

TECHNICAL FACT SHEET SOURCING AUSTRALIAN COTTON



Australia produces some of the highest quality cotton in the world, with an enviable track record of sustainability, traceability and innovation. Australia's cotton growers are socially conscious, and major contributors to their local communities. It's no wonder that more and more brands and retailers are looking to include Australian cotton in their products or cotton sourcing strategies.

This fact sheet intends to help brands and retailers with how to get started, what to look out for and what to expect.

WHAT TO EXPECT

Once you've made the decision to source Australian cotton, you must start demanding it through your supply chains. This starts with arming yourself with as much information as possible, then making enquiries and requests of your suppliers.

In most cases, finished off-the-shelf Australian cotton products won't be readily available from suppliers. This is because our spinning mill customers usually blend Australian cotton with cotton from other parts of the world to meet certain quality characteristics at the best price. Unless a brand demands 100% Australian cotton provenance, a spinning mill is unlikely to have it on hand to make into fabrics and finished products.

The good news is that Australian cotton can and is being sourced into a wide range of products including fashion, homewares, yarns and fabrics. Suppliers that want your business can demand and ensure that your products be 100% made from, or blended with Australian cotton.

HOW COTTON AUSTRALIA HELPS

Through its Cotton to Market program, Cotton Australia works with brand partners that are keen to make Australian cotton part of cotton sourcing strategies for the long term. While it's ultimately the brand's responsibility to establish their own supply chains, Cotton Australia assists wherever possible, within its limited resources.

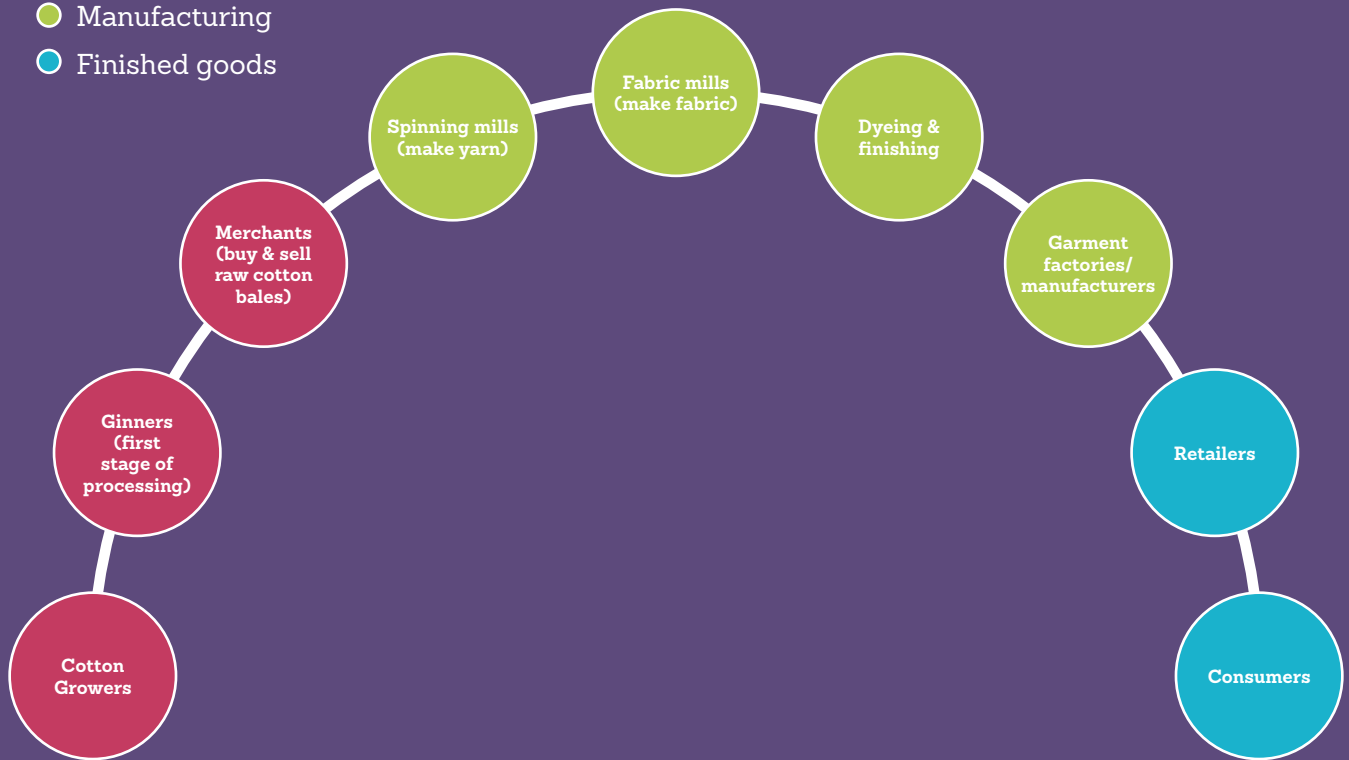
Cotton Australia, through its relationship with the Australian Cotton Shippers Association, has good visibility of its immediate spinning mill customers, and brands usually have some visibility of their suppliers and manufacturers. Establishing Australian cotton supply chains and the necessary traceability evidence is often a joint effort where parties reach into the supply chain from either end, and work to meet in the middle.

