

Entering the European market for sustainable cotton

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Some of the world's most interesting markets for sustainable cotton are in Europe. However, setting up a business relationship with a European buyer can be challenging. This report will help you understand what the most important requirements and opportunities are in the European market. You will learn about the rules and regulations for exporting sustainable cotton to Europe, about the best channels to get your product to the market, about the countries where your competitors are and the best ways to provide quotes for potential buyers.

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1. What requirements must sustainable cotton comply with to be allowed on the European market?

If you want to sell sustainable cotton in the European market, you need to comply with several requirements, some of which are mandatory, whether they are legal requirements or not. Others are voluntary, but meeting them can give you a competitive advantage.

Mandatory requirements

The many legal requirements for exporting sustainable cotton to Europe include those concerning product safety, the use of chemicals (REACH), quality and labelling. Additionally, many buyers have created non-negotiable terms and conditions for all of their suppliers to comply with. Although these requirements are not required by law, they are still mandatory.

Product safety

Any item for sale in the EU must comply with the EU's General Product Safety Directive ([GPSD: 2001/95/EC](#)). European Union Member Countries will check if your product meets the applicable safety requirements.

Legislation on organic cotton

If you want to export certified organic cotton to Europe, you must comply with European regulations for the production, distribution, marketing and labelling of organic products. You must familiarise yourself at least with the following three regulations:

- EU Regulation [834/2007](#) sets out the general principles, aims and rules for organic farm production. It defines in broad terms what may be marketed as an organic product. For instance, it prohibits the use of

synthetic chemicals and genetically modified organisms (GMOs) in organic production.

- EU Regulation [889/2008](#) sets the rules for organic production and control. It describes in detail to what extent you may use certain fertilisers, soil conditioners and pesticides. This regulation also covers use of the EU organic logo, including detailed information on how you may use it on your product.
- EU Regulation [1235/2008](#) describes how producers of organic products from outside the EU can conform to EU Regulations 834/2007 and 889/2008. If you want to export organic cotton to the EU, you must have the appropriate 'electronic certificate of inspection (e-COI)'. This certificate is issued by [your country's control body, as designated by the EU](#).

Be aware that a new EU regulation on organic production will enter into force on 1 January 2021 ([EU Regulation 2018/848](#)) This regulation is designed to simplify production rules by removing certain exceptions, among other things. It is also intended to make certification easier for small farmers thanks to a new system of group certification. Read more about it on [the European Commission's webpage 'The future of organics'](#).

REACH

All fabrics exported to the EU, including products made from sustainable cotton, must comply with the REACH Regulation, which stands for registration, evaluation, authorisation and restriction of chemicals. This regulation restricts or prohibits altogether the use of many chemicals in apparel.

Some EU countries have additional local regulations on specific chemicals, such as formaldehyde in textiles in Austria, Finland, Germany, Norway and the Netherlands; PCP in Austria, Denmark, Germany and the Netherlands, and disperse dyes in textiles in Germany. Switzerland, which is not a EU member, but participates in the European single market, has its own regulation on chemicals [ORRChem](#).

REACH-restricted chemicals commonly used in apparel include:

- Azo dyes which may release one or more of the 22 aromatic amines listed in [Appendix 8 to the REACH Regulation](#); nonylphenol and nonylphenol ethoxylates;
- Flame retardants, such as tris (2,3-dibromopropyl) phosphate; tris (aziridinyl) phosphin oxide and polybrominated biphenyls (PBB);
- Waterproofing and stain-repelling chemicals, such as perfluorooctane sulfonic acid and its derivatives (PFOS), which were originally restricted under REACH, but are now restricted under the Stockholm Convention;
- Nanomaterials used to make fabrics antibacterial.

Note that the use of persistent organic pollutants (POPs) is also restricted, although in most cases not by REACH but by the Stockholm Convention ([Regulation \(EU\) 2019/1021](#)).

