

2018 ANNUAL REPORT

Executive Summary



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BCI Better
Cotton
Initiative
BetterCotton.org

BCI's Retailer and Brand Members passed an important milestone at the end of 2018, sourcing more than one million metric tonnes of Better Cotton. This historic level of uptake is an encouraging indicator of how well BCI is progressing toward our five 2020 targets.

Back in 2012, the BCI Council laid down a formidable challenge to all BCI Members, Partners, stakeholders and staff with the publication of five ambitious targets for 2020. It asked us to demonstrate that multiple stakeholders, working together, can shift a global system so that sustainability becomes the mainstream.

In 2020, BCI will have come to the end of its current five-year plan. In the BCI 2018 Annual Report, we'd like to share the progress we've collectively made towards achieving these five targets:

Target One: Better Cotton and its equivalents will represent 30% of global cotton production.

Target Two: BCI will reach and train five million cotton farmers on more sustainable practices.

Target Three: 10% of all cotton produced globally will be sourced as Better Cotton.

Target Four: Nine countries will take direct responsibility for funding and implementing the Better Cotton Standard.

Target Five: BCI will cover 100% of its core operational costs with earned income.

Now, we need to look ahead, beyond 2020. The BCI Council and Executive Group are putting together the next phase of the strategy and crafting a plan towards 2030, which will be unveiled in November 2019. We are organising a widespread consultation during the first half of 2019, and all BCI stakeholders will have opportunities to contribute.

One of the most exciting aspects of this wide-ranging exploration is the link-up with the United Nation's Sustainable Development Goals (SDGs). The SDGs have been met with an unprecedented consensus of support globally, harnessing the drive and commitment of all stakeholders from both public and private sectors, and from civil society. As such, they provide both a common platform – with a common language – and a unified set of targets to shepherd all our multiple and diverse efforts in the same direction. We are proud to both respect and support this momentum. Mapping BCI activities to the SDGs reveals that the work of our partners, stakeholders and programmes contributes to ten goals directly.

Meanwhile, the day-to-day business of capacity-building and knowledge-sharing continues apace. Along with our on-the-ground partners, in 2018, we reached and provided access to training to 2.2 million cotton farmers in 21 countries. In the short term, we are strengthening our focus on gender equality, water stewardship and land use, and turning our attention to optimal ways of addressing biodiversity in BCI projects. Watch out for more news on these and on our perennial cotton sustainability topics throughout the year.

– Alan McClay, CEO, BCI



MESSAGE
FROM THE
CEO

2020 TARGET ONE

We Aim For Better Cotton and Its Equivalents to Represent 30% of Global Cotton Production

Where Are We Now

In the 2017-18 cotton season, production of Better Cotton increased by 50% to **5.1 million metric tonnes**. Better Cotton now accounts for **19% of global cotton production**.

We continued to work with recognised equivalent standards in Australia (myBMP), Brazil (ABR) and multiple African countries (CmiA and SCS) to make progress towards our goal of mainstreaming Better Cotton by 2020. Farmers working with recognised equivalent standards can also sell their cotton as Better Cotton. In the 2017-18 cotton season, farmers working with equivalent standards produced approximately 2.3 million tonnes of Better Cotton.

BCI Global Reach 2017-2018



NB: This figure is subject to change based on the finalisation of 2017-18 ICAC world production figures. Source of ICAC World Production Figures: <https://icac.gen10.net/statistics/Index14.18>

© BCI/Khula Jamil | Farm workers picking cotton. Punjab, Pakistan



2020 TARGET TWO

We Aim to Support 5 Million Cotton Farmers to Improve Their Livelihoods by Adopting Sustainable Agricultural Practices

