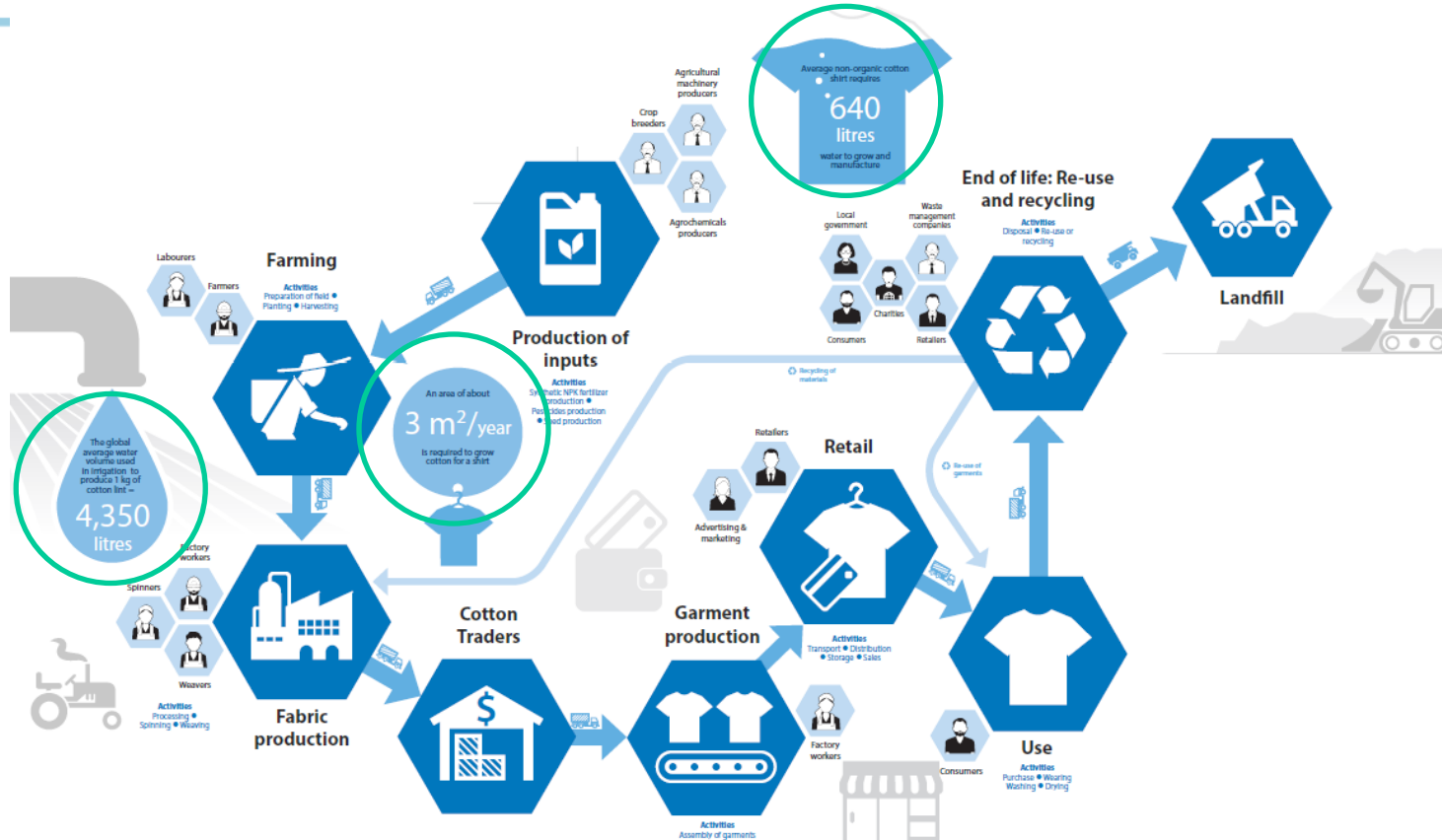




Natural capital challenges for cotton production

Dr Gemma Cranston
World Forum on Natural Capital
November 2015

Apparel can have a large impact upon natural capital



Collaboration along the supply chain



Bayer CropScience



Cargill®

OLAM

ASDA



VALUE RETAIL

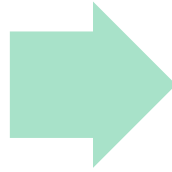
KERING



To secure sustainable supplies of cotton, industry leaders are considering natural capital – namely water, biodiversity and soil

