



Revenue through Cotton Livelihoods, Trade and Equity (RECOLTE) Project Case Study

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INTRODUCTION

Most of us give little thought to where the cotton in our clothing is grown, and few know the scale and environmental and social impacts of the global cotton industry. Cotton was perhaps the first industrialized crop, grown and historically processed in three main tropical areas: India, Mexico and West Africa. However, with the advent of mechanized spinning methods, starting in the early 1800s cotton soon catalyzed a sophisticated global industrialized market system. Production increased wherever there was available land and labor, and processing mills in England spawned the Industrial Revolution.

Although much of today's clothing is synthetic, cotton remains an important global crop, and production covers 2.5% of the world's cultivated land. Cotton uses 16% of the world's insecticides, more than any other single major crop,¹ and 7% of the world's pesticides.²

Burkina Faso has historically been one of the largest cotton producers in Africa, and cotton is one of the major sources of income and foreign exchange for the country's economy. An estimated one in 20 Burkinabe are employed in the sector, and cotton is the country's largest export. Virtually all of the production is conventionally produced. There are serious concerns about the long-term sustainability of the production system and the ever-increasing levels of pesticides required to grow the crop.

Organic cotton, while a growing market internationally, is still a niche sector of the total cotton market. Free from agro-chemicals, organic cotton provides a sustainable alternative to conventional production, which is better for the environment and less hazardous to the farmers. Opening this new market is an opportunity for significant income generation, especially for marginalized women, who are often relegated to cultivating smaller plots and lack the resources necessary for conventional production. There are currently approximately 350,000 conventional

cotton farmers compared with only 10,000 farmers who produce organic cotton. (Burkina Faso tested GMO cotton, but has since discontinued use and officially banned it from the country.)

As a nascent industry, the organic cotton sector in Burkina Faso faces many challenges along the value chain, including access to inputs (seeds and fertilizers), production, processing, sales and marketing. As part of the USDA-funded Revenue through Cotton Livelihoods, Trade and Equity (RECOLTE) project, CRS analyzed using its value chain toolkit³ to assess the constraints and opportunities at every stage, and designed targeted interventions aimed to address the most critical bottlenecks in the value chain. Through this work, CRS is helping to transform the organic cotton sector in Burkina Faso from seed to market, reaching all organic cotton farmers in the country.

CASE PROFILE

TABLE 1: RECOLTE PROJECT PROFILE

REVENUE THROUGH COTTON LIVELIHOODS, TRADE AND EQUITY (RECOLTE)	
Project Type	Organic cotton promotion
Funder/funding	USDA, \$19.1 million
Project locations	Banfora; Fada; Loba; Kossi; Nayala; Oubritenga; Tenkodogo; Ziro Zones
No. of people served	10,000 direct and 50,000 indirect beneficiaries
Time frame	2013-19
Partners	National Union for Cotton Producers in Burkina (UNPCB); AgriLife Center, Texas A&M University; Agriculture Research Institute (INERA), Burkina Faso; Textile Exchange

All amounts are in US\$

1 Organic Trade Association, June 2010

2 <http://aboutorganiccotton.org/>

3 CRS Value Chain Toolkit

TABLE 2: IMPACT STATISTICS

IMPACT STATISTICS	2015-16	2016-17	2017-18	2018-19*
Volume sold directly by UNPCB (metric tons of fiber)	253 MT	469 MT	537 MT	453 MT
Volume of organic seed cotton produced/ harvested per hectare (KG/Ha)	287	381	391	402
Number of loans disbursed to farmers and others as a result of USDA assistance	488	488	1734	3079
Value of agricultural and rural loans provided with USDA assistance	\$23,775	\$27,699	\$101,434	\$153,690
Volume of seed produced/harvested by seed farm per hectare (yield)	66	72	200	52
Number of farmers certified organic**	7,136	6,459	6,859	7,027
Average area by producer***	0.58 ha	0.42 ha	0.41 ha	0.48 ha
Average production by producer	166 kg	160 kg	160 kg	192 kg
Percentage of farmers who are women	49%	52%	58%	58%

*Poor rainfall in the 2018-19 season led to lower quantities of seed and cotton produced.

** Decrease in organic certified farmers is a result of problems of attracting farmers to the cotton value chain as a whole, not due to farmers being decertified.

***Decrease in average area by producer due to increase in numbers of women, who on average hold smaller parcels of land than men.

INITIAL VALUE CHAIN STATUS

GROWING DEMAND FOR ORGANIC COTTON

As demand for organic food has grown, the market for organic cotton has also increased.⁴ Demand for organic cotton is driven not only by the environmental attributes, but also by the view that organic cotton is of a higher quality than conventional cotton.

The 2016-17 harvest year witnessed a 10% growth in global organic fiber production, which reached 117,525 MT produced across 18 countries. Records also show that 214,863 ha of cotton-growing land is in transition to organic, representing more than half of the current certified land area, which signals strong growth in the organic cotton sector.⁵

Increasing numbers of buyers were entering the organic cotton market as the desire for sustainably

produced cotton continues to go mainstream. Textile Exchange, a RECOLTE partner and global nonprofit organization that works closely with all sectors of the textile supply network on sustainability issues, has worked hard to generate industry commitment to the sector. In 2017, Textile Exchange created the 2025 Sustainable Cotton Challenge, which asked retailers and brands to champion sustainable cotton by aiming for 100% of their cotton to come from sustainable sources by 2025. Organic cotton, along with Fairtrade, recycled cotton and other initiatives, is an important source of this sustainable cotton. Numerous industry heavyweights have signed up for the initiative and pledged to reach that goal, including Target, H&M, Adidas, IKEA, Levi's, Burberry, Nike, Eileen Fisher, C&A and many more.