Where Are We Now

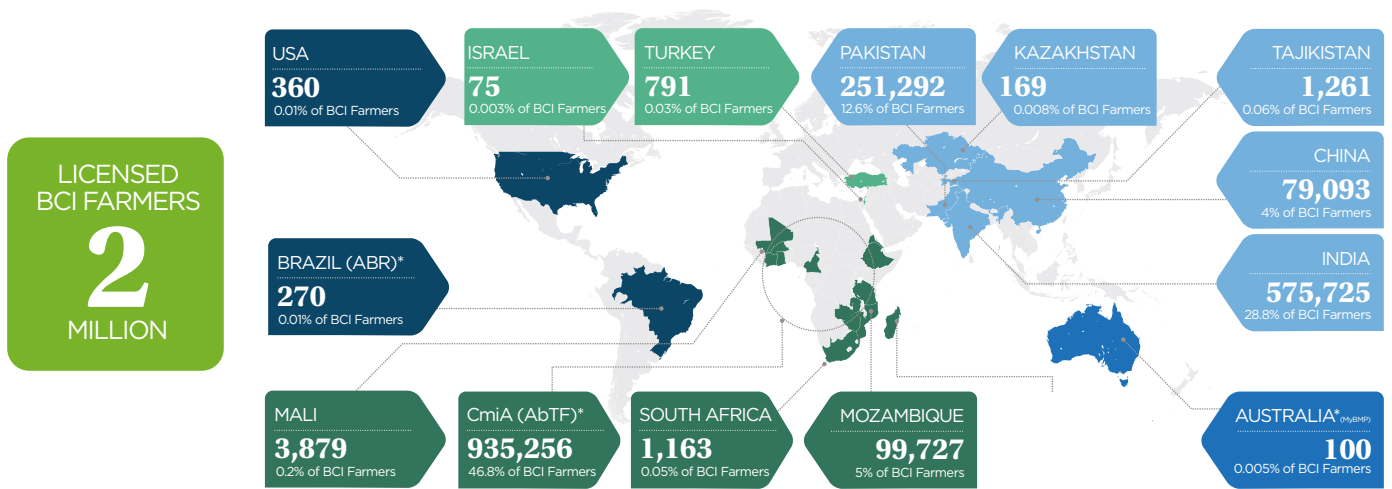
In the 2017-18 cotton season, the number of farmers participating in the BCI Programme grew substantially. Through our 69 on-the-ground partners – Implementing Partners – we reached and trained more than **2.2 million cotton farmers** on more sustainable agricultural practices.

The number of licensed BCI Farmers grew to **2 million**, a 28% increase on the 2016-17 cotton season, with numbers of licensed farmers growing in almost all BCI Programme countries. More than 99% of BCI Farmers are smallholders, farming on less than 20 hectares of land.

“We run a variety of awareness campaigns within the villages where we work. To raise awareness of child labour in cotton farming, we have conducted children’s rallies in the villages, organised drawing competitions, and held parents’ meetings in the local schools.”

– Yogesh Raut, Project Manager, Lupin Foundation, India
[Q&A with Lupin Foundation | 2018bciannualreport.org \(Target Two\)](#)

BCI Farmers Around the World 2017-18



*BCI recognised equivalent standard
CmiA countries: Burkina Faso, Cameroon, Cote d'Ivoire, Ghana, Mozambique, Tanzania, Uganda and Zambia

“BCI’s vision and goals to deliver mainstream sustainable cotton to the world resonate with Australian cotton growers. This is driving participation in the myBMP programme.”

– Brooke Summers, Supply Chain Consultant, Cotton Australia
[Q&A with Cotton Australia | 2018bciannualreport.org \(Target One\)](#)



© BCI/Khula Jamil | BCI Farmer Almas Parveen (centre) with her family. Muzzarfargah, Pakistan

2020 TARGET THREE

10% of Global Cotton Production Is Sourced as Better Cotton

Where Are We Now

In 2018, 93 BCI Retailer and Brand Members sourced more than **one million metric tonnes** of Better Cotton – a record for BCI. That's a 45% increase on 2017 and sends a clear signal to the market that Better Cotton is becoming a sustainable mainstream commodity.

Better Cotton uptake now accounts for **4% of global cotton consumption**. Increased uptake of Better Cotton leads directly to increased investment in farmer training.

“Being a member of BCI demonstrates to consumers and shareholders that an organisation is committed to sourcing sustainable raw materials and supporting sustainable cotton. BCI has been crucial to both helping us reduce our impact on the environment, and bringing that story to our key stakeholders.”

– Michael Kobori, Vice President of Sustainability at Levi Strauss & Co.
[Q&A with Levi Strauss & Co. | 2018bciannualreport.org \(Target Three\)](https://2018bciannualreport.org)

Additionally, **234 new members** joined BCI in 2018. By the end of the year, BCI had more than **1,400 members** across five membership categories.

2020 TARGET FOUR

Nine Countries Take Responsibility for Funding and Implementing the Better Cotton Standard

Where Are We Now

'National embedding' will be achieved when an organisation or institution within a country has a formal, nation-wide responsibility to fund and uphold the Better Cotton Standard.

