

# 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 a 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.

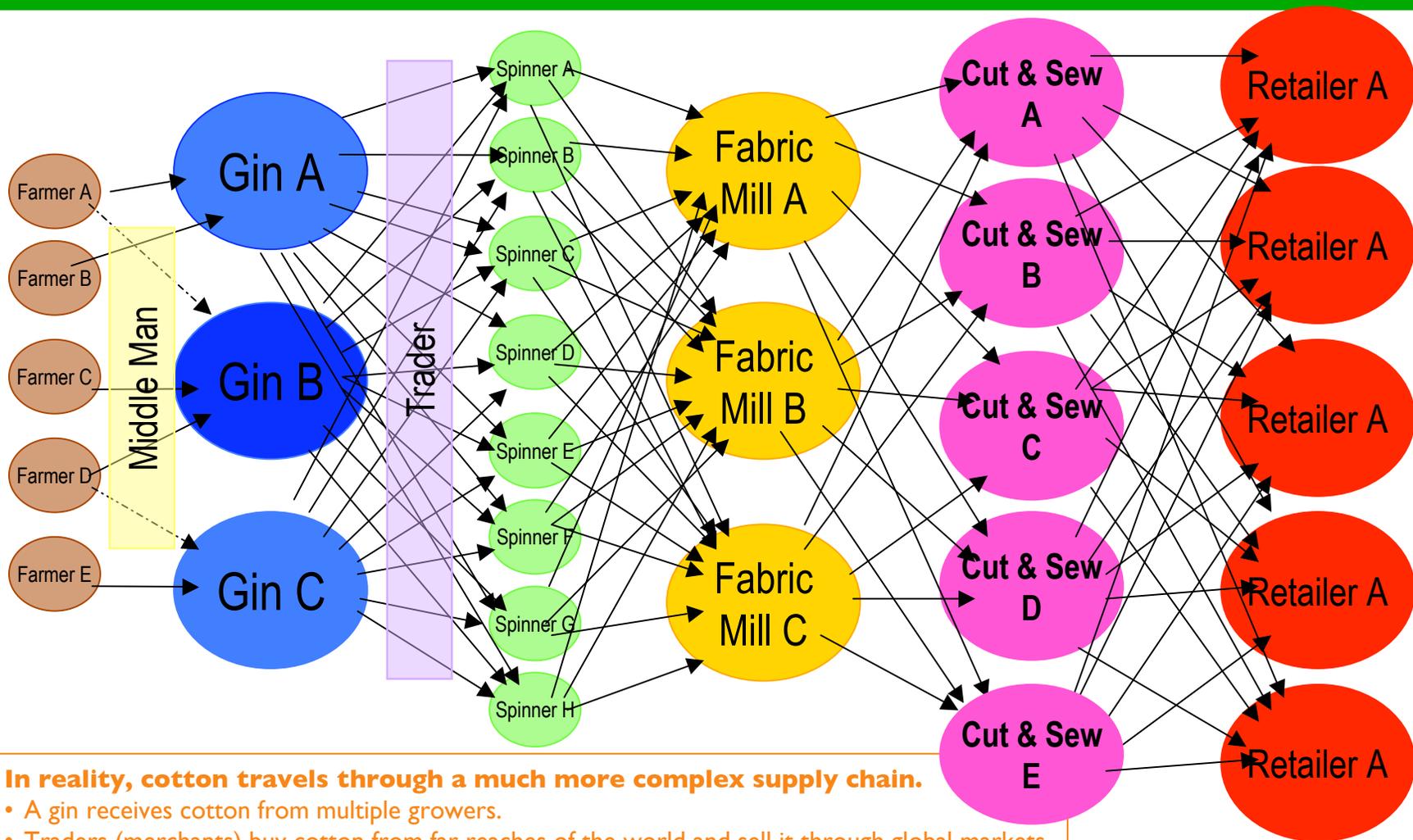
# Basic Cotton Supply Chain

## Flow of cotton lint



**A product's supply chain is typically thought to be linear - a simple string of transformations of a raw material into a final consumer product. For cotton, this involves 1) growing cotton, 2) picking cotton, 3) separating lint from stems and other materials (ginning), 4) spinning lint into yarn, 5) knitting or weaving yarn into fabric, 6) converting fabric into a final product, 7) distributing and selling the product, and 8) using the product.**

