

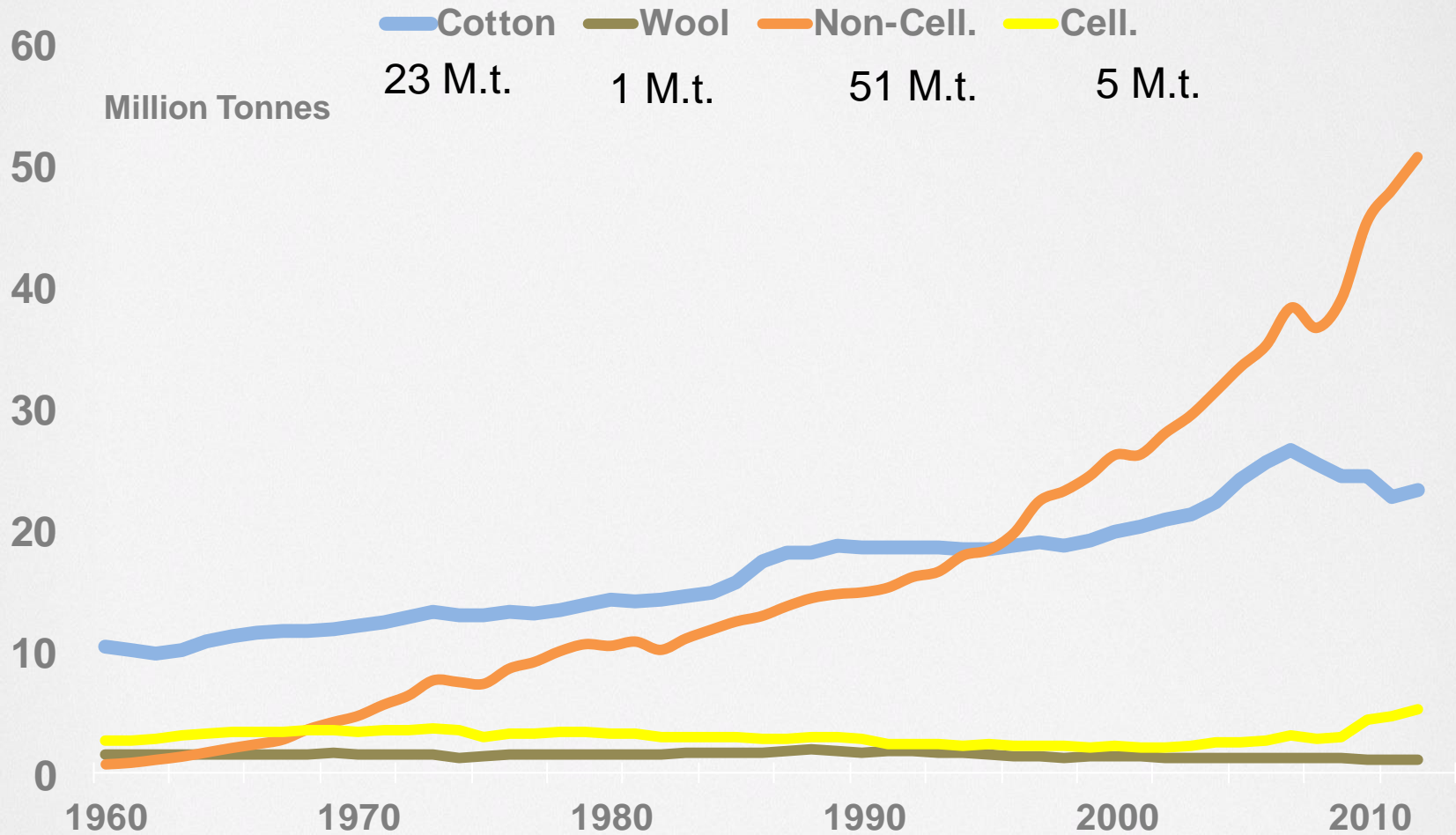


Committee CDG ARABLE CROPS
December 12th 2015,