Restricted substances lists (RSLs)

In addition to REACH, many fashion brands and retailers have formulated their own restricted substances lists (RSLs), which are stricter than REACH. They are often inspired by the guideline on safe chemicals use from the Zero Discharge of Hazardous Chemicals (ZDHC) foundation. The 2011 Greenpeace 'Detox My Fashion' campaign which advocated for safer chemical management practices in the apparel industry ultimately gave rise to the ZDHC foundation. Download the ZDHC [Conformance Guidance](#) to learn how to comply with the ZDHC guideline.

Labelling your product

According to [Regulation \(EU\) 1007/2001](#) the fibre composition of a product must be indicated at all stages of its industrial processing and commercial distribution. This means that the final apparel product must have a material content label affixed to it, but also that you, as a supplier of fibres or fabrics, must also provide accurate information on the content of your product to your European buyer. The purpose of this regulation is to let European consumers know what type of fabric is used in the product they are buying.

See the 'Legislation on organic cotton' section above for instructions on how to label certified organic cotton.

Non-legal mandatory requirements

In addition to the legal requirements mentioned above, you may be required to comply with non-negotiable terms and conditions that buyers have created for their suppliers. Such requirements are not required by law, but they are still mandatory.

Voluntary standards for sustainable cotton

In addition to the legal requirements for organic cotton laid down in EU Regulations 834/2007 and 889/2008, several voluntary standards apply to sustainable cotton, including organic cotton. The most widely used are:

- Better Cotton Initiative (BCI);
- Cotton Made in Africa (CmiA);
- Fairtrade;
- Organic Content Standard (OCS) and Global Organic Textile Standard (GOTS) for organic cotton;
- Recycled Claim Standard (RCS) and Global Recycled Standard (GRS) for recycled cotton.

The following table contains each standard's main requirements.

Table 1: Sustainable cotton standards and their main requirements

| Standard | Requirements |
|--------------------------------|---|
| Better Cotton Initiative (BCI) | BCI members must comply with environmental and social requirements for the use, handling and phasing out of a list of hazardous pesticides (class Ia and Ib as determined by the WHO); water stewardship; soil health; biodiversity; fibre quality; and decent work. BCI allows for the restricted use of GMOs and nationally registered pesticides. Read the full list of BCI requirements . |
| Cotton Made in Africa (CmiA) | CmiA is a member organisation for African smallholder farmers who practise rainfed cotton production. It refers to the ILO conventions as a baseline for decent working conditions. The use of GMOs and hazardous pesticides (class Ia and Ib as determined by the WHO) is prohibited. Read the full list of CmiA requirements . |
| Fairtrade | The Fairtrade Textile standard ensures decent working conditions including fair wages and sustainable cotton production. Fairtrade has its own RSL, mainly based on REACH , Oeko-Tex and GOTS . Read the full list of Fairtrade requirements . |

| | |
|---|---|
| Organic Content Standard (OCS) and Global Organic Textile Standard (GOTS) | OCS and GOTS provide chain of custody assurance from farm to the final product, with GOTS also requiring textile processing and social and environmental criteria. The use of GMO's and synthetic chemicals is prohibited. Read the full list of OCS and GOTS requirements. |
| Recycled Claim Standard (RCS) and Global Recycled Standard (GRS) | RCS tracks recycled raw materials through the supply chain. GRS sets requirements for third-party certification of recycled content, chain of custody, social and environmental practices and chemical restrictions. Read the full list of RCS and GRS requirements. |

Packaging requirements

Your buyer will give you instructions on how to package the order in most cases. If you agree with your buyer that they will clear customs in the country of import, it is their responsibility to make sure the instructions comply with EU import procedures.

The packaging instructions will be written down in a packing manual. In this document, you will find all relevant packing instructions concerning:

- type and quality of the packing material you need to use;
- size of the packing material;
- information that should be mentioned on the packing material;
- placement and position of barcodes;
- maximum quantity in a box;
- maximum weight of an export carton;

Your buyer will also appreciate any efforts you make to reduce the environmental impact and the financial cost of using packaging materials. First, you can make suggestions on how to use less packaging materials. Another option is to use environmentally friendly alternatives, such as recycled and biodegradable materials.

