# COTTON USA COTTON PROMOTION INITIATIVES

"WHAT'S NEW IN COTTON"

**IND -TEXPO 2019** 

**JANUARY 28, 2019** 





### **AGENDA**

- An Introduction to U.S. Cotton and Cotton Council International
- The COTTON USA™ Brand
- COTTON USA™ promotion initiatives- "WHATS NEW IN COTTON™"
- Key drivers of global cotton and fiber demand
- Consumer and retail trends in India
- Consumer attitude towards cotton
- Summary

# THE HISTORY OF COTTON COUNCIL INTERNATIONAL

- CCI was formed in October of 1956 by the National Cotton Council and works closely with the U.S. government to drive U.S. agricultural exports.
- We are funded by the U.S. government as part of the Farm Bill and by the U.S. cotton industry.
- CCI is a non-profit organization. We do not make, buy or sell anything. Our only
  job is to "promote" U.S. cotton via various means around the world.



# CCI TODAY: WHO WE ARE



## **CCI INTRODUCTION**

CCI works with spinning mills, fabric and garment manufacturers, brands and retailers, textile associations, governments and the USDA in many countries and every continent to facilitate the use of U.S. cotton.

 Our work is based on relationships and we work closely with cotton spinning and fabric manufacturing companies to build connections across the entire supply chain.

# THE BRAND

# COTTON USA

THE COTTON
THE WORLD TRUSTS



# COTTON COUNCIL INTERNATIONAL AND COTTON USA

COTTON USA™ is the brand name for all U.S. grown cotton that is owned by Cotton Council International and that we promote globally.

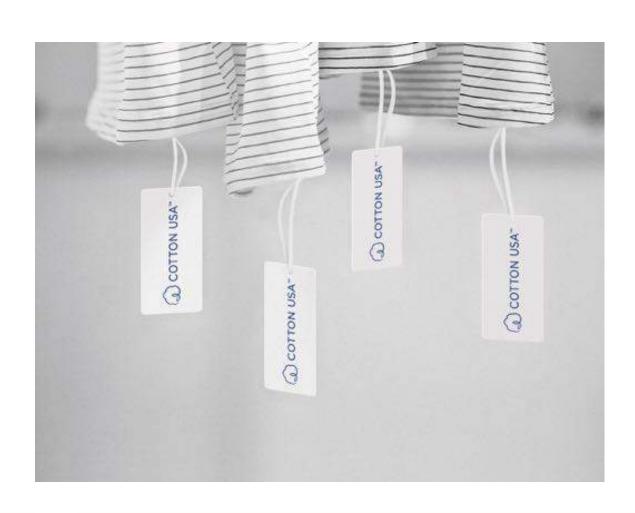


# THE COTTON USA BRAND

More than **51,000 product lines** and **3.8 billion products** have proudly carried the name COTTON USA™ since 1989.



