

## **Global Market Booming for Organic Cotton Products, New Report Shows**

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NEW YORK, May 4, 2006 - Use of organically grown cotton by retail titans, fashion designers, and small and medium-size companies resulted in a dramatic growth in global retail sales of products containing organic cotton between 2001 and 2005, according to a new report by the Oakland, Calif.-based nonprofit Organic Exchange.

Organic production is based on a system of farming that maintains and replenishes soil fertility without the use of toxic and persistent pesticides and fertilizers and genetically modified seeds.

During the four-year period, global organic cotton product sales increased an estimated 35 percent annually, from \$245 million in 2001 to \$583 million in 2005. In the U.S., such sales increased 55 percent per year, from \$86 million in 2001 to \$275 million in 2005. The author of the report, "The Organic Exchange Spring 2006 Global Organic Cotton Market Report," projects global organic cotton product sales to skyrocket to \$2.6 billion by the end of 2008, reflecting a 116 percent average annual growth rate.

“Consumers are no longer simply eating organically grown food—they are wearing clothes, using personal care products and outfitting their kitchens, bathrooms and bedrooms with products made with organic cotton,” says report author Rebecca Calahan Klein, President of [Organic Exchange](http://www.organicexchange.com), a nonprofit trade association that works to expand the use of organically grown cotton. “By using organic cotton, companies can bring added value to their customers and position themselves for long term growth.”

According to the report, the five brands using the most organic cotton globally in 2005 are (in order by quantity): Nike (Oregon), Coop Switzerland and Patagonia (California), Otto (Germany), and Sam's Club/Wal-mart (Arkansas). In addition, Organic Exchange identified more than 30 companies with growing organic cotton

programs in 2005 including American Apparel (California), Avanti (Japan), Coop Sweden (Sweden), Earth Creations (Alabama), Eileen Fisher (New York), Gaiam (Colorado), Hanna Andersson (Oregon), Hess Natur (Germany), H&M (Sweden), Howies (United Kingdom), IKEA (Sweden), Indigenous Designs (California), Loomstate (New York), Maggie's Organics (Michigan), Marks & Spencer (United Kingdom), Monoprix (France), Mountain Equipment Co-operative (Canada), Nordstrom (Washington), Norm Thompson/Sahalie (Oregon), Of the Earth (Oregon), Organic Essentials (Texas), People Tree (United Kingdom), Prana (California), REI (Washington), Sportif USA (Nevada), The Timberland Company (New Hampshire), Under the Canopy (Florida), Whole Foods Market (Texas) and Woolworths South Africa. Organic Exchange also identified more than 1,200 small and medium sized brands and retailers offering organic cotton products in North American, European and Asian consumer markets in 2005.

In addition, designers such as Rogan Gregory, Katharine Hamnett and Stella McCartney have included organic cotton garments in their collections, while rock star Bono and his wife Ali Hewson, use organic cotton in their Edun brand co-created with Gregory and launched in 2005.

All together, brands and retailers incorporated an estimated 9,066 metric tons (19,945,200 pounds or 42,552 bales) of organic cotton fiber into the products they offered to consumers in 2005.

Organic cotton production and fiber sales to manufacturers also grew during this time period. Organically grown fiber production increased from 6,480 metric tons in the 2000-01 harvest to 31,017 metric tons projected for the 2005-06 harvest, reflecting an average annual growth rate of 76%. Organic cotton was grown in 22 countries in 2004-05, led by Turkey (40 percent), India (25 percent), the United States (7.7 percent) and China (7.3 percent). In 2005-06, these four countries are expected to grow 79% of the global organic fiber crop. Manufacturer demand for organic cotton fiber increased an estimated 93% per year during this time period.

Organic cotton production is expected to grow in the next three years as existing organic farming projects add more farmers, planned projects come into production and new projects are started to meet demand in specific supply chains. To help expand fiber production, retailers, brands and their business partners are encouraged to work with fiber producers to plan for future fiber needs, engage in pre-plant planning and contracting and explore opportunities for using crops grown in rotation with cotton.