
Organic Cotton Experiences



Stefanie Kägi
Advisor Sustainable
Agriculture and Extension

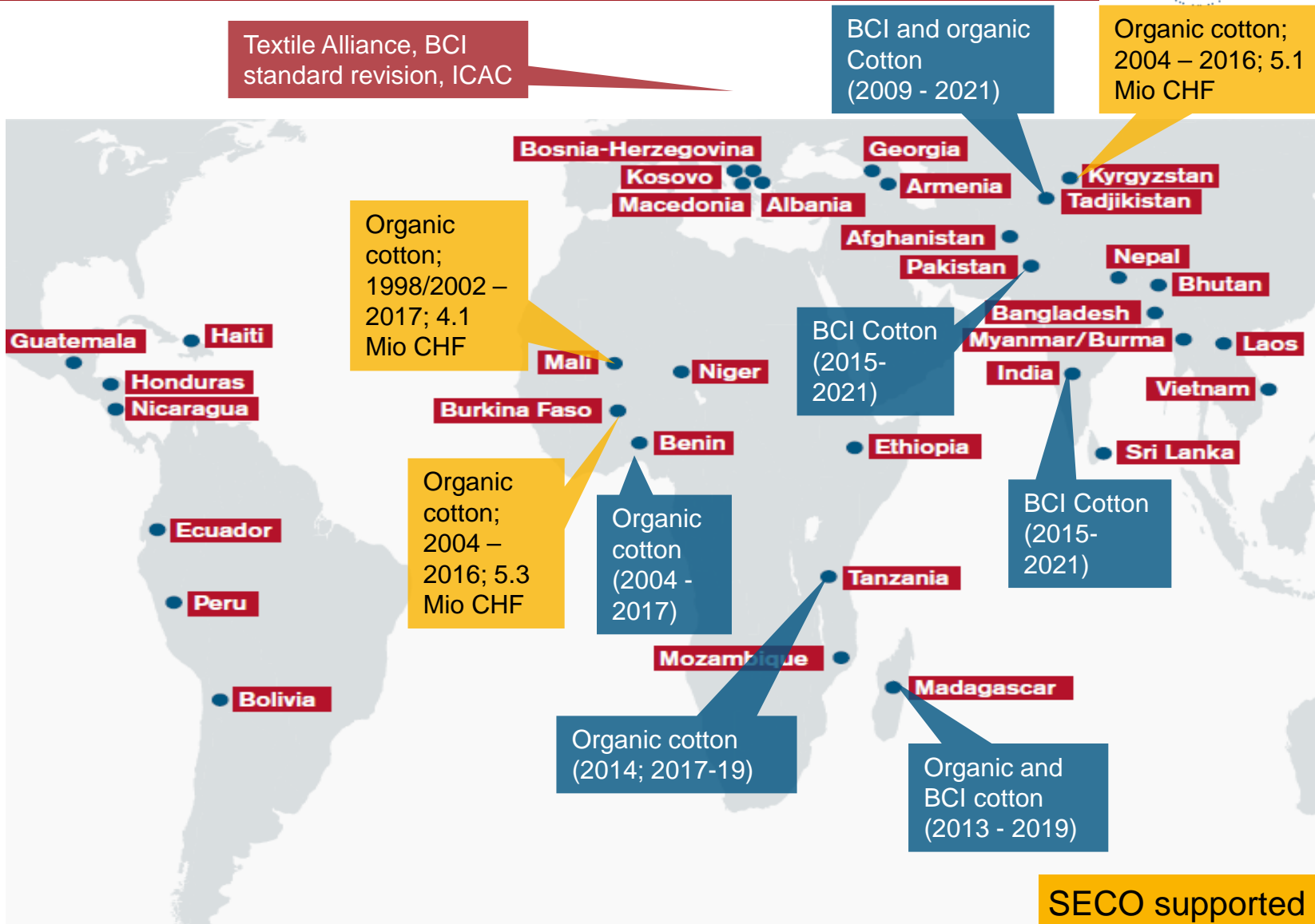
SFRAS Meeting
12. April 2018

Caritas, Lucerne

- Context, rationale and assumptions of the Organic Cotton Programme
- What did the projects do?
- Achievements and learnings related to RAS and PO



Helvetas and SECO cotton engagement



SECO supported projects

Why organic and Fairtrade cotton?