Brussels

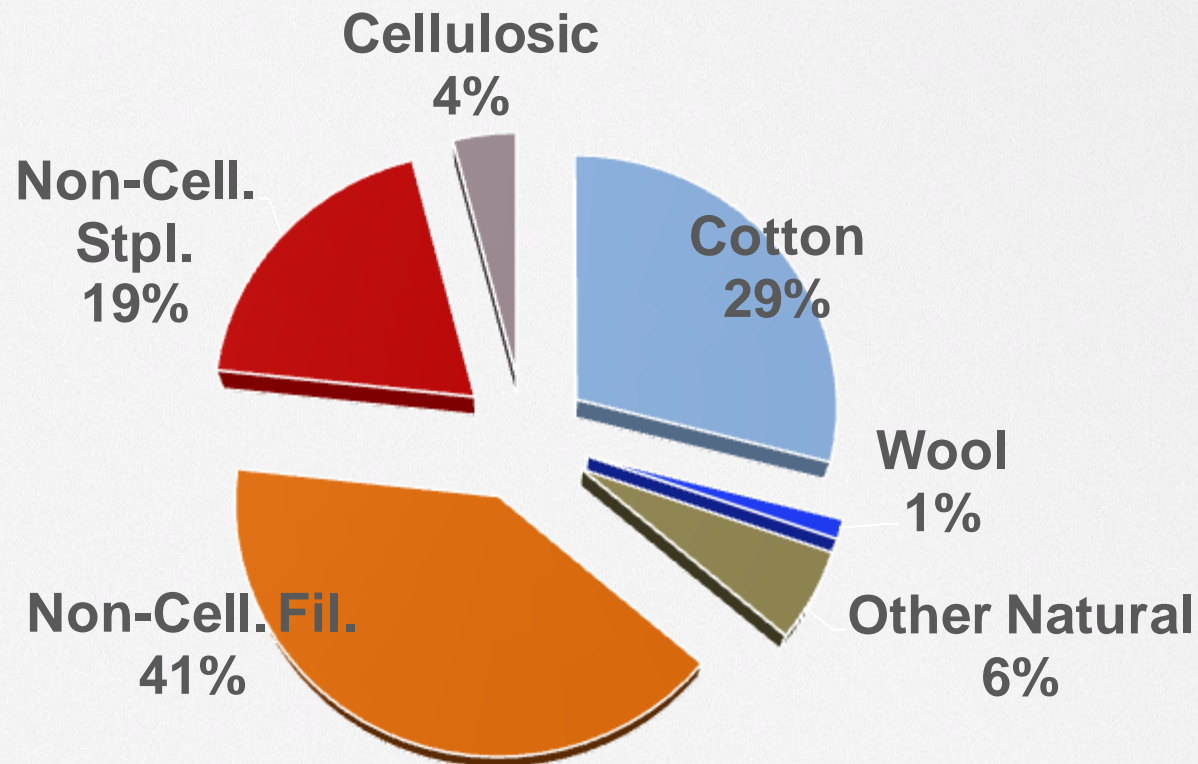
Fritz Grobien
Bremen Cotton Exchange