ORGANIC COTTON IN BURKINA FASO

Burkina Faso has been producing cotton commercially since 1950,⁶ and in recent years has been either the largest or second largest producer of

4 Textile Exchange (incomplete citation in Estur)

5 Textile Exchange, Organic Cotton Market Report 2018

6 World Bank. 2004. Cotton cultivation in Burkina Faso - a 30-year success story (English). Washington, DC



Cotton on display at a local market. *Photo by Michele Gilfillan*

cotton in Africa. Organic cotton currently makes up only 1% of the world's cotton production, and Burkina Faso's organic cotton production represents less than 1% of the country's total output. Most cotton production is conventional, with production reliant on heavy use of pesticides and inorganic fertilizer, leading to high levels of pesticide exposure to the farmers. Organic cotton production uses no toxic chemicals, and use of organic fertilizer improves soil quality; organic production uses 88% less water and 62% less energy.⁷ Continued dependence on conventional cotton production systems is damaging the environment and leading to long-term decline in soil fertility and production. Additionally, organic cotton is more resilient to climate shocks. Between 2016 and 2018, cotton yields per hectare in Burkina Faso decreased by 26% for conventional cotton,⁸ while for organic cotton yields increased by 5% in the same period.⁹ The acute and long-term exposure of farmers to agro-chemicals is leading to worsening

health; at the end of each harvest season, it is not uncommon for farm workers to fall ill and seek treatment.

The gender dynamics of cotton production in Burkina Faso indicate that cotton has culturally been viewed as a crop produced and sold by men, with women relegated to providing labor mainly at harvest. On average, men farm several hectares of cotton while women generally do not own sufficient land to achieve the economies of scale necessary to grow conventional cotton at a profit.

Organic cotton does not face the same gender norms as conventional cotton, and in this niche market women have taken on a more prominent role in production. With lower input costs, women require less investment to produce organic cotton and are able to profitably cultivate smaller plots. In fact, smaller plots can allow for better maintenance, which is a factor in producing higher yields. Thus, women have taken on the new opportunity offered by organic cotton, using small plots and often marginal lands that were not being used by their husbands,

⁷ <http://aboutorganiccotton.org/>

⁸ <http://www.commodafrica.com/file/cotonpng-3>

⁹ [PR-PICA, USDA, Sociétés Cotonnières-UNPCB](#)

where they have more control over decision-making and revenue.

Burkina Faso began production of organic cotton in 2004 when the cotton producers' union UNPCB received support from NGOs interested in exploring this new market sector. In 2008, Limited Brands, which at that time was the parent company of Victoria's Secret, negotiated a direct agreement with UNPCB to purchase all the organic cotton the union was producing (which by 2014-15 campaign was 2,000 MT), with an intent to purchase double that amount in the future. As part of the negotiations, Limited Brands set a price of the organic cotton for farmers far above the Fairtrade and organic premium prices by cutting out distributors; the price per kilo paid to producers increased by 20%, creating a price incentive for farmers to produce organic.

CONSTRAINTS FACING ORGANIC FARMERS

Producing organic cotton presented both challenges and opportunities for small-holder farmers in Burkina Faso. The high costs of inputs and equipment – and the large plot size¹⁰ necessary to achieve profitability in conventional cotton – created a barrier too high for many small, vulnerable farmers to overcome, especially women. Organic cotton, with lower input costs, presented fewer barriers to entry, but the yields were significantly lower than conventional cotton production. However, the premium price

available for organic cotton along with the lower input costs can mean that it is actually more profitable for farmers than conventional cotton (see Conventional vs. Organic Profitability Analysis chart).¹¹

Given the larger size of conventional cotton plots, conventional farmers' income are higher overall than those of organic farmers, and increasing the size of organic plots would likely result in some of organic's productivity per hectare advantage disappear. However, for the small farmer, and particularly those on the margin, organic cotton offers a uniquely profitable endeavor.

Organic cotton in Burkina Faso faced several systemic constraints. All cotton growers were required by law to belong to UNPCB, and all cotton is ginned by one of three parastatal companies. Every farm plot was tied to one ginning company based on production zone. In order to be certified as organic, the cotton needed to meet rigorous quality and purity standards at each stage in the process, from seed production and through international shipping. At the time in Burkina Faso, there were no gins that exclusively processed organic cotton.