Diverse contexts: Mali & Burkina Faso (state-owned cotton societies);
Kyrgyzstan (post soviet free market economy);

Similar challenges:

- long term monocultures
 - exaggerated use of subsidized agrochemicals → health problems, depleted soils and thus reduced yields
 - Poverty: volatile cotton prices
- negative margin and increased indebtedness of farmers
- Political dimension of cotton
 - lack of alternative markets and experience in other export cash crops
→ farmers stuck to cotton



Assumptions



- Hypothesis: Organic & Fairtrade cotton has multiple benefits for farmers: offers way out of monoculture, indebtedness, health problems and low price dilemma
- Privatization of the cotton sector in Mali and Burkina Faso will materialize during project implementation



What did the projects do?



- Introduce high level sustainability standards: Organic & Fairtrade
- Facilitate certification and linkages to markets and trade capital
- Develop capacities of local service providers
- Establish organic & Fairtrade producer organisations for marketing and service provision
- Provide support to mitigate GMO risks
- Advocate for including sustainable agriculture in agricultural policies
- Promote organic cotton at international level (e.g. World Congress on Organic Cotton, ICAC 2012, Community of Practice, Textile Exchange, German Textile Alliance,...)
- Raise consumers' awareness



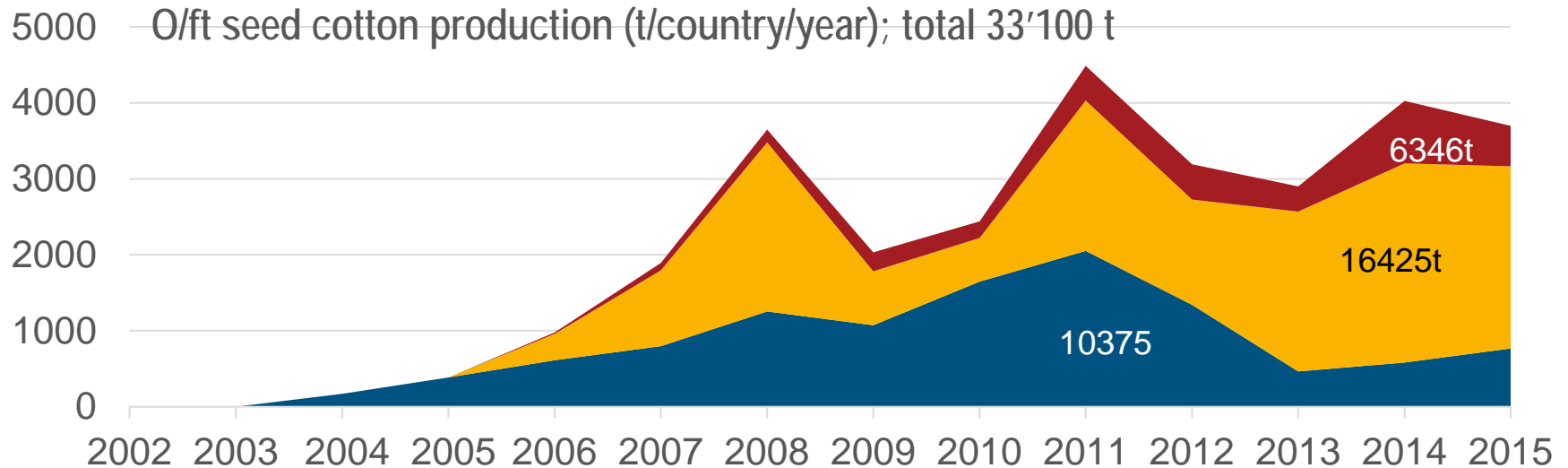
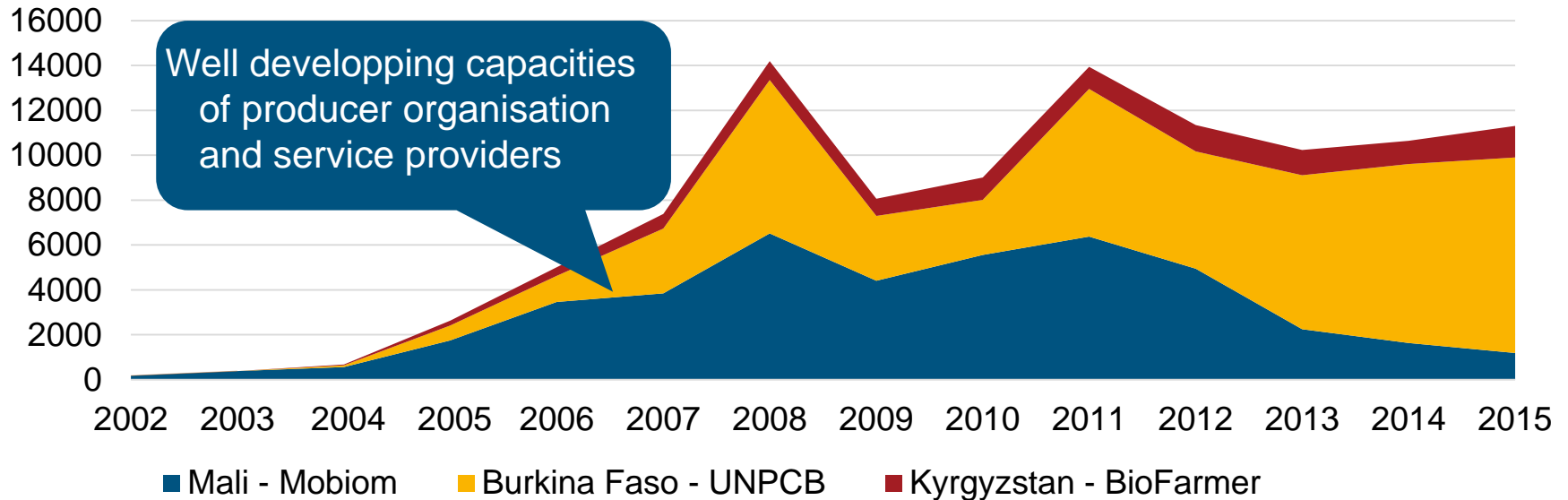
Outcomes



