

# Understanding the Cotton Supply Chain

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# Background

- ▶ Cotton cultivation can have negative environmental and social impacts. These range from water and chemical usage to child and bonded labor.
- ▶ Companies, especially global brands, are increasingly interested and/or pressured to promote sustainability throughout their supply chains.
- ▶ Corporate social responsibility (CSR) encompasses an wide array of social and environmental issues.
- ▶ Existing/developing agricultural initiatives are developing supply chain systems to promote and/or track sustainable commodities through the supply chain.
- ▶ The cotton supply is complex and involves many players. Sustainable commodity systems will require participation throughout the chain.

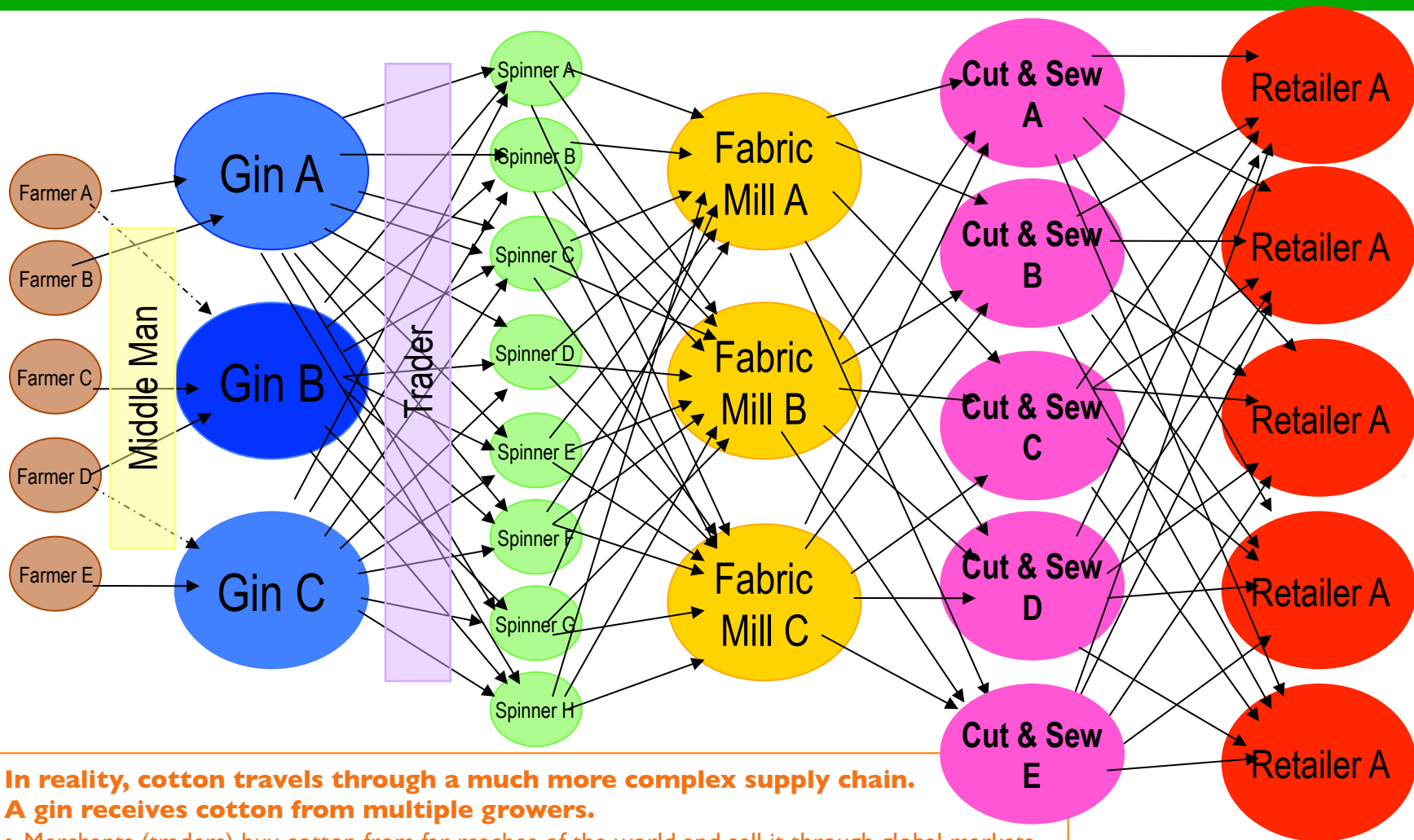
# Basic Cotton Supply Chain

## Flow of cotton lint



**A product's supply chain is typically thought to be linear - a simple string of value chain actors that transform a raw material into a final product. For cotton, this involves 1) picking the cotton boll, 2) separating the lint from stems and other materials (ginning), 3) spinning the lint into yarn, 4) knitting or weaving the yarn into fabric, 5) converting the fabric into a final product, 6) distributing and selling the product, and, finally, 7) using the product.**