The Problem

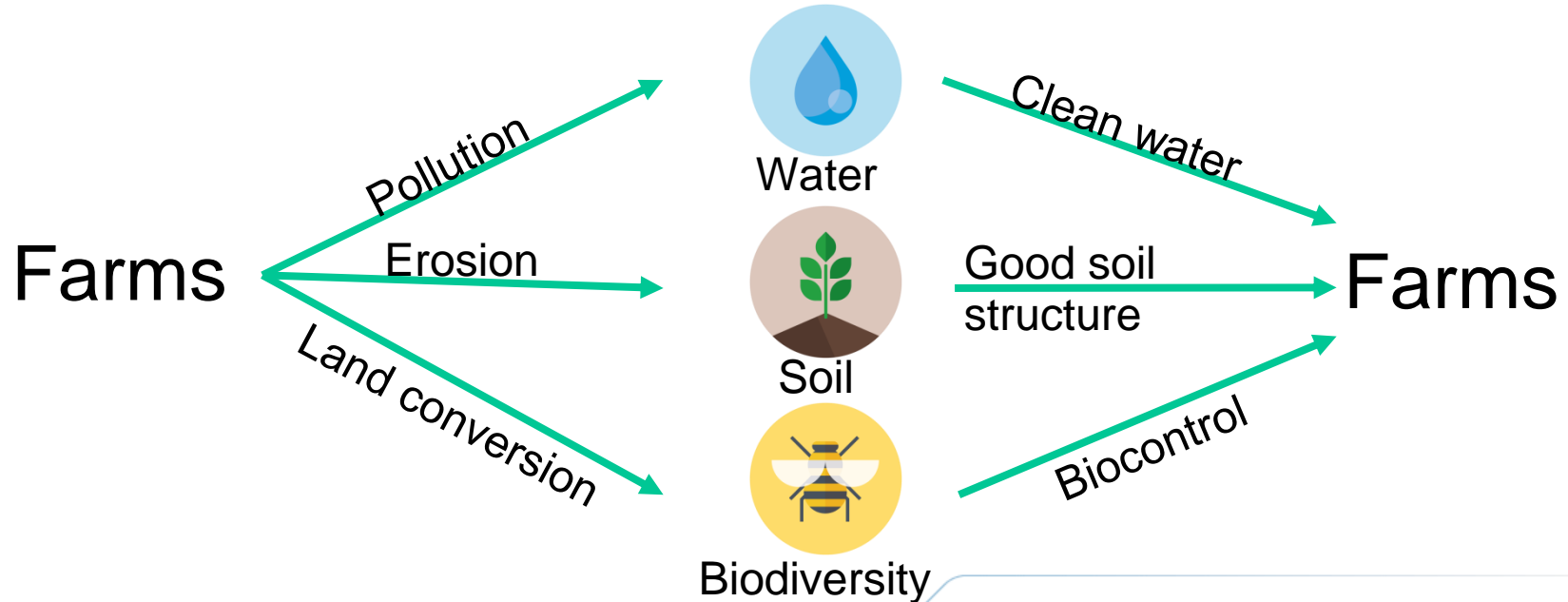
- There are gaps in understanding the relationship between cotton and natural capital
- It is unclear what the most appropriate interventions to address the natural capital challenges are



The Solution

- Appropriate evidence for best practice around sustaining natural capital
- To enable businesses to have informed discussions with their supply chains and growers
- Ensure cotton supply chains can be secured for the future

Has enough attention been paid to dependencies on natural capital?



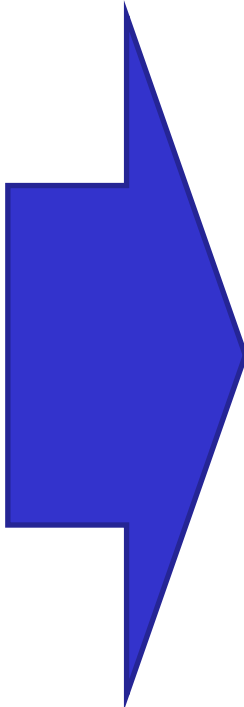


In major production regions there is not enough *appropriate and consolidated evidence* around best management practices for natural capital

Interventions of Interest

15 interventions have been explored

The evidence and assessments were categorised around three key areas of importance for business:

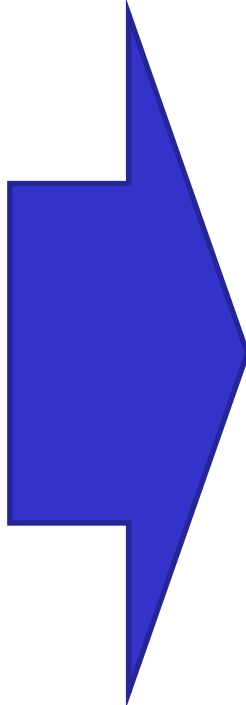


1. Impact upon natural capital
2. Implementation costs
3. Impact upon yield

Interventions of Interest

15 interventions have been explored

They were assessed and categorised according to...



