1.7 kilograms of CO₂ during cultivation, it also absorbs 2.2 kilograms of CO₂ in its biomass. This makes cotton a net carbon sink, playing a crucial role in mitigating climate change.

- To promote and potentially increase demand for cotton globally.
- To refute the myths, lies, and misunderstandings about cotton that are so prevalent in the media by promoting the #TruthAboutotton.
- To increase collaboration between businesses and organizations around the world to the betterment of cotton.

Lastly, and most importantly, World Cotton Day is a celebration of cotton! From its inception, it was always intended to be positive, fun, and interesting. Given the many threats our planet faces, sustainability is a serious business. If we continue down the path of fast fashion and synthetic fibers, the outlook will grow dimmer by the day.

But that is exactly why, on October 7 of each year, the global cotton and textile industry deserves to shout about all the good things cotton brings to us on a daily

About World Cotton Day

World Cotton Day is a concept that was born at the ICAC in 2018 and



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basis. The more we turn toward natural fibers like cotton and away from oil-based, synthetic fibers, the more sustainable the future will be — every day of the year, not just one.

Cotton continues to be plagued by myths and mistruths in the media — social media in particular — and in its battle with synthetics for market share has continued to trend downward. When we say, “Cotton needs your help,” we mean it!

And the world needs cotton’s help in return, for all of the reasons mentioned previously. Working to educate people about cotton and promote the world’s most important natural fiber on October 7 each year has already helped to change the narrative, so please make sure your voice is heard on this, and every, World Cotton Day.

World Cotton Day 2024: a celebration of firsts

The upcoming 2024 celebration promises to be a landmark event filled with several notable firsts. Hosted for the first time in a specific country rather than at an international organization, this year’s event will take place in Cotonou, Benin. This choice is significant for several reasons:

First time in a country: Holding the event in Benin, a major cotton-producing nation, provides a tangible connection to the roots of the cotton industry. It allows participants to witness firsthand the processes and challenges faced by those who cultivate and process cotton, which is of tremendous importance to the C4+1 countries: the host, Benin, Burkina Faso, Chad, Mali, and Côte d’Ivoire.

First time in the Global South: This year’s celebration marks the first time World Cotton Day will be held in the Global South. This is a profound acknowledgment of the critical role that developing countries play in the global cotton industry. It also provides an opportunity to spotlight the unique challenges and opportunities these nations face.

First multi-day celebration: For the first time, World Cotton Day will extend over multiple days. The festivities will kick off with an opening reception on October 6, followed by an all-day business and investment forum on October 7. Attendees will also

have the opportunity to visit the nearby Glo-Djigbé Industrial Zone (GDIZ), a public-private partnership between the Republic of Benin and ARISE IIP. The GDIZ is dedicated to the local transformation of agricultural products, including cotton, cashews, pineapples, shea nuts, and soybeans.

Phlebotomy (15 mins)

📅 Date:	15-07-2022
🕒 Starts at:	07:15
🕒 Ends at:	07:30
📍 Location:	South Liverpool Treatment Centre (SLTC), 32 Church Road, Garston, Liverpool
👤 Category:	Adult
🔖 Booking code:	0b2e94j5i
📌 Status:	Confirmed

Highlights of the GDIZ visit

The visit to the Glo-Djigbé Industrial Zone is poised to be one of the highlights of the 2024 celebration. This industrial zone is a testament to the potential of public-private partnerships in driving economic growth and development. By focusing on the local transformation of agricultural products, the GDIZ plays a crucial role in value addition, job creation, and sustainable development.

The GDIZ serves as a model for how industrial zones can drive economic development by creating jobs and promoting local industries. For cotton, in particular, the transformation process within the GDIZ ensures that more value is retained within the country, benefiting local communities.

In addition to its economic impact, the GDIZ also promotes sustainable practices. By focusing on the local transformation of agricultural products, the zone reduces the carbon footprint associated with long-distance transportation and promotes environmentally friendly practices.



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Sustainability initiatives: regeneration and traceability to the fore



Ruby McGrath,
Trade and Markets Reporter,
Cotton Outlook

As discussed in last year's edition of this feature, a diverse range of initiatives have emerged over recent years that seek to promote, track and certify sustainable practices in the cotton supply chain. Consumers are increasingly aware of the effects of pollution and climate change, as well as the unnecessary waste resulting from our consumption habits, and the garments and textiles we produce and purchase are no exception.

Therefore, there is growing demand – and upcoming legal requirements as detailed elsewhere in this feature – for cotton products produced with fewer inputs and less impact on the environment. The need to verify such credentials has also resulted in the proliferation of traceability solutions to track cotton through the supply chain, offered by many of the initiatives reviewed here and others. The latest sustainability 'model'

to have emerged favours regenerative agricultural practices as the preferred route to achieving more environmentally friendly production, focusing on the preservation of soil health and biodiversity, as well as the reduction of carbon emissions.

While last year's exploration of the major initiatives sought to summarise the differing scopes, methodologies and solutions offered, here we examine the progress made in recent seasons, some of the new projects or developments that have arisen over the past year, as well as the challenges they face.

The International Cotton Advisory Committee reports that cotton production under 'identity' programmes (including the major ones discussed here, as well as others) amounted to 7,059,000 tonnes in the 2022/23 season, around 29 percent of global output. The figure was slightly



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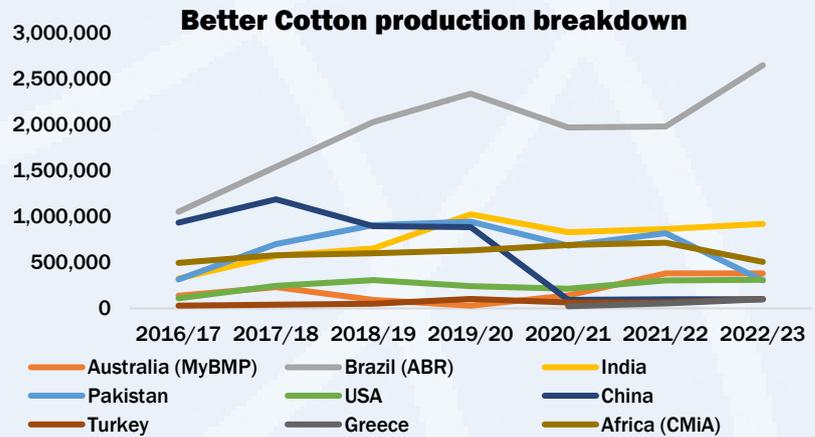
below that for the previous season but as a proportion of total production was one percentage point higher than in 2021/22.

Better Cotton (BC) is a non-profit initiative and remains by far the largest in terms of production, accounting for approximately 21 percent of world output in 2022/23, including benchmarked programmes such as Brazil’s ABR and Australia’s myBMP. The organisation increased its production by one percent year-on-year, to 5.47 million tonnes in the 2022/23 season following a 15-percent increase in the previous season. However, Better Cotton as a proportion of world output declined by one percentage point on a yearly basis, as global production rose by a greater margin.