## **COTTON USA™ MARK LICENSING**

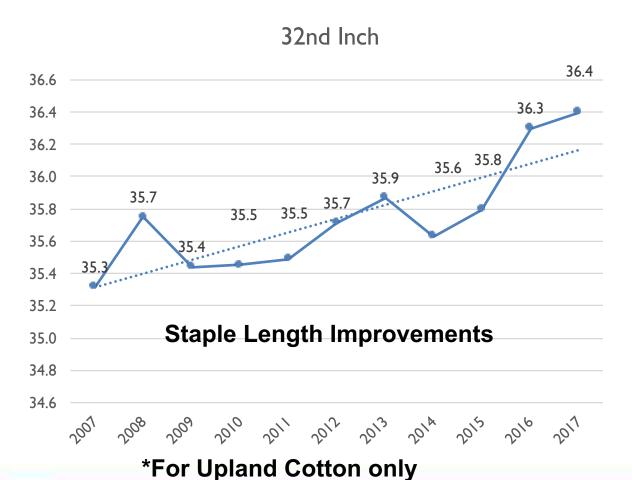


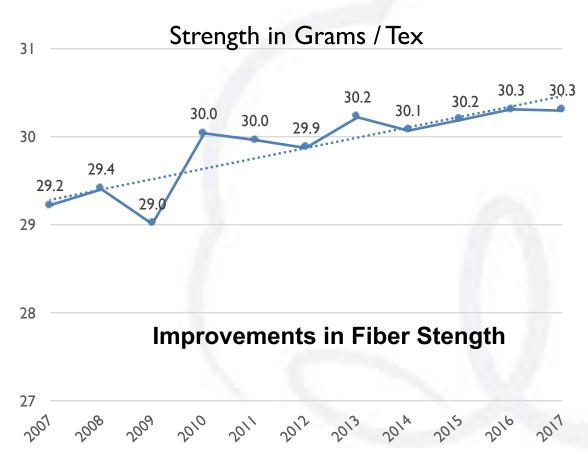
- Mills,
- manufacturers,
- wholesalers,
- sourcing companies,
- brands and
- retailers

can license their U.S. cotton-rich products, including blends (at least 51% U.S. cotton).



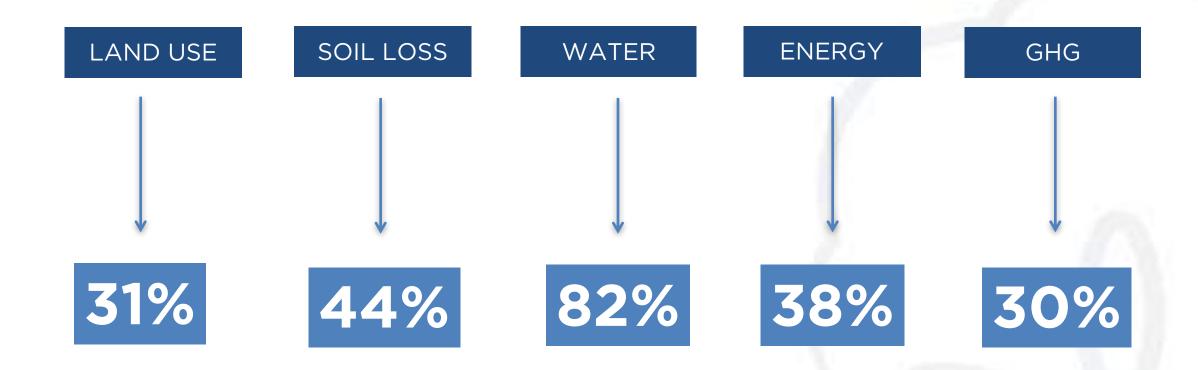
# CONTINUOUS IMPROVEMENTS IN THE FIBER PARAMETERS\*







# 35 YEARS REDUCED ENVIRONMENTAL IMPACT



Source: Field to Market 2016 Environmental and Socioeconomic Indicators Report. Available at: www.fieldtomarket.org.



## **US COTTON SUSTAINABILITY GOALS BY 2025**

Field to Market's National Metrics	Improvements by 2025
Reduce Land Use (Acres per Lb of Fiber)	13%
Increase Fiber per Gallon of Water (Irrigation Efficiency)	18%
Reduce Greenhouse Gas Emissions (Lbs CO2e per Lb of Fiber)	39%
Reduce Energy (Btu/Lb of Fiber)	15%
Reduce Soil Loss (Tons/Acre)	50%
Increase Soil Carbon (% of Fields)	30%











#### 100% **CLASSIFICATION**



Every cotton bale has a permanent bale tag that identifies where the cotton was grown along with its characteristics including fiber length, strength, color, micronaire, etc.





# PREMIUM VALUE

The COTTON USA™ Mark is a sign of softness, strength, comfort and sustainability to consumers around the world.

It identifies **superior cotton products** made with a majority of cotton grown in the USA.

COTTON USA™ BRAND
DRIVES CONSUMER PREFERENCE.





