Sustainable Cotton & Textiles through Cooperation in the Supply Chain

abstract

Major parts of today's cotton production are not sustainable. Cotton production uses disproportionate amounts of agro-chemicals, is a major consumer of scarce water resources and contributes to the existence of severe social problems in many regions of the world. Cooperation in the production chain, from cotton grower until retailer and consumer can contribute to a more sustainable development: cooperation is needed for joint optimisation of the chain and for creating transparency from cotton field to T-shirt. Cotton traders and textile retailers are the key players here: the cotton trader links the agricultural world of cotton growers to the technical world of textile production. The Textile retailer links the technical world of textile production to the emotional world of the end consumer.

In the 1990s, there were many attempts at cooperation in the textile chain with the aim at promoting more sustainable cotton. The focus was on organic cotton. The organic standards was and is virtually the only broadly accepted and legally defined standard for ecologically improved cotton. Whereas organic food, to a certain extent, is a success in some markets, with market shares of up to 15%, organic cotton has never become a market success. Additional costs for organic cotton, including certification costs and costs for identity preservation, are relatively high and there is only a small niche market of consumers who are deriving sufficient additional value from these costs. With a market share of 0,06%, organic cotton is quantitatively irrelevant and it would remain irrelevant with even a factor 10 increase. Although the organic cotton cooperation projects in the 1990s were important for creating awareness about environmental issues, they hardly contributed to sustainable cotton development and did not produce any sustainable business of any importance.

The experience of the 1990s has shown both that cooperation in the production chain is needed and that there is a need for a different cooperation model. The model of the 1990s, mainly based on the FSC model for timber and the organic model for food, is not effective for a broad range of commodities in the mass market. For such commodities, certification of end products on the basis of identity preservation, is not a feasible option, as the market is not willing to pay for the additional costs. The model that is now being developed in the framework of the Roundtable on Sustainable Palm Oil could be a starting point for a number of commodity initiatives in the years to come. Unlike the initiatives in the 1990s, which were heavily controlled from the retailer side in coalition with NGOs, the palm oil initiative is a multi-stakeholder partnership between palm oil growers, the supply chain in cooperation with WWF. This initiatives leaves the responsibility for defining production standards with the producers. The objective is continuous improvement and transparency in the interest of the growers. The initiative's main objective is to increase sustainability of a bulk commodity in mass markets, not to create a niche market for fully certified end products. For cotton, a similar initiative can be the only way forward.