



Textile Exchange Organic Cotton Round Table

Hong Kong 3rd October 2012

We were very pleased to have such a great turn out for the Round Table meeting in Hong Kong a couple of weeks back (if you could not make the meeting or wish to refresh your memory you can see more about this here: <http://farmhub.textileexchange.org/learning-zone/round-table-on-organic-cotton/meeting-in-hong-kong>) I would particularly like to recommend you set aside some time to watch Simone Siesl's presentation (from Remei AG) which can be downloaded from the link above.

NOTES FROM THE BUSINESS MODEL DISCUSSION

CHALLENGES WE DISCUSSED

- Disconnect – brands and farmers – lack of dialogue/partnership across supply chain
- Price not sustainable for farmers
- Do brands/Retailers know the price of organic fibre
- What am I paying for? – need transparency, so we know if farmers are getting a fair price
- No commitment from brands and retailers – no clear market messages
- Who is driving market? Brands/Retailers (what is their vision?) or consumers

SOLUTIONS WE CAME UP WITH

1. Friendship

- Strong partnership with producers
- Giving farmers voice – need to be organised

2. Fair Price

- Good example is FLO research into minimum price. They then provide on average 20% more for organic
- Pricing transparency – production cost/margin fairly divided via risk analysis

3. Framing

- Internalise the externalities – there is a cost to sustainability
- How to talk to business in their language (re-framing context of what organic is)
 - Risk mitigation
 - Business opportunity

- Not CSR Challenges but business challenges
- Shared Value – Kramer and Porter – building supporting values

4. Food

- Not just about fibre – also have to look at food and to work on price holistically

5. Forward planning

- Brands/retailers/supply chain partners around qualities and product requirements

6. Figures

- Need better data on supply and demand
- Consumer – understanding – awareness and benefit

OPPORTUNITIES THROUGH THE ROUND TABLE

The general consensus is that Textile Exchange can play a role in connecting and co-ordinating the work of the Round Table. The Next Steps for the Round Table will be decided upon by the members of the 'business models task force'. We hope that might include some of you! For starters, there was feedback from the attendees that there needs to be better integration of the organic sector – and that while advocacy is there, it is not happening well enough or fast enough to influence decision-making on the ground. Perhaps through the work of the Round Table this might be improved.