## WHAT'S NEW IN COTTON™

COTTON USA is committed to bringing you the **latest** in cotton innovation. It's part of the premium value we offer the entire cotton supply chain.

Innovations Designed, To Drive Your Business

Discover **high tech natural cotton blends** that do everything from reducing workout recovery times to inhibiting bacteria.



## WHAT'S NEW IN COTTON™

# ZERO-D® - "Dry dye™" with Reactive Pigment®

ZERO-D® print solution preserves U.S. cotton's natural feel. Excellent colors and fabric choices allow a broader product range.

To know more click on the link: <a href="https://cottonusa.org/innovation/zero-d-the-sustainable-answer-to-ai-fashion">https://cottonusa.org/innovation/zero-d-the-sustainable-answer-to-ai-fashion</a>





# SigNature®T. Know Where Your Clothes Come From.

COTTON USA™ has partnered with ADNAS and their SignatureT technology to create cotton-rich apparel that can be traced back to the farm where the cotton was grown.

To know more click on the link: <a href="https://cottonusa.org/innovation/signature-t-traceability-transparency-trust">https://cottonusa.org/innovation/signature-t-traceability-transparency-trust</a>

# DRY PROTECT™. The Natural Choice for All Day Comfort.

The partnered technology
Proneem create clothes that
eliminate unpleasant body odors
and absorb moisture, for comfort
all day long.

To know more click on the link: <a href="https://cottonusa.org/innovation/signature-t-traceability-transparency-trust">https://cottonusa.org/innovation/signature-t-traceability-transparency-trust</a>



## WHAT'S NEW IN COTTON™



# SolucellAir. The Durable, Quick Drying, Softie.

SolucellAir and Zero-Twist technologies help to produce long-lasting home textile products that are soft, light weight, and fast drying.

To know more click on the link: https://cottonusa.org/innovation/solucell-a-new-wave-of-comfort

# **Celliant®. For Faster Workout Recovery Times.**

Can your yoga pants help improve blood flow and recovery time? Yes, with Celliant.

A revolutionary concept in workout wear.

To know more click on the link: <a href="https://cottonusa.org/innovation/celliant-recover-from-workouts-faster">https://cottonusa.org/innovation/celliant-recover-from-workouts-faster</a>





#### Life Natural. An Antibacterial, Designed by Nature.

Introducing anti-bacterial towel and bed linens made with US Cotton and Life Natural materials.

To know more click on the link: <a href="https://cottonusa.org/innovation/life-natural-anti-bacterial-the-natural-way">https://cottonusa.org/innovation/life-natural-anti-bacterial-the-natural-way</a>

## **COTTON USA™ - COLLABORATION BENEFITS**

**Cotton Council International (CCI)** is focused towards the promotion of the US Cotton and retains the brand **COTTON USA™** with utmost trust carried by their consumers.

- CCI values the brands which carry COTTON USA™ tags along with them.
- CCI participates in various trade shows throughout the world
- COTTON USA™ helps the associated brands with the marketing support
- Sharing of market research reports with latest trends and technology in the industry
- Preferences in the participation of conferences and seminars conducted globally

# **BUILDING SUPPLY CHAIN/SOURCING CONNECTIONS**

Fair in Hong Kong: CCI's largest global sourcing fair to date with participants who annually purchase 2.4 billion meters of fabric

#### Glimpse of 2018

Yarn/Fabric Suppliers - 62 Garment Suppliers - 47 Brand/Retailers - 41

#### **Sourcing USA Summit:**

Facilitated U.S. cotton networking opportunities for some 415 delegates from 31 countries in attendance representing 18.5 million bales of cotton



# **COTTON USA Sourcing Fair** in Mexico: Approximately 800 individual business meetings



# RESEARCH & DEVELOPMENT SUPPORT

Cotton Council International along with its associate **Cotton Incorporated** also a not-for-profit company providing the resources and research needed to help companies develop and market superior, innovative, and profitable cotton products. The company's efforts are focused across every area of the cotton life cycle from fiber through finished product.