Ginning organically grown cotton on the same machines as conventional cotton exposes the organic cotton to fiber residues from the ginning of conventional cotton, and contamination results in a loss of certification. To avoid this problem, the organic cotton in Burkina Faso was ginned separately,

CONVENTIONAL VS. ORGANIC PROFITABILITY ANALYSIS (2016)						
	Conventional			Organic		
Labor: seeding, weeding, applying herbicides/pesticides, harvesting			\$222.06			\$203.99
Inputs: bio insecticides and herbicides for organic cotton			\$171.91			\$79.49
Total Production Costs			\$393.98			\$283.48
	Yield KG	Price	Total	Yield KG	Price	Total
Total Income	1,000	\$0.44	\$442.16	534	\$0.64	\$341.06
Net Profit /Ha			\$ 48.19			\$ 57.58

10 The average plot size for organic cotton is 0.6 ha per producer, while for conventional cotton, it is 3.8 ha.

11 Estur, "Les coûts de production et la compétitivité du coton bio et bio-équitable d'Afrique de l'Ouest"



An organic cotton seed farm supported by RECOLTE. *Photo by Sam Phelps*

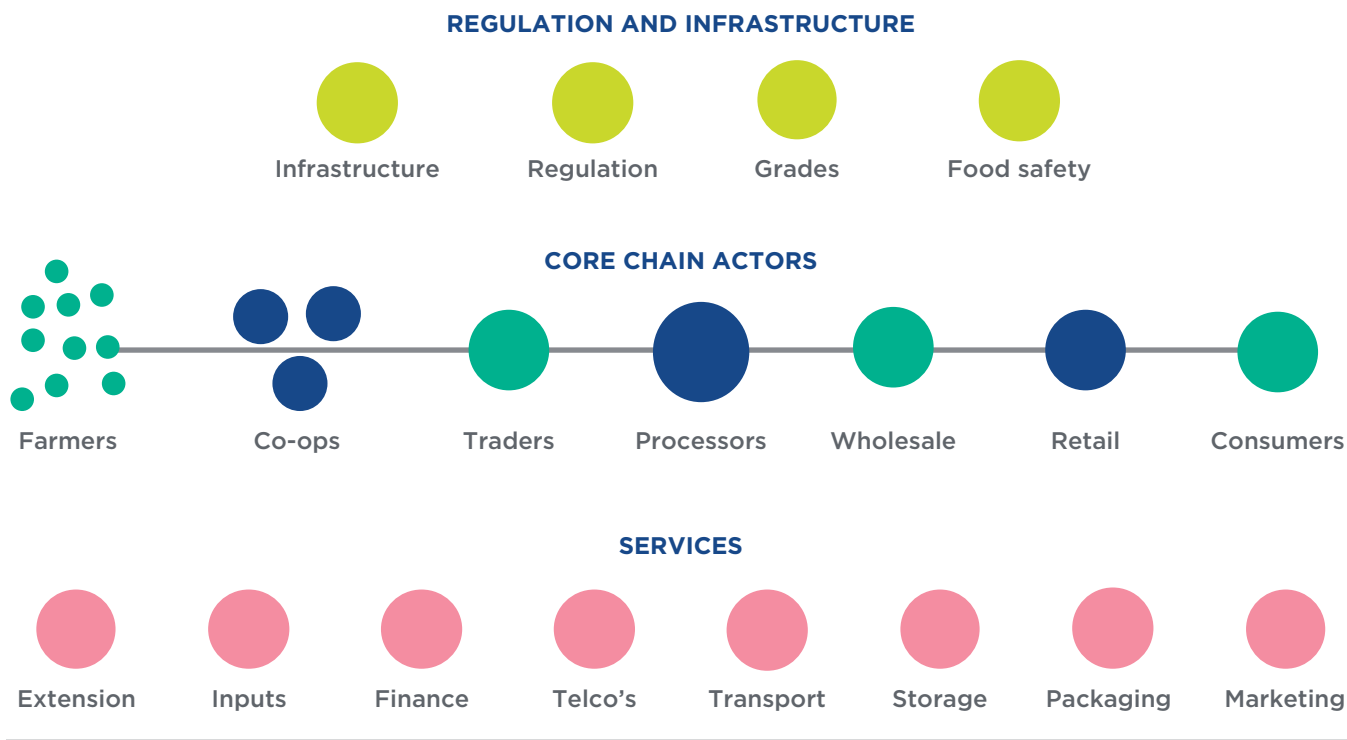
at the end of the season when all the conventional cotton has been processed, and after the gin has been thoroughly cleaned. Not only did this mean significant financial costs and time, the resulting delay in processing led to a series of other problems.

The late season ginning meant delayed sales, delayed payments and the late delivery of the organic seeds to the farmers. Ginning separates the seeds from the fiber, and only after ginning can seeds be returned to the farmers for the next season's cultivation. Delayed access to seed was causing delays in planting, which meant farmers missed optimal planting times, resulting in lower yields and lower quality cotton. This series of cascading effects frustrated farmers, leading many to quit the organic cotton value chain altogether.

Lack of access to quality seeds was further hampered by insufficient breeder seeds, which meant that farmers used recycled seeds that deliver lower yields. Contamination by genetically modified cotton (containing the Bt gene), which prevents organic certification, was also occurring as a result of the use

of these substitute seeds. Post-harvest, the farmers faced a lack of storage facilities and difficulties in transporting and ginning arrangements due to the small volumes of organic cotton in comparison to conventional cotton.