National embedding is evolving in many different ways, for example, we are working with Governmental Agricultural Extension Departments in Pakistan to manage field-level farmer training. We are also collaborating with the Israel Cotton Production and Marketing Board to create a national-level cotton standard that can be benchmarked with the Better Cotton Standard.

"I am a Field Facilitator, responsible for training 400 cotton farmers in Muzaffargarh [Pakistan] on more sustainable agricultural techniques. After participating in the training sessions, BCI Farmers are adopting new agricultural techniques which enable them to use water and pesticides more efficiently. Now, in our area, the younger generation are showing interest in agriculture, using the new techniques and technology."

– Muhammad Akhter, BCI/WWF-Pakistan Field Facilitator, Pakistan

© BCI/Khula Jamil | Muhammad Akhter, BCI/WWF-Pakistan Field Facilitator

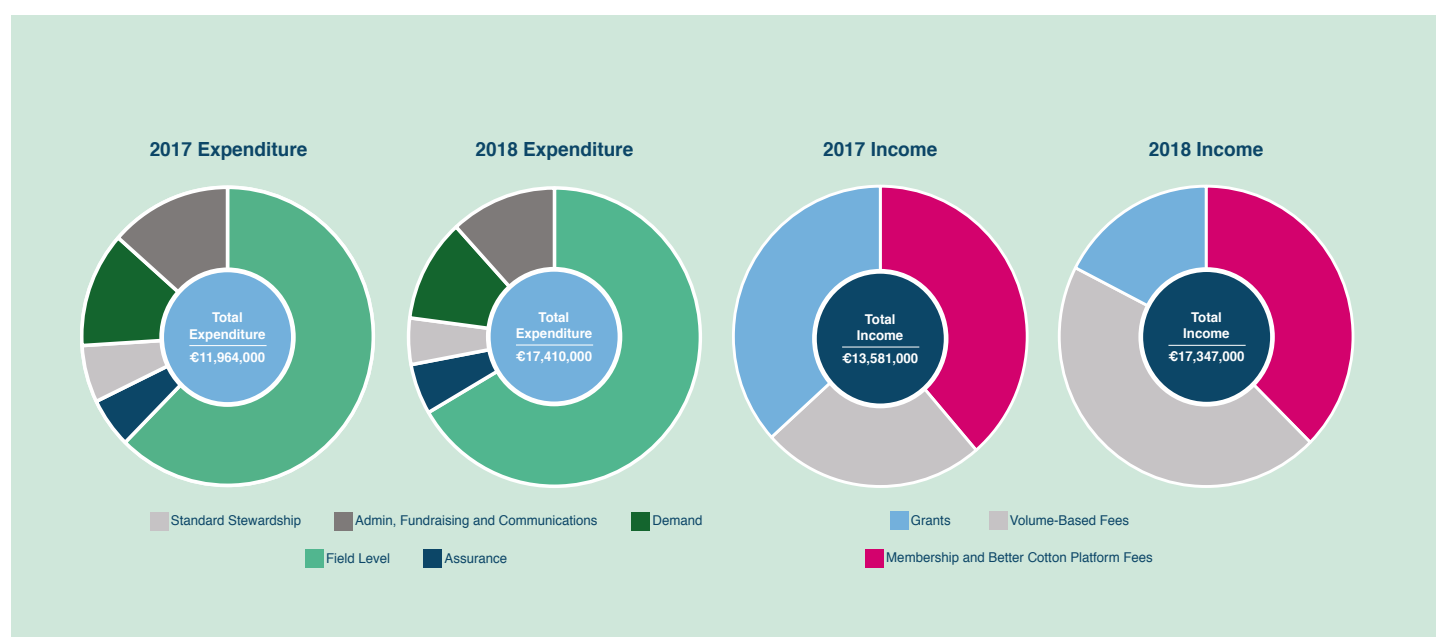


2020 TARGET FIVE

All Core Operational Costs Are Covered With Earned Income: 100% of Donor Funds Go to Projects at Farm-Level or to Innovation

Where Are We Now

BCI's core operational costs include the service we deliver to members in overseeing the Better Cotton Standard System, managing governance and supporting supply chain actors to implement the Better Cotton Chain of Custody. Here, we have highlighted where our funding came from and where it was allocated in 2018.



