WWF and IKEA
Cotton Project Report
- harvest data 2014
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OVERVIEW
Conventional cotton farming often comes at a high price for people and the environment. Most cotton is grown and picked by hand on small farms in developing countries, and the farming techniques involve intensive use of water, chemical pesticides and fertilisers. Cotton is a thirsty crop but often grown in drought-prone areas, contributing to local water scarcity. Soil erosion and loss of biodiversity are also common issues.

At the same time, many cotton farmers struggle to make a profit, and the industry is known for problems such as child labour, and health risks associated with the use of chemicals.

In 2005, WWF and IKEA started cooperating with the aim to making cotton farming more sustainable, and our joint projects in India and Pakistan have showed strong environmental, social and economic benefits.
BACKGROUND

A typical cotton supply chain often involves several companies in different countries before the finished product reaches consumers. Addressing sustainability issues already at farm level is important in order to create lasting and large-scale improvements in conventional cotton.

Cotton Partnership Aims for Market Transformation

“IKEA has shown real leadership on cotton. Leading in terms of support for farmers to reduce social and environmental impacts and to mobilise suppliers to get cotton from these projects into IKEA products. Leading through persuading other companies in the textile sector to join the Better Cotton Initiative. And leading among multinational brands in having met their target of 100% cotton from more sustainable sources by 2015. These are achievements that raise the bar globally for corporate sustainability”. says Richard Holland, Director, Market Transformation Initiative at WWF

WWF and IKEA were founding members of the Better Cotton Initiative (BCI) and support its efforts to transform cotton production worldwide by developing Better Cotton as a sustainable mainstream commodity. Some predict that this could be a reality before 2020.

“The speed of developments when it comes to cotton is unprecedented – no one could ever have expected it to move ahead so quickly. An important success factor is that both organisations have such engaged and hard-working co-workers, not least in the field. They make great efforts,” says Marcus Albers, Manager Corporate Partnerships WWF Sweden.

Simon Henzell-Thomas agrees:

“What we are doing with cotton is a great example of market transformation. We have an amazing opportunity to tip an entire market to becoming more sustainable.”

Cotton is a renewable resource with great qualities, but also associated with major environmental and social challenges. Both WWF and IKEA see the need to tackle these, and by involving a variety of stakeholders, transform the global cotton market.

Facts About Cotton

- 2.5% of the world’s cultivated land is used to grow cotton
- Cotton accounts for up to 10% of global pesticide use
- Cotton is grown in around 80 countries around the world
- The largest producers are China, India, USA, Pakistan, Brazil and Uzbekistan
- Some 300 million people work in the cotton industry
- On average, 10,000 litres of water is used to grow one kilogram of cotton, but it can require three times as much if farming practices are poor
- Nearly half of all textile production is based on cotton

Source: waterfootprint.org
IKEA and WWF agreed to start joint cotton projects in 2005. At the time, WWF had been concerned about water-related issues in South Asia’s cotton-growing regions for some years, and IKEA had unearthed worrying facts about cotton's impact on people and the environment when mapping its cotton supply chain in 2004. Something had to be done to make conventional cotton more sustainable.

“When we first started the projects, neither IKEA nor WWF really knew what needed to be done to tackle the challenges with cotton farming. The first phase was experimental, with lots of innovation. We have learned a lot and achieved a lot,” says Murli Dhar, Associate Director Sustainable Agriculture Program WWF India.

“Some people suggested IKEA should abandon cotton altogether and some said we should move our sourcing to ‘safe’ countries like the US. But IKEA has the financial power and are big enough to change things, so instead we decided to work with WWF and do something about the problem,” says Guido Verijke, who was part of setting up the joint projects when he was Deputy Business Area Manager Textiles at IKEA of Sweden.

WWF brought together a range of concerned stakeholders - including IKEA - with a desire to work together to define a system for cotton production which would have less impact on people and on the environment. This was the start of the Better Cotton Initiative (BCI) in 2004, but it would not be until 2009 before it had developed global principles and criteria for Better Cotton.

