Mind the Gap:
Towards a More Sustainable Cotton Market

Pesticides Action Network UK, Solidaridad, and WWF
Summary briefing based on research by Simon Ferrigno

April 2016

The situation

SEIZING OPPORTUNITIES

SUSTAINABLE COTTON - **IT HAS NEVER BEEN EASIER**

SUSTAINABLE COTTON - **UPTAKE IS LAGGING BEHIND**

PESTICIDE ACTION NETWORK UK

Solidaridad

WWF

Summary

GLOBAL RETAILERS HOLD THE KEY TO THE FUTURE OF SUSTAINABLE COTTON

International clothing brands and retailers have a crucial role to play in securing the future of the market for more sustainable cotton, according to research carried out for Pesticides Action Network UK (PAN UK), Solidaridad and WWF.

Production of more sustainable cotton has never been higher, reaching 2,173,000 tonnes in 2014 or 8% of the total global supply. This is projected to rise to 13% in 2015. Richard Holland, Director, WWF Market Transformation Initiative, said: ‘Buying more sustainable cotton has never been easier. Leading companies like IKEA and H&M are showing it’s possible to use 100% more sustainable cotton in their products within a couple of years.’

But a study by independent researcher Simon Ferrigno has found that uptake is lagging behind, with only 17% of all sustainable cotton being bought by retailers. The remaining 83% is diverted to the conventional cotton market, which can act as a disincentive to farmers to invest in sustainable cotton production. If greater demand is not reflected in increased orders from retailers, there is a danger that farmers will abandon sustainable production altogether and the opportunity to improve global standards will be missed. Isabelle Roger, Senior Manager Cotton Programme at Solidaridad comments: ‘Lots more sustainable cotton is available but shockingly it is not being sourced and bought as sustainable cotton.’

Cotton is grown in around 80 countries worldwide and is a key raw material for the textile industry, representing around 32% of all fibres used. Around 33 million hectares around the world are planted with cotton, accounting for 2.5% of global arable land, and cotton is a core sector in the economies of developing countries such as Mali, where it made up 60% of exports in 2013. Sustainability issues include the widespread use of pesticides, with 6.2% of global pesticide sales associated with cotton production. Environmental impacts such as loss of biodiversity, soil erosion and contamination have intensified as cotton has increasingly been produced as a monocrop, with 73% of global production currently dependent on irrigation. Keith Tyrell, Director at Pesticide Action Network UK, said: ‘Cotton needs cleaning up. Conventional production requires the use of large amounts of water and pesticides. Sourcing more sustainable cotton is the best way forward.’

Sustainable cotton production also has the potential to lift farmers out of poverty by providing a more stable income and improving working conditions. The US Department of Labor reported in 2014 that child labour or forced labour existed in the cotton production process in 18 countries, including five of the top six producer nations (China, India, Pakistan, Brazil and Uzbekistan). When world cotton prices fell by 40% in 2001/02, rural poverty in cotton -growing regions of Benin increased by 8%. Many farmers are also driven into debt by the cost of pesticides and fertilisers.

A number of sustainable cotton standards have been developed in the last 30 years, starting with Organic cotton in the 1980s, followed by Fairtrade in 2004, Cotton made in Africa (CmiA) in 2005 and the Better Cotton Initiative (BCI) in 2009. All of them provide guidance and support for farmers and reassure consumers and retailers that the products they buy are being produced using sustainable farming methods. However, the gap between uptake and supply is widening and at present the bulk of more sustainable cotton ends up on the conventional market.

At least 12 companies have made commitments to source 100% more sustainable cotton, including IKEA, which reported reaching this milestone in 2015. Nevertheless, further commitments and increased market uptake are essential if more sustainable cotton production is to remain attractive and viable for farmers.

PAN UK, Solidaridad and WWF will continue to make the ethical and business case for sourcing more sustainable cotton to global fashion and textile companies through research and campaigning. Regular research will benchmark companies and take note of the most recent trends in the production and uptake of more sustainable cotton.

SOURCING MORE SUSTAINABLE COTTON IS THE BEST WAY FORWARD

Introduction

About this briefing

PAN UK, Solidaridad and WWF have a shared vision for the more sustainable cotton sector and have been involved in several cotton sustainability initiatives spanning more than a decade. Up to now there has been an emphasis on increasing production of more sustainable cotton. Now that a significant supply of more sustainable cotton has been achieved, the three organisations believe the focus should shift towards strengthening demand and uptake. This briefing aims to set out the current position of the more sustainable cotton market and highlight the low uptake, as well as outlining the causes of this situation and making a number of recommendations.

