

Inditex Works to Boost India's Organic Cotton Industry



Cotton fields ready to harvest. Shutterstock

Zara's parent company, Inditex, has joined forces with Asia-based bank, DBS, to supply finance to more than 2,000 Indian organic cotton farmers in the fashion retail giant's supply chain.

India's organic cotton industry is made up of close to 170,000 farmers scattered across multiple states, the majority of whom are small-scale growers with limited resources to invest in sustainable farming practices. Under this pilot programme, DBS will work with the local network of Farmer Producer Organisations (FPOs) to evaluate the financing needs of farmers in Inditex's supply chain.

In India, FPOs are agricultural cooperatives that aim to expand small and marginal farmers' access to better technology, credit and more markets. This programme will see finance supplied to the FPOs in order to more efficiently procure organic cotton from farmers, thus allowing the farmers greater cash flow visibility and the ability to plan and grow their sustainability practices.

Organic cotton comprises only around 2 percent of the total amount of cotton produced in India, despite the country being the largest cotton producer in the world. Worldwide, organic cotton only accounts for about 1 percent of cotton used in apparel, and though it's known to use more than 90 percent less water, eliminate water pollution from chemicals and pesticides and produces less greenhouse gas emissions than mainstream cotton production, questions remain about its sustainability when farmed at scale.