Payment terms

European buyers will normally pay you a percentage of the total sum of the order, for example 30% of it, when they place the order and the rest (70% in the example) after the order is completed. The most-used payment method in the apparel industry for such a transaction is the letter of credit (LC). An LC obligates a buyer's bank to pay the supplier when both parties meet the conditions they have agreed upon.

In other cases, a buyer might ask for a telegraphic transfer (TT) after 30, 60, 90 or sometimes even 120 days. This means you, as a manufacturer, finish the production and hand over the shipment to the buyer, including the original documents before payment is due. The payment will be made after the number of days that you have agreed on with the buyer. This is a risky payment agreement because you take full financial risk.

Tips:

Read the CBI report [on buyer's requirements](#) for an extensive overview of the legal, non-legal and niche requirements you will need to comply with as an exporter of sustainable cotton to Europe.

Check the [Textile Exchange's Sustainable Cotton Matrix](#) for a complete overview of sustainable cotton options or search the [ITC Standards Map](#) for sustainable cotton standards and their requirements.

Check [Access2Markets](#) for an overview of all legal requirements set for your product. Here you can identify your product code to get a list of applicable requirements.

Familiarise yourself with the [complete list of chemicals restricted under REACH](#).

Additional requirements

In addition to legal and non-legal mandatory requirements, buyers implicitly expect or at least highly appreciate if you can provide different services when doing business with them. These requirements can differ from buyer to buyer.

Product design and development

Having your own ideas on product design and development will be highly appreciated. Buyers are always looking for fabric qualities and special designs that will help them stand out in the market.

Features that are highly appreciated in the European sustainable cotton market include soft hand feel, especially for fabrics that are worn directly on the skin, and lightweight, stretch materials for maximum comfort.

Communication

Smooth communication is an implicit requirement of all buyers. Always reply to every email within 24 hours. Even if it is just to confirm that you have received the email and will send a more complete reply later. If you have a problem with a production order, immediately notify the customer and try to offer a solution. Another good tip is to create a T&A (time and arrival) of every order and share it with your buyer. This file will help you to manage expectations, monitor progress and is the best guarantee of on-time delivery.

Flexibility

Many factories focus only on getting convenient orders: simple designs, large quantities and long delivery times. However, if you want to start a business relationship with a European buyer, be prepared to accept complicated orders first. Buyers will want to test your factory before giving you large, easy orders. Make sure at the start that a buyer will not continue to place only difficult orders with you and convenient orders elsewhere.

Expect a European buyer to require in their first order:

- high material quality and impeccable workmanship;
- order quantities below your normal minimum order quantity (MOQ);
- a price level that is lower than you normally would accept for small quantity orders.

Tips:

Read the CBI's seasonal [Fashion Forecast](#) or sign up for the trend forecaster [WGSN's newsletter](#) for monthly snippets of the website's best content.

Check the websites of [Fashion for Good](#) and [Springwise](#) (type in 'apparel', 'fashion' plus 'cotton' and 'sustainable' in the search bar) for the latest innovations in sustainable cotton materials, apparel design and production methods.

Be proactive and improve your communication. For short updates to your buyer via text, photo or video, try [WeChat](#), [WhatsApp](#) or [Signal](#). To make free video conference calls, try [Skype](#) or [Google Meet](#).

Niche requirements

The following subcategories in sustainable cotton offer opportunities for exporting to the European market.

Transitional cotton

Growing certified organic cotton is a transition process that usually takes three years, unless using virgin land. You may not be a certified organic cotton producer yet, but there are several initiatives, foundations and buyers that will support or prefer suppliers that wish to go through the transition toward sustainable cotton, such as [Cotton Made in Africa](#) and the [Laudes Foundation](#).

