

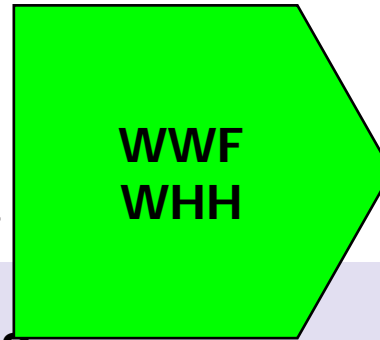
creating the business case for sustainable agriculture

turning knowledge into profit



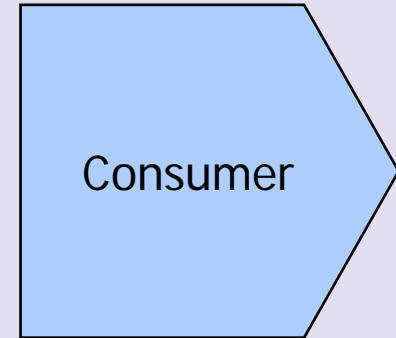
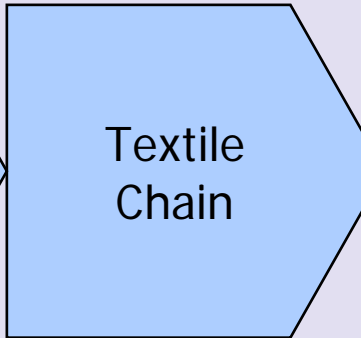
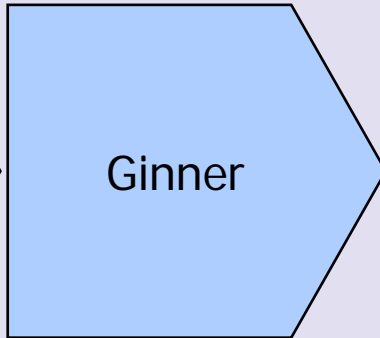
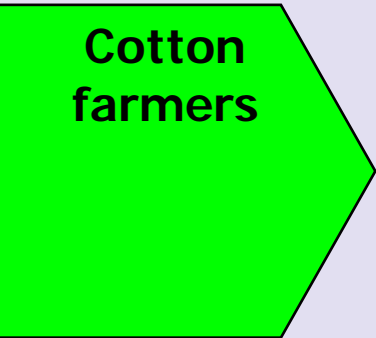
Complex Partnership

