

Private standards and public policy are not always aligned or coordinated. To realize the Sustainable Development Goals (SDGs) new partnerships and forms of co-regulation will be needed to enable sustainable production, trade and consumption. This series of case studies illustrates how private standard systems, businesses and governments are working together for better sustainability outcomes. It is developed by the ISEAL Alliance, the global association for credible sustainability standards. For more, visit [our webpage](#).

# UPGRADING COTTON PRODUCTION IN MOZAMBIQUE: THE ROLE OF THE BETTER COTTON INITIATIVE

In an effort to revitalise its cotton industry, the Mozambique government is partnering with the Better Cotton Initiative, with the aim of becoming one of the first countries in the world to produce 100% 'Better Cotton'.



© BCFC

## FACT FILE



Country:  
Mozambique



Sector:  
Cotton  
production



Private standard:  
Better Cotton  
Initiative (BCI)

### SDG-related outcomes:



## BACKGROUND – MOZAMBIQUE'S STRUGGLING COTTON TRADE

Cotton production is an important industry in Mozambique, contributing to around a fifth of agricultural exports.<sup>1</sup> In central and northern Mozambique, it's one of the main sources of income for rural families.<sup>2</sup> In the 2016-17 season, 170,000 smallholders, who typically farm less than a hectare each, accounted for 90% of the country's total production.<sup>3</sup>

There is considerable scope to expand the country's cotton industry. Following decades of civil war, the country's agricultural sector has recovered strongly over the last 20 years. In 2011-12, cotton production reached an all-time peak of 182,000 tonnes, in response to a record high farm-gate price the previous season (US\$0.50 per kilo, compared to US\$0.20 per kilo over the previous 10 years).

But on average cotton production remains considerably lower than at its pre-independence peak. In recent years, yields have fluctuated considerably, leaving many ginneries (processing plants) operating below capacity and unable to adequately plan for the future.<sup>4</sup> And while average yields have progressed from 400 to 600 tonnes per hectare, they are held back by issues such as poor quality seed and pest infestations.

Along with the economic challenges related to production, cotton also poses a number of sustainability challenges. Cotton agriculture in Mozambique is rain-fed leaving farmers vulnerable to drought, so efficient water management is essential. Loss of soil fertility and erosion pose a significant threat to cotton yields, as do pests, though most farmers can only afford limited use of pesticides. Poor labour conditions are also endemic in the cotton sector, while many children work on their family farms.

**57%** HIGHER ▲  
YEILD

**65%** HIGHER ▲  
PROFITABILITY

According to BCI data, farmers growing Better Cotton have dramatically higher productivity.

**100%** BETTER  
COTTON

Mozambique aims to be one of the first countries to produce 100% 'Better Cotton'.



© CRS Photo

Cotton production in Mozambique uses a concession model. The government grants a company, usually a ginner (processor), the right to be the sole operator in a particular area. In return, the company must provide inputs to farmers – including seeds and pesticides, but also extension services to educate farmers on better agricultural practices. A minimum price is agreed annually between the government, ginners and farmers. The country has 12 concessions, including national companies and a few multinationals.

## MAKING COTTON MORE SUSTAINABLE AND PROFITABLE – THE ROLE OF BCI

In 2011, the Cotton Institute of Mozambique (IAM), the government body that oversees the cotton sector, launched a Cotton Value Chain Revitalization Plan to increase both productivity and sustainability. IAM had previously introduced measures to minimise the use of chemical inputs and increase erosion control in cotton fields, along with the extension services provided by concession holders. In collaboration with cotton companies, IAM has also carried out a number of successful seed production initiatives, and is committed to creating a public-private seed company.

A renewed focus on sustainability led IAM to engage the Better Cotton Initiative (BCI), an international voluntary sustainability standard system. Established in 2009 by a coalition of NGOs, cotton industry organisations, retailers and brands, BCI has become the leading international sustainability standard for cotton production. Farmers who meet a series of minimum criteria and demonstrate a commitment to continuous improvement are licensed to sell their product as 'Better Cotton' – and international buyers are increasingly demanding it.

This presents an opportunity for Mozambique's producers to secure access to new markets. For example, adidas, C&A, H&M, IKEA and Nike have all committed to using 100% cotton from more sustainable sources by 2020 or before.<sup>5</sup> While Better Cotton doesn't carry a price premium, establishing these market relationships can help to reduce the risk of price volatility.

Another significant attraction of the Better Cotton standard system is its experience of collaborating with local actors in different country contexts. For example, in Brazil, BCI partners with the Brazilian Association of Cotton Producers (ABRAPA), whose own Responsible Brazilian Cotton programme has been aligned, or 'benchmarked', with the Better Cotton standard.