This briefing is based on research into the current situation of the market for more sustainable cotton (subsequently referred to as the "Research"), commissioned by PAN UK, Solidaridad and WWF and conducted by Simon Ferrigno, an independent researcher and writer who has been working on cotton and sustainability issues since 2000. The Research was conducted by reviewing literature on sustainable cotton and documents from sustainability initiatives, as well as interviews with cotton sector stakeholders including standard organisations and programmes, brands, retailers and NGOs.

DEFINITIONS AND SCOPE

The definitions of "sustainable" and "sustainability" used in this briefing are based on the Brundtland definition (1987) that sustainable development is *"development that meets the needs of the present without compromising the ability of future generations to meet their own needs"*.

In this briefing, "more sustainable cotton" refers to cotton cultivated through one of the following four schemes: Organic cotton, Fairtrade cotton, Cotton made in Africa and Better Cotton. These schemes currently dominate the sector in terms of production, market uptake and recognition by stakeholders. They are also regarded as trustworthy both in terms of the content of the standard and because they are underpinned by systems that regulate how the standard is implemented, assessed and governed.

"Conventional cotton" in this briefing refers to any cotton not grown according to the credible standard criteria described above.

The concept of "uptake" refers to the sourcing and purchasing of more sustainable cotton in the supply chain. For example, retail uptake refers to the deliberate use of more sustainable cotton by retailers and brands in their products. "Uptake" differs from "demand" in the sense that it results from actual sourcing and purchasing, while "demand" may only amount to a stated intention or a commitment to source or purchase.

Why sustainable cotton?

A key agricultural commodity

Cotton is grown in around 80 countries. Cotton farming systems vary hugely between geographical areas, with mechanised large-scale production in countries such as the USA, Australia or Brazil, and small-scale labour-intensive production in, for example, India and Mali. Around 33 million hectares in total are planted with cotton, accounting for 2.5% of global arable land. Annual global cotton production amounts to approximately 26 million metric tonnes (in 2014/15). Cotton is a key raw material for the textile industry as it represents 32% of all fibres used. More than 100 million families are directly engaged in cotton production[1]. A further 250 million in farm labour and primary processing are dependent on cotton[2]. Cotton is a core sector in many developing countries' economies, such as Mali where it represented 60% of exports in 2013[3].

SUSTAINABILITY ISSUES IN CONVENTIONAL COTTON

Conventional cotton production is characterised by a number of interconnected environmental, social and economic challenges that threaten the sector's sustainability.

The first environmental concerns emerged in the 1970s about the effect of pesticides on human health and agricultural ecosystems as a result of overuse, misuse or the toxicity of some types. Overuse of fertilisers also causes loss of soil fertility and soil acidification. In 2009 cotton accounted for 6.2% of total global pesticide sales and 14.1% of insecticide sales for all crops[4].

Pressure on land is another source of environmental problems associated with cotton: land clearing, soil erosion and contamination, and loss of biodiversity. As cotton has increasingly been cultivated as a mono-crop, these problems have intensified. 73% of cotton cultivated globally relies on irrigation. The global average virtual water content of seed cotton is 3,644 cubic metres per tonne[5], which is the equivalent of nearly 1.5 Olympic swimming pools.

Social issues in cotton production include poor working conditions, with particular concerns raised about the incidence of child labour and forced labour in major cotton-producing countries. In 2014 the US Department of Labor reported the existence of child or forced labour related to cotton production in 18 countries, including five (China, India, Pakistan, Brazil and Uzbekistan) of the top six producer countries, responsible for 80% of global production annually. A lack of gender equity, a common problem across the agricultural sector, is holding back inclusive development in cotton farming communities.

In economic terms, farmers' incomes are subject to global market volatility. Already low incomes are under constant threat and may drop even further. When world cotton prices declined by 40% in 2001/02, rural poverty in cotton-growing regions of Benin, for example, increased by 8%[6]. The structure of global trade relationships is generally not favourable to farmers. And many farmers are in debt due to the heavy use of costly inputs (pesticides and fertilisers). All these factors contribute to perpetuating poverty for many cotton farmers.

Despite these challenges, cotton farming still provides a cash income for farmers that is complemented by additional income from food crops. If farmed sustainably, cotton gives millions of cotton farmers worldwide the opportunity to earn a decent living.