1. Impact according to the evidence

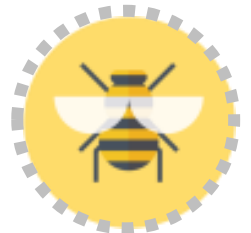
For example



Positive



Positive

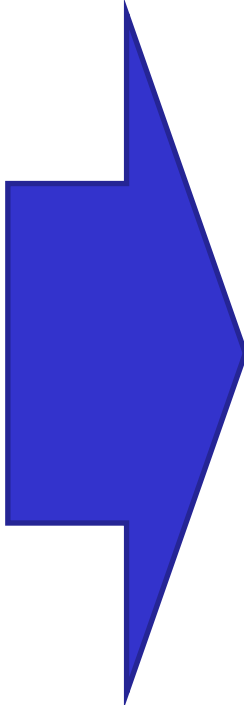


Lack of evidence

Interventions of Interest

15 interventions have been explored

They were assessed and categorised according to...



2. Cost of implementation

For example

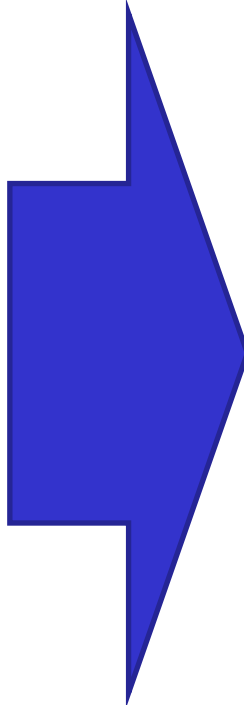


High cost

Interventions of Interest

15 interventions have been explored

They were assessed and categorised according to...



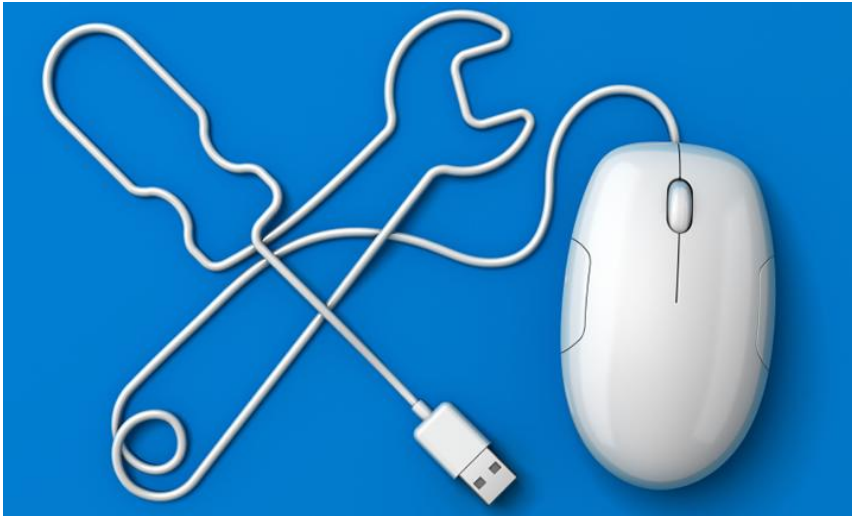
3. Yield

For example



Increases yield

Tool under development



The tool will:

- Help businesses determine the types of interventions that they should be discussing with their supply chains
- To secure the natural capital needed for a sustainable supply of cotton



**This work is a first step towards
evidence-based decision
making for natural capital**



The Business Response

Chris Brown
Asda

How does this fit with a corporate agenda?

Challenges



Water - one fifth of world's aquifers are being over exploited



Soil - 10 million ha of arable land being eroded or degraded annually



Biodiversity - total annual economic cost (loss and degradation is 7.5% of global GDP)

Opportunities



DECREASED COSTS

Decreased costs:
securing supply of
scarce resources



REDUCED RISKS

Reduced risks:
improved resilience.
Resilience - move
from response to
predict and plan



ENHANCED BRAND

Brand reputation:
consumer trust,
'not the business
we do but the way
we do business'



REVENUE GENERATION

Competitiveness:
efficient production
protecting
availability and
quality

Why cotton?



- c.3% of global arable area (approx barley)
- Cultivated for 7k years in Old and New Worlds
- Drought and salt tolerant so grown in arid and semi arid areas
- Large numbers of smallholder producers in developing countries



What does success look like?

1. Pre competitive collaboration between cotton supply chain actors
2. Better understanding of the commercial impacts of natural capital dependencies
3. Getting natural capital onto the business agenda

Thank you for your attention!

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