The research covers topic like

- Global Trends and Challenges
- Consumer research
- What's new in the market
- Influence of Sustainability On Clothing
- All About retail
- Traditional Retail and many more...





# **JOINT MARKETING & PROMOTION**

Cotton Council International collaborates and supports the licensee brands for their co-branded promotional activities for their qualified licensed COTTON USA products.

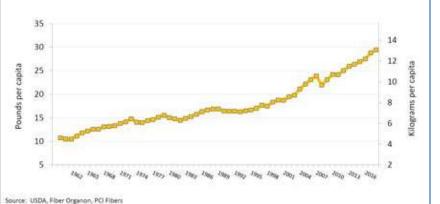
#### Promotional activities like

- In-store promotion
- Press release
- Print advertisements
- Brand / Store Audits

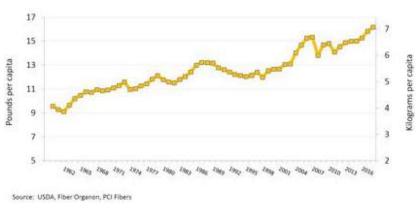


# KEY DRIVERS OF GLOBAL COTTON AND FIBER DEMAND

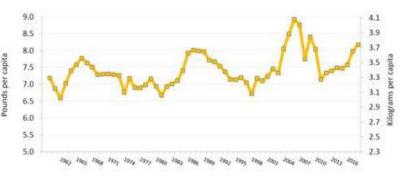
#### World Per Capita Total Fiber Demand



#### World Per Capita Staple Fiber Demand



#### World Per Capita Cotton Demand



Source: USDA

Influencers of World Cotton **Demand** 



**PER CAPITA ECONOMIC GROWTH** 



**FASHION & FABRIC TRENDS** 



**POPULATION GROWTH** 



**FIBER PRICES** 



**SUPPLY CONSTRAINTS** 



**SUSTAINABILITY** 

# Impact of Global Per Capita GDP on Per Capita Cotton Demand

(Excludes Impact from Fiber Prices & Fashion-Related Trends)

Per Capita GDP	Per Capita Cotton Use
0%	-2.0%
0.5%	-1.5%
1.0%	-1.0%
1.5%	-0.5%
2.0%	0.0%
2.5%	0.4%
3.0%	0.9%
4.0%	1.9%

Source: Cotton Incorporated World Fiber Demand Model

## **Major Historical Demand Disruptions for Cotton**

(Excludes Impacts from Economic Growth, Price & Population)

Crop Year	<u>Description</u>	Annual Impact
1969-82	Strong Trend to Polyester	-6.1%
1986-91	Cotton Recovery (Denim, Khaki, Knits)	+7.6%
2004-07	China Cotton Demand Surge	+7.1%
2012-16	Demand Destruction: Poly Trend	-6.0%

Source: Cotton Incorporated World Fiber Demand Model

# Impact on Cotton Demand from 10% Rise in Inflation Adjusted Cotton & Polyester Prices

Real Increase	in	Impact on Per Capita
Fibre Price		Cotton Use
<b>Cotton Price</b>	+10%	-1.1%
Polyester	+10%	+0.6%

Source: Cotton Incorporated World Fiber Demand Model

## **Fabric Weight and Over time and Impact on Cotton**

YEAR	DENIM (In Oz/sq yard)	T-SHIRTS
2007	14	5.5
2012	11	4.5
2018	9	4.6
Change in last 10 years	-36%	-16%