[1] Fortucci P. (Director, Commodities and Trade Division, FAO). 2002. Speech at the Seminar on Cotton and Multilateral Trade Negotiations organised by ICAC and the World Bank, July 2002.
[2] International Cotton Advisory Committee (ICAC).
[3] http://atlas.media.mit.edu/en/profile/country/mli/#Exports, retrieved on 18 February 2016.
[4] Cropnosis, cited in Measuring Sustainability in Cotton Farming Systems Towards a Guidance Framework, SEEP ICAC and FAO, 2015.
[5] Chapagain, A.K., Hoekstra, A.Y., Savenije, H.H.G. and Gautam, R. (2006) The water footprint of cotton consumption: An assessment of the impact of worldwide consumption of cotton products on the water resources in the cotton producing countries, Ecological Economics, 60(1): 186-203.
[6] Minot, N. & Daniels, L. 2005. Impact of global cotton markets on rural poverty in Benin. Agricultural Economics, 33(3): 453–6

MORE SUSTAINABLE COTTON OPTIONS

Sustainability standards and programmes have been developed in the last 30 years to address the issues associated with conventional cotton cultivation. These standards provide guidance for farmers on more sustainable farming practices and assure buyers that the product meets the specified requirements.

The groundbreaking programme was Organic cotton in the late 1980s, followed by Fairtrade in 2004, Cotton made in Africa (CmiA) in 2005 and Better Cotton (from the Better Cotton Initiative – BCI) in 2009. Each standard brings something different to the table, both in terms of the standards themselves and the systems supporting them. Based on the Certification Assessment Analysis[7] PAN UK, Solidaridad and WWF determined these four standards as credible.

Table 1 gives an overview. While Organic cotton focuses on the environmental implications, Fairtrade addresses the social aspects of cotton farming. CmiA and Better Cotton cover both environmental and social dimensions, but CmiA is limited in scope to Sub-Saharan Africa.

IF FARMED SUSTAINABLY, COTTON GIVES MILLIONS OF COTTON FARMERS THE OPPORTUNITY TO EARN A DECENT LIVING

[7] Conducted by Malea Birke

Table 1:

Overview of key features of more sustainable cotton standards

BETTER COTTON	CMIA	FAIRTRADE	ORGANIC
BCI Better Cotton Initiative www.bettercotton.org	COTTON MADE IN AFRICA	FAIRTRADE COTTON	ORGANIC COTTON
STANDARD OBJECTIVES			
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. Transform cotton production worldwide by developing Better Cotton as a sustainable mainstream commodity.	Improve the living conditions of African smallholders and promote environmentally friendly cotton production.	Connect disadvantaged producers and consumers, promote fairer trading conditions and empower producers to combat poverty, strengthen their position and take more control of their lives.	Organic cotton production does not simply mean replacing synthetic fertilizers and pesticides with organic ones. Organic cultivation takes more account of agronomic processes than input-based conventional production.
SCOPE OF STANDARDS			
The Better Cotton standard covers environmental and social criteria both for both smallholders and large farms. BCI is a benchmark standard for the industry and recognises the following regional standards as equivalent: ABR (Algodão Brasileira Responsável /Responsible Brazilian Cotton), myBMP (My Best Management Practice, from Australia) and CmiA (Cotton made in Africa).	Cotton made in Africa (CmiA) is based on Good Agricultural Practices and with a comprehensive range of social and economic criteria. Its focus is on Africa alone, and on small farmers growing in rain-fed conditions. It is benchmarked to the Better Cotton standard.	The Fairtrade cotton standard covers social, economic and environmental criteria. It is limited to small producer organisations in developing countries.	Several general (not cotton specific) organic farming standards underpin organic cotton production and certification: regional and national legal standards defining organic farming (EU, US, Japan) are predominant and co-exist with voluntary standards such as IFOAM, Naturland, or IMO Fair for Life. The main requirements are environmental, although some voluntarily include social criteria.
MORE INFORMATION			
www.bettercotton.org	www.cottonmadeinafrica.org	www.fairtrade.net/products/cotton.html	www.organiccotton.org/

The market for more sustainable cotton

Production (supply)

Supplies of more sustainable cotton have increased significantly in the last few years, reaching unprecedented volumes[8] and accounting for about 8% of global production in 2014 (projected to be around 13% in 2015). This positive development will benefit the environment and producers at farm level.

