

Symposium „Organic Cotton – combining consumer’s concern and poverty reduction“
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Organic cotton for poverty alleviation?

Project Evaluation Mali, Burkina Faso and Kyrgyzstan

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The „organic cotton“ programme was started in 2002 and is now implemented by Helvetas in Mali, Burkina Faso and Kyrgyzstan. The Swiss state secretariat for economic affairs (seco) is the programme’s main sponsor. Helvetas has been committed to the promotion of organically produced products and fair trade goods for over 10 years. The main objectives of their commitment are the alleviation of poverty and a sustainable use of resources. For this purpose Helvetas acts in close cooperation with relevant partners in the Swiss market (such as Paul Reinhart AG, Switcher and Migros, in the case of organic cotton)

Objectives of the programme

The objective of the „organic cotton“ programme is to set up a market and create demand for organically produced cotton. The organic cotton should come from developing countries or countries in transition and should be sold in Switzerland and other European countries under fair conditions. The programme’s aim is to reach a 5% share of the market in Switzerland (2007) and 20 – 25% more profit for the farmers, compared to conventionally produced cotton.

Two types of goals should be achieved in the three countries of production:

1. **Increasing the income of producers of organic cotton.** This would be a direct way to combat poverty. The programme’s management now expects a steady rise of field yields, a higher price for organic products and better access to relevant markets.
2. **A sustainable use of the fields.** Results to be expected in the medium- or long-term are an improved soil fertility as well as a sustainable use of natural resources (such as water, biodiversity).

For the project to succeed the well-concerted work in the vertical value chain is vital (production – processing – distribution to the consumers). It is also important to set up an efficient network between all the important actors of this “vertical integration”. During the early stages of a programme such as “organic cotton” this must not be left to chance. This is why the Swiss state secretariat for economic affairs (seco) and Helvetas started an additional project in 2003, the “Swiss Organic Cotton Networking and Knowledge Management System”.

Facts and figures on the cotton production in Mali

The initial situation in Mali (the largest cotton producer in West-Africa) in 2004 was the following: production of 270'000 tons of ginned cotton, 500'000 ha area under cultivation, 300'000 cotton producers, 1% of the cotton processed in the country itself. The difficult situation on the international cotton market and the political situation in Mali (where the state still has a strong influence on the marketing of cotton) will not be addressed here.

„Organic Cotton“ project figures (2004)

	2002	2003	2004
Number of producers	174	385	561
of which women	19%	34%	38%
area under cultivation	118 ha	170 ha	298 ha
seed cotton	47'240 kg	80'700 kg	169'250 kg
average yield	400 kg/ha	475 kg/ha	570 kg/ha
fibre production	19'967 kg	34'398 kg	68'041 kg
organic cotton certification	conversion	organic	organic
fair trade certification			first year

In the year 2005 over 2'000 producers are involved in the production of organic cotton. This is a remarkable result, considering the following factors that complicate the introduction of organic farming in Mali:

- Organic farming is a new approach (unfamiliar technique)
- high percentage of illiterate people (obstacle to quality assurance)
- tradition of slashing and burning (burning of the bush at regular intervals)
- lack of organic fertilizers
- no support by the state

Some results of the evaluation

(results from Mali; however, most of the following aspects are very comparable to those encountered in Burkina Faso and Kyrgyzstan)

Positive results/Approaches to sustainability	Remaining problems and risks
Organic farming is considered an interesting economic alternative by small family farms	Cotton remains the only relevant cash crop. The diversification of the product range with an organic premium is a difficult task.
Higher percentage of women in organic cotton production (because no hazardous pesticides are used)	Risk of a surplus load on women
Incentives to participate (noticeably increased profit, improved health, better drinking water)	High pressure on farmers to achieve yields comparable to those from conventional production
Development of new methods of pest control and fertilisation	Lack of organic fertilizers for the cash crop cotton
Tendency towards increased crop rotation on areas under cultivation	Organic cotton is (too) often cultivated on areas that have been made available through slashing and burning. (discrepancy to general principles)
Setting up of an effective marketing organisation	Difficulty to ensure the market-orientation of farmers organisations
Positive effects of the co-operation throughout the vertical value chain (farmers-CMDT-Reinhart-Switcher/Migros)	Little participation of the farmers in the pricing of their products; Without a global view and social responsibility of the partners in the North organic cotton would not be purchased in Mali.

General comments on the programme's approach

Trying to improve access to the market for the South and to facilitate sustainability with diversified support from the North via the vertical value chain is a reasonable approach for a commodity such as cotton. Helvetas and their partners have shown that this can be a successful approach. The first results regarding effectiveness are impressive; in all the work areas the targets have been largely reached. Some initial difficulties (such as a dependency on a few "key players" on the market) are not surprising for such a project. They can largely be overcome with time ("lessons learnt"). Some effects can already be seen. Producers have noticed positive effects on their cultivation techniques as well as their improved health, an effect which would last even if organic production became less profitable or had to be given up entirely.

The area on which organic cotton is cultivated has been growing continuously in these three countries, in some places the increase has even been considerable. Quite obviously the present economic results satisfy the producers (improved liquidity).

A market-oriented development project

“Organic cotton” is a market-oriented development project. In all likelihood it will continue to be that. The three countries involved in the project rely on the goodwill of their trading partners in the vertical value chain. Following a purely economic logic, traders would purchase organic cotton from China, India or Turkey, which would mean a lot less trouble for them. At the moment (and also in the near future) it seems rather unrealistic to expect to radically change this situation.

„Pull-effects“ from the consumers' side ?

In the course of our evaluation we have found that at the moment Helvetas is the driving force of the programme. Helvetas will have to continue to be an active part of the chain in order to ensure that organic cotton from Burkina Faso, Mali and Kyrgyzstan will also be sold in the future. Yet, even though the work of Helvetas has raised public awareness to the problem, committed organic textile consumers are still rare. There are probably more consumers who refuse to buy organic textiles than the truly committed “fans” for whom “organic” or “fair trade” is a key argument for the choice of a product. Besides, the origin of the cotton (Mali, Burkina Faso or Kyrgyzstan) is not specified on the products.

It is certainly a good thing to try to inform consumers about organic cotton and its context. It is good to market organic textiles in a positive way and to conform to fashion trends. However, considering that the customer hardly receives any direct additional benefit from organic textiles or fair trade textiles, it would not be realistic to expect any relevant consumer demand in the future. Driving forces will have to be the trade, brand marketing and sales channels. Trading partners in the North may continue to promote organic cotton, even though it is difficult to distinguish organic cotton at the point of sale (POS). But products are distinguished from competitive products not only at the POS. Organisations with projects like the Helvetas “organic cotton” will therefore have to encourage their trading partners to keep up their commitment and create ways how new and existing partners can distinguish themselves from their competitors.