Extra-long staple organic cotton

The higher the staple length, the higher the quality of the yarn and the final fabric. Just as with conventional cotton, certain farms produce organic cotton with extra-long staple length (ELS cotton). Check, for instance, [Cottonforlife](#), which has been supporting farmers in Egypt to grow extra-long staple organic cotton; [Rare](#), which is working with the Laudes Foundation to support farmers in Xinjiang, China, to grow organic ELS cotton and [New Mexico's organic pima cotton](#).

Cotton fabrics with high recycled content

European apparel companies are pushing for fabrics with ever higher contents of recycled cotton. On the low-end of the spectrum is for instance Asos. Their Circular Design Collection requires that [for a product made entirely of cotton, 20% of the product composition must be recycled cotton](#). MUD Jeans sells [denim jeans with 40% post-consumer recycled cotton](#). The main challenge in the industry is to increase the percentage of recycled content, preferably using as much post-consumer waste as possible, as opposed to pre-consumer cutting waste.

Chemically recycled cotton

As an alternative to using actual cotton, some companies have started marketing man-made cellulosic fibres made from chemically recycled cotton, the best known being [Circulose](#) by Re:newcell, [Refibra](#) by Lenzing and [Nucycl by Evrnu](#). Although not all of these initiatives are commercially viable yet, the technique of chemically recycling cotton in theory makes it possible to produce fabrics with 100% recycled material content.

No-dye recycled cotton

The use of recycled cotton in new fabrics make it possible for spinners to create fabrics that do not have to be dyed. [Sapphire Mills](#) from Pakistan, for example, has created a denim fabric made with 77% organic cotton and 22% post-consumer recycled cotton, involving no dyeing at all and resulting in chemical and water savings. Brazilian mill [Vicunha](#) has introduced Twig, a fabric made with only recycled cotton, also using no dyes.

Tips:

Check the European Clothing Action Plan's [guiding tool](#) for an overview of public organisations and European companies involved in a campaign to reduce the use of virgin cotton in fibres and fabrics.

Follow the [Roadmap to Zero website](#) of ZDHC's for the latest developments and guidelines on the use of chemicals.

2. Through what channels can you get sustainable cotton on the European market?

The most marked difference among your potential buyers is their place up the value chain, because that will determine how they do business with you. Within each part of the value chain, you will find buyers of different market size, with different requirements regarding certification, quality MOQ and price.

Each type of buyer requires a specific approach. Always try to find out in what part of the value chain your buyer is operating, what challenges they face in the market and how you can contribute to their CSR and sales

strategies.

How is the end market segmented?

As buyers demand their sustainable cotton to originate from certified sources, sustainable cotton products such as fibres and fabrics can best be classified by their sustainability standards.

Table 2: Approach to sustainable cotton by selected large players

| Company name | Sustainability standard | | | | | Order quantities | | | Brand image | Price level | | |
|-------------------------|-------------------------|------|-----------|---------|----------|------------------|-----|------|----------------------|-------------|-----|------|
| | BCI | CmiA | Fairtrade | Organic | Recycled | low | mid | high | | low | mid | high |
| C&A | x | | | x | x | | | x | budget | X | | |
| H&M | x | | | x | x | | | x | budget | X | | |
| Tchibo | x | x | | x | x | | | x | budget | X | | |
| IKEA | x | | | x | x | | | x | budget | X | | |
| Marks & Spencer | x | | x | x | x | | x | | middle market | X | X | |
| Adidas | x | | | x | x | | x | | middle-high market | | X | X |
| Otto Group | | x | | x | x | | | x | middle market | | X | |
| Nike | x | | | x | x | | | x | middle-high market | | X | X |
| VF Corporation | x | | | x | x | | | x | middle-high market | | X | |
| Tesco | | | | x | x | | | x | budget | X | | |
| The Kering Group | | | | x | x | | x | | luxury | | | X |
| Hugo Boss | x | x | | x | x | | x | | luxury | | | X |
| Inditex | | | | x | x | | | x | budget-middle market | | X | |
| Esprit | x | | | x | x | | x | | middle market | | X | |
| Bestseller | x | x | | x | x | | | x | budget-middle market | X | X | |
| Benetton | x | | | x | x | | | x | budget-middle market | X | | |
| Armed Angels | | | | x | x | x | | | sustainable | | X | X |
| KnowledgeCotton Apparel | | | | x | x | x | | | sustainable | | X | X |
| Kuyichi | | | | x | x | x | | | sustainable | | X | X |

