OCA ANNUAL REPORT 2020
Even though I was quite reluctant in the beginning, I am really happy that I decided to give organic cotton cultivation methods a chance. There is no going back to conventional methods for me, not now that I know how much harm it was causing to our health and the quality of the soil. If the soil loses its fertility, we will lose our sole source of income. Being associated with this project has given me the confidence to move forward, as I know that the team will always provide me with the support and technical know-how I need.

Farmer Rajendra, Rajasthan, India
2020 marked the end of business as usual, signalling a pivotal moment of disruption for the organic cotton sector, changing how we live, work and do business. I’m proud to say that even in the face of great adversity, OCA demonstrated tenacity and the true spirit of collaboration in its response to the coronavirus pandemic.

Working in unison with Contributors, Implementing Partners, organic farmers and staff, OCA leveraged its community to consolidate support from the entire sector. Organic cotton farmers in India were protected by our scheme as they received the premium payments committed to them in our Farm Programme; and we continued to expand our projects. Farmers will likely face challenges for many months to come but we have proven that we are agile and can adapt to new work ways of working to safeguard their livelihoods and deliver against our mission, even under difficult circumstances, as you will read in this report.

The support from our Contributors has meant that we were also able to make advancements in our Seed and Innovation Programme. By undertaking a Crop Diversification Study, taking steps towards implementing our newly developed GMO testing standard and developing a global Seed Strategy, we are ensuring the integrity of organic cotton and investing in the availability and diversity of non-GM seed for farmers.

OCA is a farmer-centered organisation, but it has to benefit everyone in the organic cotton sector to thrive. We are confident that the organic cotton system can work for all parties involved and, through collaboration and sheer force of determination, we are committed to making this happen.

Keith Tyrell, Chair, OCA Board of Trustees

Incomparable. Unexpected. Unforgettable. 2020 will stand out in our minds for some time to come. Dominated by a pandemic that upended everyday life, affecting global health and bringing industries and livelihoods to a standstill. We found ourselves in the era of the never normal, as the pandemic cast a long shadow and we sought to navigate beyond it.

Like so many other organisations, we and our partners across the organic cotton value chain had to adapt fast to negotiate the challenging circumstances that now confronted us. At OCA, we moved fast, prioritising the health and safety of our team to ensure we could continue to deliver. Because one thing was immediately apparent from the start of the pandemic: our mission and work to create the conditions for the organic cotton sector to thrive was now more important than ever before.

Amidst the great uncertainty that hit the fashion and textiles sector, security and stability were the necessary antidote. Conducting business responsibly meant ensuring that OCA and our partners continued to deliver against our commitment to provide a secure market for organic cotton farmers. I am proud to say collectively we met that commitment. Not only has 95% of the lint produced in our Farm Programme been procured by participating brands and retailers, they also paid out over €1 million of premiums directly to the farmers, on top of the market price. This led to the third consecutive year of higher net profits for the organic farmers in our programme when compared to their conventional peers in the same region.

OCA took other measures to support our partner farm groups and farmers, which you can find in the report and we are confident that we will be able to build on this support as 2020 saw the continued growth of our programmes and platform. New Contributors joined us from across the value chain, from farm group representatives and civil society organisations to manufacturers and brands and retailers. We were also pleased to welcome Patagonia and Solidaridad as two additional members to our Board of Trustees.

2020 also saw us embark on the development of our 2030 Strategy Plan which builds on the strong foundation of success thus far and articulates our ambition to significantly scale our programmes and the supply of organic cotton in the next decade. With the input and guidance of many of our Contributors and key stakeholders in the sector, we have developed a comprehensive roadmap that will be announced in 2021. With the increased demand for organic cotton over the past year, the surge in prices on the transactional market and the increased focus on the integrity of the organic supply chain, OCA’s plans for growth and expansion couldn’t be timelier. We are looking forward to forging ahead!

COVID-19 is not behind us yet – but looking back on 2020, we know we delivered on our mission. Thanks to the commitment of our Contributors, the support of our partners in the field, and the great dedication of the entire OCA team, we surpassed our expectations and delivered exceptional results this year.

Bart Vollaard, Executive Director, OCA
The Organic Cotton Accelerator

The multi-stakeholder organisation fully dedicated to organic cotton. We unite the sector to unleash the potential of organic cotton – from field to fashion.
The Organic Cotton Effect

At OCA, we envision a future where, every time a farmer switches to organic cotton, there is a ripple effect of positivity; farmers earn more, their families and communities flourish, and their land and soils are fertile for future generations, protecting our planet.

We call this the Organic Cotton Effect. But we’re not there yet.

