



Cotton made in Africa

Aggregated Verification Report

2014

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1. Introduction

Independent and qualified third party auditors regularly monitor participating cotton companies against the requirements of the CmiA standard. They check compliance and respect of the CmiA exclusion criteria and monitor performance and continuous improvement concerning the development criteria. To this aim, both the cotton company itself and contracted farmers as well as ginneries receive regular verification visits. Each verification cycle that each cotton company (“Managing Entity”) has to complete every two years according to the CmiA verification system consists of two separate missions – a verification at field level and another one at ginnery level.

Thereby CmiA ensures that the initiative's value proposition of helping smallholder farmers and their families in Africa to achieve better living conditions as well as to continuously improve performance relating to CmiA sustainability criteria is observed. The annually published aggregated verification report provides cumulated information on the results of previous verifications and serves as a reference for monitoring future verifications.

According to its standard, CmiA verification pays attention to social, economic and ecological criteria. More information about CmiA verification can be found on the CmiA website: <http://www.cottonmadeinafrica.org/en/standards/verification>

Release: July 2015

2. Performance Results

Exclusion Criteria

1. Through its Exclusion Criterion 9 (Prohibited Pesticide Active Ingredients), **CmiA has clearly contributed to the use of less dangerous pesticides by African smallholder cotton farmers.** CmiA prohibits the use of all pesticides listed on the Stockholm and the Rotterdam Protocols as well as of those classified as WHO 1a and 1b (extremely / highly dangerous).

In 2014, one possible non-compliance with this **Exclusion Criterion** in Western Africa could be directly solved through an Action Plan to phase out the active ingredient in question (classified as WHO 1b) by the end of the season. Another similar case, where initial verification in 2012 had found a non-compliance with this Exclusion Criterion, was solved in the meantime through a commitment of the Managing Entity to source alternative, less dangerous pesticides accepted by the CmiA standard. The cotton company could therefore be successfully verified in 2014 and joined CmiA at second attempt.

2. Field verifications have confirmed that **CmiA farmers are smallholder cotton farmers, cultivating cotton on an average surface of 1.3 hectares.**

In Côte d'Ivoire, Cameroon, Zambia and Mozambique, some bigger surfaces exist. However, this concerns only 330 farmers out of the total number of 655,000 farmers, and can therefore be considered insignificant (< 0.5%). Average farm size of those large farmers is of about 25 hectares, which also – in relation to total surface cultivated with cotton – can equally be considered insignificant (< 1.5%).

If larger farms exist, a special focus is laid on them during field verifications, following CmiA's risk-based sampling approach.

3. Verifications at Field and Ginnery Level showed that **all CmiA cotton companies fully respect ILO Core Labour Conventions¹.** This includes respect of ILO Conventions 87 and 98 relating to Freedom of Association and Collective Bargaining. At ginnery level, 100% of verified cotton companies were found to grant all their ginnery workers the rights to Freedom of Association and to Collective Bargaining.

¹ ILO Core Labour Conventions are: ILO Conventions 138 and 182 defining minimum ages for work and prohibiting child labour; ILO Conventions 29 and 105 prohibiting forced labour; ILO Conventions 100 and 111 fighting discrimination in the workplace as well as ILO Conventions 87 and 98 guaranteeing the rights to Freedom of Association and Collective Bargaining.

Farm Level Development Criteria

4. Again in 2014, **verifications confirmed a constant high level of compliance in social issues, and fair conditions for contracted farmers and gin workers.**
5. **All farmers get cash payment for the delivered cotton latest 30 days after delivery.** In fact, the **huge majority is paid on spot upon delivery** or in the following week. (100% of companies scored a “green” rating on Farm Level Criterion 6e, Timely Payment)
6. **Farmers are informed and aware about the final input cost** before committing to producing cotton and using inputs, and the Managing Entities could prove **fair pricing methods.** Price calculations are accessible and transparent to the farmer or farmer groups. (15 out of 17 companies scored a “green” rating on Farm Level Criterion 6b, Transparency of Input Prices)
7. **All cotton companies provide farmers with pre-financed inputs, thus eliminating initial cost for contracted smallholder farmers.** (“yellow” or “green” rating on Farm Level Criterion 6a, Pre-Financing on Inputs). 73% of verified companies even achieved a “green” rating as evidence clearly showed a **good understanding of pre-financing terms by farmers.**

Ginnery Level Development Criteria

8. **All Managing Entities provide transparent contractual agreements to their employees (permanent, seasonal and casual workers).** (100% of companies scored “green” or “yellow” ratings for Ginnery Level Criterion 1, Labour Contracts)
9. All Managing Entities **pay workers employed in the ginneries at least the national legal minimum wages.** (100% of companies scored “green” or “yellow” for Ginnery Level Criterion 3, Wages). 16 out of 18 Managing Entities even achieved a “green” rating, meaning that permanent employees get paid wages that are above existing national minimum wages or corresponding sector agreements.