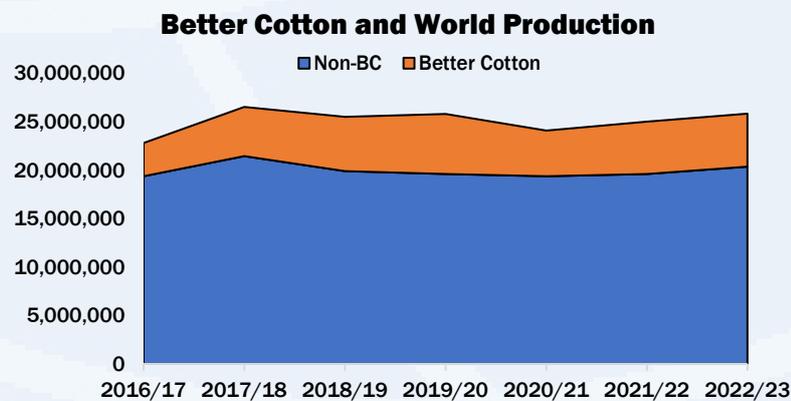
Prior to 2020/21, the volume of BC certified cotton had grown at a steady pace. The drop in that season was partly attributed to the Covid-19 pandemic, weather and market difficulties, as well as changes to the programme.

(86-percent rise to 100,500 tonnes) and Turkey (57 percent to 104,900).

Seasonal changes may of course be explained in part by fluctuations in the overall volume of production in each country, perhaps as a result of increased or decreased total planted acres, weather conditions and pest issues.



Beyond production, Better Cotton introduced its own traceability solution shortly after last year’s World Cotton Day, aiming to facilitate the tracking and verification of its certified cotton from the ginning to retail stages. The organisation also noted that it plans to expand the project in the coming years to add Life Cycle Assessments, intended to calculate environmental impacts, and proposes to compensate farmers for field-level progress.



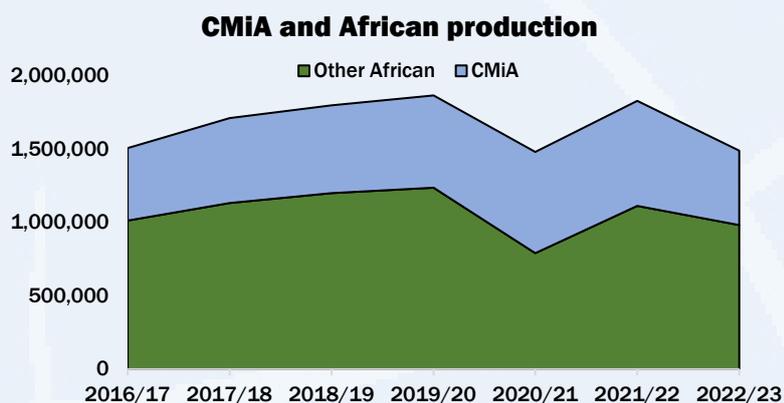
All of the major Better Cotton growing countries maintained or increased their certified output in 2022/23, except for Pakistan and those in Africa under CMiA (more of which below). Brazil, accounting for the largest share of Better Cotton (2.64 million tonnes in 2022/23), increased its certified production by 34 percent compared with the previous season. Other countries also recorded substantial advances, such as Greece

Another non-profit, Cotton Made in Africa (CMiA) of the Aid by Trade Foundation, works in ten cotton-growing countries in Africa and accounted for approximately two percent of global output in 2022/23 with 508,000 tonnes of cotton produced and certified under its standard. That marks an almost 29 percent decline from the previous season, despite having grown steadily before then. However, cotton output in the African continent as a whole declined significantly in that season, as substantial quantities in certain West African countries were damaged by jassids. The continent is also increasingly vulnerable to unreliable rainfall and droughts.



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CMiA nonetheless expanded its scope of work over the year in view, including the launch of the Regenerative Cotton



Standard by the Aid by Trade Foundation. Producers that are already CMiA certified can adapt to the new standard and those that are not can begin with it before working towards CMiA accreditation in addition. The Standard involves ten principles guided by regenerative agriculture practices, including improving soil health and climate protection with a focus on the smallholder farmers who account for the vast majority of cotton production in Africa. The organisation also continued work in its Community Cooperation Programme to improve the living conditions in growing communities, as well as its Carbon Neutral initiative, organic certification, and a soil health project.

Meanwhile, the newer US Cotton Trust Protocol (USCTP) works with growers in the United States and has a global membership comprised of mills, manufacturers, brands and retailers. The initiative aims to promote, encourage and verify improvements made by growers on certain metrics regarding cotton production, including land use, soil health, greenhouse gas emissions and energy consumption. The Protocol has also expressed its commitment to research into and implementation of regenerative agricultural practices beyond those already measured by the organisation.

Cotton production under the USCTP increased significantly in 2021/22 following its pilot the year before, but output subsequently declined to 1.55 million bales (approximately 337,000 tonnes) in 2022/23. However, the acres

enrolled had risen from 1.1 million to 1.28 million, and its certified production as a proportion of US output as a whole rose from 10 to 11 percent – demonstrating the much lower volume of cotton produced in the 2022/23 season as a result of drought in Texas.

For 2023/24, 1.7 million acres were enrolled under the programme, representing around 23 percent of the total in the US and consolidating an upward trajectory. However, 1.52 million bales had been uploaded as of January 2024, slightly behind the previous year’s total. Nonetheless, US production is forecast to recover

in 2024/25, so the volume produced under the USCTP may too increase if the upward trend in enrolled acres continues.

In the meantime, the Protocol is encouraging its growers to also join the US Climate Smart Program that similarly promotes good environmental practices. In 2022/23, 48 percent of USCTP producers applied for the Program. Furthermore, its traceability solution, the Protocol Consumption Management Solution, enables tracking of its cotton through the supply chain and recorded a milestone of 18 million articles last year.

The China Cotton Sustainable Development Programme (CCSD) was launched jointly by the China Cotton Association and various other garment and textiles associations in 2021. The Programme seeks to reduce environmental impacts in the supply chain, improve cotton quality and facilitate traceability. Under the CCSD, 90,000 tonnes of cotton were produced in 2021/22 and the estimated total for 2022/23 is 170,000 tonnes.

Transnational initiatives (in addition to BC) meanwhile include the REEL cotton programme of Cotton Connect, which works with growers in a variety of countries, allowing them to reduce inputs and improve environmental practices as well as yields and profits. It also offers an organic cotton programme and introduced a regenerative cotton pilot in India in 2022/23. Under its traceability solution, TraceBale,





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just over 170,000 tonnes of lint were traced in that season.

There are also a notable range of organisations involved in the promotion of organic cotton, such as the Textile Exchange (TE), Global Organic Textile Standard (GOTS), and Organic Cotton Accelerator (OCA). Organic production prohibits the use of GMOs and chemicals such as synthetic fertilisers and pesticides with the aim of protecting soils, biodiversity and the environment. As highlighted in last year’s feature, however, the various organisations can differ in the emphasis placed on particular aspects of and approaches to the transition to organic.