HOW COTTON AUSTRALIA HELPS

- > Australian Cotton training for your staff including presentations and webinars
- > Assist to establish cotton supply chains including registers of spinning and fabric mills that use Australian cotton
- > Help in absorbing information and answers from suppliers
- > Providing information about traceability requirements for Australian cotton
- > Traceability checks on Australian cotton bales

COTTON VALUE CHAIN

- Raw materials
- Manufacturing
- Finished goods



DEGREE OF DIFFICULTY IN SOURCING AUSSIE COTTON

The experience of Cotton Australia's brand partners varies greatly. Some brands have found the process very easy and some have found it difficult, especially at the start. Sometimes suppliers are reluctant to do something differently, and there can be more work involved in sourcing Australian cotton because it adds more complexity to your order and requires the collection of traceability evidence.

That's why Cotton Australia is interested in long-term partnerships with brands where we can work together with your suppliers to achieve a solution that works for your business. Doing the hard work at the start makes more sense if you intend to continue using Australian cotton for the longer term.

The more supply chain partners that Cotton Australia and brands have, the more suppliers are available who understand how to source and make Australian cotton work for their customers. Once your suppliers are on board and get used to doing something new, and your knowledge grows, the process becomes easier every time.



THINGS THAT HELP WITH SOURCING AUSTRALIAN COTTON:

- > An understanding of your existing cotton supply chains (although not essential, and working with Cotton Australia is often a great way to start achieving better supply chain visibility)
- > Trusted, longer term relationships with supply chain partners
- > Buying power based on volume or value
- > Suppliers that are eager to please and are willing to try something new
- > Sourcing teams that are on board and supportive of Australian cotton and willing to do the work to achieve your Australian cotton goals
- > Staff including fabric technologists, sourcing and compliance personnel who have high levels of technical and supply chain knowledge
- > Spinning mill partners that are regular users of Australian cotton and can therefore avoid price fluctuations based on the timing of Australian cotton being delivered to market
- > A champion for Australian cotton inside your business that is fully committed to the principles, and never gives up!

THINGS THAT DON'T HELP:

- > Staff or management that don't understand WHY you're wanting to source Australian cotton. Our experience has shown that when the whole team is on board from the start, they are much more committed and willing to making it happen and the whole process is much more rewarding
- > Suppliers or supply chain partners that drastically increase cost, when we know that there should be only a small premium for Australian cotton in the finished garment
- > Suppliers and/or supply chain partners that try to drastically increase refuse to change or do something differently
- > Sourcing for a one-off collection and then never sourcing Australian cotton again. Sourcing Australian cotton definitely becomes easier over time, and a bigger effort at the start reaps bigger rewards when there's a longer term commitment to Australian cotton
- > Small runs that don't meet the minimum requirements of suppliers

HOW TO GET STARTED

The good news is that Australian cotton is readily available through the supply chain for those businesses willing and able to source it. Once you've made the effort, you'll have high quality products that consumers love to buy, you'll know more about your supply chain and you'll have a great story to tell your customers.

Cotton Australia may be able to assist your business to source Australian cotton, and can provide details on the spinning mills that regularly purchase Australian cotton fibre. **Please make an enquiry should you require assistance.**



TIPS FOR SOURCING AUSTRALIAN COTTON

You may maximise your chances of success by sourcing Australian cotton products:

- > Containing 100% cotton
- > With larger, consistent volumes
- > Where you have the best supply chain visibility (through in the spinning mill is ideal)
- > That you traditionally find easier to source
- > From suppliers you know and trust and who will go the extra mile for your business
- > From vertically integrated suppliers
- > That possibly already contain Australian cotton (eg high quality whites, high thread count sheets)
- > That will resonate with your customer(s)



RECOMMENDED FIRST STEPS

1. Commit to working with Australian cotton, preferably for the long term
2. Gain support for Australian cotton across the business including senior management, compliance, sourcing, buying, sustainability and marketing teams
3. Decide which product(s) to make from Australian cotton first. Start with one or a small number of products, learn from brief/set guidelines and then apply new knowledge to sourcing the process more Australian cotton products
4. Develop a brief/set guidelines for suppliers including traceability requirements for Australian cotton
5. Start to specify Australian cotton to suppliers for your product(s)
6. Work with Cotton Australia to help connect your supply chain, answer queries from suppliers and provide information around traceability requirements



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