Continuous Improvement Update

10. In 2014, only “newcomers” at their initial CmiA verification were found with non-sustainable practices at some Development Criteria, reflecting in one to three “red” ratings. Four even started with no red Development Criteria at all.

So, again, verifications conducted in 2014 clearly showed that **CmiA cotton companies have embraced the CmiA philosophy of “continuous improvement”**. All cotton companies had been able to eliminate their “red” ratings (= non-sustainable practices) from one verification to the next thanks to the continuous trainings offered.

11. Furthermore, a **significant progress** has been noted concerning the main hot spots previously identified for necessary improvements, especially **concerning the handling and application of pesticides**. Compared to 2013 verifications, the average rating in almost all farm level criteria in this field has progressed in 2014, and this despite the fact that many new cotton companies have joined.

Hot Spot Pesticides	2014	2013
Pesticide Management (Farm Criterion 4a)	88% green	77% green
Disposal of empty chemical containers (Farm Criterion 4d)	50% green	15% green
IPM/threshold spraying (Farm Criterion 4e)	27% green	7% green
Storage and Transport of Pesticides (Farm Criterion 4b)	33% green	23% green

12. At the end of each verification mission, all cotton companies have been sensitized to commit to further improvement and consequently formulated their own Management Plan for achieving a higher verification ranking. Based on the findings and recommendations made by the verifiers during the verification, this plan shows the company’s own priorities to allow for continuous improvement as required by AbTF Verification System.

13. Through its continuous improvement philosophy, by taking a problem-solving approach and by trying to find solutions for the challenges to sustainable practices together with farmers, verifiers, and cotton companies, CmiA gives an in-

creasing number of smallholder farmers and cotton companies a chance to continuously improve their cultivation methods.

Remaining Challenges

14. Despite the significant progress noted and already mentioned above, **challenges remain especially in the areas of occupational health and safety**, both in the ginneries and in the fields. Verification findings concerning Farm Level Criterion 4c (Spraying and Health Protection) and Gin Level Criterion 4 (Occupational Health and Safety) have shown that progress is particularly difficult to achieve for the provision of farmers and workers with personal protective equipment (PPE).

Therefore, most companies have been rated “yellow” at those criteria.

3. Overview of Verified Cotton Companies in 2014 ²

At the end of 2014, a total of **16 cotton companies** have been granted **licenses to sell cotton as CmiA** after successfully completed verification cycles. Thirteen are effective for 2013/14 season, while three take effect starting season 2014/15.

One cotton company has been granted the additional license of selling part of its production as **“CmiA Organic”** as a result of the first successful verification of the recently launched CmiA Organic standard in Tanzania.

Three additional cotton companies have **started the process of verification** (either field or gin verification successfully completed) and will, if the second part of verification is equally successful, be granted CmiA sales license in the beginning of 2015.

Of these 19 cotton companies verified or under verification, **eleven** are **new partners** with initial verifications having taken place in 2014. This meant an additional effort to introduce and familiarize those companies with CmiA verification procedures and criteria.

The verified cotton companies with CmiA sales license **in 2013/14 season** work with **443,145 contracted farmers**. For **2014/2015 season**, all CmiA verified cotton companies will be covering **654,693 farmers**, cultivating cotton on about 1 million hectares. The **total volume of CmiA lint cotton** produced in 2013/14 was of approx. **153,000 mt**.

² Cf. to Annex A + B for a detailed list and map of all verified CmiA cotton companies with their corresponding sales license status.

	2014 <i>(companies licensed for harvest 2013/2014)</i>	2015 forecast <i>(companies licensed for harvest 2014/15)</i>
Nr of farmers	443.145	655.000
Hectareage	588.981	942.000
Seed cotton (mt)	363.834	n/a
Lint cotton (mt)	152.942	n/a

Companies with CmiA status in 2014 operated in a total of **33 ginneries**, which equally have been verified under CmiA standard.