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World Fibre Production



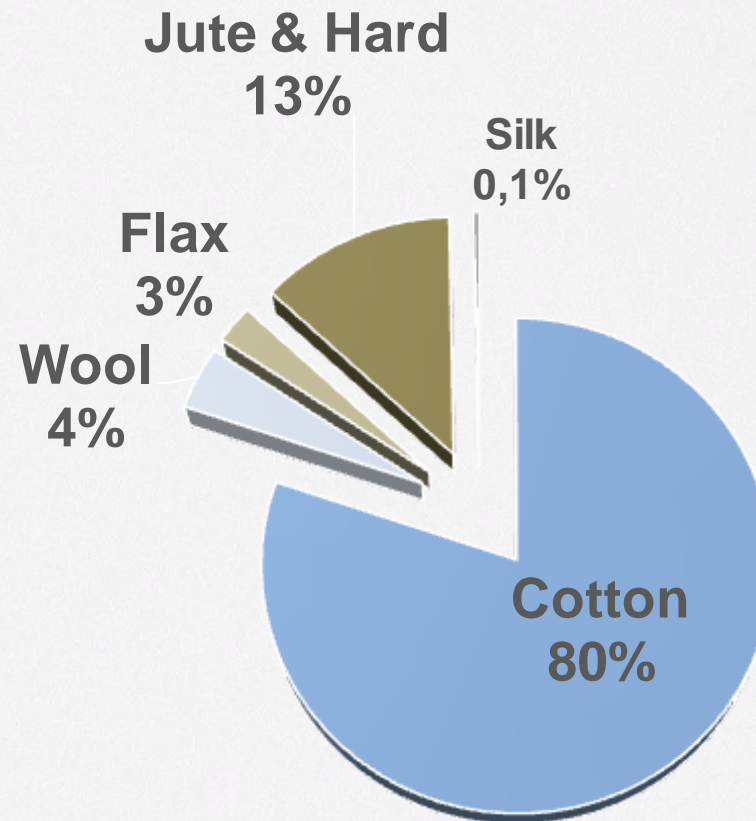
