

## ORGANIC COTTON: PRODUCTION AND MARKETING TRENDS IN THE U.S. AND GLOBALLY- 2000

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### Abstract

#### Who is OTA/OFC?

The Organic Trade Association is the organization representing organic businesses in North America. Its Fiber Council (OFC), of which I am the coordinator, was established in 1997 to focus on issues particular to the organic fiber industry, including organically grown cotton, wool, flax and hemp.

#### What is Organic Cotton?

The term "organic" refers to the way agricultural products-whether food or fiber- are grown and processed. The word "organic" on the label stand for a commitment to a system of agriculture that strives for balance with nature, using methods and materials that are of low impact to the environment. "Certified organic" means an independent organization verifies that the company meets or exceeds defined organic standards.

The final rule defining "organic" were published December 21, 2000 by the U.S. Department of Agriculture. The rule prohibits the use of genetic engineering, irradiation or sewage sludge as well as toxic and persistent synthetic pesticides and synthetic fertilizers in organic agriculture and processing. The rule, issued 10 years after passage of the Organic Foods Production Act in 1990, will take effect in February and be fully implemented by the end of 2002.

The publishing of this new rule is important as it creates strict and standardized criteria that will facilitate trade within the U.S. and internationally. More in-depth information and the new rule is available online at [www.ams.usda.gov/nop](http://www.ams.usda.gov/nop). For more information, contact OTA at [www.ota.com](http://www.ota.com). (USDA 2000)

#### Why Are Companies Asking for Organically Grown Cotton?

Many apparel and textile companies are considering ways to make their product lines more environmentally sustainable in the long term. They know, for example, that in 1999, cotton was the second most heavily pesticide sprayed crop (behind only corn) with approximately 81 million pounds of pesticides were applied to upland cotton in the US (USDA/NASS 2000), approximately 1/10 of that in California alone. (CDPR 2000)

In addition, apparel companies are being asked by consumers who are concerned about the use of both pesticides and genetically engineered crops, and are scrutinizing their environmental practices.

### Trends in U.S. and International Organic Cotton Production

#### U.S. Organic Cotton Planted Acreage (Certified and Transitional): 1990-2000

According to data prepared by the OTA's Fiber Council, U.S. organic cotton planted acreage has increased 15-fold over its inception in 1990, when only 900 acres were planted. (See Figure 1)

During 2000, 13,460 acres of certified organic and transitional cotton were planted in six states. These plantings were 43% greater than the 9,368 acres planted in 1998. In addition, during 2000, organic cotton was grown for the first time in Kansas. (OTA, 2000) (See Figure 2)

In 2000, due to state mandated boll weevil eradication program requirements, many organic cotton farmers were forced to decrease their acreage from the 16,785 acres that were harvested in 1999. (OTA, 2000; OTA's Fiber Council 2001) These farmers would have had to spray pesticides not approved for use in organic production, thus losing their organic certification status, or plow under the crop if an unacceptable number of boll weevils were found.

#### 1999 International Organic Cotton Production Data

According to a December, 2000 survey conducted by the UK-based Pesticides Trust, as of 1999, Turkey has surpassed the U.S. in becoming the number one producer of organic cotton in the world. In 1999, Turkey produced 41 percent of production, USA 34%, Africa 13% (mostly Uganda, followed by Tanzania, Senegal and Egypt), India (8%, down from 16% in 1997), Latin America 4% (mostly Peru). Israel doubled its production between 1997 and 1999, but still only produces 0.1% of all organic cotton worldwide. (Pesticides Trust, 2000)

There is likely to be even greater movements towards off-shore purchasing or organic fiber as companies take advantage of the lower costs overseas, including the lower costs of living and lower wage scales. We are particularly likely to see new and expanded production in Pakistan and China in the years to come.

Considering that the Cotton Research and Promotion Act mandates "a coordinated program of research and promotion to improve the competitive position of, and to expand markets for, cotton," OTA hopes an increased amount of the bale assessment funds from U.S. organic cotton farmers will be applied to organic cotton research and promotion.

### Markets for Organic Cotton

#### How the Average Consumer Finds Organic Cotton Products

Other than for the largest organic cotton users, such as speakers Nike and Patagonia, the Internet is key for sales of organic cotton products. Virtually all OTA member manufacturers have Internet sales capacity upon which they rely heavily. In many cases, the Internet is their primary outlet for sales.

#### Core Purchasers of Organic Cotton Products

According to a survey recently conducted for the OTA's Fiber Council, the core purchaser of organic cotton is currently the person who already leads a "wellness" based lifestyle, and frequents stores that sell organic foods and beauty aids. Purchase of food is broadening into organic "lifestyle" products, including both apparel and textiles, including bedding, top-of-the-table products and upholstery. (OTA's Fiber Council, 2000)

However, even core consumers won't buy an organic cotton product simply because it's organic; there still expect there to be no compromises with design, color or workmanship.

This is a key point as OTA members strive to create products without the use of many of the most common amenities used by the apparel and textile companies, including formaldehyde and the more hazardous dyes.

#### Development of Organic Fiber Processing Standards

To address the question of what products can be used in the processing and finishing of organic fiber, and how to label those products, OFC is developing processing standards supported by a grant from the federal Environmental Protection Agency. The standards established will likely prohibit the use of hazardous processing agents, but permit the use of a restricted sub-set of dyes, with appropriate labeling so the consumer can make the necessary purchasing decisions as per their preference. The

standards would create different labels for different percent categories (e.g. 100%, 95% or more, 70-95%, less than 70%.)

The fiber processing standards should evolve as the industry grows, and form the basis of legislation amending the Organic Foods Production Act. In the meantime, the only post-harvest provisions included in the new rule states that “goods that utilize organic fibers in their manufacture may only be labeled as a “made with...” product; e.g., a cotton shirt labeled “made with organic cotton.”” The percent content would conceivably be added to the garment label. (USDA 2000)

### **Trends in the Organic Cotton Marketplace**

An growing number of companies are producing increasingly finessed products. Sales are increasing mostly in active wear, childrenswear, bed/bath and home textiles, including upholstery.

Companies using organic cotton are implementing both a 100% organic cotton model and a lesser blend figure ranging from 3-30 percent organic cotton with conventional cotton. There has been far greater acceptance of the blending concept in recent years as consumers come to understand that even a small percent blend, such as 3%, can translate into large acreage of land converted to organic cultivation.

OTA/OFC anticipates expanding the market in the years to come with use of the Seal of Cotton and “COTTON USA Mark.” OFC currently is in discussion with USDA and the trademark owners as to appropriate guidelines for use of the logos.

### **Figure 1: U.S. Estimated Organic Cotton Acreage: 1990-2000**

1990 -	900
1991 -	3290
1992 -	6305
1993 -	12,402
1994 -	15,856
1995 -	24,625
1996 -	10,778
1997 -	9,050
1998 -	9,368
1999 -	16,785
2000 -	13,340

### **Figure 2: Estimated U.S. Organic Cotton: 2000**

1. Texas	8,692 acres
2. New Mexico	2,192 acres
3. California	1,030 acres
4. Arizona	950 acres
5. Missouri	550 acres
6. Kansas	46 acres

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