It’s our mission to change that.

We are committed to galvanising the collaborative effort required to realise this vision. We believe that by working together we can create the conditions for organic cotton to thrive, delivering positive change for people and the planet.

How OCA Acts as a Catalyst for Change

Our programmatic interventions are all focused on a holistic approach to creating the conditions for organic cotton to thrive. As a platform, we invest in solutions that nurture and develop a healthy organic cotton sector.

01

Convene the sector around a common agenda

Our global organic cotton platform unites all stakeholders in a common vision, mission and agenda, driving real behaviour change across the sector.

02

Improve farmer profitability and prosperity

Our farm-level interventions create a secure market for farmers and deliver transparency at the start of the supply chain.

03

Bolster the integrity of the organic cotton sector

Our investments in seed, research, industry standards and traceability innovations create the conditions for a healthy and enduring sector.
The OCA Platform

The OCA Platform brings together those who grow, supply and buy organic cotton and together, we create the conditions for this fibre to thrive.

Our global collective of brands, retailers, supply chain partners, farm groups, civil society organisations, philanthropic foundations and academics is united in their efforts to safeguard the future of organic cotton.

OCA Contributors share our belief in the Organic Cotton Effect, and they know that for organic cotton to deliver positive impact at scale, we need to shift from competitive advantage to a common agenda, from individual action to collective investment.

Founding Partners

Contributors

OCA Programmes

Our programmes deliver the key solutions required for the sector to flourish.

01

Farm Programme

The Farm Programme is a sourcing and capacity building programme aimed at delivering prosperity, integrity and best practices at farm-level.

02

Seed and Innovation Programme

The Seed and Innovation Programme encompasses collective investments in key innovations to enable a healthy and futureproof organic cotton sector, i.e., seed, research, industry standards, and traceability solutions.
COVID-19: THE NEVER NORMAL

What Was The Impact?

The COVID-19 pandemic underscored the organic cotton sector’s fragility like never before as the global textiles market came to a halt and underwent significant restructuring. While most media coverage on the pandemic has focused on the loss of livelihoods for garment factory workers due to the postponement or cancellation of orders by global brands, the impact on organic farmers at the start of the supply chain has continued to receive much less attention.

There is an ongoing need to protect organic cotton farmers’ health and support the necessary economic measures to ensure their continued livelihoods.

As the global platform for organic cotton, we have been quick to take action and leverage our community of Contributors. By communicating the impacts of the pandemic for organic cotton farmers and outlining the actions required, we have given guidance and support to brands and supply chain actors so they can support their farmer partners now and into the future.
How Are We Taking Action?

These are the key operational challenges that were triggered by COVID-19 and these are the actions we are taking to address them:

01 Lower demand for cotton: The drop in retail sector sales resulted in a sharp decline in demand for cotton (with expectations ranging from 20% to 40%).

OCA’s actions: Through our Farm Programme, OCA demonstrated a clear commitment to providing a secure market and premium price for organic cotton farmers. By ensuring market offtake for the forthcoming season, OCA projects give farmers and suppliers the security that they need to continue trading even during the turbulent times caused by the pandemic.

02 Higher need for financial support: Delayed payments to garment vendors led to liquidity issues in the supply chain, posing a significant risk to farmers and Implementing Partners.

OCA’s actions: To support the farm groups in preparing for the new cotton season, OCA established a seed pre-finance match-fund in partnership with the Laudes Foundation. The grant was used to leverage €220,000 of private match-funding by brands and other supply chain partners in the farm projects to give farmers direct support by subsidising the cost of their non-GM seed.

03 Need for digital adaptation: Travel restrictions and lockdown protocols have necessitated a change in our processes to ensure we are delivering on our commitment to creating a business case for organic cotton farmers.

OCA’s actions: OCA is using the pandemic as an opportunity to facilitate a fast-track digitisation of our Farm Programme validation efforts. Field staff training workshops are being conducted as interactive webinars with learnings from these sessions used as insights for the development of future Farm Programme training materials.

04 Crop diversification more important than ever before: The effects of COVID-19 are intensifying the need and importance of crop diversification which not only helps organic cotton farmers increase their food security; it also allows for income diversification and income resilience as it makes farmers less dependent on lower, volatile cotton prices.

OCA’s actions: In 2020, OCA undertook a study supported by GIZ to understand which crop diversification practices could offer the best combination of agronomic, environmental and economic benefits to organic cotton farmers in India. The study also aimed to identify the levers which would maximise the potential of crop diversification techniques for actual income generation. The insights from this report will be incorporated into our Farm Programme training sessions for field staff in India.