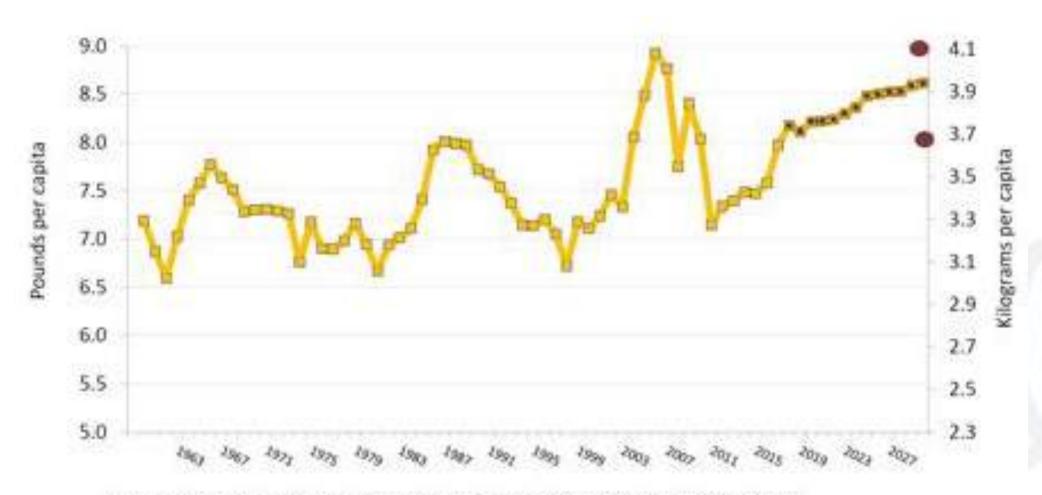
Source: Cotton Incorporated FABRICCAST ™ DATA BASE

# **Cotton Bale Use by 2030**

(Million 480 Pound Bales)

<u>Date</u>	<u>Low</u>	<u>Middle</u>	<u>High</u>
2017 2030	127 143	127 151	127 157
Growth Rate	1.14%	1.55%	1.87%

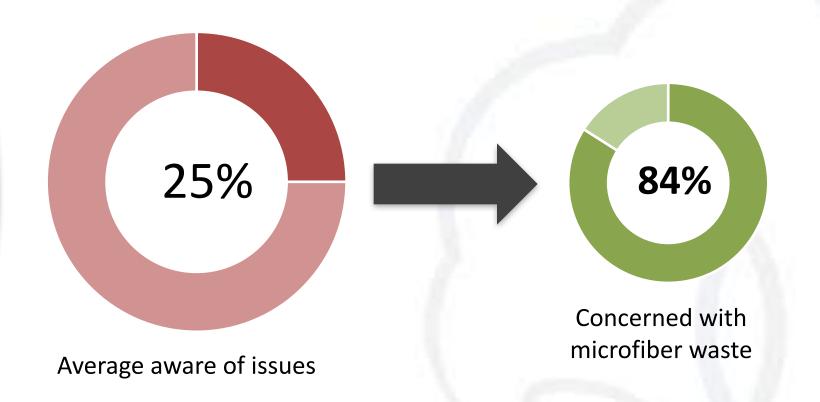
# World Per Capita Cotton Demand



Source: USDA for history. Cotton Incorporated World Fiber Demand & Supply Models for Projections.

# CONSUMER AWARENESS AND CONCERN

(Microfiber waste is a top concern for those aware of fiber production issues)