2012



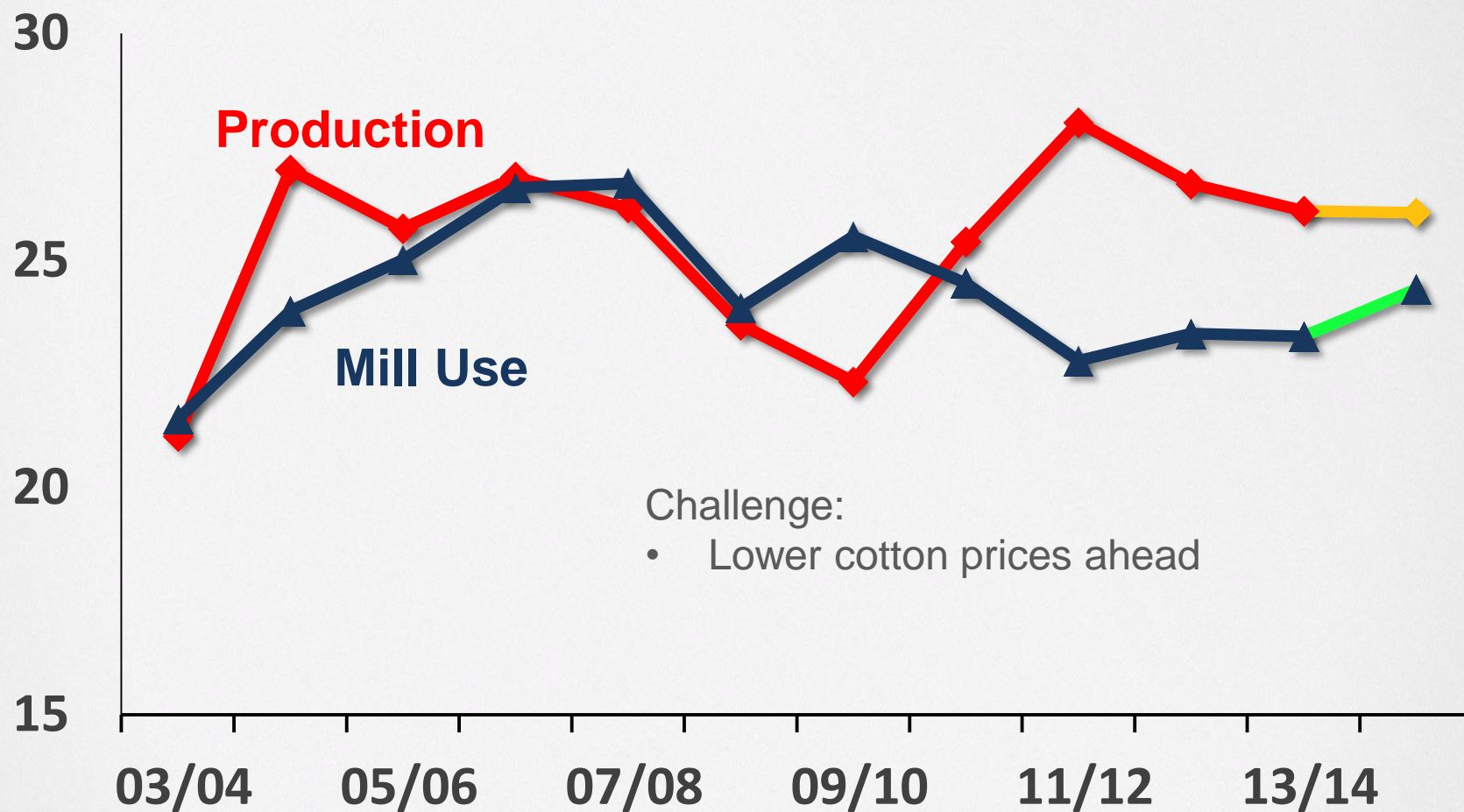
Cotton as a Natural Resource