In addition to the delays and lack of access to quality seed, organic farmers were often unable to access loans that were adapted to organic production systems for inputs, including organic fertilizer, that are needed for their fields. While production using organic systems requires fewer inputs, it is knowledge-intensive, and many farmers lacked knowledge and perhaps the discipline necessary for integrated pest management methods, use of organic bio-pesticides, and organic compost and manure to improve soil fertility. Farmers were also not well organized into groups and associations or unions, and this lack of contact between farmers generally leads to low levels of innovation and the motivation that groups offer. Failing to use the full organic package meant that many farmers cultivating organic cotton obtained lower yields than they were anticipating, and despite the premium sales



CRS Value Chain Mapping of Core Actors

prices, many earned lower incomes in comparison to conventional farmers.

Although farmers were attracted by the higher prices offered by organic cotton, the increasing demand, and the unique opportunities for women to enter the organic cotton market, growth in the sector was slow and was checked by market uncertainty. In 2015, as the RECOLTE project was getting underway, Limited Brands, the sole buyer of all the organic cotton produced by UNPCB, decided to cancel their agreement with union, due to Limited Brands changing their business strategy. This left the cotton union without an anchor buyer and without the “extra premium” that Limited Brands had been offering. This dramatic and unforeseen change in the marketing situation of the union posed considerable new challenges for the RECOLTE project team as they were developing their technical assistance program for increasing farmer incomes and catalyzing a stable and growing organic cotton sector in Burkina Faso.

VALUE CHAIN UPGRADING APPROACH

Following the CRS Value Chain approach, the RECOLTE project team conducted a full analysis of the organic cotton value chain, from seed to market,

to identify the key constraints inhibiting the chain’s performance and growth. Based on the three-level analysis, exploring core chain actors and their market linkages, business services and the policy environment, the team designed interventions for a comprehensive upgrading strategy.

INSTALLATION OF AN ORGANIC-PRIORITY GIN

The RECOLTE partners recognized that the major delays in cotton processing and the knock-on effects in subsequent production cycles were caused by the lack of a dedicated organic gin. Industrial gins are large and expensive, and a feasibility study revealed the total cost of purchasing and installing a gin was approximately \$4 million. While the government and local industry were committed to developing the organic cotton sector, the small volume of organic cotton that would pass through the gin, in comparison to the significant capital expenditure required to install a gin, presented a significant challenge for both UNPCB and RECOLTE.

To make progress in such a procurement, the RECOLTE program explored ways of “buying-down the risk” of such an investment with prospective investors. The Government of Burkina Faso, UNPCB

and SOFITEX (the parastatal gin company operating in the project's catchment area) developed a unique solution to establish an independent company to install and manage a gin dedicated to prioritizing organic cotton. USDA approved the RECOLTE project to provide a \$1.3 million co-investment for the procurement, and the project facilitated the government of Burkina Faso to cover 49% of the total cost of the project.

As the majority shareholder status in the new company, UNPCB was empowered to protect their interest in maintaining the primary focus of the gin on organic cotton, ensuring that organic cotton was prioritized, and therefore ginned first. The newly established company managed the bid process, and the construction of the plant. The installation of equipment began in September 2018, and was completed in January 2020. SOFITEX, given its proven expertise in managing operation of other gins in the country, was given responsibility for the technical operation of the gin.

SEED SUPPORT—INPUT SUPPLY

Support to the organic cotton value chain began with tackling the problem of inadequate supply of quality seeds. Organic farmers were unable to procure sufficient quantities of organic seed from within Burkina Faso, and in some years, farmers were forced to source non-treated and non-GMO seeds from Togo. Creating a sustainable, domestic seed system for organic cotton was critical to ensuring a durable value chain.

CRS partnered with Texas A&M to provide technical assistance to the National Agriculture Research Institute (INERA) of Burkina Faso to improve the planning, production and sales of an organic cotton seed farm, with a particular focus on linking the research teams who produce the foundation seed with seed multipliers and certifiers. Critically, CRS supported the establishment of a seed bank to preserve genetic diversity.

To solve the issues of seeds logistics and multiplication, CRS co-invested with UNPCB to establish three seed farms to be managed by the union. Seed farms were equipped with capital equipment (tractors, drying beds, sheds, etc.) and enough land to produce sufficient seeds to sow 70 hectares of organic cotton for seed production – enough to meet demand well into the future.



RECOLTE Project Staff. *Photo by Sam Phelps*

FARMER SUPPORT

The next step in the value chain was the smallholder farmers themselves. Farmers were organized into farmers' associations to enable aggregation of production and to achieve economies of scale. CRS supported the formation of farmer groups, linked to 321 cooperatives with 12,396 members, of which 56% were women.

CRS and UNPCB agents trained farmers in organic standards and agronomy practices and co-financed procurement of wheelbarrows, plows and other equipment. Organizational capacity building was provided to the farmers' associations, increasing their capacity to manage themselves. The RECOLTE project team produced a training manual on best practices for cotton cultivation, appropriate rotational crops, and organic certification that was endorsed by the Ministry of Agriculture of Burkina Faso as a reference guide for training extension agents on organic standards across the country.

FINANCING

Access to finance and financial services remained a critical hurdle for many farmers, who seek the cash to cover the cost of organic inputs as well as equipment, but have little in the way of savings or access to formal finance.