OCA disclosed that 91,000 hectares were planted and 87,000 tonnes of seed cotton were procured under the initiative in 2022/23, up from 78,000 ha and almost 66,000 tonnes in the previous season. The organisation also highlighted the premiums paid to its growers.

Overall, therefore, a positive growth trend can be observed regarding the wide range of sustainability initiatives in the cotton industry. However, while the organisations work to promote sustainable, certified cotton and expand their output and scope, they must also contend with the problems and setbacks faced by the whole sector. In the context of declining world cotton prices and stagnant yields in certain countries, the economic sustainability of cotton production is under some pressure.

In addition, an improvement of demand for garments and textiles has largely failed to materialise over the past year, and mixed economic data suggest a marked pickup may still be some way off. At the same time, cotton as a whole continues to struggle for market share against man-made fibres. As alluded to elsewhere in this edition, the need to promote the sustainable attributes of cotton – certified or otherwise – is as important as ever.



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Sustainable cotton – what might the future hold?



Bill Ballenden,
Head of Sustainability and Innovation for Cotton,
Louis Dreyfus Company

When I started in the cotton business in Liverpool in 1996, I would have looked confused if you had asked me to offer a sustainable cotton bale. It would have been like asking for a skinny oat-milk latte from a café in Liverpool. No chance. Things have changed in the last 28 years. Like in the local café, where they probably now grind their own single-estate coffee beans, these days nobody would think twice when you ask for sustainable cotton. In fact, they will probably want to know how you take your sustainable cotton – is it Better Cotton, CMiA, USCTP, ABR, regenerative, organic? – to name a few. The market has developed a taste for sustainable cotton. It does, however, feel like the industry is at a crossroads. The road we take will depend on a few key developments over the coming months and years. Below I discuss some of these.

One important factor is the rise of legislation and how it develops in

key consuming markets. And by consuming markets, I don't mean those markets that consume cotton, but rather those markets that import and consume textile products. The EU and the US respectively are the most important, and they have been writing and enforcing legislation that has, and will have, a significant impact on how we define sustainable cotton. To that effect, in 2021, the US signed the UFLPA into law, which focuses on human rights due diligence. Similarly, the EU adopted the Corporate Sustainability Due Diligence Directive (CSDDD) in 2024, which will require that companies identify and prevent negative environmental and human rights impacts from their activities, those of their subsidiaries and those of other entities. In the coming year or two, the CSDDD will start to impact textile imports into the EU, and we can expect other similar regulations to emerge in the not-too-distant future.

Another key driver is the way textile brands and retailers define sustainable cotton as part of their value proposition. Many leading brands have already started to do this, including some sustainability definitions, but excluding others. Companies whose programs are not robust enough, or that cannot provide verified certification, may find themselves consigned to a second-tier definition of sustainable cotton, or excluded completely.

Another key point is that farmers themselves must be part of the conversation to tell us what can and cannot be done, and what it will cost. All participants of the cotton value chain will have a duty to share the cost burden, and that includes consumers of garments and home textiles, like you and me. With cotton prices where they are today, millions of farmers are selling cotton at or below the cost of production. So they do not want to use more costly pesticides or irrigate a field unnecessarily. They only do so to ensure their crop can develop and yield. A truly collaborative approach is therefore necessary to ensure that, as the definition of sustainable cotton becomes ever narrower, farmers are not left behind.

Politics will of course moderate the speed at which these developments, and many others that have not been mentioned, take effect. But in the space left I want to talk about an enabler that will be a prerequisite, no matter what the future sustainable cotton bale looks like: Data. And not just any old data; reliable data.

Data is like puzzle pieces that sit in a bucket waiting to be pieced together. As we watch sustainable cotton evolve, data will be a required building block – or puzzle piece – to certify or promote one bale of cotton versus another.

The proliferation of sustainability standards or certifications might risk a ‘race to the bottom’ in terms of who will be the most efficient standard, but data do not lie. If you have good, verified data, then you have a sustainable bale that you can defend. As legislation



becomes ever tighter and more punitive (the EU CSDDD has the power to impose a fine of up to 5 percent of net global turnover), reliable brands and retailers will work harder to ensure the data that supports their claims are robust.

When we think about good data, it is also important to ensure that bad data are debunked. For too long, cotton has allowed myths around the way it is produced to languish in the public domain. Organizations such as Transformers Foundation, Make the Label Count (MTLC) and ICAC have been doing great work to debunk myths around water and pesticide use, as well as other environmental claims. This work must continue, because let’s be clear, cotton has been losing the contest against polyester when it comes to global consumption of fibers. One of the reasons for this is the misconception that cotton is not a sustainable fibre. Some statistics around water use, pesticide use, and human rights are less factual, but are repeated because they exist in the public domain. Bad data are like a bad compass, once you start on the wrong path, you will never get to where you need to be.

It is not just the data themselves that have to be good, but also the way that data are calibrated. If the way cotton and polyester are calibrated is unfair, then no amount of good data can help. This is what is being argued by MTLC with regard to the way the EU plans to measure the Product Environmental Footprint (PEF) of





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cotton versus polyester. The lack of weight given to the fact that cotton biodegrades as a natural fiber (whereas polyester sheds microfibers and then never biodegrades) is apparently not supportive of cotton as a 'sustainable' fiber. For those who are interested in this I recommend you listen to the very informative ICA Women in Cotton podcast Episode 2 "EU policy and the impact on cotton".

We all know that change is necessary, and that the pace of change is accelerating, whether on the menu of a Liverpool café, or in how we define sustainable cotton.

Cotton has failed in the last 30 years to compete with polyester. Could a combination of legislation, good data, brand pressure



and farmer know-how help to turn the tide? Cotton is inherently sustainable, and we need to make sure we gather the data that can prove it.



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Legislating for sustainability



Ruby McGrath,
Trade and Markets Reporter,
Cotton Outlook

The need to reduce and prevent pollution, greenhouse gas emissions and waste from large industries such as textiles is becoming more urgent as the effects of climate change and environmental degradation are felt across the world. In the global North, in particular, overconsumption of poor-quality garments that are discarded after only a few uses, if any, is a serious problem, while some brands and retailers have taken advantage of demand for more sustainable products by using misleading claims and labels. Therefore, policymakers are developing and implementing ways of mitigating environmental harm.

In the European Union especially, a range of legislation and directives have emerged over the past few years, with many measures either already in effect or in preparation. They fall under its European Green Deal, a commitment to have no net greenhouse gas

emissions by 2050 and to improve the continent's resource efficiency. In addition, the EU has introduced a Circular Economy Action Plan and Industrial Strategy, both seeking to assure the sustainability and competitiveness of industries within the Bloc. These three plans encompass diverse aspects of sustainability and many sectors of the economy, including garments and textiles.

In that vein, the European Commission published the EU Strategy for Sustainable and Circular Textiles in March 2022, seeking to reduce the environmental impacts of clothing and textiles throughout their life cycles via various pieces of legislation. Areas of focus in the Strategy include the resource-intensity of production such as the use of water, energy and chemicals, as well as the problem of waste and low recycling rates, and the upholding of labour rights in supply chains.

Furthermore, non-textile specific legislation – such as information disclosure rules – will also have significant impacts for the industry and its value chains. Just a select few of the new or upcoming legislation that will impact the cotton and textiles industry are summarised below.