05 Commitment to the organic philosophy and sustainable value chains in question: We feared there may be a temptation to focus solely on economic recovery and disregard environmental considerations in the challenging times precipitated by the pandemic. It was possible that some businesses may shirk their commitment to the programmes that support the organic cotton farmers who are most at risk.

OCA’s actions: We encourage all our brands and retailers to keep buying organic cotton and keep investing in organic programmes, like OCA’s Farm Programme, to demonstrate to farmers that there is still market demand and therefore a clear business case for them to keep growing organic. We also champion the environmental benefits that organic production systems can bring to the world: soil regeneration, increased water retention and increased biodiversity. As a community, we are making it clear that now is the time for brands to partner with farmers for the long term; to achieve a thriving organic cotton sector where farmers prosper, communities are empowered, and the planet is healthy.

Farmers receive pre-financed seed from an OCA Implementing Partner. Photo credit: Harman Coobx
OUR ACHIEVEMENTS

The Year At A Glance

2020 was a year of milestones, opportunities and successes. Here are just a few of our highlights from the year.

€1,074m
Total annual premium amount paid out to organic farmers.\(^1\)

12,271
Farmers reached through the OCA Farm Programme in the 2019/20 season.

2%
Farmers in the OCA Farm Programme earned on average 2% higher net income from their cotton than conventional farmers.

€220K
Amount of private funding mobilised for farmer support via the OCA Seed Fund, with support from Laudes Foundation.

10
Organisations helping us shape our new study into Crop Diversification, developed with support from GIZ.

∞
Number of hours spent on video conferences shouting, ‘You’re on mute!’

\(^1\) This is the first year in which OCA has reported the 'total premium paid to organic farmers' as the total sum of premiums paid out to organic farmers by participating brands and retailers, through the Implementing Partners, for all seed cotton purchased from OCA’s 2019/20 farm projects. OCA’s third-party validation agency has verified the accumulated premium amount on a project-by-project basis, based on their payment verification with individual farmers.
From Field To Fibre: Meet The Farmers

Name: Sunil  
State: Maharashtra

Sunil started farming on his ancestral land after completing middle school. For several years, he has grown maize and soybeans on his 1.6 hectares of landholding. It has now been six years since Sunil started growing organic cotton. In that time, OCA’s Implementing Partner has provided him with knowledge and advice so he can navigate the challenging phase of transitioning to organic.

This support has helped improve his yield; in the last cotton season, he produced 2.75 metric tonnes of seed cotton from his 1.6 hectares of land and he earned a net profit of 104,247 INR (1,308 Euros). He also earns a premium of 9% on the prevailing market price when he sells his produce to OCA’s Implementing Partner; produce he would otherwise be forced to sell as non-organic cotton in the local market. The initial investments required to undertake various agricultural processes during the season are now also lower, as OCA’s Implementing Partner continues to pre-finance his cotton seeds and also procures the organic cotton at his doorstep, bearing the transportation costs post farm-gate.

However, the extent of labour required to grow organic cotton is a challenge. With farm labour in the village in short supply, Sunil often finds it difficult to prepare the huge quantities of biopesticide needed on his own. There are alternatives available on the market, but Sunil prefers preparing the inputs himself, to keep costs down. He is still struggling with suckling pests despite the biopesticides and hopes that someday there will be government-supported mechanisms to provide farmers with subsidies for growing organic crops.

That said, organic cotton has become Sunil’s family’s main source of household income. The stability provided by the guaranteed offtake and premium price have enabled Sunil and his family to access better health care facilities. In addition, his two children can now also devote themselves to their education without any looming financial pressures. These benefits have been Sunil’s biggest motivators for continuing to produce organic cotton.

“I am happy that I shifted to organic cotton despite my apprehensions in the beginning. It took me a few years but now I have better yield and a higher profit margin compared to what I was earning six years ago. I’m so relieved to be able to support my children’s education and afford proper healthcare for my family when needed.”
The Farm Programme Continues To Scale

The primary objective of the Farm Programme is to improve the business case of conventional cotton farming, which means ensuring a similar or higher net annual income from organic cotton when compared to conventional cotton farming under similar conditions.

Despite the challenges trigged by COVID-19, 2020 was our most impactful year to date. OCA’s Farm Programme delivered meaningful increases in farmers reached, hectares of cotton produced and average net income increases paid to farmers in our projects.

We’re proud to announce that we paid out €1,074,000 in premiums to 12,271 organic farmers in Gujarat, Madhya Pradesh, Maharashtra, Odisha and Rajasthan. As a result, organic farmers in our Farm Programme received a 2% higher net income when compared to local conventional farmers — critical support which helps them stick with organic cotton farming.