4. Implementation Support by AbTF

Activities on Exclusion Criteria Guidance

1. **In 2014, training material on child labour has been elaborated**, as a result of two workshops conducted with cotton companies, verifiers in Western Africa and Eastern and Southern Africa. This **picture block** has already been printed for distribution in Eastern and Southern Africa. Farmers trainings based on these picture blocks are planned to start in 2015.

The picture block helps the extension agents of cotton companies and farmers to identify unacceptable, hazardous practices of child labour that are prohibited according to ILO Conventions and also under CmiA Exclusion Criteria. Through easy understandable images, farmers learn to distinguish unacceptable practices from those tasks that children can perform in order to help their parents on the family smallholdings, provided that the children are still able to go to school.

2. Concerning **pesticide management**, a **“black list” of active ingredients prohibited under CmiA** has been published and distributed to verifiers and cotton companies for **more transparency and better guidance**.

5. AbTF Verification Management Activities

In the CmiA standard system, **all cotton companies have to be assessed by independent third party verifiers in order to be able to sell their cotton as “CmiA”**.

AbTF takes over the roles of Verification Management and of overall verification monitoring (oversight). In 2014, AbTF has been able to smoothly organize a growing number of verification missions, and to ensure at the same time the continuous qualification of verifiers.

In 2014, AbTF Verification Management has been responsible of the following activities:

a) Coordination / Organization of Verification Missions

- Coordination of **23 CmiA verification missions**. The sharp rise in the number of verifications – from 14 missions in 2013 – was due to extension of CmiA coverage and several new cotton companies wanting to enter the CmiA partnership.
- Introduction of **11 new partner companies** to CmiA standard requirements.
- Continuous guidance to all 16 different cotton companies that have received verification visits in 2014, either at ginnery level (12 missions) or at field level (11 missions) or at both levels.
- Facilitation of CmiA verification audits. Verifiers confirmed that they could conduct all verifications without any significant limitations. The only limitation encountered was during field verification in Cameroon, where part of the cotton production area could not be travelled to, due to security reasons.

Timing of verification missions

Following the cotton production cycle, field and gin verifications have to be conducted at different times.

*In **Eastern and Southern Africa** (including Tanzania), field verifications can take place in the first months of the year (approx. February to April, depending on planting dates), while ginneries usually operate from June/July on.*

*In **Western Africa**, and also in **Ethiopia and Uganda**, field verifications can take place in the third quarter of the year (approx. August to October), while ginneries usually operate from January on.*

Therefore, the two necessary verification missions in one cycle of verification are mostly taking place in two different calendar years.

b) Data Management

- Collection and quality control of Annual Self-Assessments from 19 cotton companies
- Launch of a project to establish a web-based data management software solution for the online submission of self-assessments.
- Performance analysis and communication based on data both from self-assessments and verification reports.

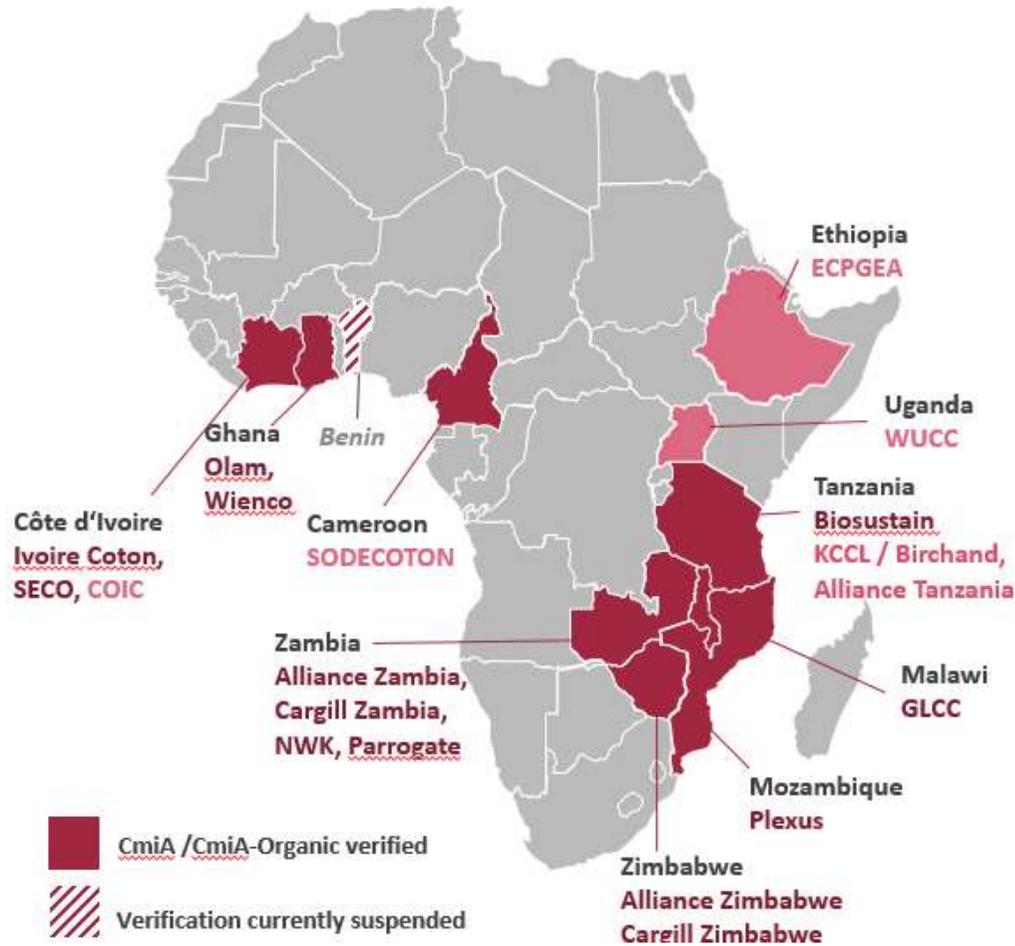
c) Verification Quality: Monitoring and Training