Source: CCI & Cotton Incorporated's 2017 Global Environment Survey

## Microplastics Issue

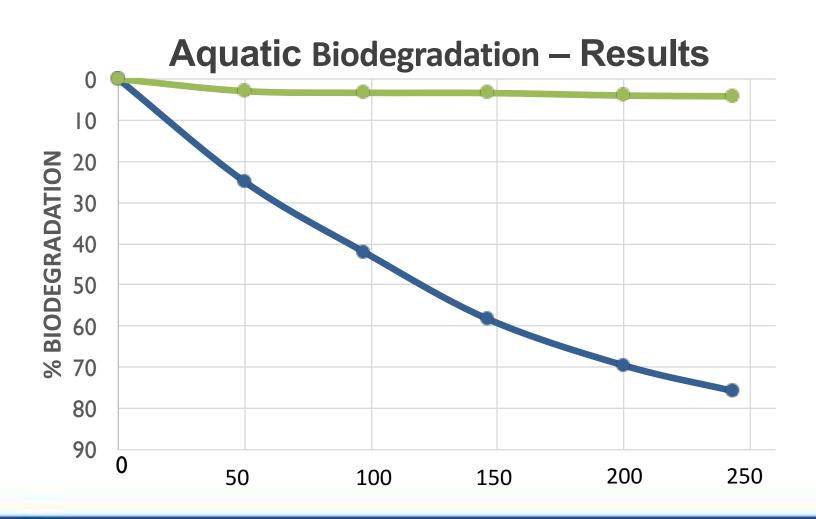
Microplastics pollution widespread



Source: Adventurers and Scientists for Conservation Microplastic Study

### Microfiber Research

Cotton Research on Microfiber Degradation



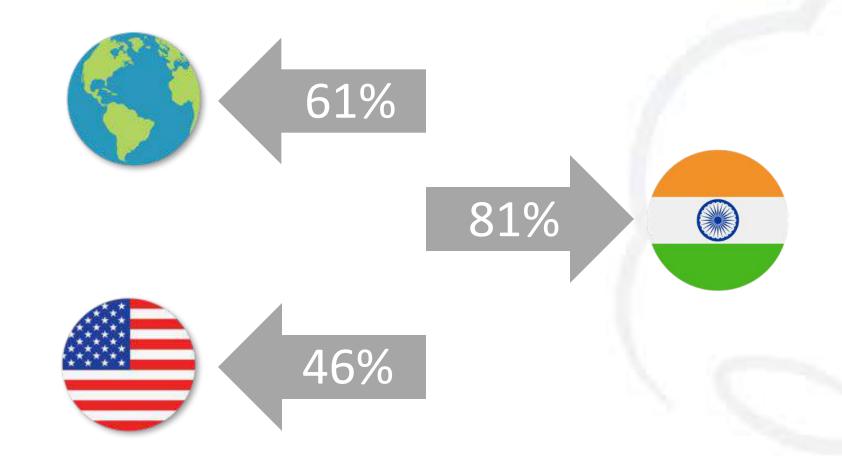
76% Cotton

4% Polyester

Source: North Carolina State University Research

# Influence of Sustainability on Clothing Purchases

Sustainability clothing matters to consumers



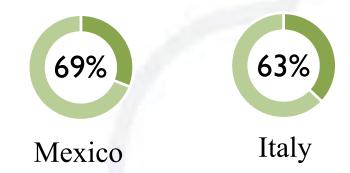
Source: CCI & Cotton Incorporated's Global Environment Survey 2017

### Motivation for Sustainable Actions

Protecting the world, doing the right thing, and healthy living motivate action



To protect the world for my children/ grandchildren/ future generations

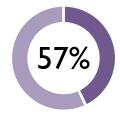








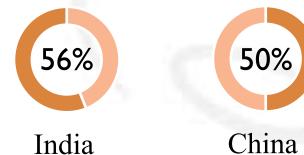
U.K.