When Limited Brands departed from the project in 2015, the company established a fund for the



Trailer for seed farm maintenance. *Photo by Sam Phelps*

provision of small loans for income-generating activities (IGAs) targeting women farmers. Over 2,000 women used these loans, many for income-generating activities, starting small businesses, such as cooking vegetables and rice in the market, and baking cakes. Increasing the off-farm income of farmers, especially women, reduced their likelihood of abandoning organic cotton production or making economic decisions that would inhibit their participation in the crop.

CAPACITY BUILDING OF UNION

The central actor in the cotton sector, UNPCB, represented all the cotton farmers of the country, not just those farming organic. A strategic objective of the RECOLTE program was to strengthen the union's ability to deliver more effective services to the farmers and provide better representation.

With the departure of Limited Brands, UNPCB was required to assume all the functions previously

performed by Limited Brands, at its own expense. This included negotiating the ginning of seed cotton with the cotton companies, selling the fiber to customers, and arranging transport of the cotton bales to the port of Abidjan, Côte d'Ivoire, in collaboration with freight forwarders.

After a joint assessment by CRS and UNPCB, CRS decided to strengthen UNPCB's central management to enable it to manage the increased levels of work and resource mobilization. CRS hired a Senior Advisor for Agriculture, Marketing and Cooperative Development and a Certification Officer, both of whom were assigned to the UNPCB headquarters in Bobo Dioulasso. These two CRS staff members were embedded with and worked closely with UNPCB management to assess and improve management, financial and operational systems. CRS provided organizational and management training, and modernized the union's information and technology system to support improved data management, extension scheduling and financial management.



Community members using a borehole installed by RECOLTE at a seed farm. Photo by Sam Phelps

among the nearly 300 attendees. The event was also an opportunity to learn more about the important drivers of the cotton and textile market as UNPCB strives to build a strong marketing strategy.

The delegation shared information about UNPCB, the profile of the organic farmers and their value proposition. The UNPCB board president received particular attention as one of the few farmer voices from Africa at the venue. The team created networks with representatives of several brands, textile companies and spinning corporations, and leveraged support from marketing and sales agents. Based on this meeting, two new sales agents expressed interest in Burkina Faso organic cotton, one of whom concluded a sale during the conference.

UNPCB also attended the Textile Exchange Conference in 2017 in Washington, DC, together with the Ethical Trade team, and also the subsequent conference in 2018 in Milan. In October 2017, as a follow-on to the Textile Exchange Conference, CRS's Ethical Trade program (a CRS affiliate marketing program that worked to promote ethical brands in

the prospect of having a designer work solely with organic cotton made from Burkina Faso made a great marketing pitch, the volume the company needed was too small to justify the work for FILSAH, the sole processor in Burkina Faso. At the end of 2017, after several discussions and negotiations between RECOLTE, UNPCB staff and Xoomba, a pilot project was developed in which 1,000 kg of organic cotton fiber was processed into yarn in neighboring Côte d'Ivoire, and then made available to Xoomba and other local Burkinabe designers, marking the first time in UNPCB's history that Burkina Faso-produced organic yarn was made available locally.

Building on the successful pilot, in March 2018 RECOLTE seized the opportunity to convene a larger array of stakeholders and organized a round table of spinning companies, cooperatives, designers and government officials to harness the learning and discuss a way forward. The round table resulted in the foundation of a working group that established a sustained mechanism to build and aggregate demand for organic yarn thereby generating enough volume to achieve the economy

of scale required for cost-effective local processing of high-quality yarn. As a direct result, UNPCB strengthened their working relationship with FILSAH and by August 2018, FILSAH was processing 15,000 kg of organic yarn fiber, resulting in the first spinning of organic cotton in the country's history, generating some 13,000 kg of yarn.

Since then, UNPCB has sold 5,500 kg of organic cotton yarn worth over \$32,000 to nine customers. Processing the thread allowed UNPCB to capture more of the value of the final product locally. Selling the equivalent amount of fiber would have netted the union less than half that from the thread earned, and delivered margins that incentivized further spinning of organic yarn in the future.

SCALING THROUGH INFLUENCE— INTERNATIONAL COTTON AND TEXTILE CONFERENCE (SICOT)

The goal of the RECOLTE program was to upgrade the organic cotton value chain in Burkina Faso and link UNPCB cotton with buyers. As part of this plan, RECOLTE helped to initiate the inaugural International Cotton and Textile Conference in September 2018 in Koudougou, Burkina Faso. This was the first international cotton conference held in West Africa, and the event promoted both conventional and organic cotton. The conference was a resounding success with 800 participants from 33 countries. Ten thematic sessions were led by 82 experts from 12 countries,¹² and CRS, together with the CEO of Maggie's Organics, led a round table discussion on organic cotton. The event garnered a great deal of attention and press, and the President of Burkina Faso, Roch Marc Christian Kaboré, was the guest of honor. The President also attended another major event and achievement for the project – the ground-breaking ceremony for the RECOLTE gin constructed to prioritize organic cotton.

Preliminary results from SICOT showed the value for international participation in Burkina Faso's organic cotton sector. Influential visitors in the sustainable textile network traveled to West Africa for the first time to participate in the conference, facilitating dialogue on how to become more involved in the Burkinabe cotton sector. The West Africa Sourcing



Coalition gained interest as a solution to the low organic cotton production in Burkina Faso; this country's production alone would not satisfy large international brands, but production across West African countries has a higher cumulative volume of organic cotton. Additionally, visitors were inspired by a field visit to a women's organic cotton production group, and shared stories through media in their home countries. These reports furthered interest from high-level brands, and opened discussions about new spinning options in Portugal and Spain. These efforts indicated the market potential for UNPCB to sell more organic cotton and the RECOLTE project should work closely with these new business options to capitalize their marketing strategies with ongoing communication and sales.