BCI's capacity building programme in Mozambique provides an opportunity to upgrade the extension services provided by concession holders. BCI focuses on investing in capacity building upfront, rather than simply checking outcomes through licensing. Farmers are given training and technical assistance to meet the Better Cotton standard, which is delivered by 'implementing partners' linked to BCI through a formal partnership agreement. Implementing partners include government bodies, national associations, multinational businesses and local companies. They themselves receive training on the Better Cotton standard system and develop guidance for applying it in a national context.

In 2014, IAM and BCI signed a strategic partnership agreement, embedding the Better Cotton principles and criteria within Mozambique's national regulations. This marks the first time a national government has adopted the Better Cotton standard, putting Mozambique on course to be one of the first countries to produce 100% Better Cotton.

## EMERGING SUSTAINABILITY OUTCOMES

In addition to its collaboration with the government, BCI also engaged OLAM, the world's second largest cotton merchant, to become the first BCI implementing partner in Mozambique. OLAM and BCI worked with 6,300 farmers to produce the country's first Better Cotton harvest in 2013. Since then, concession holders including SAN-JFS and SANAM have joined as implementing partners, with BCI and the Mozambique government coordinating efforts.

In 2014, the number of farmers growing Better Cotton in Mozambique jumped to 75,000, producing 9,500 tonnes of cotton lint on 52,000 hectares.<sup>6</sup> According to BCI data from that year, their productivity was dramatically higher than for comparable conventional cotton farmers: yields were 57% higher and profitability was 65% higher.<sup>7</sup> In 2015, the number of BCI licensed farmers increased to 78,912, with a further 17,000

“ Implementing the Better Cotton standard has led farmers to make a number of improvements that contribute towards the Sustainable Development Goals. ”

farmers receiving capacity building support. However, challenging climatic conditions – including both floods and droughts – led to production dropping to 8,000 tonnes, with one in five BCI farmers losing their crop altogether. On average, yields were 15% higher for BCI licensed farmers than for comparison cotton farmers.

This illustrates how implementing credible sustainability standards can contribute to the achievement of the Sustainable Development Goals (SDGs) – specifically targets on improved productivity and increased resilience in small-scale agriculture under SDG2 (Zero Hunger). Also contributing to SDG2, BCI criteria aim to enhance soil quality without over-reliance on synthetic fertilisers. Farmers have adopted practices such as intercropping, crop rotation, growing cover crops and increased crop density. However, there is the potential to increase judicious fertiliser use in Mozambique, particularly since few farmers raise livestock, limiting the opportunity to apply manure.

Implementing the Better Cotton standard has led farmers to make a number of other improvements that also contribute toward the SDGs. For example, while cotton production in Mozambique does not use irrigation, farmers employ a number of techniques to retain soil moisture and prevent water loss, such as mulching and contour farming. These techniques also reduce pollution of local water sources by preventing run-off from fields, contributing to SDG6 (Clean Water and Sanitation).

Implementing partners are also addressing the issue of child labour, which is directly relevant to SDG4 (Quality Education) and SDG8 (Decent Work and Economic Growth). Rural areas of Mozambique have few secondary schools, and children often work on their family farms. However, BCI implementing partners are working to increase understanding of the importance of education, and what jobs are and are not suitable for young people.

The dynamics of the process also illustrate how a standard system can bring together different national and international actors in new partnerships, as envisioned by SDG17 which aims to strengthen the means of implementation and global partnerships for the SDG agenda.

## NEXT STEPS

Mozambique is now developing its own national standard for sustainable cotton production, which will mirror the principles and criteria developed by BCI, and include additional sustainability criteria related to the parts of the cotton supply chain not covered by the BCI standard. Following this, the verification and licensing process is expected to be transferred from BCI to IAM. Both are currently training and developing certification bodies based in Mozambique to carry out the external third-party audits. Because the BCI Standard is embedded within this national-level standard and verification process, BCI will recognise Mozambique cotton through a ‘benchmarking’ agreement. Similar agreements exist with other cotton certification schemes, including Cotton Made In Africa (CmiA), Australia’s myBMP and Brazil’s Algodão Brasileira Responsável (ABR). This agreement will ensure that cotton grown in Mozambique by BCI licensed farmers can be sold as certified Better Cotton on international markets.

## LESSONS FOR POLICY-MAKING

The partnership between BCI and the Mozambique government shows how policy-makers can use credible, mission-driven standard systems to meet development goals, while revitalising nationally important industries.

In addition to using the principles and requirements of an international standard to shape its own cotton policy, policy-makers in Mozambique fully engaged BCI to provide technical capacity building and expertise. This mutual engagement and recognition between government policy and a private standard organisation has enabled producers to adopt better practices and created positive sustainability outcomes contributing to the SDG agenda.