YEAR	VOLUME OF MORE SUSTAINABLE COTTON FIBRE IN METRIC TONNES (MT)[9]
2008	163,000
2009	232,000
2010	332,000
2011	432,000
2012	933,000
2013	1,052,000
2014	2,173,000

Organic cotton
After reaching a record level in 2010 with 241,698 MT of fibre, organic cotton production declined for several years. In 2013-14 it grew again by 10% to 116,974 MT of fibre.
Organic cotton originates from 19 producer countries, with India accounting for nearly three-quarters (74.25%) of total supply, followed by China (10.46%) and Turkey (6.80%). The remaining production is in the Americas, Africa and Central Asia (8.49%)[10].

Fairtrade cotton
Production of Fairtrade cotton fluctuates at around 15,000 MT of fibre.
Fairtrade cotton is produced in 7 countries, predominantly India, but also Africa and Central Asia. 66% of Fairtrade cotton is also organic.

CmiA cotton
CmiA production reached 399,808 MT of lint cotton in 2015, CmiA cotton is produced in 8 African countries.

Better Cotton
In 2014 nearly 2 million MT of Better Cotton were produced, including 834,500 MT produced directly in line with the Better Cotton standard, and 1,167,500 MT produced under the benchmarked standards (MyBMP, ABR or CmiA).
Better Cotton is now grown in 20 countries, including 2 benchmarked standards in Brazil and Australia and countries where CmiA cotton is grown.

LACK OF MARKET UPTAKE
On the demand side, the sector has seen some major brands and retailers making commitments to source more sustainable cotton, sometimes publicly and with a time-bound target. At least 12 companies[11] (retailers or brands) are committed to sourcing 100% of their cotton from more sustainable sources, either by 2015 or by 2020. This is a welcome development.
Nonetheless, translating commitments into reality is a challenge, and the gap between uptake and supply is widening as production grows faster than demand. At present the bulk of more sustainable cotton ends up being sold on the conventional market. Pioneering retailers such as IKEA achieved 100% more sustainable cotton sourcing in 2015.

In addition, there is a lack of publicly available data on more sustainable cotton as well as a need for consistent uptake reporting. Greater transparency and co-ordination between standard organisations and supporters would greatly help by providing the sector with clear indications of market demand and understanding where the bottlenecks are in the supply chain.

Organic cotton
Organic cotton has the largest share of uptake as a percentage of production with 70% to 80% reported as sold as certified (87,731 MT) in 2013. However, much organic cotton is still sold to conventional markets. There are no reports on spinner uptake of organic cotton.

Fairtrade cotton
Retail uptake was reported to be 9,982 MT in 2013-14.
Sales by farmers to ginners was reported to be 42% of total production in 2013-14 (19,110 MT). There were no reports on spinner uptake of Fairtrade cotton.

CmiA cotton
75,000 MT were reported to have been sold to traders in 2014. This includes CmiA cotton traded as Better Cotton (50,000 MT).
There were no reports on spinner or retailer uptake of CmiA cotton.

Better Cotton
In 2015, 517,000 MT of Better Cotton were taken up by spinners and 250,000 MT by retailers or brands (equivalent to 13% of the 2014/15 harvest). With 972,000 MT processed by gins, the ginner uptake was just below 50% of production in 2014.

[8] It should be noted that standard organisations and promoters have different ways of reporting production and uptake, so it was not always possible to obtain comparable data.
[9] Sources:
From 2008 to 2012: State of Sustainability Initiatives Review 2014.
For 2013: Volumes as reported by Simon Ferrigno.
For 2014: Volumes of Better Cotton and CmiA as reported by Simon Ferrigno and volumes other standards estimated in the absence of data reported as of the date of this publication.
Lint cotton volumes for Fairtrade are derived from available data on seed cotton production.
[10] Source: Textile Exchange, Organic Cotton Market Report, 2014.
[11] Adidas, C&A, H&M, IKEA, Kappahl, Kathmandu, Lindex, Migros, Nike, Otto group, RNB Retail & brands, Tommy Hilfiger.

SOME REASONS ARE TECHNICAL; OTHERS ARE RELATED TO LACK OF AWARENESS AND WILLINGNESS

WHY IS LACK OF MARKET UPTAKE A PROBLEM?