UPGRADED VALUE CHAIN STATUS

ENHANCED UNPCB CAPACITY

The RECOLTE program worked with UNPCB to set up and manage the systems needed to perform additional functions in the cotton supply chain and to mobilize resources. The Senior Advisor for Agriculture, Marketing and Cooperative Development worked closely with UNPCB to assess approaches to improve profitability and reduce transaction costs, both in the organic cotton program and in cooperative management. The two CRS staff members contributed to the reorganization of the UNPCB's central management structure with the recruitment of additional UNPCB staff and provided training in cotton supply chain management and marketing.

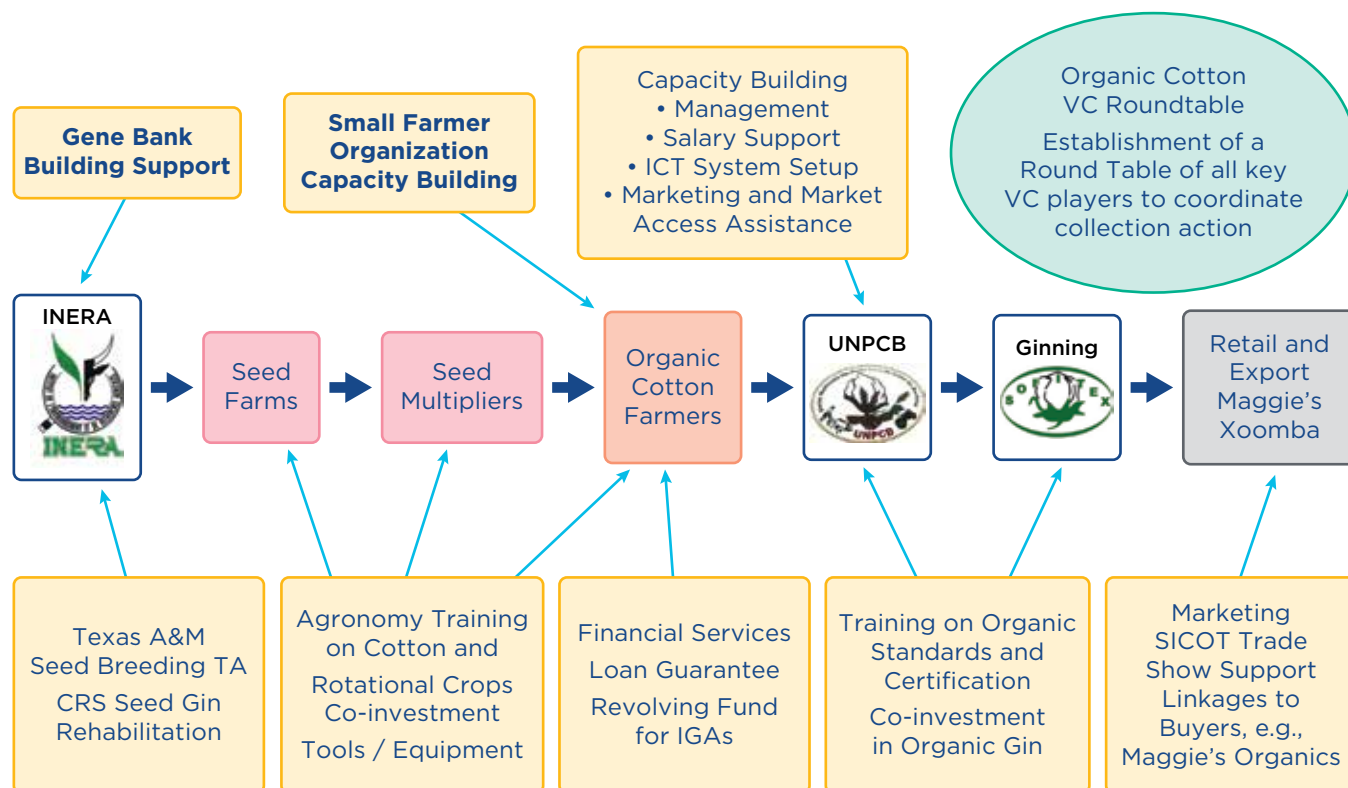
This search for profitability and reduction of transaction costs led to a change in the location where organic cotton was ginned from the western region of the country, Banfora, to a more central part of the country, Koudougou, resulting in a reduction of transportation costs by 43%. It is at this site that the organic-priority gin has been situated.

NEW MARKETS

Following the loss of Limited Brands as a buyer, UNPCB diversified markets, diminishing their risk exposure. The acquisition of Global Organic Textile Standard (GOTS) certification allowed UNPCB access to new markets in Europe, particularly in Belgium. Over the course of the project, UNPCB

¹² <https://www.sicot-bf.com>

RECOLTE Project Interventions—Complete Value Chain



made a dedicated effort to expand their base of buyers, and committed themselves to a new focus on local markets. Per the new marketing strategy, UNPCB first satisfied the local artisanal market, including a social enterprise, GIES CABES, which is supported by the Ethical Initiative program of the International Trade Centre (ITC), a joint agency of the United Nations and the World Trade Organization. The Ethical Initiative connects marginalized artisan communities and designers from the developing world with global brands, and in Burkina Faso works with the textile value chain. GIES CABES manages a network of workshops that export artisanal textiles to international customers.