“WWF and IKEA were founding members of the BCI, but we wanted to speed things up. We started working with WWF in Pakistan first, thinking that if we can change things here, we can change it anywhere,” Guido Verijke remembers, adding that the first project in India soon followed.

Farmers received hands-on field training in cultivation practices that meant cotton could be successfully grown with less chemical fertilisers and pesticides and less precious water. Arif Makhdum, Director Sustainable Agriculture Program WWF Pakistan, was on the ground from the start:

“We started with 500 farmers. In the beginning, they were not ready to listen to the environmental or social issues; they were only interested in saving money. But the results were very encouraging already after just one year so WWF and IKEA agreed to expand the projects.”

The results inspired more and more farmers to join the projects in the two countries, and some 44,000 joint project farmers in India and Pakistan are now using more sustainable farming practices. In 2010, project farmers in Pakistan were the first in the world to produce licensed Better Cotton.
Examples of More Sustainable Farming Techniques

Under the projects, farmers adopt more sustainable farming techniques – modern ones as well as almost forgotten traditional ones. Here are some examples:

Less chemical pesticides
Many insects seek out maize before cotton so planting maize around their crops acts as an early warning system for pest attacks.

Pheromone traps help farmers monitor the type and number of insects, and prevent unnecessary spraying.

Many farmers use traditional techniques to replace or complement chemical pesticides, such as bio-pesticides like neem oil.

Less chemical fertilisers
Organic compost and manure improve soil quality, and reduce the need for costly artificial fertilisers.

Less water
Drip irrigation systems get the water to where it is needed most, so less is wasted. With less water in the soil, weeds can’t grow.

Better earnings
Basic equipment such as aprons, make harvesting easier and prevent contamination with air and debris. Cleaned cotton gets a better selling price.

RESULTS TO DATE

The partnership’s joint cotton projects in India and Pakistan clearly show the environmental benefits from more sustainable farming practices - in 2014, project farmers in India used 49 percent less pesticides compared to those using conventional cultivation methods.

Project Results 2014

Each year, WWF takes data from project farmers and data from a sample of conventional farmers and compare them by calculating the difference in average use of pesticides, fertilisers and water. The calculations provide an indication of the situation of both types of farmers in a given year. The changes observed are calculated by comparing the averages from BCI farmers who use Better Management Practices with the averages of a control group of farmers who do not use BMPs (in any given year). While the results suggest that Better Cotton practices can result in reductions in fertiliser use, pesticides and water, impact studies – over a longer period – are needed to confirm this trend.

Average 2014 results

Pakistan

(Aurangabad and Toba Tek Singh, Punjab):

- 18% less pesticides
- 20% less water
- 19% less fertilisers
- 29% increase of farmers’ gross margins
- ~38,000 farmers active

Average 2014 results

India

(Aurangabad, Maharashtra):

- 49% less pesticides
- 9% less water
- 27% less fertilisers
- 26% increase of farmers’ gross margins
- ~6,000 farmers active

Number of BMP farmers

Aurangabad, India

Number of BMP farmers

Bahawalpur & TT Singh, Pakistan

Difference in use of pesticides, fertilisers and water

Bahawalpur & TT Singh, Pakistan. In percent %

Difference in use of pesticides, fertilisers and water

Aurangabad, India. In percent %

* Data from these projects may differ from BCI due to the methodology for how data are collected and processed.
Cotton from more sustainable sources in 100% of IKEA products from September 2015

The IKEA supply chain secured enough cotton produced from more sustainable sources and covered more than 100 per cent of the predicted total need for IKEA products by 1 of September 2015.

"It’s exciting for us at IKEA to have arrived at our 100% milestone. But it is just one part of a much longer journey to transform the global cotton market. We want to see cotton become more sustainable worldwide – and not only for our business. Our vision is to make more sustainable cotton affordable and accessible, and also better for the environment and the people who grow it.” says Pramod Singh, Cotton Leader at IKEA.