The brands and Implementing Partners in the Farm Programme made a commitment to purchase 6,392 MT of lint at the start of the season. The brands and Implementing Partners in the Farm Programme made a commitment to purchase 6,392 MT of lint at the start of the season. An average amount of €22 per hectare is pre-financed to farmers in projects. This amount is then deducted from the payments made to farmers for their produce when sold to the Implementing Partner.

Prioritising Farmer Prosperity

Yield is a key determinant of cotton revenue and therefore a key indicator in the Farm Programme. The average yield of organic programme farmers was 1.5 MT of seed cotton per hectare, whereas the yield of conventional control farmers was 1.8 MT per hectare. However, despite lower yields, organic cotton farmers in the OCA Farm Programme in 2019/20, had on average a 2% higher net income (profit per hectare of cotton grown than non-organic control farmers in the same region (€668 per hectare vs. €648 per hectare, respectively).

Their higher net income is due to a combination of lower production costs for organic cultivation and better prices received for organic cotton as a result of the organic premiums paid out in the projects. The major savings in the production costs were due to the reduced costs of pesticides, seed and irrigation.

The average premium payment of 8% in addition to the market price for organic was the other crucial factor to establishing a more attractive business case for organic farming. Without these premiums, the net income of organic farmers would have been lower than the net income of their conventional peers.

An interesting feature in the Farm Projects is the now widely adopted pre-financing offered to farmers for inputs, especially seed. Implementing Partners supported project farmers (either directly or with support from brands) by providing ‘in essence’, an interest free working capital loan to purchase seeds and other inputs at the start of the season. An average amount of €22 per hectare is pre-financed to farmers in projects. This amount is then deducted from the payments made to farmers for their produce when sold to the Implementing Partner.

With an average net income from organic cotton of €668 per hectare, the farmers engaged in the OCA Farm Programme earned on average 2% more than their local non-organic peers.
Premiums Reaching Farmers’ Pockets

Brands and their Implementing Partners paid a premium or differential price to farmers in support of the farmer business case for organic. The premium is defined as the additional amount paid to organic cotton farmers over and above the average market price for seed cotton at the point of sale.

During the 2019/20 season, the average premium amount was 8% higher than the average market price, and 7% higher than the Minimum Support Price (MSP) set by the Government of India. Premiums paid ranged from 4% to 10% above market price.

Payments for organic seed cotton and premiums to Farm Programme farmers are made through both cheque and cash transactions. Cash was the preferred choice for farmers to receive payment for their seed cotton and premiums in 71% of cases. 8% of transactions were conducted partly through the bank and partly through cash. OCA is continuing to work to the ambition to pay as many farmers as possible via bank accounts, as this would facilitate easy verification of farmer payments whilst also facilitating farmers’ access to institutionalised forms of credit.

Due to COVID-19, payment timelines in some projects were delayed. Additionally, the COVID-19 travel restrictions meant that payment validation was conducted over telephone rather than physically in a number of projects.

The Farmers’ Perspective

Organic cotton farmers are at the heart of the OCA Farm Programme. Their perspective is key to understanding the motivations behind switching to and sticking with organic cotton. Through them, we can see the impact the Farm Programme makes to farmer livelihoods and farming communities, with clear signals on how this can be further improved.

Farmers were asked for the main motivators that made them switch to organic cultivation. It is important to note that the vast majority of farmers switched to organic cultivation several years before the introduction of the OCA Farm Programme, and therefore the motivations cited represent their original drivers before OCA or our Farm Programme was established. Farmers stated that reduced production costs followed closely by the support services provided by the Implementing Partner were two critical considerations when switching to organic cotton cultivation. Other factors included premium payments and secured offtake of their produce.

When questioned on the support required to continue growing organic cotton in the seasons to come; 40% of farmers articulated a need to stabilise and secure their access to quality inputs for organic cotton cultivation. 30% of the farmers interviewed by the third-party validators communicated that an increase in the premium paid to them is another area where they require support from Implementing Partners.

Additionally, 21% of the farmers further stated that clarity on the specifics of premium payments and buybacks would also support them in continuing to grow organic cotton in the future. One fifth of all sample farmers interviewed by third-party validators indicated that their overall economic situation had improved when compared to last year. Over 60% of sampled farmers stated that they felt they were in a similar economic situation.

