



Better Cotton Physical Traceability - Australia Information for Growers

Last Updated: 20 February 2025

Background

As you know, Better Cotton has traditionally been traded and traced under a mass balance system. However, due to feedback from brands and upcoming EU legislation that will impact on-product claims, Better Cotton has now established traceability for physical Better Cotton. Mass balance also remains available, and both physical and mass balance are traced using the existing Better Cotton Platform (BCP).

The new system was rolled out 12 months ago with a number of countries coming on board around the world:

Origins available for 2024/25:



Origins available from 2025/26:



^

Pending licensing decisions

In most countries Better Cotton physical traceability begins at the gin. For countries (like the U.S. and Australia), where gins do not purchase the cotton, a simplified version of traceability is being implemented by Better Cotton. Under this process there is minimal work for the grower and merchant, no new requirements from the gins, and traceability is to country-of-origin level.

Cotton Australia has been working with Better Cotton on rolling this out for Australia, and we are on track to see traceable Better Cotton available from Australia from this current season (2024-25 crop).

Better Cotton Traceability for Australia

Below is a table showing how cotton grown in Australia is transacted in the Better Cotton Platform today, and what would be different under this simplified traceability approach:

| The process today | The process under traceability |
|---|--|
| Australian benchmarked growers complete an annual opt in form that lists their conditions for participation | Australian benchmarked growers complete an annual opt in form, and two additional documents; the “ <i>Protocol for Producers with Subcontracted Gins</i> ” and the <i>Anti-bribery Policy for BCI Registered Ginners and BCP Suppliers</i> |
| Under the mass balance system harvest volumes are entered into the Better Cotton Platform (BCP) as a single country combined inventory for Australia | Harvest volumes are entered into the BCP into individual farmer accounts (BC farm ID only, no identifying information) |
| Traders/merchants declare purchases in the BCP, enter the BC farm ID and under the mass balance system draw down on the volumes in the combined inventory for Australia | Certified traders declare physical purchases in the BCP, enter the BC farm ID, provide transaction evidence and draw down on the inventory from an individual farm account |

What Will Growers Need to Do?

Australian cotton growers that choose to participate in trading physical Better Cotton for this season will need to comply with two additional documents; the “*Protocol for Producers with Subcontracted Gins*” and the *Anti-bribery Policy for BCI Registered Ginners and BCP Suppliers* to allow participation. Cotton Australia will oversee this process, in addition to the current data collection and reporting it manages for Better Cotton as a benchmarked partner – and owner of the sustainability program myBMP.

The BC Opt In Form will be sent to growers in February 2025. Essentially this requires myBMP / Better Cotton growers to:

- Provide their business details
- Provide farm details
- Provide list of gins used
- Comply with the *Protocol for Producers with Subcontracted Gins*
- Comply with the *Anti-bribery Policy for BCI Registered Ginners and BCP Suppliers*
- Certify they are confident the gin(s) that are ginning their cotton keep their cotton physically separate from other farmer’s cotton.
- Decide whether or not they want their details shared with merchants who would like to trade their physical Better Cotton from Australia

Cotton Australia has attempted to simplify this process as much as possible, and is working with Better Cotton to on-board Australia’s cotton merchants.

If I Don't Opt in for Physical Better Cotton Traceability, Can I Do So Later in the Season?

No, growers will only have the one opportunity per season to opt in to Physical Better Cotton Traceability. In this case the cotton can still be sold as mass balance.

What Will Merchants Need to Do?

Australian merchants that choose to participate in trading physical Better Cotton from 2025 will need to apply/register via Better Cotton, declare and evidence Better Cotton sales in the Better Cotton Platform and draw down on volumes at farm level.

In terms of cost, Better Cotton does not charge fees to merchants for traceability, however the trader/merchant needs to be a member of Better Cotton and onboarded to the new Chain of Custody Standard and from Feb 2025, will need to go through certification to access traceability.

There are fees for certification, but these are charged by the certification body in each country and can vary.

Cotton Australia will publish a list of participating merchants as soon as this is available.

Further Information

- Better Cotton traceability information can be found here:
<https://bettercotton.org/traceability/>
- An FAQ, developed from questions asked by Australia's merchants at an information session in January 2025, can be found here:
<https://cottonaustralia.com.au/assets/general/Documents/Better-Cotton-Physical-Traceability-FAQ-3.2.25.pdf>
- If you have any other enquiries, please contact Nicole Scott on 1800cotton or at nicoles@cotton.org.au