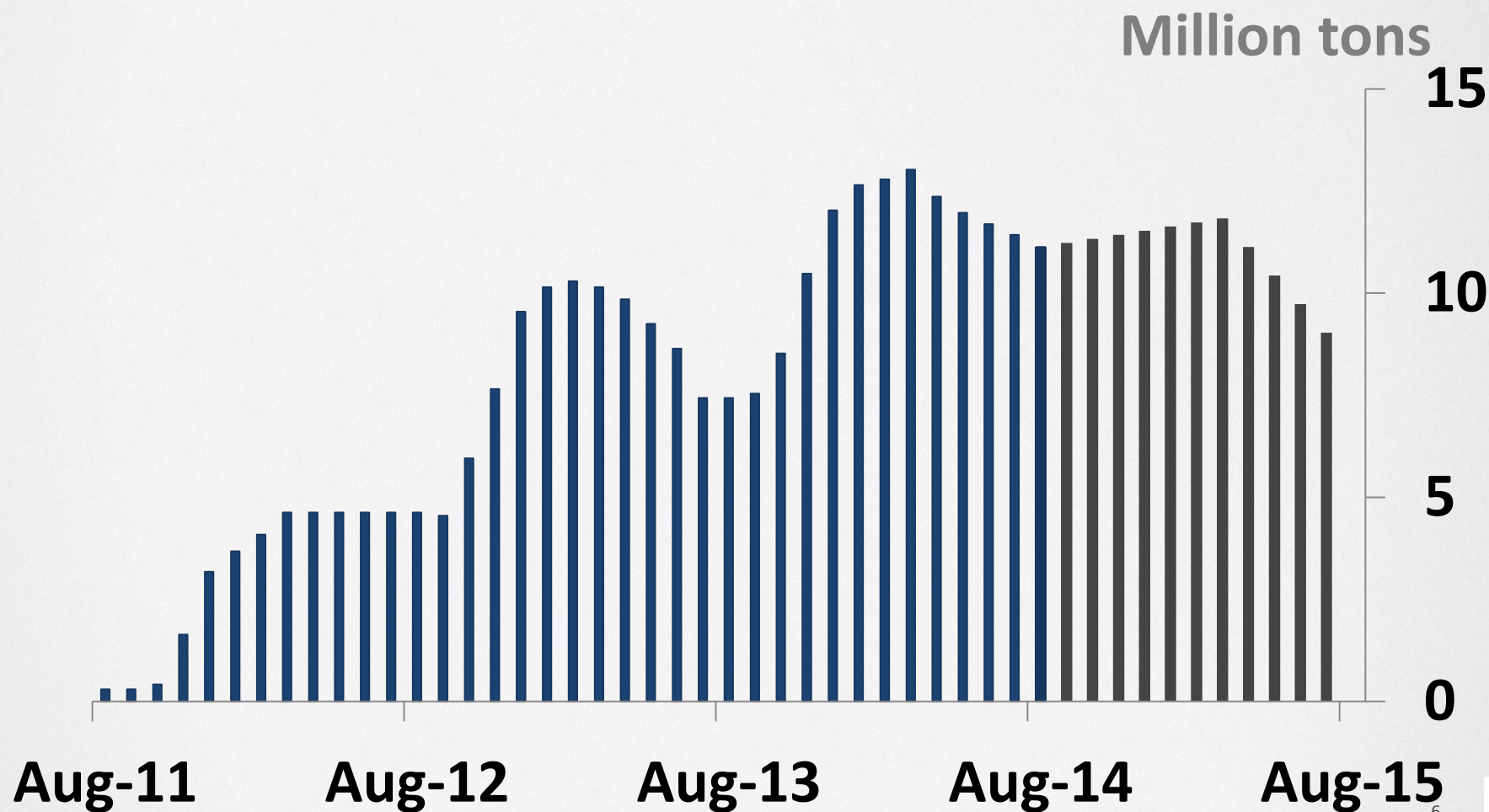
2012



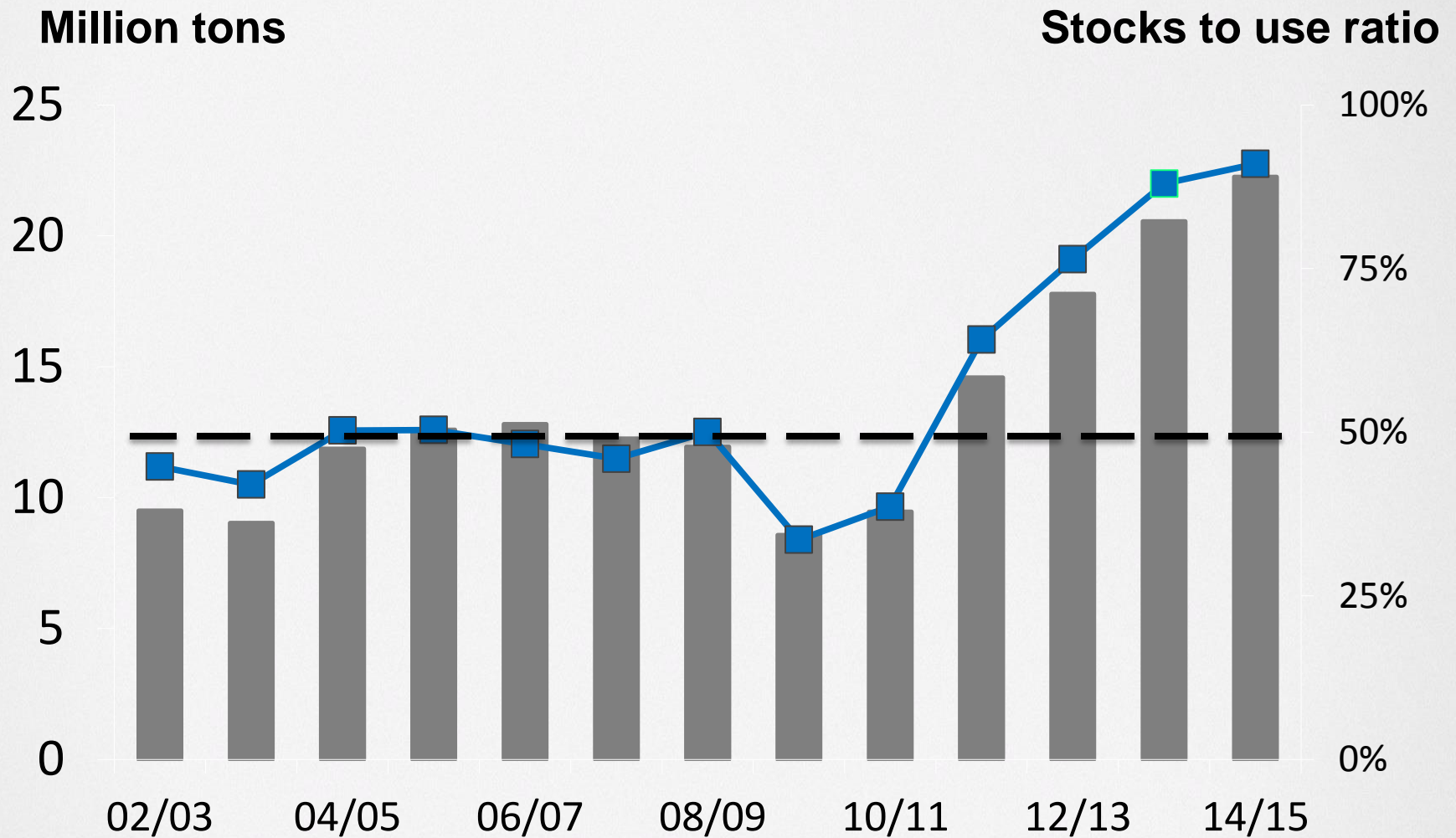