Almost 81,000 tonnes of licensed Better Cotton lint – from India, Pakistan, China, Turkey and the African continent – had been purchased as of 31st Aug 2015. In addition, approximately 26,000 tonnes of lint was sourced from farmers working towards the Better Cotton Initiative (BCI) standard, bringing the total to almost 107,000 tonnes or 94% of the estimated need for FY15 (to the end of August 2015). In the last quarter of FY15, 100% shipments to IKEA came from ‘Cotton from more sustainable sources’ aligned with the goal of reaching 100% by the end of FY15.

Cotton is an important raw material for IKEA, and the company uses around 0.7% of the world's cotton production every year. It can be found in many popular products, from sofas, to cushions, bed sheets and lamp shades.

The share of more sustainable cotton in the IKEA range has increased rapidly since 2009. The WWF and IKEA Partnership has been pivotal.

PROJECT FARMERS’ TESTIMONIALS

Today, some 44,000 farmers in India and Pakistan are using cotton farming techniques that are better for both people and the environment. Here are testimonials from two of them.

“Initially, all in my village objected to my traveling alone”

In 2008, Umal Beneen started her training at a WWF farmer field school in Bahawalpur district in Pakistan.

"Being a rural woman I hesitated in talking to men and traveling alone, but after training and involvement in the training of other women I gained confidence. Initially, all in my village objected to my traveling alone but now things have changed and all in the village have respect for me."

Umal works as facilitator and trains other women in cotton farming families.

“Our yields have improved”

The once lush Godavari river basin in central India now experiences regular droughts due to climate change and decades of poor water management. But farmers, like Swarupchand Maher, have improved their livelihood despite the difficult circumstances.

"Before, it was hard to make enough money from selling our cotton and vegetables. With the new techniques, our yields have improved. We don’t have to spend so much time on weeding and watering and we’re using less pesticide”, says Swarupchand Maher.

Income from cotton and vegetables on Swarupchand’s 28 acre farm in India’s Maharashtra used to barely support his household of 11 people. But since getting involved in the IKEA and WWF project to promote more sustainable farming practices, his income has improved and his family enjoys a better quality of life.

Swarupchand has adopted drip irrigation for 14 acres of cotton, saving water and cutting down on weeds. He can now grow vegetables between his cotton plants, and with less watering and weeding to do he needs to spend less time in the field. He uses more organic fertiliser, which is improving soil quality, and has cut down on pesticide. The pesticides he uses are mixed to meet the conditions in his fields combining chemical and traditional solutions.

He continues to attend the classes at his local resource centre so he can keep up-to-date with new farming methods, and inspire other farmers in the village to follow his lead.

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Ten years into our partnership on cotton, and with some very impressive results to show for it, WWF and IKEA want to support sustainable cotton production beyond joint projects on the ground in India and Pakistan.

WWF and IKEA Prepare for Sustainable Cotton Production Beyond Projects

The goal is to help transform the global cotton market and make Better Cotton an affordable, mainstream commodity that is better for the people who produce it, better for the environment it grows in and better for the sector’s future.

“When you meet the farmers you really do believe that change is possible. Farmers have significantly reduced their use of chemicals, and spend less money on them. They see the benefits and suffer less from health problems. Farmers and labourers are getting better working conditions. Listening to their stories about being better off financially and being able to give their children a better education is fantastic!”, says Hajra Atiq, Cotton Coordinator, WWF Pakistan.

Building Better Cotton capacity

All IKEA funded projects are now being adapted to be licensed to grow Better Cotton.

Scaling up farmers’ capacity to produce Better Cotton is a prerequisite if it is to become a mainstream commodity and a real alternative to conventional cotton. This is why the joint project in Pakistan now helps establish and support producer organisations – with and for farmers – that in turn provide support to those who want to produce Better Cotton. The partnership is also working to understand the water footprint and greenhouse gas emissions of cotton production in India and Pakistan, and to develop a plan of action to address these issues.