### THE FARMER’S PERSPECTIVE

#### The main reasons farmers shift to organic cultivation:

<table>
<thead>
<tr>
<th>Most important</th>
<th>Reduced production costs</th>
<th>Support services provided by IP</th>
<th>Premium payment</th>
<th>Off-take security</th>
<th>Soil health</th>
<th>Farmer health</th>
</tr>
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<tbody>
<tr>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>Least important</td>
</tr>
</tbody>
</table>

#### Areas in which farmers require support from Implementing Partners to continue growing organic cotton:

- **Supply of bio inputs**: 39%
- **Increase in premium price**: 30%
- **Clarity on buy-back and premium**: 21%
From Field To Fibre: Meet The Farmers

Name: Suresh State: Maharashtra

Suresh is 33 years old and lives with his wife and parents in a district known for its drought conditions and water shortage. The family owns 3 acres (1.2 hectares) of land on which they cultivate cotton on 1.5 acres (0.61 hectares) and maize on the remaining area. Suresh started working with his father on the farm when he graduated from high school 13 years ago.

Suresh’s father cultivated conventional cotton for decades and depended on local agro-input shops for information on fertilisers and pesticide usage for his land. Suresh supplemented his agricultural knowledge with research on the internet and he was frustrated that they had to invest increasing amounts in chemical fertilisers and pesticides to produce a good yield. He had also noticed that to keep the yield stable year on year, they were increasing the amount of chemical usage almost every cotton season.

Despite subsidies offered by the government, it was increasingly difficult for them to afford the required investments with their earnings. This pushed the family into a cycle of debt and due to their inability to access institutional sources of credit, Suresh and his father had to take loans from local agro-input shops at a monthly interest rate of 2%. This paired with various other health and social expenses had resulted in a cumulative family debt of 320,000 INR (4,014 Euros) that had to be repaid.

When OCA’s Implementing Partner came to his village and offered training on organic cultivation systems and procurement support for organic seed cotton, Suresh immediately signed up to the project. He also joined the Farmer Producer Organisation (FPO) formed in the village. In the last cotton season, the yield has improved significantly and the full produce of 0.83 metric tonnes has been procured by the Implementing Partner at a premium rate of 9.6%. Over the years, his income has also improved resulting in a net profit of 25,968 INR (326 Euros) from organic cotton last season. Suresh has been able to pay back 63% of the debt.

That’s not the only area to have improved: under conventional cultivation systems, the quality of the soil worsened, but now after just four years of using bio-inputs, Suresh has seen the soil health improve on his land. Suresh wants to continue producing cotton following organic cultivation principles. He feels that with continued support from OCA’s Implementing Partner and FPO he will be able to improve the yield further in the coming years. The off-take guarantee at a premium rate and the access to quality non-GM seeds and bio inputs offered by OCA’s Implementing Partner have been key enablers for Suresh and other farmers like him in the village.

“When I started working on the farm with my father, I started to understand the problems we faced due to our high use of chemical fertilisers and pesticides. Our soil quality was degrading, and we were trapped in debt. It was a vicious cycle. But after adopting the practices of organic cotton cultivation, I can now see earthworms in the soil, the cost of production has reduced significantly, and the yield has also been good. I have been able to pay off more than half the credit we owed in the market.”
**Sowing The Seeds Of Change**

The most crucial yet oft forgotten input in organic farming is the cottonseed, so for OCA to truly create the conditions for organic cotton to flourish, we need to boost organic cottonseed systems in key production countries around the world.

In 2019, OCA initiated the Global Seed Task Force uniting local seed experts to develop a strategy to improve the availability and genetic diversity of suitable organic cottonseed for farmers. The resultant strategy shared in 2020 outlined the challenges hindering the sector and presented a clear mission: to strengthen and improve the suitability of local seed systems for organic cultivar development and organic seed production.

The Task Force recommended 4 key local interventions to deliver the strategy:

1. Sector wide capacity building for organic cottonseed production, cultivar testing under organic farming conditions and participatory organic cotton breeding
2. Market incentives for organic seed development and production
3. Advocacy for organic cottonseed availability and the coexistence of non-GM / GM cottonseed systems and cotton genetic diversity
4. A communications initiative to support organic cottonseed knowledge management (Online and Offline)

The seed strategy was shared in an open webinar, the first step towards building OCA’s Seed Network, which aims to unite technical experts, seed producers, farm groups and OCA Contributors in action, to accelerate our progress in our organic seed journey through shared knowledge and engagement. As the organic cotton platform, OCA is well placed to unite the organic cotton sector strategically and financially to create synergies between existing networks and initiatives. We look forward to incorporating these recommendations in the development of our 2030 strategy plan.

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**Seeding The Green Future**

Beyond the development and launch of the seed strategy, OCA’s Seed and Innovation Programme continued to make meaningful investments in the organic cotton seed movement.