	2018		2017	
EXPENSES				
Field Level	11,637	67%	7,496	63%
Assurance	930	5%	622	5%
Stewardship of the Standard	860	5%	754	6%
Demand	1,930	11%	1,460	12%
Admin, Fundraising and Communications	2,053	12%	1,651	14%
Total	17,410		11,964	
INCOME				
Membership and Better Cotton Platform Fees	6,528	38%	5,264	39%
Volume-Based Fee (paid by BCI Retailer and Brand Members)	7,833	45%	3,369	25%
Grants	2,986	17%	4,948	36%
Total	17,347		13,581	

(in thousands of euros)

Please note that BCI and the Better Cotton Growth and Innovation Fund are separate legal entities. Please contact BCI if you wish to see our financial statements.

THE SUSTAINABLE DEVELOPMENT GOALS

Aligning BCI with the SDGs

Where Are We Now

In 2018, we conducted a mapping exercise whereby we compared BCI's organisational objectives to the United Nation's 17 Sustainable Development Goals (SDGs) and related targets to understand where BCI is driving the SDGs in a tangible way.

We used the following criteria to determine the SDGs where BCI is making robust contributions.

There is existing data or evidence that demonstrates BCI's contribution on at least one of a goal's targets.

BCI anticipates, in the short to medium term, to have evidence that demonstrates our contribution on at least one of the goal's targets.

Below are the 10 SDGs that we have identified.

Find out more: bettercotton.org/sustainable-development-goals/



“Our training and support goes beyond sustainable agricultural practices. We also work with cotton companies and retail partners to invest in community projects focused on women’s empowerment, education, water and hygiene, which provide broader benefits to cotton-producing communities.”

– Tina Stridde, Managing Director, Aid by Trade Foundation

[Q&A with Aid by Trade Foundation | 2018bciannualreport.org](https://2018bciannualreport.org) (Target One)



© BCI/Khula Jamil | BCI Farmer Jam Muhammad Saleem, Muzaffargarh, Pakistan

STORY FROM THE FIELD

Eliminating Child Labour: How BCI Decent Work Training Influenced a Farmer in Pakistan to Send His Son Back to School

In the remote, rural district of Muzaffargarh in Pakistan's Punjab province, village communities farm the land to survive. Smallholder cotton farmers often rely on their families to lend a hand in the fields, and raise a few cows, buffalo or sheep to earn a living.

Jam Muhammad Saleem is one such farmer. When his eldest son, Muhammad Umar, turned 12, Saleem — considering Umar now old enough to work — saw no choice but for him to leave school to work alongside him and his wife to tend their farm near the village of Jhangar Marha. But just a year later, his outlook changed completely. Now, he is convinced that education will give all five of his children the best start in life.

The reason? Better Cotton Initiative training.

“I saw tears in my son's eyes when I told him we were going to buy him some shoes... school shoes. Now, he is happy, healthy and confident that his dreams will be fulfilled.”

— BCI Farmer Jam Muhammad Saleem, Pakistan, 2018

[Read the full story: bettercotton.org/stories-from-the-field/](https://bettercotton.org/stories-from-the-field/)

THANK YOU

We would like to thank the following committed stakeholders, who, by supporting and participating in BCI, are driving change. Together, we are working towards a more sustainable future.

BCI Farmers who produce a more sustainable raw material essential to the daily lives of nearly every person on the planet.

Implementing Partners and Strategic Partners, who bring the Better Cotton Standard System to life at farm-level every day, helping us to reach millions of farmers.

Our Secretariat and Better Cotton Growth and Innovation Fund partners, for their generous support.

BCI Secretariat Donors

C&A Foundation

United States Agency for International Development (USAID)

Swedish Postcode Lottery Foundation

WWF

SIDA

Swiss Development Cooperation

Better Cotton Growth and Innovation Fund Donors

Australia Department of Foreign Affairs and Trade (DFAT)

Business Partnership Platform (BPP)

IDH, The Sustainable Trade Initiative

DANIDA

Dutch Ministry of Foreign Affairs

All BCI Members, who across the supply chain are working with us to create transformational change within the cotton sector – at scale.

The Better Cotton Initiative exists to make global cotton production better for the people who produce it, better for the environment it grows in and better for the sector's future, by developing Better Cotton as a sustainable mainstream commodity.

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