Germany



Simply because it is the right thing to do





To live a more balanced/ healthier lifestyle

Source: CCI & Cotton Incorporated's Global Environment Research 2017





**CONSUMER & RETAIL INSIGHTS** 



300,000+

**INTERVIEWS CONDUCTED** 



1,500,000+

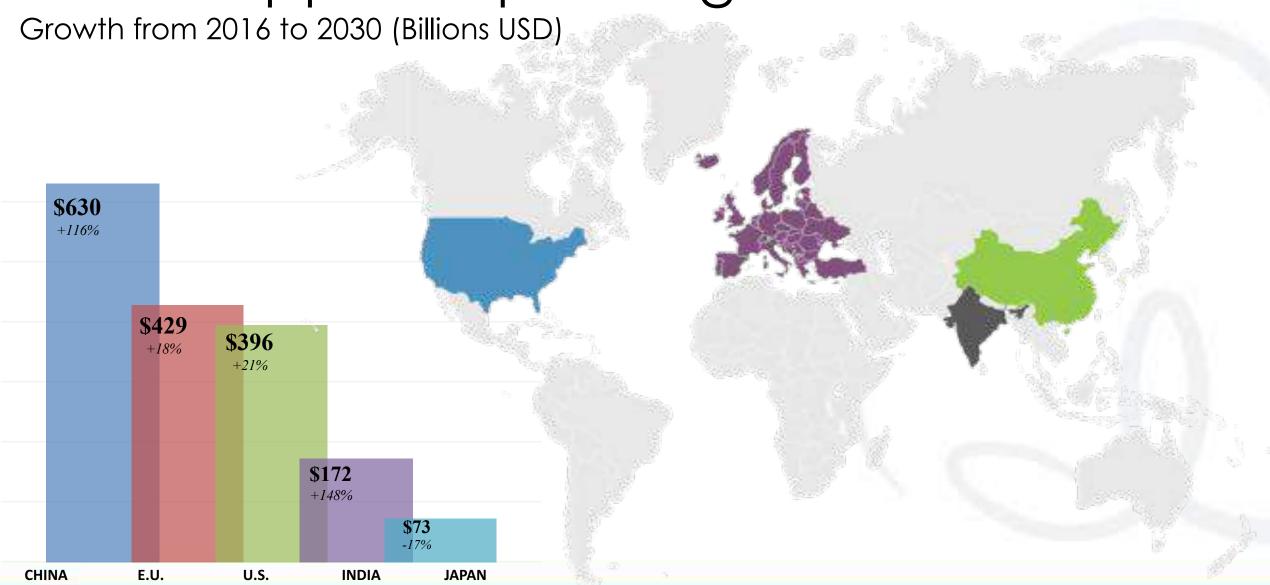
**GARMENTS AUDITED** 



625,000+

**REVIEWS ANALYZED** 

# Global Apparel Spending 2030



# Global Trends and Challenges

<u>Indian</u> consumers have a strong interest in clothes

#### Preferred Item to Shop



Clothes – 67%



Food - 7%



Electronics – 7%



Cosmetics – 6%



Shoes/Accessories – 5% each

Source: CCI & Cotton Incorporated's Global Lifestyle Monitor

#### **Top Purchase Drivers**



Fit



Comfort



Quality



Finish/Style



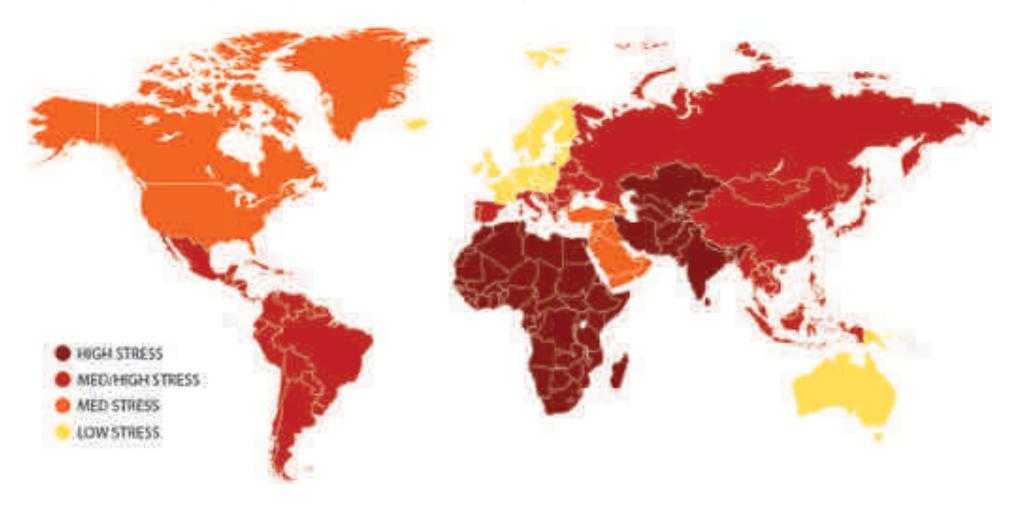
**Durability/Color** 



Price/Fiber

## Problem: Stress in Modern Life

Modern life has brought high stress to many