CSRD

In January 2023, the EU's Corporate Sustainability Reporting Directive (CSRD) entered into force. This Directive introduces, strengthens and streamlines rules regarding sustainability information. Annual statements must be prepared by in-scope companies, in accordance with the European Sustainability Reporting Standards, including information such as an overview of the business model, identification of sustainability risks and measures taken to mitigate them; sustainability targets must be identified and progress towards meeting them disclosed. 'Sustainability' includes environmental, social and human rights matters in this case, and those in-scope must include information on the company's operations and value chains, within and outside the EU. Clearly, suppliers of cotton materials to large textile and clothing companies may need to provide information for the reports.

The CSRD is intended to help stakeholders such as customers, investors, non-governmental organisations and policy makers understand the environmental performances of companies in order to make informed decisions regarding investing, purchasing and to ensure accountability.

The first group of in-scope companies (those already subject to the Non-Financial Reporting Directive) must begin disclosing the required information in 2025. The following year, other large EU companies (meeting two of the following: balance sheet of €25 million, annual net turnover of at least €50 million, an average of 250 employees in the financial year) will begin reporting. Next, EU SMEs listed on EU-regulated markets (meeting two of: balance sheet of €4 million, annual net turnover of at least €8 million, average of 50 employees) will report from 2027. Finally, large non-EU companies (with an annual net turnover of €150

million in the EU and with at least one subsidiary or EU branch that generated a net turnover of €40 million in the previous year) will start in 2029.

However, by July 6, 2024 (the deadline for EU member states to have adopted the legislation), only eleven had approved the implementation of the CSRD, while others were in introductory or consultation stages, and some had not yet started the process.

CSDDD

The Corporate Sustainability Due Diligence Directive (CSDDD), while also not developed specifically for the garment and textiles industry, has significant implications for it. The CSDDD requires companies within scope (outlined below) to identify and address any adverse human rights and environmental impacts of their operations and value chains, including those attributed to their subsidiaries and business partners.

Companies should develop risk management systems and due diligence policies and assess them at least on an annual basis. They must also take measures to reduce or prevent negative sustainability impacts, have adequate complaints procedures in place, and engage with their stakeholders regarding their responsibilities and findings. Furthermore, those in scope must adopt and execute a plan for climate change mitigation, ensuring that their strategies are compatible with the United Nations 2015 Paris Agreement (a legally binding treaty on climate change), including annual updates and progress reports.

The Directive entered into force in July this year following pushback from some member states and amendments, including raising the threshold for companies to be in scope and staggering the implementation. As a directive, member states have two years to transpose the minimum requirements into national law and have the freedom to choose how to reach the goals set out. From then, obligations will be phased in depending on company size: by July 2027, EU companies with over 5,000 employees and €1.5 billion net worldwide turnover (€1.5 billion net turnover within the EU for non-EU companies). From 2028, those with 3,000 or more employees and net turnover of €900 million (again worldwide for EU enterprises, or within the



bloc for non-EU), and finally the full scope will take effect from 2029: those with over 1,000 employees and €450 million net turnover.

While there will be no new legal requirements for those not within the scope, it is possible that growers, suppliers and manufacturers worldwide may see the effects of the larger companies' additional responsibilities, especially as regards reporting on value chains (which may require traceability technologies) and publishing codes of conduct, policies and risk assessments. Thus, a significant competitive advantage may be achievable for those that have good sustainability practices and data collection capacities, while those that do not may lose market share.

ESPR

The EU's Ecodesign for Sustainable Products Regulation (ESPR) aims to enhance the circularity and sustainability of products placed on the EU market, including textiles and garments. It enables the setting of 'ecodesign requirements' – performance and information conditions that seek to improve the durability and reusability of products, make them more resource and energy efficient, and increase the recycled content and recyclability of products. The Regulation is also expected to prevent the destruction of unsold textiles and footwear: companies will have to disclose the quantities of unsold products discarded per year, the reasons for discarding and the method – reuse, recycling, disposal and so on.

As the ESPR covers most products that are distributed, consumed or used in the EU, its requirements could affect many companies both within and outside the Bloc. Manufacturers will need to ensure their products meet the sustainability requirements in design and production and provide the necessary information and documentation to prove such credentials. Importers and distributors must ensure that the products they place on the EU market meet the standards, while retailers will enable customers to access relevant information such as the Digital Product Passport (DPP).

The DPP is an additional requirement of the ESPR: a digital

identity card (such as a QR code) on a product for customers to access its sustainability information electronically. Information may include materials and their origins, recycled content, repair and recycle capabilities, and lifecycle environmental impacts, but will be decided by the Commission following consultations with relevant stakeholders via the Ecodesign Forum. For cotton products, this will probably require traceability capabilities to show the item's movement from farm to retailer, as well as other sustainability metrics.

The ESPR entered into force in July 2024, but as a framework legislation specific rules will be decided over time. The first working plan outlining requirements will be published and adopted in the first half of 2025 and will include details for textiles as a priority product group.

GCD

Greenwashing – misleading, incomplete or unsubstantiated sustainability claims – has been identified as a significant problem by the EU in recent years. Its research found that 53 percent of 'green' claims were vague or misleading, 40 percent had no supporting evidence, and half of green labels had insufficient verification. Therefore, the European Commission adopted a proposal for a Green Claims Directive (GCD) in March 2023 to ensure that the sustainability claims made by companies are reliable, science-based and independently verified so consumers can make informed decisions. It also aims to offer a competitive advantage for those companies that make a genuine effort to produce and market more sustainable products and services.

All companies that make voluntary environmental claims directed at EU consumers will have to meet the requirements of the Directive, except for microenterprises (less than 10 employees and €2 million turnover). For the cotton industry, garment and textile retailers should ensure their green claims comply with the relevant rules. The Council adopted its general approach in June 2024 and negotiations will begin with the Parliament in the new legislative cycle.



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PEF

In order to measure and compare the impacts of products and their manufacture on the environment and to substantiate green claims as required by its new legislation, the EU is developing a Product Environmental Footprint (PEF) Guide as a framework. The PEF methodology will include a product's environmental impacts throughout its life cycle, such as its material and energy inputs, emissions, use and end-of-life processes. Category-specific guidelines are to be introduced following consultations, including for apparel and footwear, giving products a score based on 16 environmental impact indicators.

However, the PEF methodology as it currently stands has drawn significant criticism from the cotton industry for excluding aspects of a textile product's life cycle that demonstrate the positive environmental attributes of cotton in comparison to fossil fuel derived man-made fibres. For example, criticisms highlight that the PEF does not include the social aspect of sustainability, since it does not consider that cotton provides vital livelihoods to smallholder farmers globally as a cash crop. Furthermore, it does not fully take account of the biodegradability of cotton as a natural material, and the carbon that it sequesters as a plant. It is also said to use unrepresentative studies of cotton's water usage that significantly inflate typical figures and underrepresents non-irrigated fields. Finally, it does not count the full life cycle of the fossil fuels used in man-made fibres like polyester, nor the microplastic pollution they produce.

