

## Organic and Fair Trade Cotton in Africa

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### Introduction

Over the last two decades the demand for certified organic products has been increasing steadily. The organic market is in the process of change and is no longer just a niche market. Consequently there is also an increasing demand for organic products from tropical and subtropical countries as well as non-food products - especially organic cotton.

Increasingly in recent days more and more large companies have become interested in certified organic cotton and the social standards in the textile production chain. Through the initiative of developing countries the issue of cotton subsidies for US farmers was put onto the agenda of WTO negotiations and cotton has become a subject of interest for politicians and the media. The EU is financing a project to promote organic cotton production in developing countries for consumption in Europe, the 'Fair dialogue- mutual benefit: responsible cotton stewardship' programme. The long-term goal of this project is to stimulate commitments by stakeholders in the textile chain and consumers of cotton products in Europe for the improvement of the economic, health and environmental conditions of small-scale, cotton producing farmers in Africa. The project is coordinated by PAN (Pesticide Action Network). A first result of the project was the setting up of an EU-Organic Cotton Working Group which met for the first time in June 2004. It offers an open platform for all actors within the field of organic cotton and serves as a source of information.

Also organisations like FLO (Fair Trade Labelling Organisation), Max Havelaer and helvetas are working on cotton issues. Standards for "Fair Trade Cotton" have been developed. Several companies and organisations formed a global working group called "Organic Exchange" which has the aim of boosting the production and consumption of organic cotton.

All these initiatives could lead to a boost of the organic and fair trade cotton market over the forthcoming years.

### Background

Some important features for the improvement of the situation of small-scale farmers are:

- Good extension service
- Better basic agricultural know-how
- Better know-how about low risk and sustainable production systems
- Reduced dependency of income on only one cash crop
- Food security (in quality and quantity)
- Reliable input supply
- Good infrastructure for the marketing of agricultural products
- Reliable and fair market partners

These features are lacking for most of African cotton growers. Therefore improving their situation by developing the cotton sector is a big challenge.

An extract which has been slightly modified by the author of the Organic Cotton Conference Declaration, held in Hamburg, Germany in February 2004 follows.

“Cotton is the most important natural fibre in the world. On the basis of the unique quality characteristics of cotton, future demand will remain significant. Cotton is grown, processed and traded worldwide. For many countries it is an important source of income and of foreign currency.

In many places, the excessive use of problematic chemicals and the high water consumption lead to environmental problems and may cause hazards for health and safety in cotton production and in processing.

The world market price is unstable. Price decline is exacerbated by production subsidies in some Northern production countries. The increasing costs of chemical inputs necessary for cotton production put further pressure on the revenues of smallholders in least developed countries with high levels of poverty – particularly in Africa.

Civil society, the public and private sectors are increasingly searching for practical solutions to fight poverty and environmental degradation through fairer and cleaner production and processing practices. Organic cotton farming and environmentally sound processing practices build long-term sustainable agriculture and communities.

Organic cotton:

- has been successfully tested on five continents and in varying production contexts since the beginning of the 1990s,
- is healthier for the farmers and rural communities,
- contributes to the socio-economic well-being of farmers and their families because it offers more sources of cash income through diversification of agricultural production and access to special niche markets for certified organic products,
- increases the opportunity for women and smallholder farmers to improve their livelihoods and is of strong interest to smallholders worldwide,
- is environmentally sound, regenerates soil fertility, and avoids contamination of land and water,
- involves thousands of farmers in 15 countries worldwide today, who already produce approximately 10,000 tonnes fibre annually and many more farmers would like to be involved, and
- consumers in Northern countries are increasingly interested in knowing about cotton and textile production practices which could increase their interest in purchasing organic cotton textiles.”

The complete Conference Declaration and further information can be found at

<http://www.organiccotton europe.net/>.

Experience has shown that a holistic approach is required to improve the ecological and economic conditions within conventional cotton production.

The main target should be the improvement of the living conditions of the rural population. The farmers are mainly interested in higher profitability of their agricultural production. But the isolated measure of increasing the cotton prices can have many negative effects in the long term.

One consequence is an increase of the cotton acreage with the following negative effects:

1. more cutting of trees
2. more soil erosion
3. less food security
4. more dependency on income from cotton.