NGOs



AFRICAN FARMERS

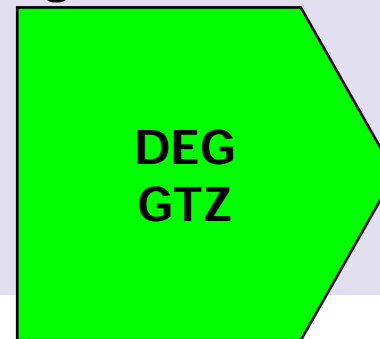
PRIVATE PLAYERS



(more) sustainable cotton growth in Africa



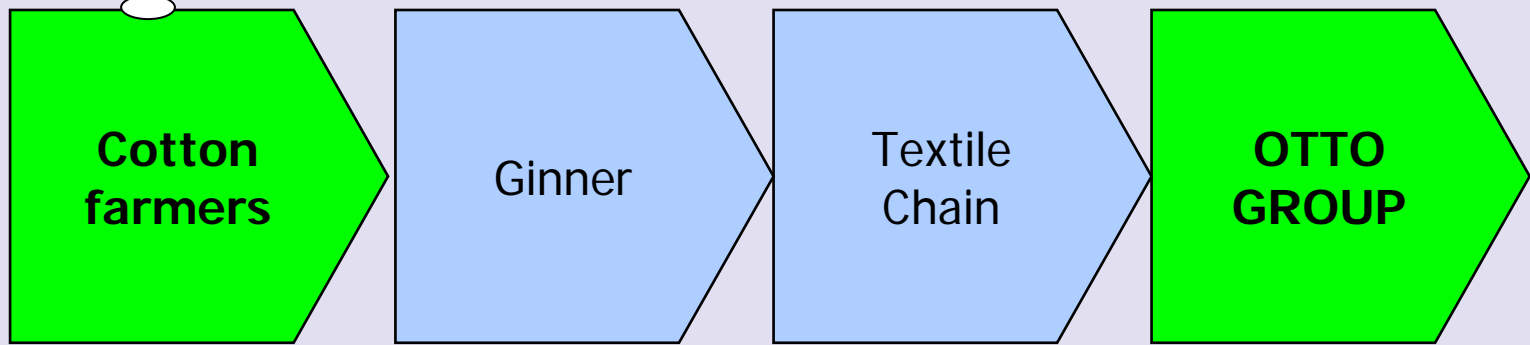
PUBLIC PLAYERS



Challenge I: sustainability



What the hell do we mean by sustainable cotton?



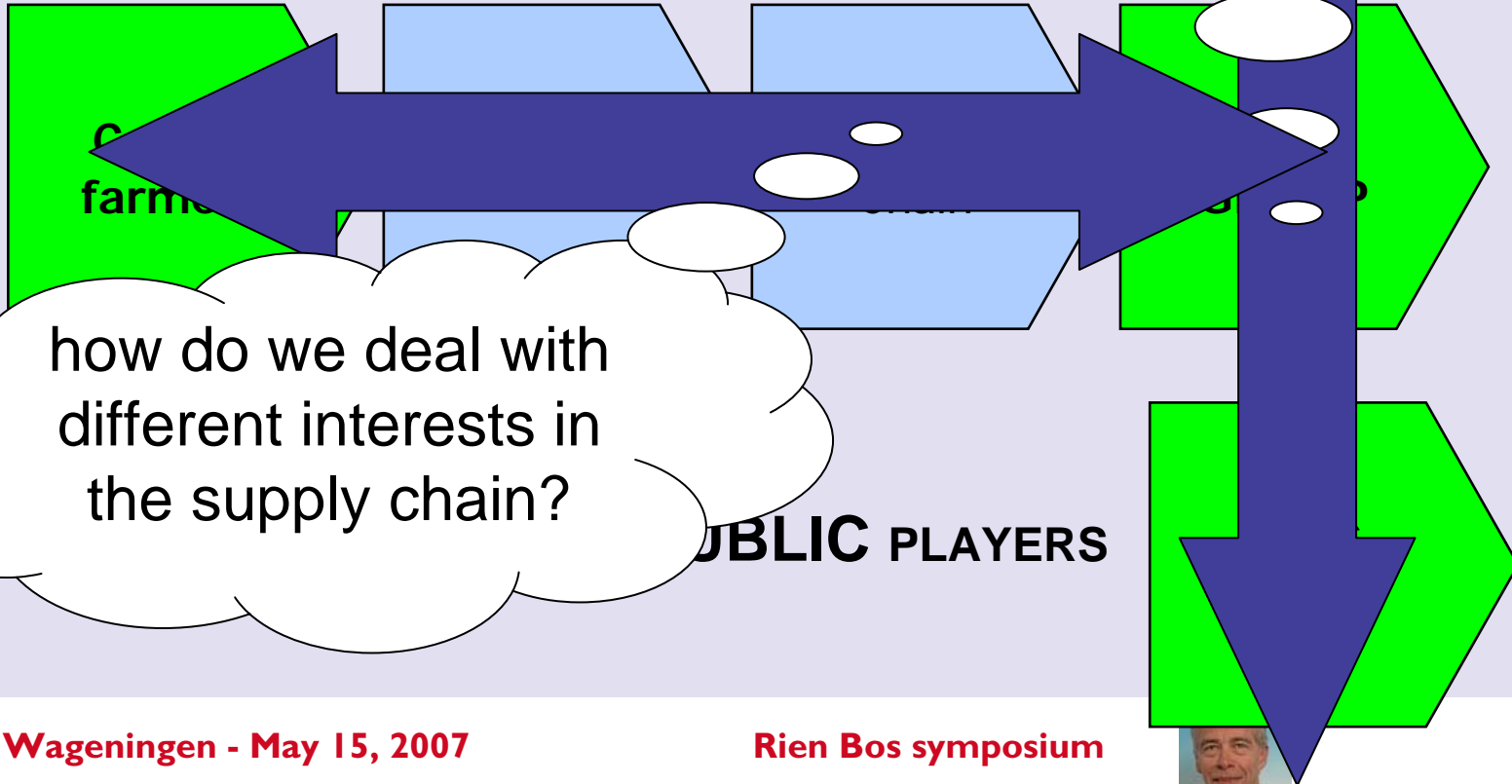
(more) sustainable cotton growth in Africa