The result of the above gives a poorer environmental score for cotton in comparison to man-made fibres. This is likely to have significant impacts on the industry as consumers look at sustainability labelling to inform their purchasing choices and retailers select materials that are both cost-effective and meet sustainability requirements, such as those laid out in the new legislation mentioned here.

Thousands of farmers, therefore, have signed an appeal to the European Council urging it to reconsider the methodology so that it does not misrepresent natural fibres or put

their livelihoods at risk. The letter also notes that the Technical Secretariat for the apparel and footwear PEF guide has a prohibitively high vote participation cost, resulting in little representation for natural fibre farmers while large brands are disproportionately heard.

Various organisations and associations are also working to shape the proposals before they become mandated so that methodologies and labelling can be used positively without putting cotton and other natural fibres at a major disadvantage.

Conclusion

Beyond the legislative acts and proposals mentioned here, there are many more that are rapidly requiring attention from the cotton industry, both within the EU and elsewhere. National laws such as the German Supply Chain Due Diligence Act, the French Anti-Waste Law for a Circular Economy, and state legislation in the US, such as the New York Fashion Act, are all set to create additional data collection and publication requirements and changes to how cotton products are manufactured, sold and disposed of. Other countries worldwide may also follow suit with sustainability legislation in the near future.

While such proposals are not without controversy and criticism, as discussed above, they are quickly becoming law. It is therefore urgent for the cotton industry to act now, not only to develop the capacity to meet their requirements but also to attempt to shape the proposals so natural fibres do not lose out to man-made, fossil fuel derived ones. As other contributors to this feature assert, the case for cotton must be promoted now more than ever.

None of this is to deny the underlying premise of the various legislative steps: action needs to be taken to drive the transition to net zero. Consumers will rightly be encouraged to move from excessive volumes of throw-away fast fashion to conscious and informed garment purchases, while brands and retailers will increasingly design, produce and sell more responsibly.

Cotton, however, must be considered part of the solution, and emphatically not part of the problem.

Navigating the maze: how EU green legislation could reshape the cotton industry



Veronica Bates Kassatly,
Analyst and Consultant in Sustainable Fashion

In March this year, I gave a presentation in Bremen summarising global sustainability commitments and the extent to which these are reflected - or more accurately, not reflected - in current and proposed green legislation.

‘Interesting’ I hear you say, ‘but why should I care? What does it mean for me and my business prospects?’ So, let’s take a quick look at how EU green legislation might impact different players in the cotton industry.

The EUDR or EU Deforestation Regulation is already active. It currently applies to cattle, wood, cocoa, soy, palm oil, coffee, rubber, and some derived products, such as leather, chocolate, tires, or charcoal. It requires that every plot of land on which the relevant commodity was produced be identified by verified geolocation data. And evidence

must be provided that said land was not deforested after December 31, 2020. The need and feasibility of extending EUDR’s scope to further commodities, within two years, is written into the legislation itself.

Based on the two recent controversies around Better Cotton and Brazil, there is considerable speculation that cotton will be included in the next round. What would this mean for cotton farmers and traders?

In Brazil, cotton is a secondary crop in the rotation of soy farms. EUDR already applies to soy. So, for Brazilian cotton production, it will mean little. US and Australian farmers should also find it easy to comply. Based on recent reports, Indian cotton farmers may not find it that simple, and sub-Saharan African farmers will find it very difficult.

But before Brazilian, American, and Australian farmers and their traders sit back and count the ways they can benefit from

others' misfortunes, a word of caution. Every uncontested piece of green legislation encourages another. I would expect ESPR or the EU Ecodesign for Sustainable Products Regulation to follow closely behind the successful implementation of EUDR.

The ESPR currently includes a "performance requirement on maximum limit of water consumption related to the production of cotton". If cotton is included in EUDR, this performance requirement will presumably be tacked onto the verified geolocation reporting. Indeed, if EUDR is deemed a success, verified geolocation could be required for all green legislation targeting primary production. Actual water consumed will have to be stated. This will then be weighted by scarcity. Producers and traders of Brazilian cotton have little to fear. Their cotton is almost entirely rainfed. Such a requirement would also be advantageous for virtually all sub-Saharan cotton. For the Indian sector, it would be something of a mixed bag according to the state concerned. But those involved in the US and Australian cotton trade can be far less sanguine.

So far, the future for Brazilian cotton is looking pretty rosy. But not so fast. ESPR includes a second performance requirement for cotton: a "performance requirement on maximum limit of fertilisers, pesticides and insecticides to the production of cotton". That performance requirement would again benefit Sub-Saharan African and indeed Indian producers who use globally, relatively low levels of pesticides. Australian cotton is renowned for its eco-efficiency and has strong IPM in place. I assume Australian farmers too would be able to manage this. Things might look a little less favorable for US cotton, but the real losers would be Brazil. The US, and particularly Brazil, both use pesticides that are currently banned in the EU, and Brazilian cotton pesticide consumption per kg of cotton production is amongst the world's highest.

Let's move on to the Product Environmental Footprint (PEF) and Green Claims. These are related. The original plan was that the PEF would be obligatory and that all green claims would have to be PEF-based. With one more legislative round to go, the PEF is no longer obligatory. Green claims do not have to be PEF-based. And the rise of Shein and

Temu appears to be making the PEF ever less likely. This is because the data underpinning the current system seriously underestimate the impact of polyester. Oil and gas extraction emissions alone are between 9x and 35x higher than the commonly employed values. And most Shein and Temu garments are polyester. Labels showing that these are more sustainable than a silk dress from Chanel or Max Mara are unlikely to be acceptable to EU politicians. A Digital Product Passport (DPP) remains on the cards. So far, it's not PEF-dependent but membership of Cirpass might be advisable.

As things currently stand, DPP aside, if brands continue to make LCA-based index claims, they will most likely use the Higg MSI. The MSI only has 5 variables and is already integrated into many major brands' reporting systems. The PEF has 16 variables and integrating it would require a whole new setup and considerable additional data. Why would any brand do that?

Just what the MSI means for cotton is summarised in the chart below.

Worldly Higg MSI normalized scores per kilo of generic raw material (RM) As at 19/08/2024

Fibre	Climate change	Water scarcity	Total RM score
Cotton (Conventional)	2.6	55.6	75.9
Cotton (Organic)	1.4	4.9	12.3
Polyester	2.7	0.5	11.8
Viscose	10.3	1.7	31.1
Wool	40.7	2.4	60.2
Alpaca	74.0	-	304.1
Silk	82.5	351.0	1,086.7

Who will be approved to offer third-party certification under Green Claims? Judging from LinkedIn, anyone with an 'AI-enabled' app. Certainly, Cascale - creator of the Higg MSI - will be approved. As chair of the EU Apparel PEF Technical Secretariat, they can hardly be excluded.

Consumers might previously have wondered how cultivating cotton organically could reduce water consumption by 92% and carbon emissions by 48%. As the screenshot below shows, they will now be told Patagonia's and other's claims are verified by Higg 3.6. And if anyone



Saying *no* to conventional cotton

Growing food and fiber with industrial techniques and harmful chemicals is a main contributor to climate change. According to the Intergovernmental Panel on Climate Change, agriculture, along with forestry and other land uses, generates roughly 23% of greenhouse gas emissions every year. Switching from conventional farming methods to organic practices can help turn our agricultural system from problem to solution.