We continued to support Seeding the Green Future: India’s leading organic cotton breeding programme, led by FiBL in close partnership with farm groups and State Universities. The Programme is developing a new portfolio of improved cotton cultivars well-suited for organic farming conditions, while scaling up cultivar testing and seed multiplication across different Indian states.

Seeding the Green Future has achieved significant growth and we are proud to celebrate its success in strengthening and securing organic cottonseed supply in 2020:

**Achievements:**

- Delivered performance evaluation results from 49 different cultivars, including SGF and commercial cultivars
- Introduced six own breeding lines to farm trials, selected from a total of 12 candidates
- Conducted over 300 trials in research stations and farmers’ fields
- Trained 5,446 farmers and 148 trainers
- Contributed 12 cultivars to the Seed Framework Group for potential public release
- Developed the ‘Manual for Participatory On-Farm Breeding of Cotton’ to assist trainers in conducting instructional and practical training courses on Participatory Plant Breeding (PPB) in their respective communities. The manual can be accessed here.

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Manual

[Access Manual](#)

Participatory On-farm Breeding of Organic Cotton

FiBL
Looking Beyond The Cotton Crop

OCA led a new research project focused on identifying the best crop diversification practices to optimise the agronomic, environmental and economic benefits for Indian organic cotton farmers. The project report, to be delivered in 2021 will also reveal the key levers to promote the use of crop diversification practices on farm and maximise their potential for income generation.

Supported by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, the research project is a collaboration between OCA and the Research Institute of Agriculture (FiBL). Focusing on five cotton-growing states: Madhya Pradesh, Maharashtra, Odisha, Gujarat and Rajasthan, FiBL used participatory methods with farm groups and local experts to ensure that regional farming nuances and diverse agro-climatic conditions were considered throughout the study.

OCA places organic cotton farmers at the heart of its mission and strategy so we understand that a clear business case is needed for farmers to switch to and stick with growing organic cotton. Organic farmers in OCA’s programmes grow more than cotton alone, so a key element of the project was looking beyond the cotton crop to explore how we can help maximise the profitability and the sustainability of the entire farming system for the benefit of people and planet.

A Common Protocol Of Testing

The ability to make credible claims about the presence of genetically modified cotton in (organically certified) textiles and garments has long been an issue of contention for the sector. The ISO/ IWA 32 protocol developed by Global Organic Textile Standard (GOTS), the Organic Cotton Accelerator (OCA) and Textile Exchange met that need by creating a common protocol for GMO testing. In 2020, further steps were taken to provide the quality assurances that the market is seeking.

The process of converting the ISO IWA 32 protocol into an International Standard by the ISO TC 34 / SC 16 / JWG 12 ‘Molecular biomarkers of agricultural fibres’ began in earnest and the protocol will become a world recognised standard for GMO-testing in the cotton supply chain. GOTS, OCA and Textile Exchange are all participating in the working group to ensure that the organic cotton sector’s interests are represented. We look forward to sharing more information on the developments here in our next annual report.

Another key milestone was met this year, as the partners launched a proficiency test to bring clarity to the laboratories that can perform GMO-testing against the international ISO reference protocol. Results from this proficiency test will be shared in 2021.
Organic Cotton Training Curriculum

A collaboration between OCA and FiBL, the Organic Cotton Training Curriculum initiative began in 2020 and will develop and pilot harmonised materials for facilitating agronomic and business tuition for organic (cotton) farmers and trainers.

The initiative is funded by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH who are actively investing in these capacity building efforts to accelerate the positive multiplier effect at the heart of all of OCA’s work: better-trained extension teams, better farmer support, stronger farming communities, better decision making and therefore, a healthier rural environment that supports jobs and the planet.

Work has begun on the curriculum with a detailed needs assessment of both trainers and farmers from capacity-building initiatives taking place, along with a thorough gap analysis that zeroed in on the requirements that need to be fulfilled. These insights will be used to develop standardised training modules on organic cotton cultivation, which will be tested through pilots and refined to deliver a robust curriculum which can be accessed digitally to ensure flexibility and longevity of the material and tools developed. The curriculum will be launched in late 2021.

Our Contributors

We are constantly inspired by our community of Contributors. They provide so much more than just investment support – they are our most passionate supporters, visionary partners and outspoken champions.

This year, we warmly welcomed the following organisations as new Contributors to our global platform: Aga Khan Foundation, Artistic Milliners, Bestseller, GIZ and Solidaridad Europe. We are delighted to have these organisations join our community, and our movement to build a healthy and prosperous organic cotton sector.