Million tons



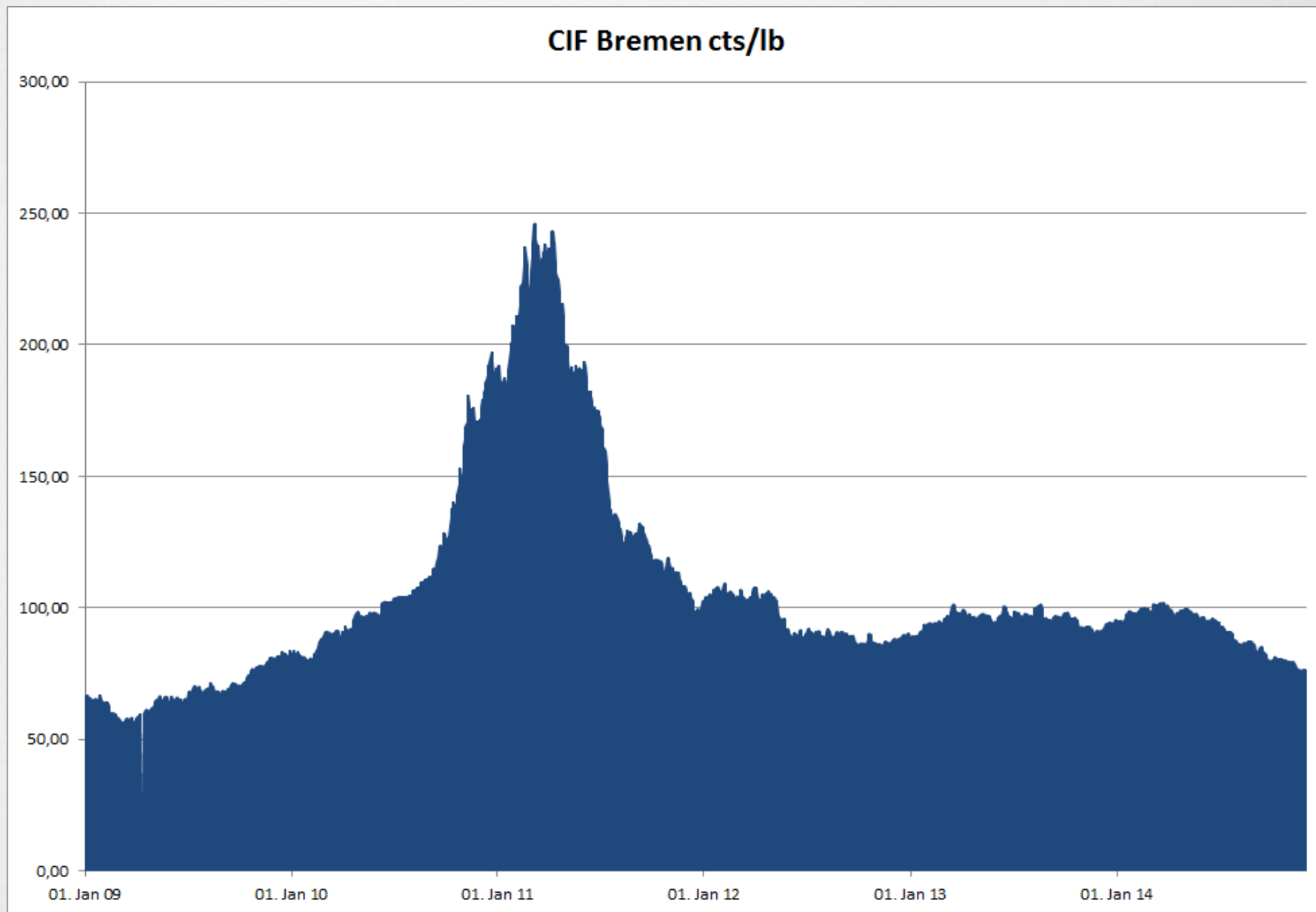
China National Reserve, Cumulative Amounts