- Cooperation with 3 verifier organizations, pool of 13 individual verifiers
- Admission of 1 new organization (Control Union) after training, training of 3 new verifiers
- Admission of 1 additional verifier as “lead verifier” after evaluation
- Quality control and follow-up on 23 verification reports and corresponding management plans for continuous improvement
- Training / coaching in the field done through CmiA consultant during field verifications in Ethiopia and Tanzania
- Virtual trainings / refresher trainings for all verifiers
- Witness audit by AbTF during two verification missions in Southern Africa.

d) Standard Development, Interpretation and Guidance

- Support for development of training material on child labour through two workshops with cotton companies in Western Africa and Eastern and Southern Africa Region, and through cooperation with artist who made the picture blocks
- Establishment and distribution of a “black list” of pesticide active ingredients prohibited under CmiA
- Inclusion of input data in Self-Assessments to prepare development of Toxic Load Indicator

ANNEX A. Map of Verified CmiA Partner Cotton Companies



	2014 (harvest 2013/2014)	2015 forecast
Companies	13	19
Farmers	443.145	654.693
Hectareage	588.981	941.593
Seed cotton (mt)	363.834	n/a
Lint cotton (mt)	152.942	n/a

Active in 2013/14 season
Starting from 2014/15 season

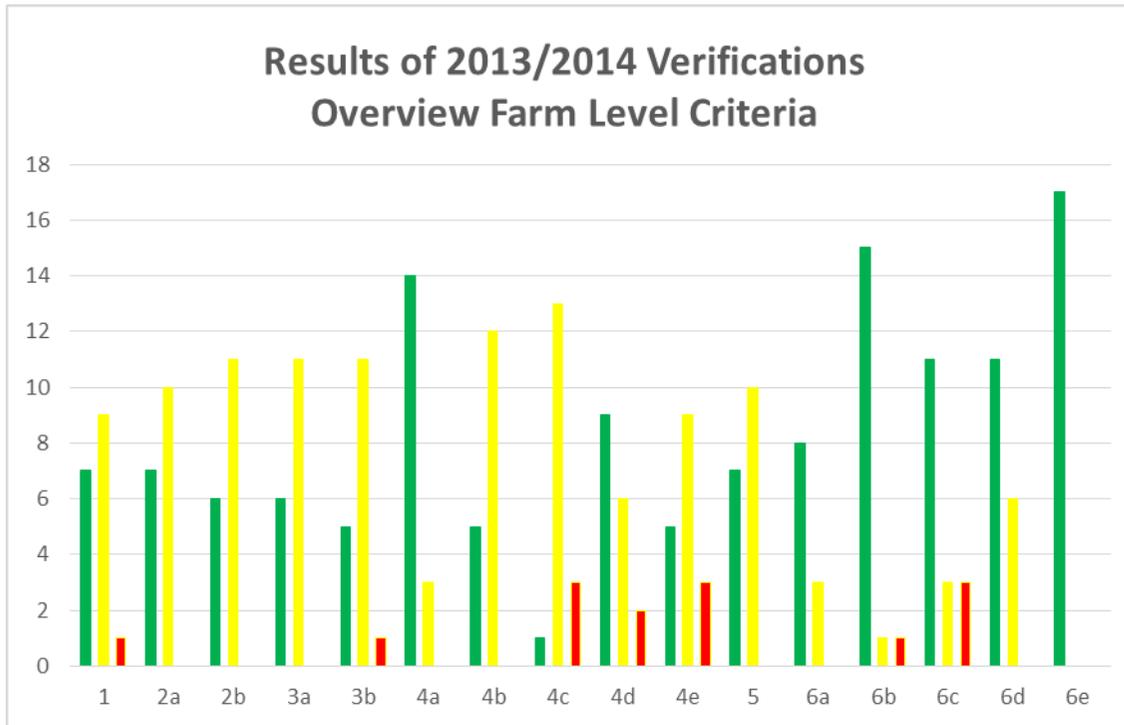
Annex B. List of Verified CmiA Cotton Companies with Respective Sales License Status in 2014

