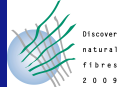


Organic Cotton



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International Cotton Advisory Committee

Organic Agriculture

Organic agriculture is an ecological production management system that promotes and enhances biodiversity, biological cycles and soil biological activity. It is based on minimal use of off-farm inputs and on management practices that restore, maintain and enhance ecological harmony.

(US National Organic Program)

Organic Agriculture

Organic agriculture is a production system that sustains the health of soils, ecosystems and people. It relies on ecological processes, biodiversity and cycles adapted to local conditions, rather than the use of inputs with adverse effects. Organic agriculture combines tradition, innovation and science to benefit the shared environment and promote fair relationships and a good quality of life for all involved.

(International Forum for Organic Agriculture Movement – IFOAM)

Organic Cotton

Cotton grown without the use of any synthetically compounded chemicals (like pesticides, inorganic fertilizers, defoliants, etc.) is considered 'organic cotton'.

Organic Production

• Organic cotton production does not use synthetically compounded chemicals but can use 'natural' chemicals like sulfur dust, Bt and other biological control agents in pest management.

• Organic fertilizer is allowed.

• Organic acid-based foliar sprays are allowed for harvest preparation.

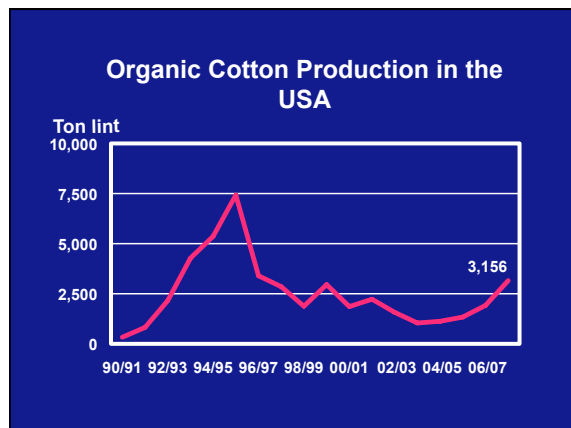
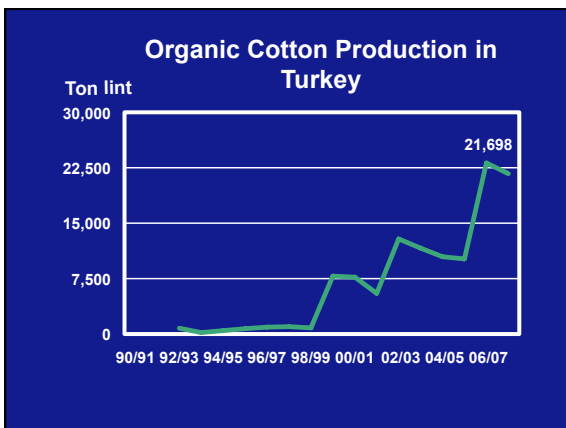
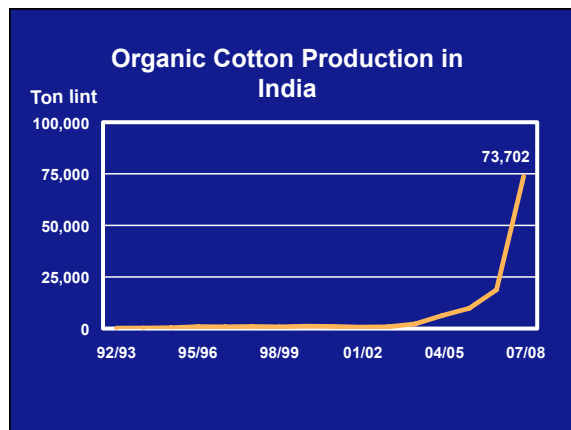
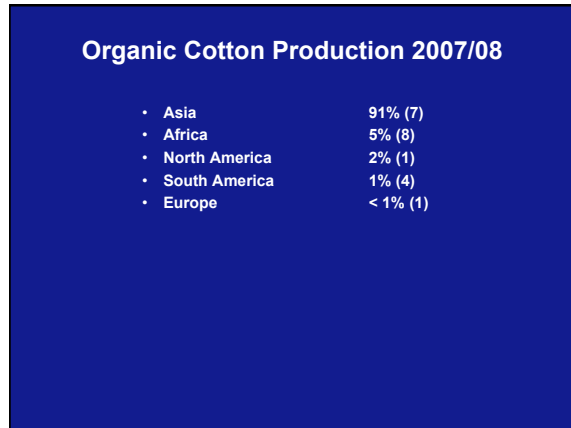
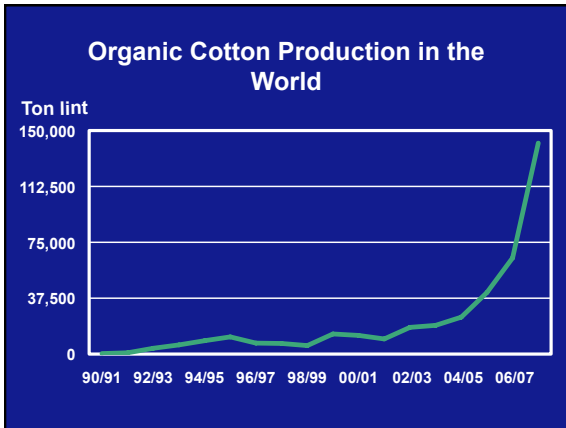
[USA - USDA NOP; 7 CFR Sec. 205.601; list allowed]