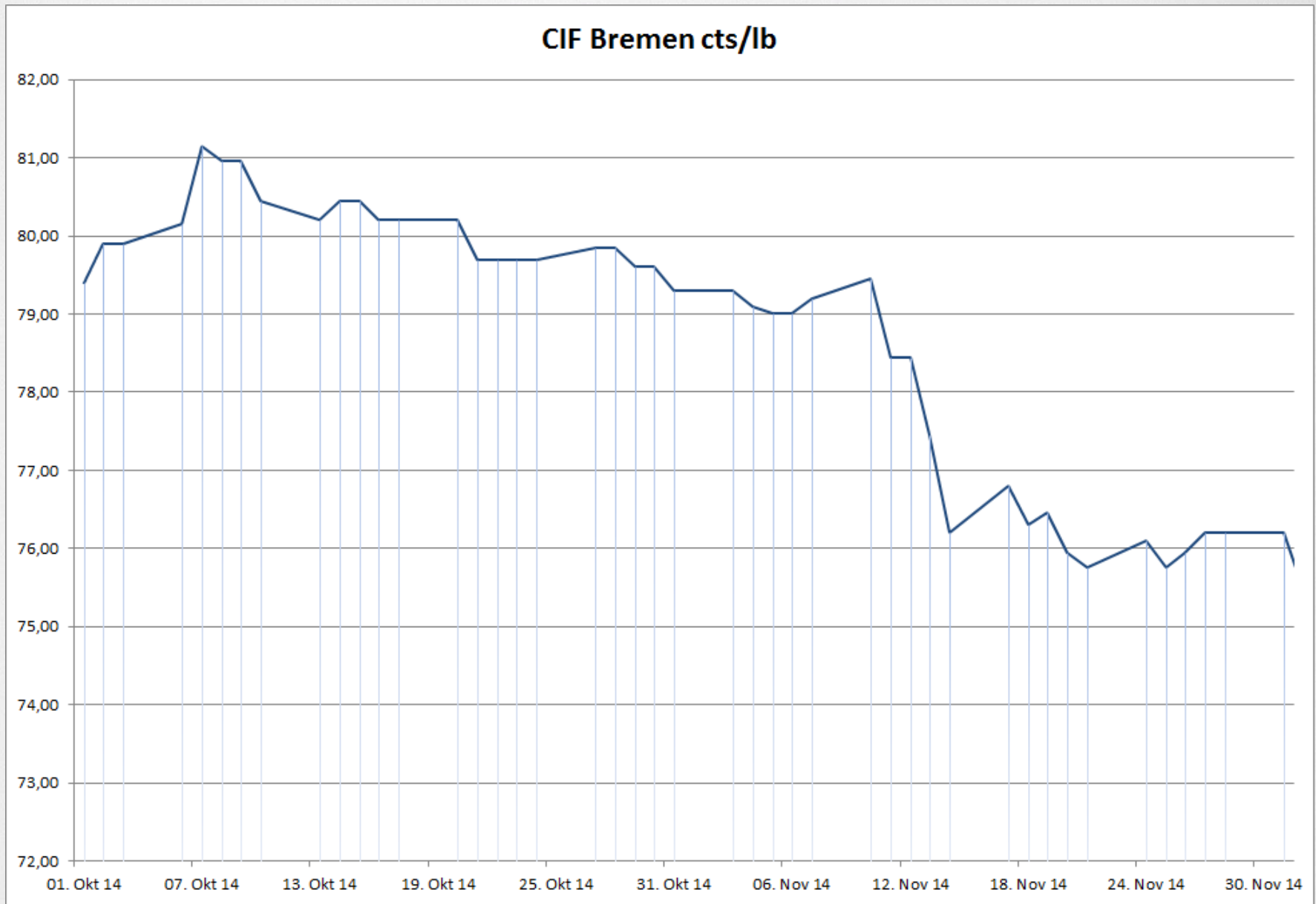
World Cotton Ending Stocks



Cotton Prices Europe long term



Cotton Prices Europe short term



“Glocalisation”