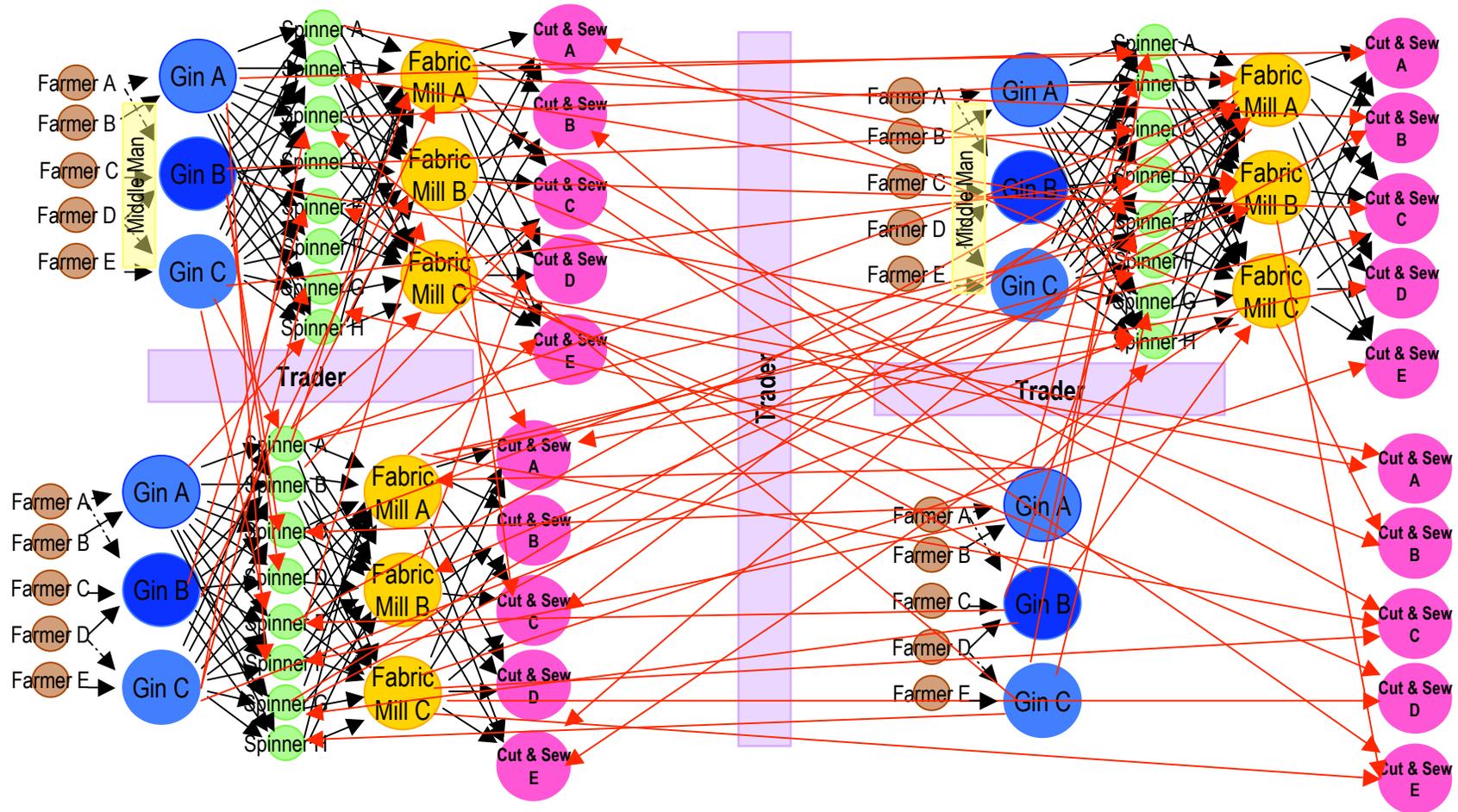
# Regional Cotton Supply Chain



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

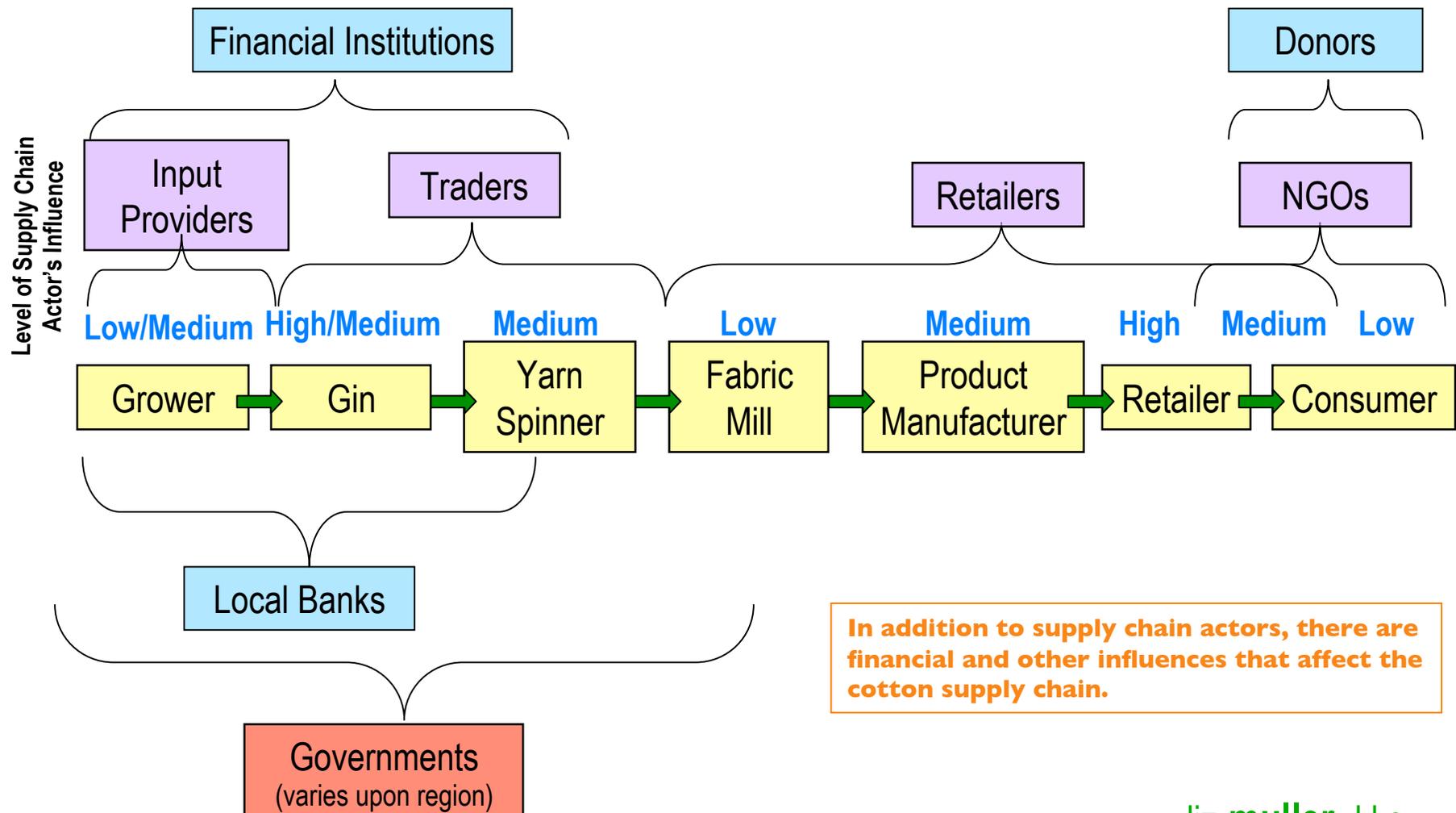
- A gin receives cotton from multiple growers.
- Traders (merchants) buy cotton from far reaches of the world and sell it through global markets.
- Spinners use cotton from a range quality and regions to produce yarn.
- Fabric mills take a similar approach to produce a fabric.
- Garment manufacturers 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 complex web of players and processes worldwide.**

# Additional Influences



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

# Thank You

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

*Mahatma Gandhi*