Price-quality level and company size

European buyers of sustainable cotton fibres and fabrics can be found in all price-quality segments: from the luxury to the budget market. European brands that have accepted the [Textile Exchange's 2025 Sustainable Cotton Challenge](#) include: Burberry and The Kering Group (luxury market); Adidas and WE (upper-middle and middle market), and Asos, C&A and H&M (lower-middle to budget market).

Based on the [Sustainable Cotton Ranking](#), the European frontrunners in sustainable cotton are IKEA, Tchibo, C&A, M&S and H&M. The top-3 of organic cotton buyers by volume are C&A, H&M and Tchibo. Another major European fashion retailer, [Primark](#) announced it will [train 160,000 cotton farmers](#) in China, India and Pakistan in environmentally friendly production methods. The company aims to use 100% sustainable cotton in all its product categories by 2022.

Note that the leading European buyers of sustainable cotton are all large apparel retailers. However, many smaller European brands also buy sustainable cotton fabrics. [Armedangels](#), [KnowledgeCotton Apparel](#) and [Kuyichi](#), for example, sell 100% organic cotton apparel and promote themselves in the market as sustainable brands.

Tips:

Check the websites of European brands and retailers to find out what type of sustainable cotton they are using in their collections and what certifications they require. Try to approach them directly, asking them to nominate you as a supplier to their apparel manufacturer, fabric mill or spinner, depending on the product you are selling.

The [GOTS public database](#) lets you select the type of buyer you are targeting in many specific countries. Explore this database to find spinners, fabric mills and apparel manufacturers in your target market, which may be interested in working with you.

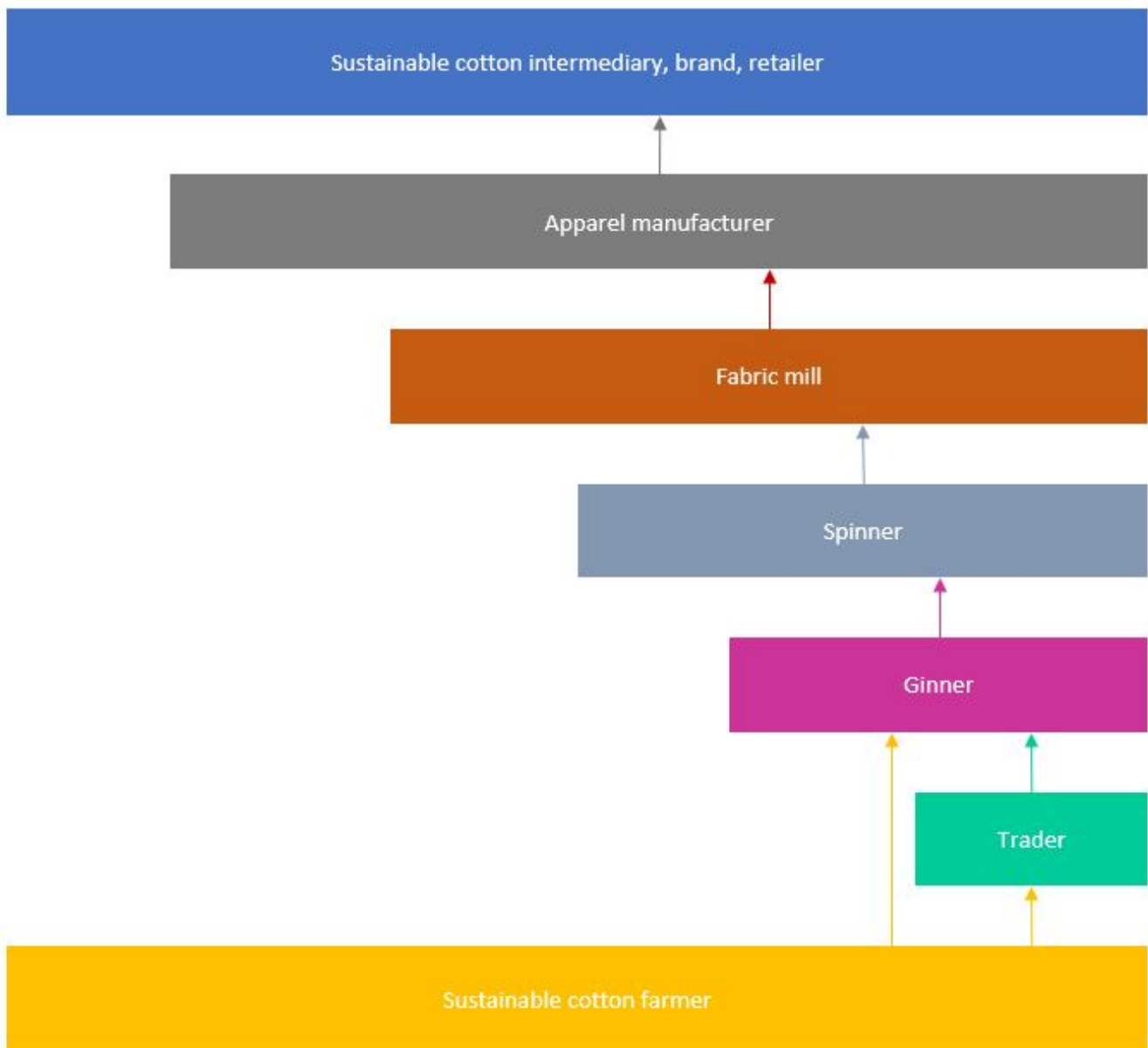
Through what channels does the product end up on the end market?