Capturing Value



Fibre
1 kg
\$1.60
0.5 people



Yarn
0.75 kg
\$3.40
0.75 people



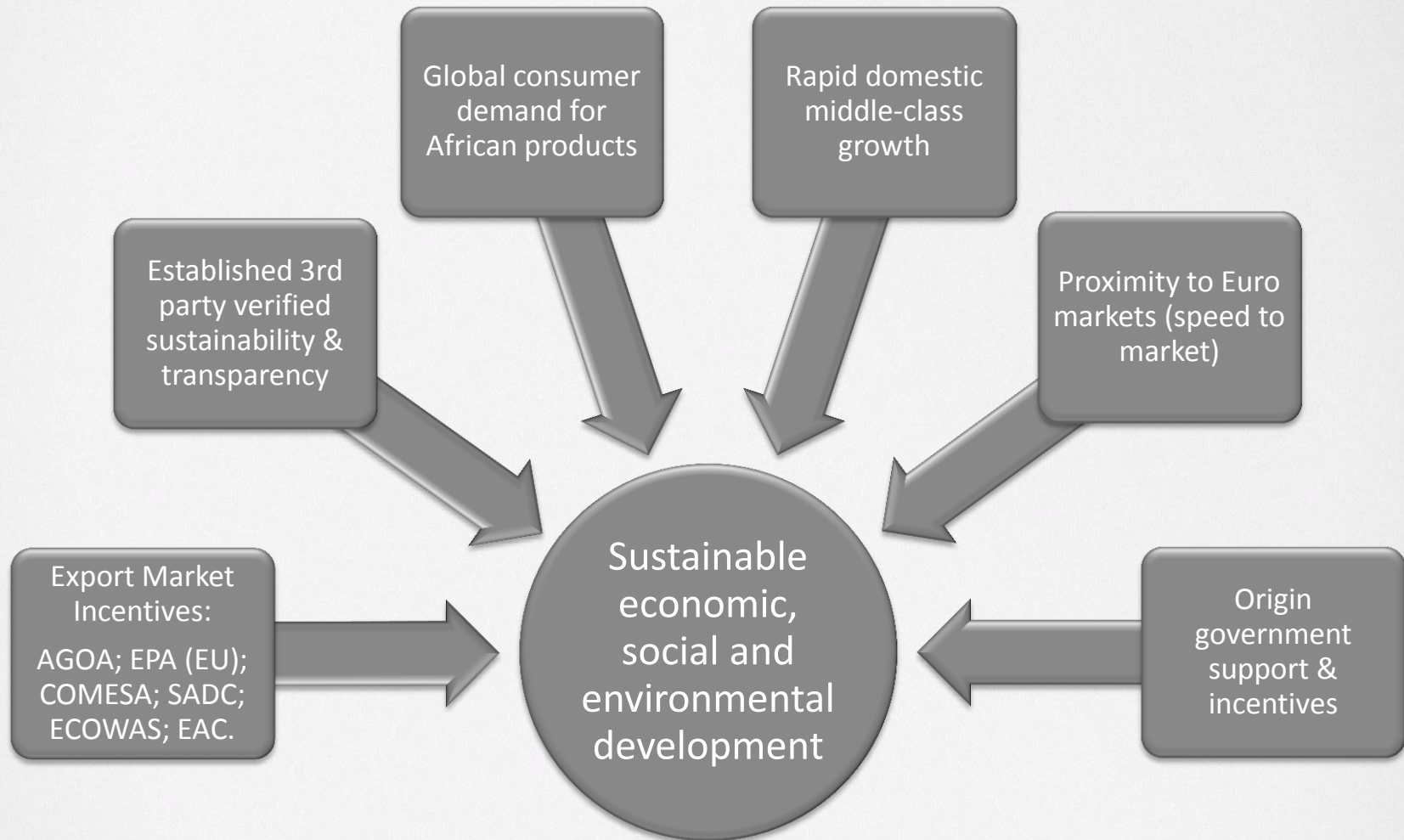
Fabric
3.35 mtr
\$8.50
2 people



Garment
2 trousers
\$15.50
4 people

Value Addition x 10

Towards a Sustainable African Textile Supply Chain



Levi Strauss adds ethical cred to street cred by rewarding responsible suppliers

SHAWN DONNAN - LONDON

Calling all hipsters: you may just have a new reason to feel better about your skinny jeans.

In a bid to bolster its ethical credentials and meet the demands of increasingly fussy millennial consumers, Levi Strauss & Co is offering a new financial incentive to suppliers as far away as Bangladesh and China to meet environmental, labour and safety standards.

The San Francisco-based jeans maker said yesterday that it would begin providing lower-cost working capital to those of its 550 suppliers that do best on those measures.

The financing, which is being arranged with the World Bank's private sector arm, the International Finance Corporation, will operate on a sliding scale. As suppliers improve their envi-

ronmental performance and conditions for workers they will be rewarded with lower interest rates on working capital provided through a special IFC facility.

The project sprung out of conversations started at the IFC following the 2013 Rana Plaza factory collapse in Bangladesh, which left more than 1,100 people dead and prompted new scrutiny of fashion brands' supply chains.

Through the IFC, Levi Strauss suppliers will have access to cheaper capital than they would otherwise in their home countries. But Olaf Schmidt, who heads the IFC's global retail practice, said that those suppliers that did best on labour and other standards would receive a further discount of up to 50 basis points on the interest charged.

The initiative comes at a time when consumers are becoming increasingly interested in the conditions in which

their clothes are made. Multinational companies are responding by tightening their bonds with suppliers and using new tools to manage them.

Michael Kobori, Levi Strauss's vice-president of sustainability, said that the company told contractors about the scheme last week and had already received expressions of interest. If the pilot with the IFC worked, Mr Kobori said, Levi Strauss was committed to helping to expand it to the rest of the garment industry as part of a "global race to the top" in standards.

Rachel Wilshaw, ethical trade manager for Oxfam, said that offering incentives to suppliers to improve their practices was a good idea. But whether the scheme worked would depend on how Levi Strauss and the IFC monitored suppliers. "The devil will be in the process rather than in the incentive," she said.

Thank you

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