The results of our annual Contributor survey were encouraging as our efforts towards sector unification were commended and stakeholder engagement in our mission remains strong. We received praise for the inclusivity of our platform, with respondents acknowledging that OCA truly champions farmer voices as evidenced by our continued support of farmers during the pandemic and by our tangible response to COVID-19.
Convening The Community

We know real change happens when people talk which is why we are so committed to communicating with our Contributors and finding ways to convene our community. We are proud to bring people together because we know that when people get together, that’s when the real change happens.

We took the decision early on to retire our in-person Organic Cotton Summit in the face of travel restrictions but still hosted a busy schedule of activity, transitioning all our face-to-face meetings to interactive webinars; all of which are detailed in the following pages.

We are delighted to confirm that feedback from participants has confirmed that our virtual events enabled sector-wide collaboration and knowledge sharing.

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**MARCH**

- Briefed our Contributors on our new narrative, OCA’s Claims Guidelines and Risk Protocol in the March Contributor Meeting
- Launched the updated OCA website and introduced it to our Contributors and community

**MAY**

- Announced our COVID-19 response plan and launched a new seed match-funding initiative with the generous financial support of the Laudes Foundation

**JUNE**

- Pivot the Advisory Council Meeting from a face-to-face meeting to a webinar and panel discussion focused on COVID-19 and Navigating the New Normal

**JULY**

- Hosted a Stakeholder Needs Analysis webinar with FiBL and GIZ to inform the content development for the Organic Cotton Training Curriculum

**SEPT**

- Shared an update on the development of our 2030 Strategy Plan and introduced our new Governance and Nominations Committee in a Contributor Meeting
Our Achievements - Community Engagement

...featured in Textile Exchange’s Organic Cotton Market Report webinar when our South Asia Director, Jaskiran shared an COVID-19 update from our Farm Programme

OCT

...hosted a Seed webinar with FiBL and OCFS to share our global seed strategy and recruit members for our Seed Network

NOV

...shared findings from our third annual Farm Programme Report for the 2019/20 season in a Contributor Meeting

DEC

...co-hosted the Organic Cotton Roundtable regional meeting – South and South East Asia with Textile Exchange where we discussed in-conversion farming and the direct-to-farm sourcing model.

Partnership for Sustainable Textiles

We were pleased to announce a strategic cooperation with the Partnership for Sustainable Textiles (PST, Textilbündnis) in 2020. The aim of this collaboration is to promote the creation of fair and transparent supply chains from organic cotton farmers to consumers.

By combining our efforts, we will mobilise and support a growing number of brands and retailers in taking action in their own supply chains and delivering tangible benefits to organic farmers, such as better prices, secure offtake for their organic cotton and access to organic seeds and training. This agreement aims to foster the availability of organic cotton for the entire supply chain, while increasing the positive impact of organic cotton on people, planet and prosperity at the farm-level.

This cooperation focuses on the following areas:

- Increasing awareness and knowledge of brands, retailers and farmers on practical approaches and solutions to improve the availability and impact of organic cotton.
- Sharing resources and capacity building for small-scale farmers for efficient and beneficial cultivation of organic cotton.
- Jointly developing supporting tools for brands and retailers to provide relevant information for sustainable sourcing.

Through this commitment, we are proud to be contributing to the joint goal of the PST members to increase their share of sustainable cotton. By 2025, the share of sustainable cotton is to be increased to a total of 70 percent and the proportion of organic cotton contained in it to 20 percent.
Cotton 2040

One of our key priorities at OCA is measuring the impact of our work on organic cotton producing communities and our shared environmental challenges. To deliver against this priority we need consistent, credible and comparable impact data across the full range of sustainable cotton standards, programmes and codes. A uniformed data approach is paramount as it encourages more brands and retailers to invest in a switch to organic cotton.

Since 2019, OCA has been working collaboratively towards this approach with fellow sustainable cotton standards, programmes and codes via the "Cotton 2040 Impacts Alignment Working Group", aligning sustainability impact indicators and metrics for cotton farming systems. The working group included: The Better Cotton Initiative; Cotton Connect; Cotton Made in Africa; Fairtrade; MyBMP; Textile Exchange, with advisory input from ICAC, the ISEAL Alliance and funding support from Laudes Foundation.

The two-year process was facilitated by international sustainability non-profit Forum for the Future as part of the Cotton 2040 Initiative, working in close collaboration with the Delta Project. All partners in this initiative have contributed to the development of the Delta Framework - a core set of indicators addressing key social, economic, and environmental issues which are relevant to sustainable cotton. Ultimately this common indicator set will help brands and retailers to confidently track the impact of their sustainable cotton sourcing decisions; support upgrading of farmer services to encourage continuous improvement at farm level; and facilitate increasing transparency and communication with consumers.