Organic Cotton

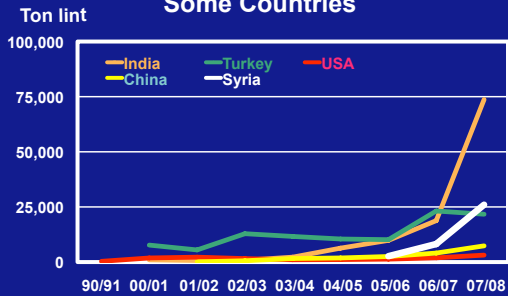
• 'Organic' is a labeling term.

• For cotton to be sold as 'organic', production must be certified.

• To produce 'organic cotton textiles', certified organic cotton should be manufactured according to organic fiber processing guidelines.



Organic Cotton Production in Some Countries



Concerns

- *Organic cotton* may be more expensive to produce - more labor
- Yields may be lower - more land
- Can have lower grades
- Marketing may be difficult - Premium and discounts
- From a consumer residue standpoint, there is no difference between conventionally grown cotton and organically grown cotton

Why Organic Cotton?

- More 'sustainable' approach than conventional
- Environmental safety (conventional cotton overuses/misuses pesticides)
- Direct health benefits to farmers
- Allergies from chemicals
- The word 'organic' symbolizes a lifestyle and people want to be a part of the lifestyle

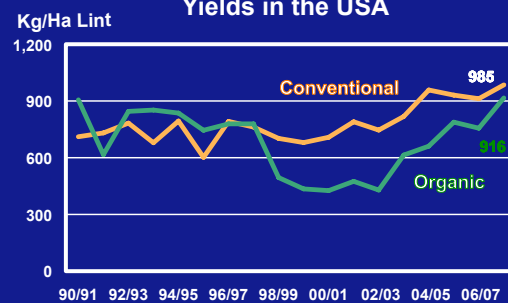
Pricing Systems

1. Direct negotiations between farmers and companies (Brazil)
2. Link organic price to conventional with minimum premium (Benin, India, USA and Zambia)
3. Agreement on floor price keeping in view the cost of production (Paraguay)

Biotech Cotton

- Biotech cotton is not eligible for certification as organic cotton.
- Biotech cotton has harmed organic cotton production

Organic and Conventional Cotton Yields in the USA



ORGANIC COTTON & SUSTAINABILITY

- Reducing input costs drives many producer decisions.
- Conventional and organic production can co-exist.
Profitability will drive decisions in the global supply chain.
- We must correctly understand *sustainability* and keep that at center of any discussion.

ORGANIC COTTON & SUSTAINABILITY

- Organic is NOT equivalent to sustainable.
- Sustainable is NOT equivalent to subsistence farming.
- Sustainability is equivalent to

FUTURE and LONG TERM PROFITABILITY

Summary

- Conventional and organic production can co-exist
- Conventional and organic cotton could both be sustainable.
- Biotech cotton has harmed organic cotton
- Organic production will stay as a niche market
- Need to make a producer driven initiative