But the profitability of cotton production can be improved by:

1. higher price per kg seed cotton
2. reduced production costs
3. increased yield per acre

Compared to the traditional and conventional cotton production of many African smallholders the organic cotton production can improve all three of the above parameters to achieve better profitability and at the same time avoid the negative effects of increasing the cotton acreage.

Certified organic cotton fetches a higher price for seed cotton if there is contract production for a committed business partner. If know-how and better crop management replace chemical inputs, the production costs can be reduced and the yield per acre can be increased.

The profitability should not be compared field by field, rather over in the long term between the conventional and the organic production system of the whole farm.

### Potential and benefits of organic cotton

The main features of Organic Agriculture are

- Sustainable Production
- Protection of natural resources
- Crop Rotation
- Preventive Pest Control Measures
- Know-how instead of chemical inputs
- Special market at higher prices for high quality products

The growing of organic cotton works only in a diversified agricultural production system. The integration of other crops has ecological and economical benefits. Even the quality and security of the food supply is improved.

Organic cotton can lead to the following benefits:

for the farmers:

- Increased productivity compared to traditional farming.
- Improved food security.
- Diversification of agricultural production
- Additional income by marketing of other crops
- Higher profits for the farmers
- Better extension service
- Less health risks for the farmers through avoidance of chemical insecticides
- No risk of working days lost arising from health hazards when using botanical instead of chemical insecticides

for the village community:

- Creation of new employment in the villages, for special extension service and an ICS (= Internal Control System)
- Additional income for the village
- Less environmental pollution of soil and water by the avoidance of chemical insecticides for the country:

- Higher foreign currency earnings for the country because of the higher value of the exported certified organic cotton
- Less foreign currency spent on imported agricultural inputs like chemical pesticides and fertilisers
- Promotion of biodiversity
- Better reputation for the country, which can be useful for the tourism industry

### Market - Actual situation

The biggest organic cotton producers are the USA, Turkey and India.

Big volumes are necessary for the profitable production and marketing of certified organic cotton. Separate storage, transport and processing are compulsory for certification.

For big producers in the USA it is easier to achieve the necessary quantity compared with smallholders in Africa, although if the marketing is combined with questions of fair trade and social development there is obviously an advantage for the African producers.

More and more big textile companies and retailers are becoming interested in the business of organic and fair-trade cotton.

A good example is Coop Switzerland. As the second largest retailer in Switzerland, its turnover of certified organic cotton is already more than 20% of its total turnover from cotton products. The organic cotton is produced by the bioRe projects in India and Tanzania.

Some organisations and companies have formulated targets for organic cotton consumption. Some of them are listed below.

#### Targets for development:

Switzerland	5% by 2007
UK	10% by 2010
Organic Exchange	10% by 2013
Otto (Germany)	1.000 tons by 2006
Remei AG (CH)	70% in 2004 (last year 60%)

### Most suitable areas

When organic cotton production started in the early 1990s many cotton experts were sceptical. The common thinking was that cotton is attacked by too many pests to produce it without chemical pesticides. Meanwhile the experiences in many countries have shown that it is possible to create a sustainable and chemical free production system with cotton as one of the products.

Nevertheless the most suitable areas for a profitable organic cotton production are areas with a low percentage of the area cultivated with cotton and not too many chemical residues in the soil. These

conditions make conversion to certified organic production easier and cheaper. To get the cotton certified as organic it is important that the chemical residues in the soil are eliminated and the natural soil fertility is built up within a reasonable time frame.

Therefore the production areas where there has been a low level of chemical use have a certain advantage when starting to produce certified organic cotton, although it is important to note that chemical free production does not mean organic. The soil fertility must be improved or at least maintained in an organic production system. This is the main principle laid down in the IFOAM and EU Regulations for Organic Agriculture. So even if a farmer is not using chemicals he cannot be certified as organic if an unbalanced crop rotation or soil erosion destroys the natural fertility. Also, under such conditions, it requires huge efforts in extension work to convert the production to an organic system.

In a suitable production area it must be possible to introduce an appropriate crop rotation from the ecological and economic point of view. Therefore it is important that there is a profitable market for other products in the crop rotation and that there is the necessary infrastructure to reach this market. Bad roads, poor communications systems, lack of storage and cleaning facilities often hinder access to the market.