A Memorandum of Understanding - "The Sustainable Cotton Aligned Impacts Measurement and Reporting Joint Commitment" issued in 2020 sets out our intention that the Delta Framework will become a credible and shared framework to guide impact measurement and reporting of core sustainability issues. We look forward to our continued partnership with the Delta Project team to help test and refine the indicators and data collection and reporting methodologies.
The Board of Trustees is responsible for the high-level strategic decision-making of the organisation and overall supervision of OCA’s policies and the general running of the Foundation, such as approving changes to OCA’s mission, developing and ratifying the strategic plan, ensuring the organisation’s financial integrity and effective resource management, hiring and managing the Executive Director, and approving the annual plans and budgets.

OCA’S BOARD OF TRUSTEES MEMBERS IN 2020 INCLUDED:

• Keith Tyrell, Director, Pesticide Action Network UK (Civil Society), Chair
• Anita Chester, Head of Materials, Laudes Foundation (Philanthropy), Treasurer, succeeded Leslie Johnston, Executive Director, Laudes Foundation in January 2020
• Harsha Vardhan, Global Environment Manager, H&M (Brand & Retail) Secretary
• Shreyaskar Chaudhary, Managing Director, Pratibha Syntex (Supply Chain)
• Jeffrey Hogue, Chief Sustainability Officer, C&A (Brand & Retail) served until July 2020, to be succeeded by Catherine Louies, Head of Transparency and Circular Innovation, C&A Global in February 2021
• Cara Chacon, VP, Social and Environmental Responsibility, Patagonia (Brand & Retail) - joined in March 2020
• Isabelle Roger, Senior Policy Advisor, Solidaridad Network (Civil Society) - joined in July 2020

In 2020, OCA unveiled a new Governance and Nominations Committee (GNC) in a bid to ensure our organisation is fit to deliver on its mission, with governance bodies that truly reflect the diverse, multicultural and global organic cotton supply chain we represent.

The GNC is a permanent sub-committee of the OCA Board of Trustees which develops and oversees OCA’s governance policies and procedures and will ensure that there is a robust and effective process for supporting the appointment to, and evaluating the performance of, OCA’s governance bodies. The GNC demonstrates OCA’s support of the key principles of multi-stakeholder initiative governance and shows our commitment to continuously developing and supervising our governance policies and procedures to ensure that the Board of Trustees fulfils its legal, ethical and functional responsibilities.

The GNC will bring together representatives from throughout the organic cotton value chain and will leverage their shared expertise to ensure that OCA as a multi-stakeholder initiative, is inclusive, effective and fit-for-purpose. Cara Chacon, Patagonia is the chair of the GNC and is joined on the committee by Shreyaskar Chaudhary, Pratibha Syntex, Sabrina Müller, Tchibo and Keith Tyrell, Pesticide Action Network UK.
The Secretariat

The Secretariat is the executive arm of OCA and responsible for implementing the strategic plan and making day-to-day decisions to effectively operate and achieve strategic objectives set by the Board of Trustees.

We were proud to welcome some new hires to the OCA Secretariat this year, namely a new Programme Director and Communications Manager in the Netherlands and a Programme Manager and Programme Officer in India.

2030 Strategy Plan

OCA kicked off the development of the Strategy Plan 2030 in mid-June 2020, supported by KPMG Sustainability.

The strategy and implementation roadmap is being developed through a participative process, in close consultation with Contributors, external stakeholders and guidance from the OCA Board.

We looked to build on the critical successes and learnings of our early years to guide OCA’s growth over the next ten years. We hope that by clearly articulating the way forward for the organisation, we can demonstrate that we are wholeheartedly committed to accelerating the change the organic cotton sector needs to flourish and prosper.

The Strategy Plan aims to:
- Build on our strong foundation and OCA’s success to date
- Significantly scale our work and the global supply of organic cotton
- Realise and multiply organic cotton’s tremendous potential to positively contribute to some of the most pressing global issues of this time

The strategy plan will be delivered in 2021.
THANK YOU

We would like to thank our community, who by supporting and participating in OCA are helping us to drive meaningful change in the sector.

We thank the farmers in our Farm Programme who are the true catalysts of this meaningful change. They are the stewards of the land and we know that by supporting them, we strengthen the sector and safeguard the planet.

We thank all the OCA Contributors who are working with us to fully realise the Organic Cotton Effect. Together, we are working towards unleashing the potential of organic cotton – from field to fashion.
Let's unleash the potential of organic cotton, together