<https://eu.patagonia.com/gb/en/our-footprint/cotton-for-change.html> Screenshot taken 25/07/2024

was hoping that regulators would step in, my experience suggests otherwise. I live in London, so I filed complaints about Patagonia's claims with both the Advertising Standards Agency (ASA) and the Competition and Markets Authority (CMA) in March this year. The claims are still there. For the benefit of this article, I reached out to the ASA and CMA and enquired "whether a decision has been taken to allow unsubstantiated cotton and fiber claims". I quote the CMA's official response: "*We cannot address claims about fabric composition that require further substantiation, nor can we discuss matters related to environmental claims. Thank you for your understanding.*"¹

The ASA told me that the Patagonia UK website is hosted in the Netherlands, so they are powerless to regulate it. They passed my complaint to the Dutch authorities - and hope to get back to me by the end of September.

As for the EU PEF itself, should it infiltrate legislation, it has two major failings that will negatively - and unscientifically - impact cotton: a) the underlying data which I have written about extensively elsewhere, and b) the weighting systems. Cotton should be very worried about these, as they influence other forthcoming legislation such as EPR and CS3D.

¹Email from CMA, 08/08/24

All weightings are highly subjective, and both weightings currently employed by the EU disadvantage agricultural products. The first weighting that cotton should be concerned about is the weighting that determines how impacts are combined across variables. The chart below shows how the EU does it. The truly remarkable thing to note is that even though EU green legislation is marketed as an essential response to climate change, and a reduction in carbon emissions is the only variable for which the EU has any kind of global mandate, climate change does not even constitute 50% of the weighting. Not even 25% - it's a paltry 21%.

The second weighting that should concern cotton is that actual water use is adjusted upward, supposedly to account for scarcity. The EU and the MSI use a tool called AWARE.

A 2017 Australian research paper applied 3 different water scarcity indices in a study of milk production in SE Australia. The actual water consumed varied between 9.1 and 313 liters per liter of milk, but AWARE converted this into an average of 6,616 liters of water per liter of milk, while another tool, WSIHH, EQ resulted in an average of 18 liters. Which is correct? With such high variability can this be called science? Should it guide consumption decisions and so global trade flows? Or will it lead to misallocation and injustice? And why has nobody questioned this? It follows automatically,



The recommended weighting set, robustness factors and final weighting factors for all midpoint impact categories¹

	Aggregated weighting set	Robustness factors	Intermediate Coefficients	Final weighting factors (incl. robustness)
	(A)	(B)	C=A*B	C scaled to 100
Climate change	12.90	0.87	11.22	21.06
Ozone depletion	5.58	0.60	3.35	6.31
Human toxicity, cancer effects	6.80	0.17	1.16	2.13
Human toxicity, non-cancer effects	5.88	0.17	1.00	1.84
Particulate matter	5.49	0.87	4.78	8.96
Ionizing radiation, human health	5.70	0.47	2.68	5.01
Photochemical ozone formation, human health	4.76	0.53	2.52	4.78
Acidification	4.94	0.67	3.31	6.20
Eutrophication, terrestrial	2.95	0.67	1.98	3.71
Eutrophication, freshwater	3.19	0.47	1.50	2.80
Eutrophication, marine	2.94	0.53	1.56	2.96
Ecotoxicity freshwater	6.12	0.17	1.04	1.92
Land use	9.04	0.47	4.25	7.94
Water use	9.69	0.47	4.55	8.51
Resource use, minerals and metals	6.68	0.60	4.01	7.55
Resource use, fossils	7.37	0.60	4.42	8.32

<https://op.europa.eu/en/publication-detail/-/publication/6c24e876-4833-11e8-be1d-01aa75ed71a1/language-en>

that based on AWARE, water enters the PEF already heavily and highly subjectively weighted. As a result, it can, and easily does, outweigh climate change.

So what is to be done? Tell people. Yes, LCAs and weightings are complicated and confusing but, as they say, if you can't explain it simply, you don't understand it yourself.

Anyone can understand that if you look at organic cotton that was rainfed, and conventional cotton that was irrigated and try to claim that the difference in water consumption was due to the cultivation system, not the climate - you are cheating.

Anyone can understand that if you decide not to include the impacts of manure when evaluating organic cotton but do include them when evaluating silk - you are cheating.

Anyone can understand that if you say all this legislation is fighting climate change and then don't even

make climate impact the majority of the evaluation - you are cheating.

Anyone can understand that if you claim that not all water is the same and use must be weighted. But all carbon emissions, whether emitted by Saudi Aramco and BP or by a poor farmer in Benin or Burkina Faso, are identical so no weighting is necessary - you are cheating.

And anyone can understand that when 50% of global apparel production is polyester, if you demand traceability and accountability from cotton, but not from polyester - you are cheating.

Finally, this is politics, and in some EU nations, farmers are influential. France is a case in point. When our paper on the French PEF was published by the CRDC in Australia in March, it pointed out that the biophysical allocation and microfiber impact scores employed disadvantaged French wool. Within days, the French PEF's developers reached out to a leading figure

in the sector to reassure him that the score would be changed. Within weeks a major revision was published. As the screenshot below shows, as of today, according to the French PEF, the most sustainable thing that you can purchase, with an impact of only 230pts/100g, is a domestically produced French wool sweater. So, choose arguments that resonate with EU farmers. They can catalyze change.



Explorateur

		Exemples	Impacts	Matières	Pays	Procédés	Produits
Nom	Catégorie	Coût Environnemental		Coût Environnemental/100g			
Chaussettes coton (40g) - Majorant par défaut	Chaussettes	409pts	1022pts				
Tshirt lin (150g) - France - Mode "éthique"	Tshirt / Polo	418pts	279pts				
Slip coton (30g) - Majorant par défaut	Boxer / slip (tricoté)	422pts	1405pts				
Tshirt coton bio (150g) - France - Mode "éthiq...	Tshirt / Polo	481pts	321pts				
Tshirt coton (150g) - Remanufacturé	Tshirt / Polo	556pts	371pts				
Caleçon coton (40g) - Majorant par défaut	Caleçon (tissé)	575pts	1437pts				
Maillot de bain polyester (100g) - Majorant p...	Maillot de bain	724pts	724pts				
Tshirt coton (150g) - France - Mode "tradition...	Tshirt / Polo	747pts	498pts				
Tshirt coton (150g) - Pakistan - Mode "traditio...	Tshirt / Polo	930pts	620pts				
Tshirt coton (150g) - Chine - Mode "fast fashi...	Tshirt / Polo	1161pts	774pts				
Tshirt synthétique (150g) - Asie - Mode "ultra ...	Tshirt / Polo	1189pts	793pts				
Pull laine paysane (550g) - France - Mode "éth...	Pull	1264pts	230pts				
Pull coton bio (550g) - France - Mode "traditi...	Pull	1434pts	261pts				
Tshirt coton (150g) - Majorant par défaut	Tshirt / Polo	1849pts	1233pts				

<https://ecobalyse.beta.gouv.fr/#/explore/textile>



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Sou de Algodão – I am cotton – an initiative to strengthen Brazil’s cotton value chain



Silmara Salvati Ferraresi, Manami Kawaguchi Torres, Luciano Thomé e Castro, Augusto Lima e Silva

This year marks the 25th anniversary of the founding of ABRAPA, Brazil’s cotton producers’ association. Through its initiative **Sou de Algodão**, launched in 2016, the association has demonstrated how cotton can differentiate itself from other fibres and become much more than a mere commodity. Visualising the supply chain as a systemic whole, and engaging in collective action, transforms the fibre into an element that unifies the entire industry, from the producer to the textile manufacturer, then onward from the retailer to the final consumer.