Outcomes: Certified farmers and cotton production



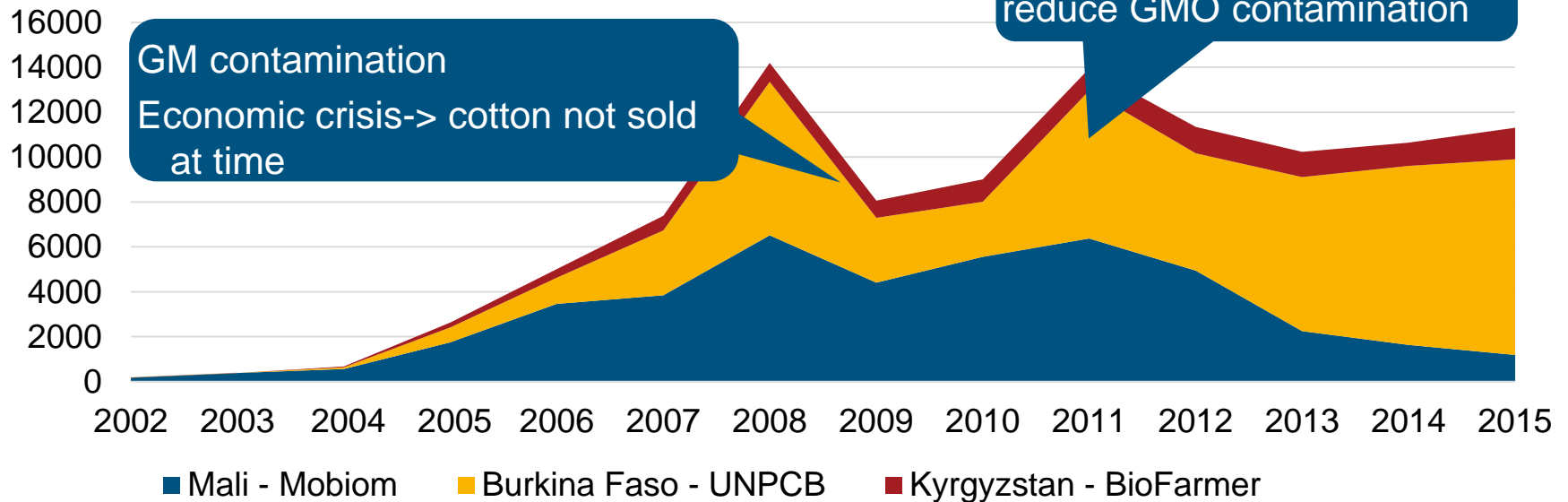
Number of o&ft cotton farmers



Outcomes: Certified farmers and cotton production



Number of o&ft cotton farmers

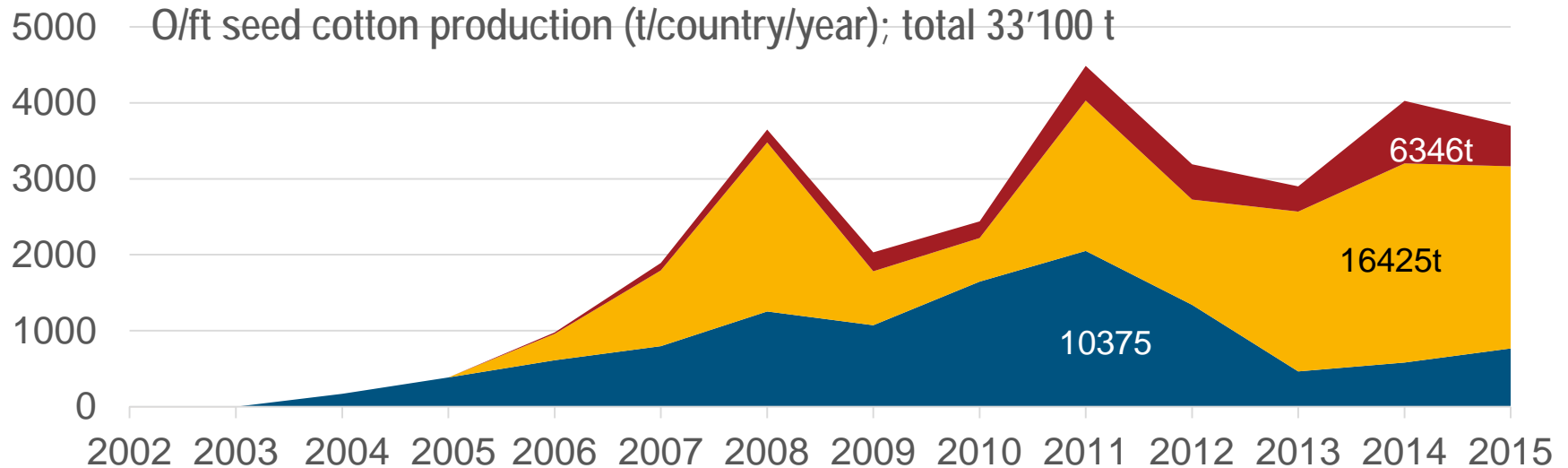


GM contamination
Economic crisis -> cotton not sold at time

Mitigation measures to reduce GMO contamination

■ Mali - Mobiom ■ Burkina Faso - UNPCB ■ Kyrgyzstan - BioFarmer

O/ft seed cotton production (t/country/year); total 33'100 t



Benefits for farmers



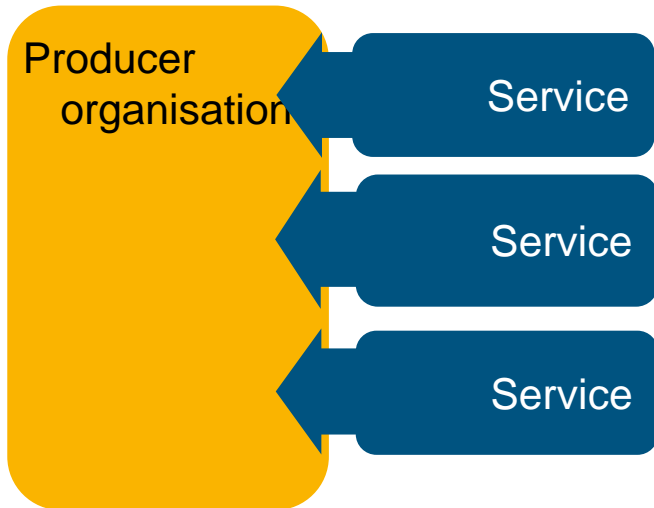
- Around 200CHF / ha / year higher income compared to conventional cotton
- Income from higher value rotation crops (e.g. sesame)
- Health improvement: absence of toxic chemicals and related illness
- Way out of indebtedness
- Agrobiodiversity -> nutrition, risk and pest management, improved finance flows
- Women's access to cash crop production
- Fairtrade -> secured financial returns, community and livestock investments
- Improved agricultural know-how
- Organic agriculture integrated into national laws thanks to advocacy efforts



Business models



PO buying external services



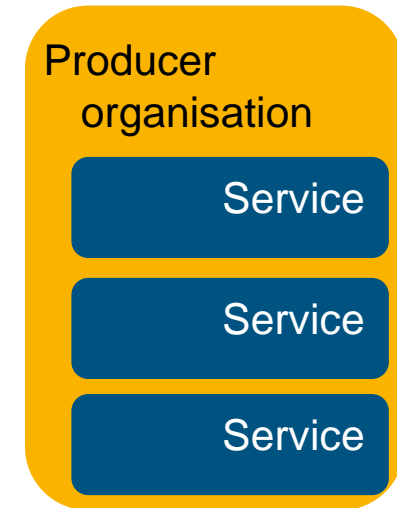
- Services from external providers
- Fairtrade Certification possible
- Overhead cost for several service providers - > expensive

Contract farming



- Vertical integration
- Buyer organises farmers
- Buyer offers services
- No Fairtrade certification
- Overhead cost only at buyer level -> efficient

Integrated PO model



- PO offers all services
- Fairtrade certification possible
- Overhead cost only at PO level