UNPCB's efforts to broaden their markets, bolstered by the GOTS certification and local spinning initiative,

have proven successful. From relying on a single buyer, UNPCB now sells its organic cotton to 14 different purchasers, both as thread and as fiber.

TABLE 3: EXPANSION OF MARKET FOR UNPCB ORGANIC COTTON

ORGANIC COTTON CLIENTS OF UNPCB					
	2014-15	2015-16	2016-17	2017-18	2018-19
Fiber Clients	1	2	2	5	5
Thread Clients	0	0	0	6	9
Total	1	2	2	11	14

Mrs. Bagnan's Story

Mrs. Katiga Bagnan is an organic cotton producer. She is 37 years old and a mother of six children. "Cotton production is men's business," she said. This opinion is shared by most women in Katiga's village of Koumbo, located in the south of Burkina Faso. None of the women in the village cultivates conventional cotton. In conventional cotton farming, the role of women is generally limited to assisting their husbands with planting and harvesting.

In 2014, when the RECOLTE program began in Koumbo village, Mrs. Bagnan contacted the UNPCB field officer, who added her to the list of organic cotton producers and provided her with seed. She obtained a plot of land from her husband, which was located in the family field. She also joined the GPCB, the local cotton producers' group.

Since the plot had not been used for several years, it was free from chemical fertilizers and pesticides, allowing her to be certified as an organic producer right away. From 2014 to 2016, the area of land Mrs. Bagnan dedicated to organic cotton production doubled from 0.5 ha to 1 ha of organic cotton. Her net income tripled from 50,000 FCFA to 150,000 FCFA (\$300) in the same period. The RECOLTE project also increased access to farming equipment, which enables growers to increase the cultivated area and reduce the time and effort required of traditional fieldwork.



Photo by Adama Sienou/CRS/BF

“With the money I earned from producing organic cotton, I was able to pay my children's school fees and purchase medicine for when my children were ill. And this year I was able to help my husband build a small house,

— Mrs. Bagnan proudly states

“I encourage other women to join the organic cotton network because it's a way to earn money to take care of our families, and also a way to preserve our health because it does not use chemicals.”

COMPLETION OF THE GIN

The construction of the 125-tons-of-seed-perday gin dedicated primarily to organic cotton relieves a critical bottleneck impeding the growth of the value chain, and provides the necessary incentives for smallholder farmers to cultivate organic cotton. The construction of the facility in Koudougou created 115 jobs, and is projected to create 116 more during its operational phase. Installation of the gin was completed, and the inauguration of the factory took

place at the second International Cotton and Textile Exhibition (SICOT) held in January 2020.

The first full operational season of the gin will take place in 2020, and by design, organic cotton will be given priority. Given the relatively low volumes, the gin will process the organic cotton in a few weeks, then will switch to conventional cotton. As UNPCB owns 51% of the company, the union will realize profit from any of the conventional cotton ginned.



Ginning machinery inside the newly constructed organic-priority gin. *Photo by CRS*

Even before completion, the impact of this investment was already being felt. RECOLTE credits the organic cotton ginning plant as a major driving force behind an increase in producers joining the project. During the project there was a 10% increase in the number of producers, and an 11% increase in the total areas of land under organic cotton cultivation to be attributable to the pull factor of the gin.¹³

LESSONS LEARNED

VALUE CHAIN DEVELOPMENT CAN BENEFIT THE MOST VULNERABLE

Value chain development is often portrayed as benefiting only those relatively well-off actors, and not reaching the poorest of the poor, or the most vulnerable. In the case of RECOLTE, the value chain upgrading targeted women at the bottom of the pyramid while also supporting more endowed

farmers. RECOLTE investments in the organic cotton value chain enabled rural small-holder and women farmers, in a marginalized geographic setting, the drylands of the Sahel, to benefit from a high-value export market, delivering prospects for both growth and income premiums. The women who produced organic cotton were able to take advantage of the sector-wide developments within the cotton umbrella organization (UNPCB) by accessing improved extension services, finance through new loan facilities and new markets that were developed through the marketing campaign.

The establishment of the SICOT cotton conferences has also provided new opportunities for market growth in the future. The single most impressive upgrade for the value chain is likely the construction of the new ginning facility, built specifically to prioritize organic cotton processing. This large-scale investment will not only improve the efficiency of the processing, it will also provide for considerable expansion of the crop, relieving a critical bottleneck which discouraged farmers from production more

¹³ CRS Burkina Faso RECOLTE Organic Cotton Factory Brief, October 2019



Building housing the organic-priority gin after final completion in January 2020. *Photo by CRS*

organic cotton, and increasing the availability of organic cotton on the local market. Inc

Given these opportunities, women actively pursued organic cotton production with tangible results. Incomes have increased, from \$55 in 2016 to \$115 in 2018.¹⁴ In addition, many women reported using the new revenue for school fees, investing in making improvements to their cotton farms and purchasing necessary household assets.