The association had for some years been monitoring the pattern of cotton consumption in the local market.

Disconcerted by the stagnating volume sold to the Brazilian textile industry, it realised the necessity of action to prevent the loss of market share to other, mainly synthetic fibres, from

becoming irreversible. Beyond that, it observed from research findings that there was a critical lack of perception of the value of cotton or understanding of its attributes amongst the public at large.

On one side was a sectoral entity, whose structure was evolving to ensure the best conditions of competitiveness for Brazilian cotton, with a bold vision and initiatives addressing sustainability, traceability and quality. On the other was a consumer looking for more sustainable fashion alternatives but who did not conceive of Brazilian cotton as a product that could satisfy these concerns.

Faced with this situation, ABRAPA launched Sou de Algodão, an initiative focused on the domestic market. Since its launch, the movement has had a transformative impact on the sector, promoting responsible fashion and





consumer awareness by showcasing the value of Brazilian cotton.

The project, the fruit of research and a strategic plan formulated in collaboration with the consultancy Marketstrat Group, was based on three pillars:

- **Information** – the objective was to boost awareness (knowledge and understanding) of the attributes of the fibre and the good practices adopted by the sector;
- **Promotion** – the goal was to stimulate consumption of products manufactured with our fibre;
- **Commercial** – facilitate collaboration between the links of the supply chain, sustain the project’s momentum and expand the market.

Much more than a campaign

“In a world becoming more and more synthetic, why not turn to cotton?” was the first manifesto’s slogan in 2016, an invitation to consumers to change their lifestyle, in favour of one that places greater value on natural products.

Over the course of eight years, new fronts have been opened up and the initiative has been incorporating the

most diverse of audiences, who more and more identify with the movement’s message and are spreading the word.

Information Pillar

In various spaces, we have sought to broaden the body of knowledge, with creative approaches employed to reach consumers and influencers in various textile markets.

Some stand-out examples are:

Sou de Algodão Portal (www.soudealgodao.com.br): a hub with information on the attributes of cotton, sustainability, fashion, lifestyle and brands that use cotton.

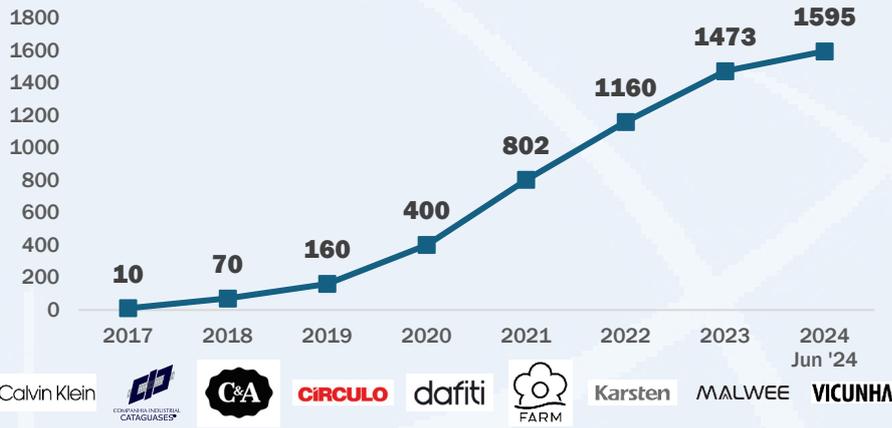
Point of sale actions: activity in the shops of brand partners, highlighting cotton’s attributes and unique selling points.

University actions: engagement with the student audience via seminars, guided visits and partnerships.

Cotton Trip (pictured above): guided visit to a farm certified under the ABR* programme with the objective of drawing audiences closer, especially those comprising opinion formers, and showcasing Brazil’s good cotton production practices.



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Commercial Pillar

Finally, it was always clear that to stimulate and facilitate business between producers, spinners, garment manufacturers and retailers was the strategy. This would result in products more aligned to the needs of a changing market. As far as business is concerned, highlights are:

Promotional pillar

The promotion of products, the actions of the movement and the concept of a more sustainable consumerism is also undertaken on a broad scale using integrated channels of communication. The search for points of contact with the target audience is carried out via:

Social media: profiles in the main social networks: Instagram, Facebook, LinkedIn, Pinterest, TikTok and YouTube, in order to conduct campaigns, promote content and engage with final consumers.

Public Relations: actions that aim to promote cotton and cultivate engagement with well-known personalities, journalists, opinion formers and consumers.

Liaison with the press: development of relationships with the press, in order to place cotton high on the agendas of the most important publications devoted to fashion, sustainability, business, technology and consumer lifestyles.

Advertising: campaigns and manifestos seeking to promote the raw material and reach the final consumer.

Fashion weeks: promote cotton and demonstrate the fibre's versatility in the hands of the foremost Brazilian designers.

The Sou de Algodão + Casa de Criadores* challenge: a competition open to graduating fashion students in the whole of Brazil, the objective being to promote the fibre via the creations of talented young fashion designers.

*Casa de Criadores – 'Designers' Place'

The Sou de Algodão collection: in partnership with relevant brands, commercial collections were launched to showcase the fibre.

Partner Brands (see chart): partnerships with brands that use cotton as a raw material and communicate the presence of the fibre by means of the Sou de Algodão tag. In addition, business relations and partnerships between brands are encouraged.

Sou de Algodão Connects: an initiative aimed at empowering partner brands, by means of seminars, webinars and consultancy.

Sou de Algodão Marketplace: in partnership with the main e-commerce platform in Latin America, Mercado Livre (Free Market), partner brands are provided with an additional shop window, placing products made with our fibre in the sustainable category. This is an opportunity for partner brands to have a specific platform that allows consumers to encounter cotton products.

Sou ABR (I am ABR*): the Brazilian fashion sector's first complete physical traceability programme provides information on the path followed by ABR-certified cotton from the farm to the finished article. In partnership with retail brands, this programme specifically and transparently educates the apparel consumer in all the certified attributes of the cotton.