Challenge 2: interests

how do we deal with differences between private and public roles?

PRIVATE PLAYERS



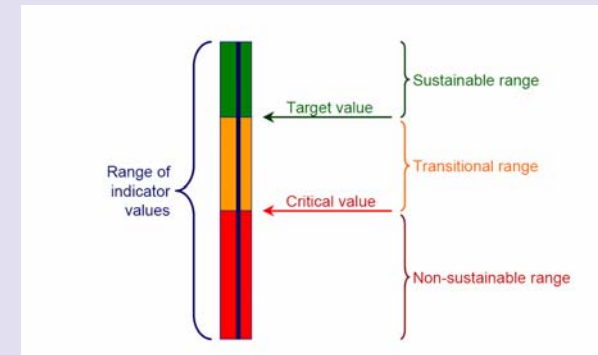
how do we deal with different interests in the supply chain?

PUBLIC PLAYERS



need for detached expertise

- nobody knows what cotton growing methods are really sustainable
- there is no lack of ideological and interest based standpoints



- **WANTED:**
Rien Bos
 - ideology will not help any farmer
 - ideology will not help nature



sustainable cotton

- sustainability
 - ecologically sound
 - socially responsible
 - business case for all participants
- a supply chain for sustainable cotton
 - profit for farmer
 - profit for textile supply chain and retailer
 - **NOT CHARITY!**



CmiA, Benin: expectations

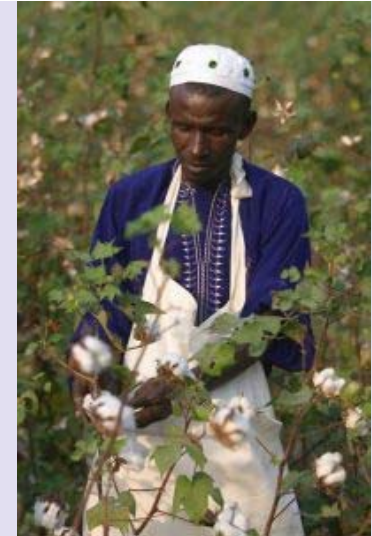
PROJECT	Cotton Made in Africa (Benin)	Economic and Env. improv. through LEC etc.	
	part of CMIA Benin, Burkina F., Zambia,		
DEMAND		SUPPLY	
RETAILERS	Otto Group Hamburg	FARMERS	from Benin (Atacora province)
	Tom Tailor	Number	about 8000
	area	about 10000 ha
Cotton Demand total	unknown	seed cotton	about 12500 tons
from project	CMIA starting with about 12000 tons lint	lint	about 5000 tons
Standard Certification	CMIA criteria (dyn.) minimal/basic	BUSINESS CASE FOR FARMER	
		purchase guar.	no guarantee
		premium price	no premium
BUSINESS CASE FOR RETAILER		yield increase	up to 50% by 'LEC' + training
quality	+	less pesticides	not substantial
supply security	+	less fertiliser	no
reputation	+++	other	timely payment, inputs, etc.
premium market	+	PARTNERS/FUNDING	
		GTZ, DEG, Welthungerhilfe, WWF-D,	
www.cottonmadeinafrica.org		Univ. Wageningen	