#	Country	Cotton Company	Verification Missions in 2014	CmiA Sales License Status in 2014
1	Cameroon	SODECOTON	Gin + Field	New, starting 2014/15
2	Côte d'Ivoire	Ivoire Coton	Gin	Licence confirmed
3	Côte d'Ivoire	SECO	Gin	New, starting 2013/14
4	Côte d'Ivoire	COIC	Field	Verification process ongoing
5	Ethiopia	ECPGEA	Gin + Field	New, starting 2014/15
6	Ghana	Olam	Gin	New, starting 2013/14
7	Ghana	Wienco Ghana Cotton	Gin + Field	New, starting 2014/15
8	Malawi	GLCC	Field	Licence confirmed
9	Mozambique	Plexus	Field	Licence confirmed
10	Tanzania	Biosustain	Gin + Field	New, starting 2014/15
11	Tanzania	Alliance	Gin	Verification process ongoing
12	Tanzania	Birchand / KCCL	Gin	Verification process ongoing
13	Uganda	Western Uganda Cotton Company (WUCC)	Gin + Field	New, starting 2014/15
14	Zambia	Alliance		Valid licence
15	Zambia	Cargill		Valid licence
16	Zambia	NWK (former Dunavant)	Field	Licence confirmed
17	Zambia	Parrogate / Continental Ginneries	Gin + Field	New, starting 2014/15
18	Zimbabwe	Alliance		Valid licence
19	Zimbabwe	Cargill	Gin + Field	Licence confirmed

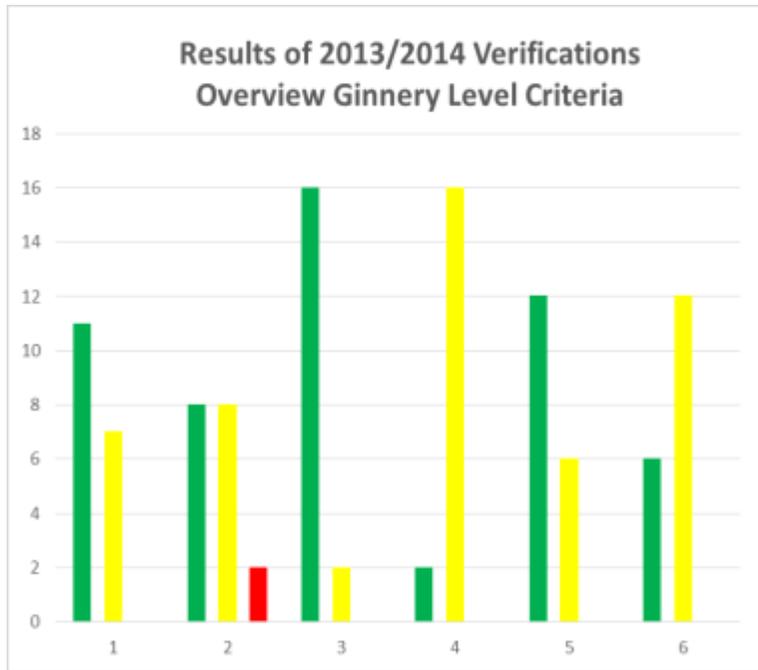
Annex C. Performance of all verified cotton companies in CmiA Development Criteria according to the established CmiA traffic light system

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Number of CmiA Farm Level Development Criteria



Number of CmiA Ginnery Level Development Criteria