*ABR = Algodão Brasileiro Sustentavel - Sustainable Brazilian Cotton, ABRAPA's sustainability programme



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+



Over the past eight years, these various initiatives have already allowed ABRAPA to record the following results:

Partner brands numbering more than **1,600**

Over **86,000** tags distributed to partner brands

More than **50** partner brands empowered via Sou de Algodão Connects

Eight partner universities, **10** exclusive activities carried out with students and teaching staff

24 companies participating in the Solar programme, including seven retailers and more than **140,000** traceable textile items

3 editions of the Sou de Algodão + Casa de Criadores challenge, with more than **900** entrants, **75** semi-finalists, **14** finalists and **four** new designers

20 collections in fashion week

3 editions of the Cotton Trip, with more than **150** participants

15 supporting institutions

11 sources of financial support

Over **345,000** followers on proprietary pages in social media networks

Over **14 million** people reached via proprietary pages in social media networks.



COTTON FOR GOOD™

Organic or regenerative?

For OCA it's about both

Organic Cotton Accelerator combines organic and regenerative practices in its work to advance sustainable cotton farming



Organic Cotton Accelerator

For the Organic Cotton Accelerator (OCA), organic and regenerative farming practices work hand in hand to restore soil health, enhance biodiversity, and reduce carbon footprints, particularly in the cotton sector. At OCA, we deliver a stronger programme by incorporating both organic and regenerative practices in our work. OCA is on a mission to empower farmers, guiding them on a transformative journey of continuous learning. Over a season, our training programme supports farmers with modules that teach important regenerative and organic practices. Our philosophy is simple: regenerative and organic practices are not mutually exclusive concepts. They reinforce one another.

Organic and Regenerative: A spectrum of sustainability

Regenerative agriculture operates on a spectrum, starting from

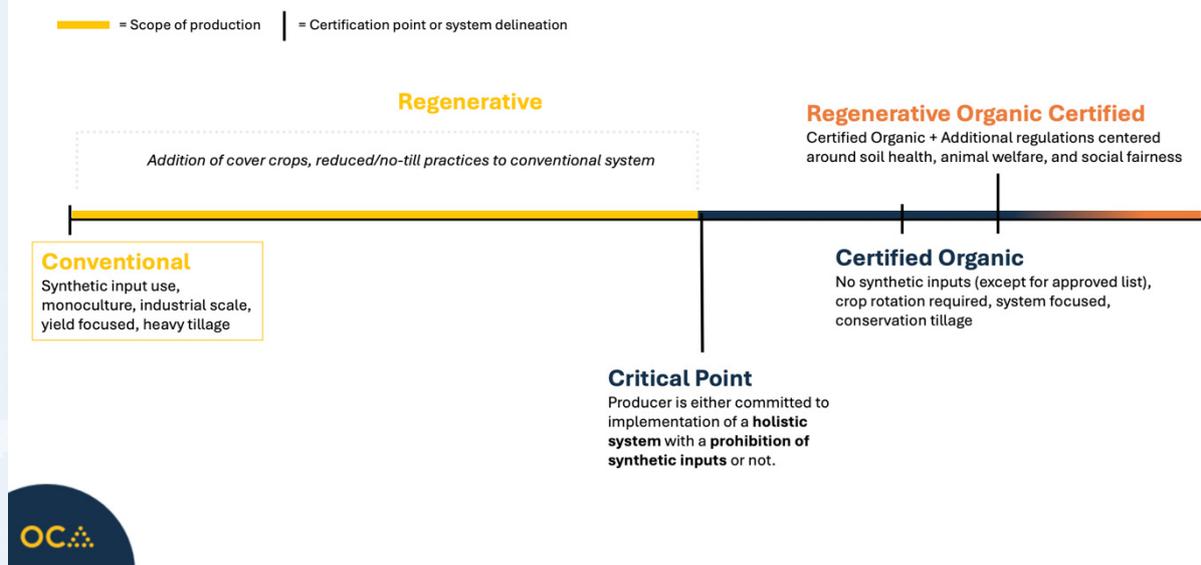
conventional practices that use synthetic pesticides and gradually incorporating more sustainable methods like no-till farming and cover cropping, without necessarily eliminating all synthetic inputs. It doesn't strictly prohibit pesticides, herbicides, or GMOs. As practices move closer to organic farming, the approach becomes more holistic, working in harmony with nature. The ideal combination is "regenerative organic agriculture," which integrates organic standards with the ongoing improvement ethos of regenerative practices, while also addressing social and animal welfare.

Both organic and regenerative methodologies emphasise continuous improvement and sustainable practices. Whilst organic farming focuses on eliminating synthetic inputs and promoting natural processes, regenerative agriculture presents a complementary system that



COTTON
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The certification spectrum



incorporates agricultural practices that actively restore and revitalise ecosystems.

Whilst both practices share common goals, they differ in their legal and regulatory frameworks. Organic farming is governed by strict certification standards that ensure the elimination of synthetic inputs. Regenerative agriculture, although less defined by legal standards, emphasises outcomes such as improved soil health and ecosystem restoration.

OCA and Regenerative Agriculture

By combining organic and regenerative practices, OCA offers a holistic approach to cotton farming. This synergy results in healthier soils, increased biodiversity, and significant contributions to climate change mitigation. By adopting these practices, farmers can ensure sustainable production while preserving natural resources for future generations.

OCA is at the forefront of incorporating innovative practices within its organic cotton projects, specifically in India, Pakistan and Türkiye. Through initiatives such as capacity building and demonstration plots, OCA helps farmers adopt up to 20 regenerative and organic practices that enhance soil health and biodiversity.

Regenerative organic cotton production plays a crucial role in

reducing scope three emissions, which are indirect greenhouse gas emissions from the entire value chain. By promoting regenerative practices, OCA helps brands to minimise their carbon footprints and contribute to global climate goals.

All brands in the OCA programme opt into this approach, collectively enabling significant benefits for farmers and the environment. Brands in the OCA programme illustrate the benefits of transitioning to regenerative organic cotton. They have successfully integrated these practices into their supply chain by supporting farmers on the journey to regenerative organic certified cotton. They serve as an example, showcasing how brands can invest in practices that promote soil health and accelerate positive change for people and the environment.

From OCA's perspective, regenerative organic certified is the ideal approach—or the last step in the spectrum. It combines the strict standards of organic farming with the adaptability and continuous improvement focus of regenerative practices.

The future of organic and regenerative

As we confront the twin crises of biodiversity loss and climate change, regenerative and organic farming practices



COTTON FOR GOOD™

emerge as pivotal solutions to what are some of the most pressing environmental issues of our time.

OCA continues to develop and promote regenerative organic practices within the cotton sector. By fostering the adoption of these practices, OCA aims to deliver significant impacts on climate, biodiversity, and social standards. Upcoming initiatives and key performance indicators will provide further insights into the progress and benefits of these practices.

The journey towards widespread adoption of regenerative and organic farming practices requires ongoing investment from the industry and donors. Collaboration is essential to guide more

farmers towards sustainable practices and ensure the long-term success of these initiatives.

Join us in supporting the transition to regenerative and organic cotton farming. Whether you are a brand looking to enhance your supply chain or a donor seeking impactful projects, your involvement is crucial. Participate in the Farm Programme, explore funding opportunities, and contribute to a sustainable future for cotton farming.

Together, we can make a difference. Let's embrace organic and regenerative practices today to help build a resilient and sustainable cotton sector for tomorrow.

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