Viability of services offered by PO in the frame of a value chain



Challenges

Organic agriculture is knowledge and not capital intensive

GMO risks and **political dimension of commodity** put PO business models at risks

Unrealistic expectations

Recommendations

Realistic business plan from the beginning

- Quantity and sales price to break even
- Diversification of funding flows and markets
- Services and marketing at same institution for efficiency and motivation
- Define access to trade and working capital from the beginning
- Strive to create fidelity of farmers towards the value chain / PO

Critical assessment of political environment related to the crop



Farmers' fidelity



-> Leaving farmers drive the costs of the producer organization by limiting the margin.

Fidelity depends on:

- Timely payments and sales price that compensate work
 - trade capital, reliable market actors
- Diversified and appropriate market opportunities for enhanced fund flows
- Adequate advisory capacity
- Fairtrade premium to bridge in-conversion period to organic production



Three key learnings



- Diverse production and marketing system from the beginning
- Advocacy is key for sustainability
- Focus on sector development by including multiple sustainability standards and initiatives



Thank you!



Initial discussion on SFRAS Policy



Three groups & three moderators

Three questions; each around 15'

1. What is the Role that SFRAS should play nationally and globally?
2. What are topics that we want to address nationally , globally, more strategically?
3. What kind of documents, statements do we need? What is available on which we can build on?