How you enter the European market depends on the product you offer. If you are looking for buyers of raw cotton or fabrics, you can approach yarn mills or apparel manufacturers in Europe and in developing countries. You can also directly approach companies higher up the value chain, such as intermediaries, brands and retailers. They can nominate you as a supplier to their apparel manufacturers. If you are an apparel manufacturer then you can directly approach intermediaries, brands and retailers.

Each type of buyer requires a specific approach. Always try to find out in what part of the value chain your buyer operates, what challenges they face in the market and how you can contribute to their sales strategy.

- Intermediaries, brands and retailers are at the top of the sustainable cotton value chain. You can try to approach them directly, asking them to nominate you as a supplier to their apparel manufacturer, fabric mill or spinner, depending on the product you are selling. They focus on the certification of your manufacturing setup. If you can comply with their requirements and show them an interesting product, they may connect you with their apparel manufacturers and negotiate a price.
- Apparel manufacturers in production countries such as China, India, Bangladesh and Turkey, but also in Europe, are known for buying sustainable cotton fabrics.
- Fabric mills such as [A Blues Clothing](#) in India, [Abanti Colour Tex](#) in Bangladesh, [A. Ferreira Sociedade de Têxteis](#) in Portugal are known for buying sustainable cotton yarns. They produce fabrics such as jersey and wovens.
- Spinners such as [Bergman Riviera](#) in Peru, [Fazal Cloth Mills](#) in Pakistan, [Filpucci](#) in Italy and [Santanderina](#) in Spain produce yarns and fabrics such as jersey, wovens and greige fabric from organic and sustainable cotton. They buy baled organic cotton lint from farmers, ginners and traders.

Figure 1: sustainable cotton market value chain



Tips:

Read the CBI study [on finding buyers](#) for an extensive overview of European fashion market segments, channels and requirements.

Do a thorough research of the market where your ideal buyer operates and adjust your proposition to their requirements and goals.

Subscribe to the [Textile Exchange's newsletter](#) to stay up to date on industry news concerning sustainable cotton.