Business models rely on uptake

Every standard organisation and related programme considered here has a different business model. Yet all rely on market uptake to finance and deliver positive impacts – be it premiums paid to cotton farmers in organic and Fairtrade cotton, license fees under the CmiA system or farmer support in the BCI system. When lack of demand forces Organic or Fairtrade cotton farmers to sell part of their harvest on the conventional cotton market, it means they are not fully compensated for the extra effort and expense involved in producing standard compliant crops, resulting in lower incomes. For BCI and CmiA low uptake means low investments in growing the supply. For all standards lack of uptake weakens not only the business case for farmers, but also of cotton gins, traders, yarn and fabric manufacturers. At the same time, donors increasingly use market uptake to measure the relevance and success of more sustainable cotton programmes. Increasing market uptake is therefore a precondition for the long-term viability of more sustainable cotton programmes.

Farmers' continuous involvement requires demand and uptake

While there are inherent benefits for cotton producers from growing more sustainable cotton, the business case needs to be put to farmers. The best business case would be sustained demand for more sustainable cotton translating into actual sourcing and uptake. When standard organisations or promoters, or companies, meet with more sustainable cotton growers, the most common questions centre on how to improve market access for their produce. Without clear indications of market demand, more sustainable cotton producers may return to conventional cotton farming.

Mainstreaming sustainability in the sector

Despite recent and projected growth, more sustainable cotton still only represents a fraction of global cotton production – about 8% in 2014, projected to rise to 13% in 2015. To make sustainable cotton the norm in the sector will require further increases in supply as well as a rise in the actual sourcing and uptake of more sustainable cotton. Without substantial growth in market uptake, more sustainable cotton will remain a niche product and practices that are damaging for people and nature will persist in the industry as a whole.

REASONS FOR LOW MARKET UPTAKE

Low market uptake of more sustainable cotton has a variety of causes and there is no consensus in the sector on this point. Some reasons are technical; others are related to lack of awareness and willingness. Research interviews with representatives of companies, standard organisations and NGOs yielded a number of explanations, which are summarised below.

LACK OF CONSUMER DEMAND

Some companies cite issues on the consumer side as a reason for low uptake: lack of awareness of sustainable cotton, a confusing number of labels and the low priority given to sustainability when making purchasing decisions.

THE TEXTILE SUPPLY CHAIN IS LONG, COMPLEX, FRAGMENTED AND OPAQUE

Nevertheless, while visible consumer demand is a strong argument to build the business case for more sustainable cotton within the industry, companies may also decide to source more sustainable cotton for strategic reasons, such as securing their cotton supply for the long term or protecting their brand's reputation.

IN THE SUPPLY CHAIN: OPACITY, DISCONNECTION AND COST

Lack of visibility and engagement of the supply chain

The textile supply chain is long, complex, fragmented and opaque. Successfully translating demand for more sustainable cotton into actual sourcing depends on the entire supply chain taking part. However, many brands and retailers still have a limited overview of their own supply chain, with most of them stopping at tier 1 or 2. They are therefore denied the opportunity to engage with key suppliers. Spinners, for example, who negotiate with traders to secure supplies of cotton they expect to need - typically based on quality criteria rather than sustainability criteria - are key to unlocking market uptake.

Lack of supply and demand mechanisms

Companies have numerous concerns about more sustainable cotton supply chains: disconnect between harvest and production times combined with the unavailability of stocks; extra layers of management and lead times; the challenge of adapting to new suppliers and different business practices; the lack of supply of certain qualities of cotton or from preferred locations. Nevertheless, as the supply of more sustainable cotton has increased, source locations have diversified and growing numbers of suppliers have become aware of major brands' commitments to more sustainable cotton, making these concerns increasingly less tenable.

Additional costs

The additional costs associated with more sustainable cotton are a commonly cited barrier to uptake, whether they are part of the standard system (premiums with Organic and Fairtrade cotton, licensing fees with CmiA, farmer support contribution with BCI) or derive from additional requirements (segregation in the supply chain, documentation management for chain of custody purposes, etc.) or arising from rent seeking by some supply chain actors.

Standard organisations need to pay attention to this issue and be innovative in their responses. Some of these costs will be reduced if the share of more sustainable cotton in the market is increased, on both the supply and demand side, and some may even disappear if more sustainable cotton becomes the new normal.

CONFUSION AND CAUTION SURROUNDING SUSTAINABILITY SCHEMES

Companies often report that the existence of so many initiatives with widely diverging requirements, despite having similar founding principles or goals, is confusing. However, this could also be seen as an opportunity for companies to select a portfolio of initiatives that best fits their corporate strategy. After carrying out an analysis of available sustainability options, many companies decide to work with a portfolio of more sustainable cotton initiatives.
Following instances of fraud with Organic cotton, some companies are worried about supply chain integrity as well as the credibility of impact.