### Steps to develop organic cotton production

Important steps to facilitate organic cotton production in African countries are:

- Accept that organic cotton production is possible.
- Accept that organic cotton production can be a profitable option for many African farmers.
- Abolish regulations that hinder organic agriculture (e.g. mandatory use of chemicals)
- Allow botanical pest control methods
- Protect the organic producers against GM varieties
- Research in organic farming practices
- Provide a qualified and efficient extension service and training for the farmers

It is the task of decision makers in the cotton producing countries to integrate the development of organic cotton production as one part of a national cotton policy. All regulations that hinder the development of organic cotton production should be abandoned. The use of species necessary for organic cotton production should be allowed. The research on organic farming practices should be integrated with the national agricultural and cotton production research. Organic cotton research must not be seen as being isolated from agricultural research but rather as a part of a sustainable production system.

Cotton researchers should develop farming practices for organic cotton production. The principles of organic agriculture need to be implemented in a sustainable cotton production system with specific techniques for the conditions in the respective production area. The research should be adapted to the real situation of the majority of the farmers and not to the artificial conditions of a research station which bears little relation with the farmers' conditions. The target is to develop practical methods for smallholders. It is not important to get maximum yields but rather to establish a low risk, sustainable and profitable production system. The final declaration of the African Organic Cotton Conference in Bénin held in September 2002 recommends spending at least 5-10% of research funds on organic agriculture with a strong participation of the farmers to determine the priorities.

The results of the organic farming research should be made available to the farmers. There should be special extension services for organic farmers. Training in organic farming methods is capacity

building. It improves basic know-how about agriculture. The productivity of the organic production system can be much higher compared with traditional production methods.

The private sector should identify promising areas for the development of certified organic cotton production. For the farmers it is important to deal with reliable and fair business partners who are interested in long-term commitments.

The next step is the setting-up of an Extension Service and an Internal Control System so that contracted farmers can be trained in organic farming practices, and certification according to EU-Regulations can be organised.

When there is enough organic cotton available separate ginning needs to be organised. The whole production flow from the farmers' fields to the customer of the cotton product must be transparent, documented and separate from the conventional product flow. The mixing of products is unacceptable.

At the same time the demand for organic cotton products should be developed further. Consumers and actors of the textile business should be informed about the advantages for the environment and the social development opportunities. It is also important to convince traders to integrate organic cotton products into their product range so that consumers have the choice of purchasing organic products.

Many textile traders are already active or interested in organic products. Important players are paying higher prices to the farmers (with a 15 – 20% premium for certified organic cotton) and financing special extension services, an Internal Control System (ICS) and the certification itself.

One example is the Swiss Remei AG with its bioRe partnership program which integrates farmers as equal partners into the textile chain and leads them on the path of sustainable development. The company initiated organic cotton projects in India and Tanzania and currently more than 2,000 smallholder families participate.

Certified organic cotton production can be the basis for a substantial improvement of the living conditions of the farming families involved and the necessary staff for extension services and the ICS.

## Summary

A holistic approach is required to improve the ecological and economic conditions of conventional cotton production.

Organic cotton is an option for many farmers. It already involves thousands of farmers in about 15 countries worldwide today and many more farmers would like to be involved.

Organic cotton production works in diversified production systems which are not only focused on cotton. Know-how about organic farming methods can replace chemical inputs and improve the food security in the respective rural areas.

Partnership with fair and reliable business partners who help with the necessary know-how of production, assure separate processing, and organise the certification and the marketing of organic cotton and other products of the crop rotation is important.

## About the author:

Saro G. Ratter is an agricultural engineer with practical experience of organic agriculture, processing and marketing. From 1992 to 1994 he managed an agricultural extension project in Rwanda, Central Africa. Since 1994 he works as consultant for organic agriculture and project management, including organic cotton projects in Tanzania, Kenya, Uganda, Sénégal, Bénin and India as well completing an evaluation in Turkey. From the planning phase in 1994 he has been working for the bioRe project in Tanzania, first on behalf of gtz and since 2003 directly for the Remei AG, Switzerland.

For many years he has been an active member of the Organic Cotton Working Group of PAN Germany and is now also a member of the EU Organic Cotton Working Group. He participated in the update and development of Organic Cotton Manuals on behalf of Naturland and FIBL.

He has given presentations on organic cotton subjects at different occasions like the IFOAM Congress 2002 in Victoria, Canada and the Organic Cotton Conferences 2002 in Cotonou, Bénin and 2004 in Hamburg, Germany.