ENGAGE AT ALL LEVELS OF THE VALUE CHAIN

Projects often focus on one or two prominent bottlenecks within a value chain, such as production or farmer organization. However, in this case, because this was a new market opportunity, the organic cotton value chain explored and addressed multiple constraints along the value chain. Had RECOLTE focused on a limited number of barriers,

the overall growth prospects for the sector may not have changed. By working on multiple constraints from the outset, it was possible to provide upgrades all along the value chain from inputs and production to processing and marketing. As the capacity of UNCPB increased, and the profile of organic cotton was raised in the country, the project and organic cotton in general built political leverage. Before RECOLTE, organic cotton was simply not on the radar of the higher echelons of the government, but by the end of the project, the team had succeeded in rallying an informal coalition to support organic cotton composed of senior government officials, including the President's Chief of Staff and his Agricultural/Food Security Special Advisor, the Minister of Commerce, the Minister of Agriculture and the Managing Director of the Burkina Investment Agency.

There is a tendency for agricultural projects to put most of their effort into inputs and early stage production activities. This often means the project does not have time or resources to support upgrading further along the chain to improve areas

¹⁴ RECOLTE project data, converted from FCFA to USD using historical data averages

of value addition and marketing. CRS's experience, across many programs, has found that it is better not to postpone or avoid downstream activities, but to find the right partners at each stage in the value chain and make effective investments to support a systemic upgrade.

This means that the project teams need to divide efforts and identify the right people with expertise to support specific aspects of the chain, such as inputs, production, value addition and marketing. This is especially the case when the chain is physically long, and where there are clearly different types of actors who need to be engaged, such as research and agro-dealers, farmers and farmer union leaders, processing companies and equipment vendors, and buyers who may be based both in-country and overseas. It is also important to find ways of building influence within major stakeholders and the political economy if these types of projects are to find longer term mainstream support and ongoing investment.

PLAN A BUSINESS-LED EXIT STRATEGY FROM THE BEGINNING OF THE PROJECT TO PROMOTE ONGOING COMMERCIAL OUTCOMES

The RECOLTE project had the advantage of building upon previous donor-led programs that had previously invested in the organic cotton value chain. These donors paid UNPCB staff salaries and subsidized the costs of organic certifications. These projects effectively inserted themselves into the value chain and supported change, but when these funds ended, there was the common challenge of weakening the overall business model as projects end and subsidies and skills disappear.

This early stage investment may have been necessary to start the process, but this approach creates a dependency that is not sustainable, and as a result, the RECOLTE program faced additional impediments to ensuring sustainability post-project. The establishment of the gin dedicated to organic cotton has led to a marked change in attitude of the UNPCB, which considers this tool an anchor element of sustainability that will increase the ability of the organization to finance staff salaries and certifications in the future.

As part of the transition out of the program, CRS needs to help secure low-cost loans for UNPCB to

pay for certification and farm implements and help secure long-term contracts with ethical businesses.

MARKET DEVELOPMENT IS CRUCIAL

Limited Brands played an important role in supporting the organic sector, creating incentives for production. However, by purchasing the entire production of UNPCB, and thus the country's entire production of organic cotton, the union was overly dependent on a single buyer. This dependence produced a false sense of security, and prevented the union from developing critical marketing, management and financial capacity and diversifying their linkages on the international market. Limited Brand's sudden end of their purchasing commitment in Burkina Faso forced the union to seek other buyers and improve their marketing skills.

A more diverse set of buyer relationships earlier in the organic cotton strategy would have reduced overall risks. Fortunately, RECOLTE was only a year into programming when this occurred, and the team was sufficiently agile and fortunate to find new buyers. Exposure to international trade shows, where the union was able to forge new relationships with buyers and to deepen their understanding of the market, was a strategic marketing investment by the program, and led to concrete marketing opportunities and results.

NEXT STEPS

The RECOLTE Project ended in March 2020, and it was evident that important progress was made in terms of production, farmer organization and processing. The establishment of the gin was a major step, but as with all emerging sectors, significant challenges remain.

One of the obvious challenges is to ensure that organic production levels are sufficient to guarantee that the gin processes a commercial level of organic cotton. Processing a high level of organic cotton will offset the incentives to transfer this gin back to conventional cotton.

RECOLTE's work strengthened the organic seed system, ensuring a consistent supply of high-quality genetic planting materials has relieved one production-level bottleneck, but others remain that prevent further increases in productivity. Prominent among these challenges is the need to develop

a solution for the shortage of organic compost and fertilizer for smallholder farmers. Given the environmental conditions in the country and the impact of climate change on the region, securing access to sufficient quantities of affordable organic materials and transport to the farms will remain a challenge for the foreseeable future.

Finally, as with many commodities on the continent, more of the end market value needs to be captured within Burkina Faso or the region. In other words, more value-add needs to occur locally, including processes, thread, fabric and garment making, not simply the exportation of mainly raw cotton and some thread. Under RECOLTE, increasing volumes of organic cotton are remaining in the country, especially now with thread being spun within the country and used by local women's cooperatives and individual apparel entrepreneurs such as Francois 1er. Organizations like Ethical Apparel Africa are engaged in efforts to broaden the effort, and future value chain work can leverage this groundwork and tap into the growing local market.

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