What is the most interesting channel for you?

Sustainable cotton yarns and fabrics are part of a growing market with a lot of opportunities. What channel suits your company best depends on your product; whether it is lint, yarns or fabrics. Although it makes most sense to approach potential buyers only one step up the value chain — such as a fabric mill in your own country if you are a spinner — it may be possible to approach European brands and retailers directly and try to become a nominated supplier.

- An apparel manufacturer of sustainable garments can best approach potential buyers, such as intermediaries, brands, retailers, etc., directly by acquisition, direct marketing or by participating at international trade fairs, such as [Première Vision](#) in France.
- A fabric mill can best approach local or international apparel manufacturers. Participate in international fairs like [Première Vision](#) in France, the [Pitti Filati](#) in Italy, [Intertextile](#) in China and [Fabric Start](#) in Germany. Otherwise advertise on platforms, such as [Alibaba](#).
- A spinner can best approach local certified fabric mills that already export directly. Try to get in touch via a local sector association, business network or trade fair. Otherwise participate in the [Intertextile](#) event in China. Fabric trade fairs in Europe are not so suitable. Here you will primarily meet sales agents and sales personnel, not the mill owners and decision makers.

Tips:

Try to find buyers by searching through the member lists of European sector associations and industry initiatives. Members of the [German Textile Partnership](#) have agreed to use 70% sustainable cotton by 2025, 20% of which being organic cotton. The [Textile Exchange's 2025 Sustainable Cotton Challenge](#) has over 50 members. Asos, H&M and IKEA are among the 13 signatories of the Sustainable Cotton Communiqué by [CottonConnect](#), agreeing to use 100% sustainable cotton by 2025.

Check the public supplier lists of European brands and retailers to find potential buyers. See for instance [C&A's](#) or [H&M's](#) supplier lists. Other good sources to find potential buyers throughout the value chain, including spinners, fabric mills, and apparel manufacturers, are the public member databases of [GOTS](#) and the [OCS standard](#).

A good way to connect with European buyers is to join an export coaching programme. Read the CBI study on [doing business with European buyers](#) for a list of organisations to contact. The CBI study on recycled fashion lists the options for finding and approaching European buyers of recycled fibres and fabrics.

3. What competition do you face on the European sustainable cotton market?

Sustainable cotton is grown in many countries. Some are expanding their production capacity faster than others. Even though the industry is growing, there are threats from outside: especially different sustainable fibres and fabrics, such as cellulose-based virgin yarns and regenerated yarns.

Which countries are you competing with?

Turkey, Pakistan, India, China, Egypt and the United States are the biggest exporters of conventional cotton to the EU, according to [World Integrated Trade Solutions](#). There are no statistics specific to sustainable cotton, but among the biggest exporters of organic cotton are also India (51%), China (19%), Turkey (7%), the United States (4%) and Egypt (1,5%). Kyrgyzstan (7%), Tajikistan (5%) and Tanzania (3%) complete the top eight.

Together, these countries supply 98,5% of all organic cotton worldwide. The notable exception is Pakistan, which is among the biggest exporters of regular cotton to Europe but does not make the top 18 of organic cotton producers.

Tip:

Read the [Organic Cotton Market Report 2022](#) by Textile Exchange for information on different organic cotton producing countries.

Which companies are you competing with?

[The Raylakshmi Cotton Mills](#) (RCM) is one of the leading organic cotton companies in India. It was founded in 1934 and today is fully vertically integrated. It produces everything from lint, yarn and fabric to ready-made

garments as it does spinning, dyeing, knitting, weaving, printing and cut-make-trim. RCM exports knitted fabrics and wovens but also sportswear, home textiles, blankets, scarves and shawls to Japan, the US, Europe, New Zealand and Australia. The company is Fairtrade, GOTS and SA8000 certified.