# Regional Cotton Supply Chain

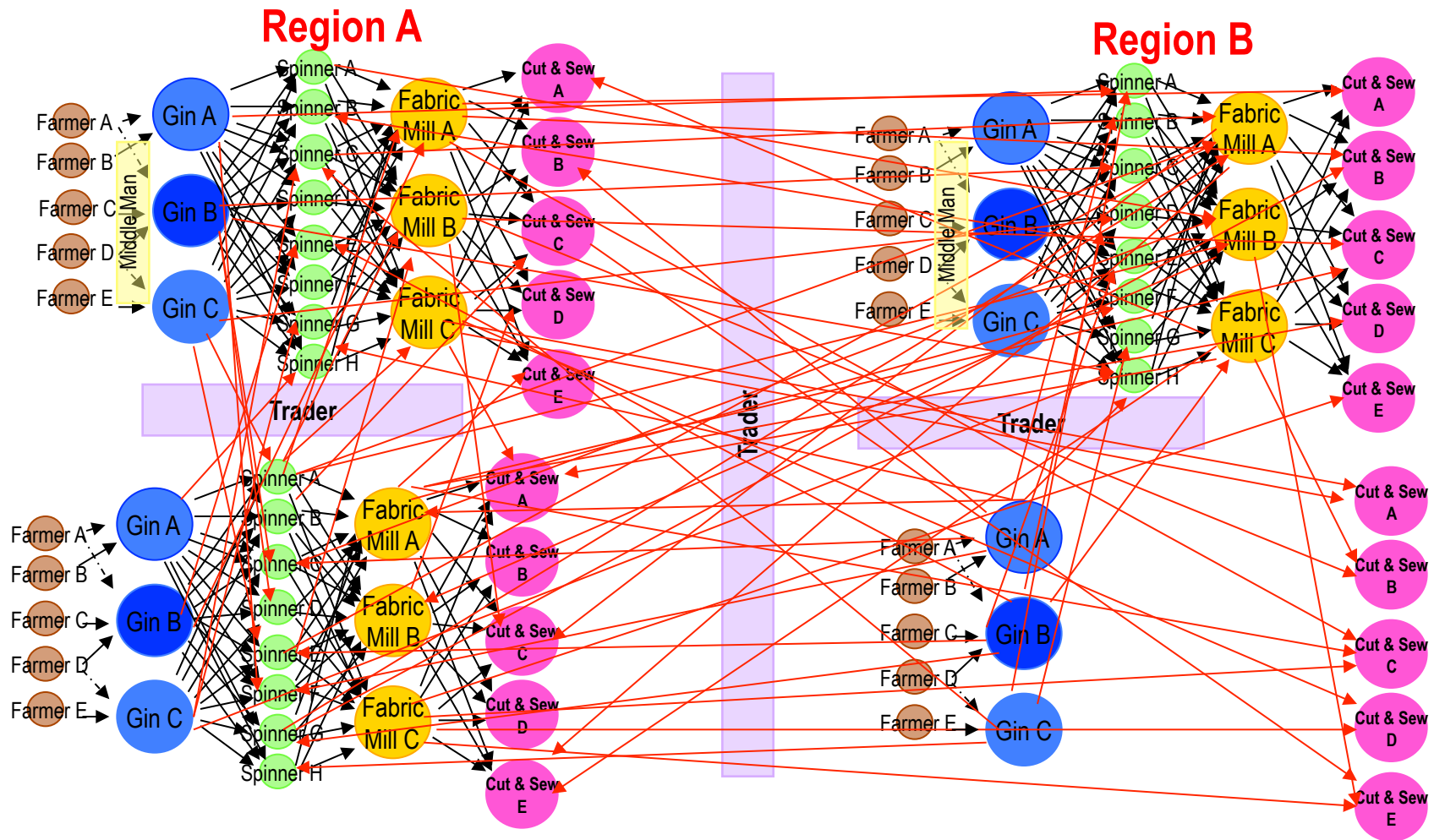


**In reality, cotton travels through a much more complex supply chain.**

**A gin receives cotton from multiple growers.**

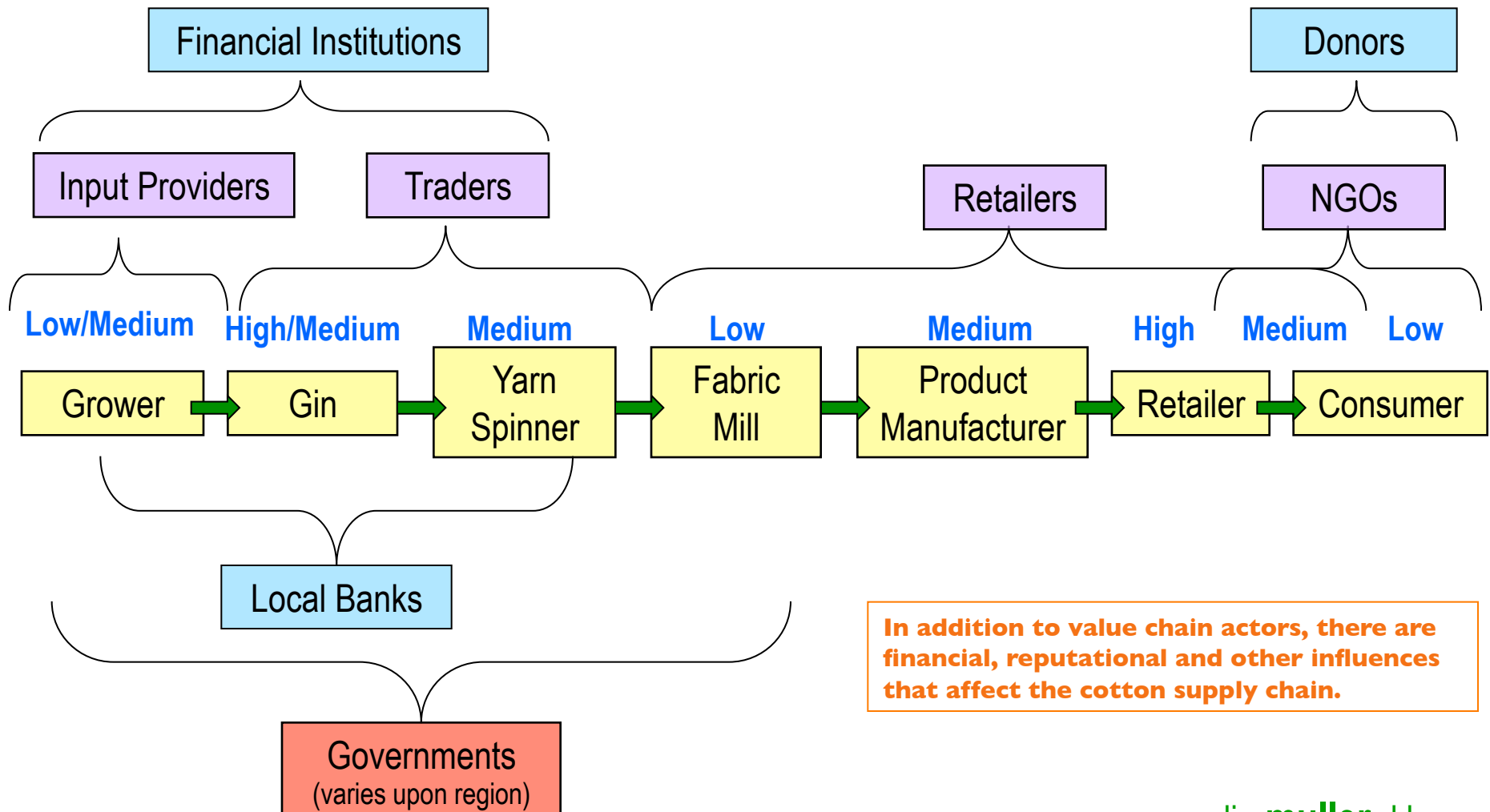
- Merchants (traders) buy cotton from far reaches of the world and sell it through global markets.
- Spinners use a mixture of cotton that ranges in origin and quality (and cost) to produce yarn.
- Fabric mills take a similar approach to produce a final fabric.
- Garment manufacturers may have subcontractors dye, launder, or embellish their product.
- Retailers may source the same product from a variety of garment manufacturers.

# Global Cotton Supply Chain (it is really a web)



When you put this in a global perspective, you realize that the cotton supply chain is really a very complex web of players worldwide.

# Additional Influences



**In addition to value chain actors, there are financial, reputational and other influences that affect the cotton supply chain.**

Thank You

“Be the change you want to see in the world.”

*Mahatma Gandhi*