While addressing these challenges must be a priority for standard organisations, companies can be instrumental in this endeavour: by taking a leadership position and participating actively in these standard organisations, they can ensure the organisations will be relevant for their business.

COMPANIES LACK COMMITMENTS AND STRATEGIES

In the last decade (2005-2015) sustainable sourcing has slipped down the agenda of many fashion brands. A near absence of campaigning on the effects of conventional cotton cultivation, combined with the rising profile of other sustainability issues such as working conditions, building safety and environmental impacts at the manufacturing stage, may have encouraged the perception that cotton farming carries a lower risk of reputational damage than manufacturing (cut and sew, garmenting), especially when cotton farmers are several tiers removed from the company. Companies do not see an urgent need to address sustainability issues in cotton farming by brands and retailers.

While some leading companies have made public and time-bound commitments to use more sustainable cotton, in our experience many brands still have weak commitments or none at all. Without such commitments there will be a

Conclusion

lack of sourcing strategies for more sustainable cotton procurement and a lack of internal alignment between different departments (corporate social responsibility, marketing, design, and procurement), which will compound the above-mentioned barriers to uptake.

RECOMMENDATIONS

The Research made a series of recommendations to unlock some of the barriers to more sustainable cotton uptake. As with the reasons for low uptake, the potential solutions are many and varied. Table 2 provides an overview of these recommendations, using the same structure as for the reasons listed above. Each recommendation is followed by suggestions for groups or organisations who could take action.

The cotton sector has been through major changes in the last ten years, with rapid growth in the volume of more sustainable cotton on the market. However, most cotton produced globally is still conventional cotton. For more sustainable cotton to break through to the mainstream, production and supply need to increase, and this can only happen if greater demand is generated and leads to more sourcing. Brands and retailers have a crucial role to play as they have the capacity to pull the sector towards greater sustainability by demanding and sourcing more sustainable cotton.

This briefing has highlighted progress made by farmers in growing sustainable cotton, and the generally low uptake of this by companies and brands at market level.
Although a few leading companies provide positive examples, making cotton growing sustainable will require a collective effort from all companies involved.

PAN UK, Solidaridad and WWF are monitoring major companies' performance in relation to more sustainable cotton and report on it for the first time in June 2016.

BRANDS AND RETAILERS HAVE A CRUCIAL ROLE TO PLAY AS THEY HAVE THE POWER TO DRIVE THE SECTOR TOWARDS GREATER SUSTAINABILITY

Table 2:

Recommendations for unlocking uptake of more sustainable cotton

ISSUE	RECOMMENDATIONS	ACTORS
Lack of consumer demand > Need for better awareness	Campaigning about the continuing problems in conventional cotton production to raise awareness among the public as well as supply chain actors such as retailers and brands.	NGOs
	Promotion of more sustainable cotton be directed at consumers as well as to supply chain actors, including retailers and brands.	Standard organisations NGOs, Sector associations Companies
Opacity, disconnections and costs in the supply chain > Supply chain tools and incentives	Supply chain mapping: only when a company knows its supply chain can it initiate changes to its working practices.	Companies Service providers Standard organisations
	Engagement, training and support for suppliers to help them make the transition to more sustainable cotton sourcing.	Companies Service providers Standard organisations
	Building of stocks and pools of more sustainable cotton to ensure availability of supply at the right quality, price, time and location.	Traders Standard organisations
	Use of futures contracts to stabilise the market.	Traders
	Combined use of different traceability options (e.g. segregation and mass-balance).	Standard organisations
	Collect and distribute information about sources and processors of more sustainable cotton as well as on market demand.	Standard organisations New organisation
	Advocate for policy and fiscal measures, at regional and national level, that would encourage sourcing of more sustainable cotton.	Standard organisations NGOs
Confusion and caution about sustainability initiatives and standards > Credibility of standards systems	Ensure robustness and integrity of chain of custody and traceability systems.	Standard organisations
	Collect and disseminate solid impact data.	Standard organisations NGOs
	Strengthen collaboration between standards organisations.	Standard organisations
Companies: lack of commitments and strategies > Expand and uphold retailers and brands' commitments	Make public and time-bound commitments to sourcing more sustainable cotton.	Companies
	Adopt strategies and plans to meet commitments.	Companies
	Report regularly on uptake of more sustainable cotton.	Companies
	Monitor and report on companies' commitments and uptake of more sustainable cotton.	NGOs