



**Summary of Textile Exchange's 2021 Organic Cotton Market Report
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https://textileexchange.org/wp-content/uploads/2021/06/Textile-Exchange_Organic-Cotton-Market-Report_2021.pdf

Report is a summary of a 2021 Textile Exchange survey

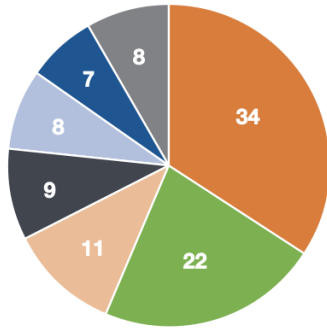
- Snapshot of current and future demand for organic cotton
- Surveyed all Textile Exchange members as well as members of the wider Organic Cotton Round Table (OCRT)

Summary of Results:

- 84% increase in forecasted organic cotton demand by 2030 compared to 2019/20 baseline
 - Projected 10% yearly increase in uptake until 2025 and then a 15% increase until 2030
- Only 16 of 116 respondents provided forecast data, which is necessary for farmers to plan what to plant
- 72% of respondents knew the country or region of origin of their organic cotton, 36% where able to trace it to yarn level, 12% to seed cotton
- Primary barriers for organic cotton sourcing are the current price of organic cotton and the lack of in-conversion cotton to meet future organic cotton needs
 - Companies are handling these challenges by entering into long term relationships with suppliers or incorporating in-conversion cotton into sourcing strategies

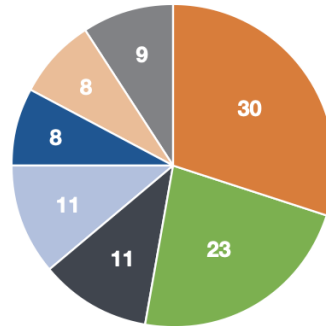
In-conversion cotton (or transitional cotton) = cotton grown on acreage that is in the interim stage between conventional cotton and organic cotton

Current organic cotton sourcing regions¹



- South & South East Asia (34%)
- Europe, Middle East, North Africa & Central Asia (22%)
- China (11%)
- Sub-Saharan Africa (9%)
- Latin America & the Caribbean (8%)
- North America (7%)
- No answer (8%)

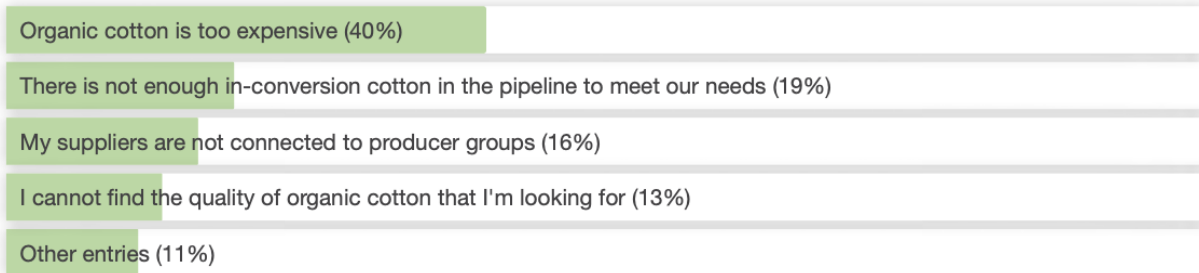
Future organic cotton sourcing regions²



- South & South East Asia (30%)
- Europe, Middle East, North Africa & Central Asia (23%)
- Sub-Saharan Africa (11%)
- Latin America & the Caribbean (11%)
- North America (8%)
- China (8%)
- No answer (9%)

- These marginal differences indicate respondents are intending to build on their existing supply networks
- Growing interest in Sub-Saharan African, Brazil, Haiti, and Turkey
- These increases indicate changes in the proportion of cotton from each region, not the volume

Barriers to organic cotton sourcing



How respondents intend to address barriers to organic cotton sourcing

Entering into a long-term commitment to farm groups or suppliers working closely with farmers (29%)
Incorporating in-conversion cotton into our sourcing strategy (27%)
Being/becoming part of a program that helps sourcing directly at the farm level (15%)
Sourcing directly at the farm level on a 1-to-1 basis (11%)
Other entries (17%)

Conclusions:

- Demand for organic cotton is strong and growing
- More needs to be done to help facilitate switching to organic by supporting in-conversion cotton

Textile Exchange will highlight business models that help support farmers through conversion period, address price paradigm, and show innovative ways to market and label in-conversion cotton