[Qingdao Ecotextile Co](#) is a sustainable apparel manufacturer in China that was founded in 2004 by European management. The company produces organic hemp, organic cotton, bamboo, and soya apparel items for the European, American, Australian and African markets. The company is keen to comply with the ILO conventions, having also invested in solar panels for its energy needs. Qingdao Ecotextile is Oeko-Tex 100 and GOTS certified.

[Alarga Tekstil](#) in Turkey is a manufacturer of sustainable organic cotton and wool children's and baby wear. Its primary export market for products such as ELS organic cotton baby blankets, pyjamas, pants, jackets, jumpsuits and hats is Europe. Alarga is Oeko-Tex 100 and GOTS certified.

Tips:

When marketing your company to European buyers, clearly promote on your website and in your company profile what certifications you work with. Try to be as transparent as possible about your supply chain. This means that you should include a clear description of your suppliers.

If you have other CSR business practices, such as adhering to social conventions or making use of energy saving techniques, clearly advertise this to buyers.

Read the CBI study [10 Tips for Doing Business with European Buyers](#) to learn how to approach and engage with buyers. That report also describes how you can get practical help with understanding European business culture, analysing your USPs and doing business with European buyers.

Which products are you competing with?

Sustainable cotton, including organic cotton answers to the growing demand from European buyers for sustainable apparel. Because cotton is still the most widely used fibre and the total market for sustainable cotton is growing, you will not face serious competition in the short term. In the long term however, the following market developments could be a threat to sustainable cotton.

- Initiatives extending the longevity of clothes could be an indirect threat to the sustainable cotton market. One example is [MUD Jeans](#), a company that leases out jeans, rather than selling them.
- Regenerated fibres such as Tencel and Modal by [Lenzing](#) and viscose score high on sustainability and versatility, just as innovative bio-based polymer fibres, such as PLA, milk, seaweed and soy, but their availability is still limited.
- Production of recycled cotton, sustainable cotton and organic cotton is currently outpaced by demand, but in the long term these subcategories could be competing with each other. For instance, many fabric mills produce blends of recycled and organic cotton, while they could also be making 100% organic cotton fabrics.

4. What are the prices for sustainable cotton on the European market?

If organic cotton prices are in any sense representative of the whole sustainable cotton sector, then they are as volatile as you would expect of a worldwide commodity market. The price of polyester (cotton's big contender for most-used fibre) and the price of sustainable cotton in large production countries like India are major influences on worldwide prices of conventional and sustainable cotton. However, primarily because of increasing demand, prices have shown a rising trend in recent years, which will likely continue.

When not accounting for outside influences, prices for sustainable and organic cotton are largely determined by two things: the quality of the fibre and the location of its production. Extra-long staple organic fibres are more expensive than short-staple fibres. In addition, prices are often set by local commodity exchanges and may

differ per country.

For example: in 2016/2017 prices of organic cotton in China averaged US\$2.93 per kg. Prices for Chinese ELS organic cotton averaged US\$3.28 per kg. Organic cotton from India was substantially cheaper at US\$1.90 per kg for organic cotton and US\$2.15 per kg for ELS organic cotton. Countries like Kyrgyzstan, Tajikistan and Pakistan produced even cheaper organic cotton. On the other end, ELS organic cotton from Egypt is the most expensive at approximately US\$4.4 per kg, according to the [Textile Exchange](#).

In all cases, organic cotton is more expensive to produce than conventional cotton, but the price gap differs per country. In India and Turkey, for example, organic cotton is approximately 7%–10% more expensive than conventional cotton. In China, it is 15%–35%, while Chinese organic ELS cotton is 60% more expensive than conventional ELS cotton, also according to the Textile Exchange.

Retail pricing

Market demand for sustainable cotton primarily comes from large European retail chains, such as C&A, H&M and Tchibo and from smaller brands with a distinct sustainable profile. Large retail chains can limit retail price increases by handling large volume orders (C&A for instance manages to sell [organic cotton T-shirts for €3](#)), while smaller brands compensate for their relatively expensive input material with marketing.

This study was carried out on behalf of CBI by [FT Journalistiek](#).

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