very simple indicators



- People
 - percentage of children in primary school



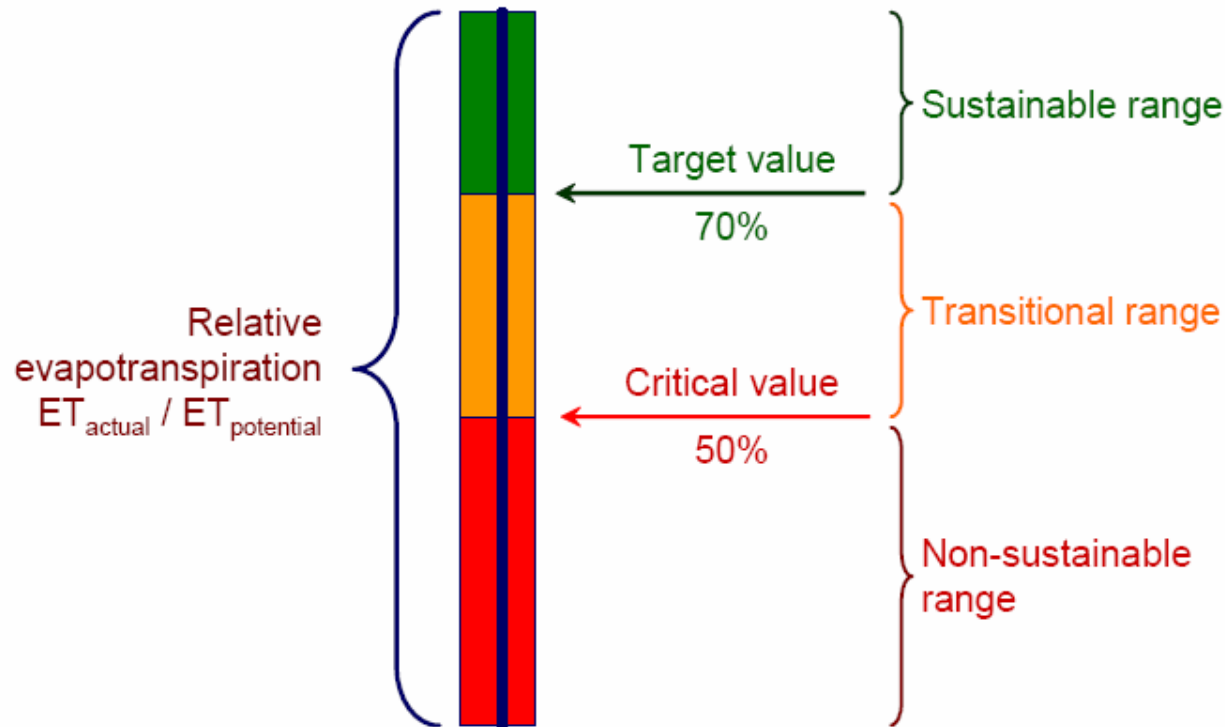
science based
reproducible
transparent
manageable
cost-effective

- Planet
 - water use and consumption
 - pesticide use
 - fertilizer use

- Profit
 - farm gate to world market price ratio



Just an example ...



pitfall I: premature standard setting

- Wageningen indicators allow to
 - know where we are
 - see where we are going
- **Do not apply standards prematurely**
 - spending resources on control and not on development, paying certifiers instead of farmers
 - setting standards without knowing their effects
 - creating irrelevant niche-markets (organic cotton = 0.2 % of world market)



pitfall 2: public-private role confusion

- productive roles
 - private players aim at (long term) profit for themselves and their business partners, including farmers
 - public players shape policy context and public infrastructure
- not productive
 - private players lose money on ‘sustainability’ projects (charity, PR only)
 - public players expect private players to implement public tasks



Summarising

1. without a strong role of independent knowledge providers (such as Rien Bos), multistakeholder sustainability project produce more ideology than sustainability.
2. measuring progress on the basis of simple indicators is far more effective than early standard setting.
3. private players in the supply chain can be powerful promoters of sustainability as long as they aim at developing profitable business and not charity.
4. public players should not expect private players to spend resources on implementing public sustainability policy.



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Thank you for your attention

BUSINESS
DEVELOPMENT