Social issues more difficult

While it has proved relatively easy to demonstrate the benefits and motivate farmers to address cotton farming’s environmental challenges, social issues have proved more difficult to tackle. But farmers wanting to produce Better Cotton must show continuous improvements also when it comes to the BCI’s “decent work” criteria. They cover areas such as freedom of association, child labour, health and safety, and employment conditions.

“There are many social issues connected to cotton production in south Asia and the issues are a result of many inter-linked causes. It requires a long-term, integrated approach between many stakeholders to solve the issues. IKEA coordinate our cotton work with relevant partners to secure long lasting result,” says Pramod Singh, Cotton Leader at IKEA.

Many people in the project areas are illiterate. They don’t have access to health facilities and sometimes not to any education. Household incomes are very low.

Arif Makhdum, Director Sustainable Agriculture WWF Pakistan

Results to be proud of

In a relatively short period of time, the joint cotton projects have contributed to substantial change and touched the lives of many thousands of people in South Asia.

“Our partnership with IKEA has brought significant health, economic and environmental benefits to cotton farmers and collaboration with local authorities has helped to reduce the incidence of child labour. This allows children, previously compelled to drop out of school and work in cotton fields, to return to their studies. Together, WWF and IKEA are contributing to a better future for cotton-growing communities,” says Hajra Atiq, Cotton project Coordinator at WWF Pakistan.

Hammad Naqi Khan, CEO WWF Pakistan and former WWF’s Global Cotton Leader, Market Transformation Initiative, says that the partnership has played a very important pioneering role, and that he is impressed with the commitment from IKEA:

“IKEA is a pioneer in using better cotton in its products. IKEA has not only supported WWF from the beginning, but has also been involved directly in field level implementation and learning. This has helped to bring other brands and retailers on board and encourage the use of cotton from more sustainable sources”

“We could never have achieved this without the enthusiasm from the people who believed we could make a difference,” says Pramod Singh, Cotton Leader at IKEA.
Better Cotton Could be Mainstream Commodity Before 2020

The availability of Better Cotton – cotton produced and licensed according to the social and environmental criteria set by the Better Cotton Initiative (BCI) – is increasing rapidly, and production could be large enough to make it a mainstream global commodity before 2020.

“Only 2% or 670,000 metric tonnes of the cotton lint produced globally in 2012 were Better Cotton. But a lot of people in the industry now feel we could have a significant ratio on the market before 2020,” says Hammad Naqi Khan, Global Cotton Leader at WWF International’s Market Transformation Initiative.

“BCI has the ambitious aim of having Better Cotton make up 30% of global cotton production by 2020. This would mean working with 5 million farmers across the world, bringing benefits to 20 million people involved in primary production alone. Collaboration is the key to achieving this ambitious goal,” says Lena Staafgard, business director at BCI.

Pramod Singh, Cotton Leader at IKEA believes that to make better cotton a tradable commodity it is important that significant quantities of Better Cotton are produced in China, the biggest producer and consumer of cotton. Also USA, the biggest exporter country of cotton, need to produce large quantities. However all this would be futile, if Better Cotton would be traded at differentiated price.

WWF and IKEA were founding members of the BCI and the partnership supports its aim to transform cotton production worldwide by developing Better Cotton as a sustainable commodity.

“This is why IKEA doesn’t buy all the Better Cotton produced by the project farmers,” says Guido Verijke. He was part of setting up the joint projects in 2003 when he was Deputy BA manager Textiles at IKEA of Sweden. Today Guido Verijke has a new role at IKEA.

“We create three times the capacity that we need not only to avoid premium prices but because IKEA truly wants to do something about the social and environmental problems in cotton production. We want to create a better life for the many people, not just our customers,” he says.