Source: Zipjet



### DO BETTER FOR SELF

Apparel can help ease burden of modern life



**Stress is building** for consumers across the globe



Add performance features so that clothing can do more for consumers



**Explore smart textiles** for stress-relieving performance

### DO BETTER FOR WORLD



**Environmental Issues** 



Marketing Sustainable Apparel

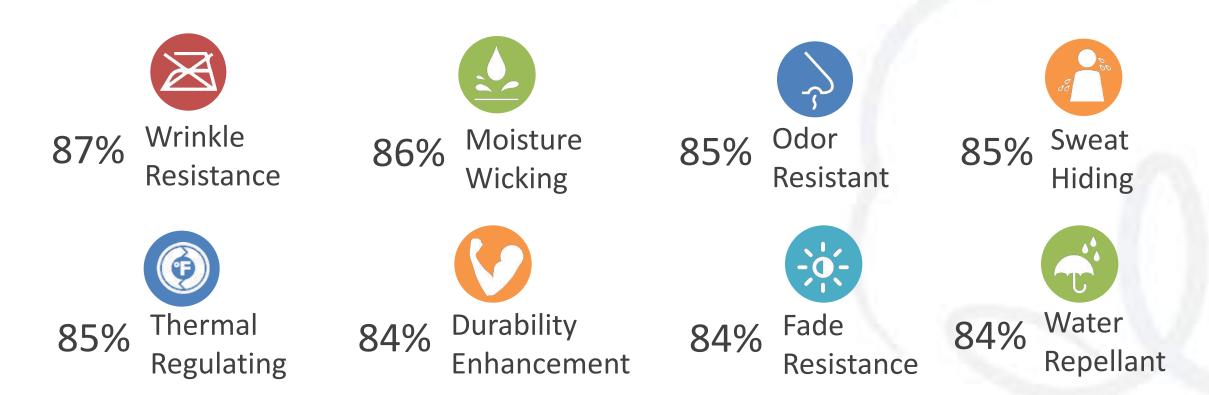


**Circular Fashion** 

## Performance Features in Apparel – India

Consumers want their clothing to do more

Percent saying that the following performance features in apparel are appealing:

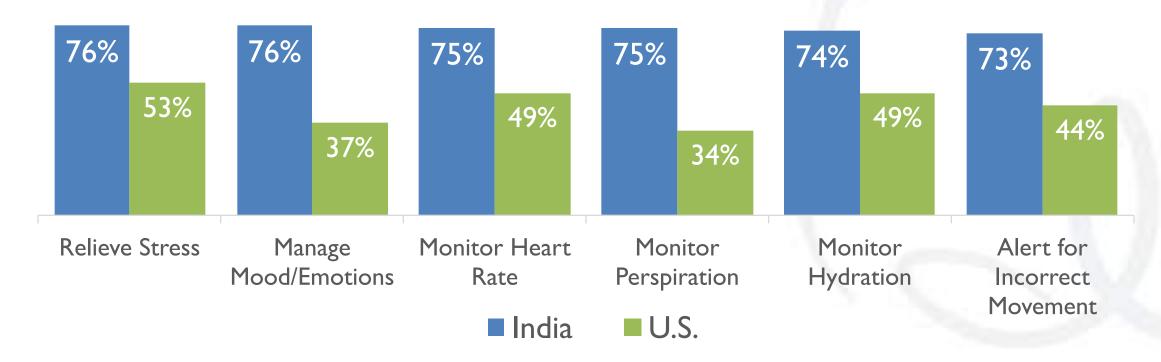


Source: Cotton Incorporated's Global Lifestyle Monitor

## Stress-Relieving Performance

Consumers are attracted to smart textiles that address physical symptoms of stress

Percent saying they are likely to purchase clothing with the following features:

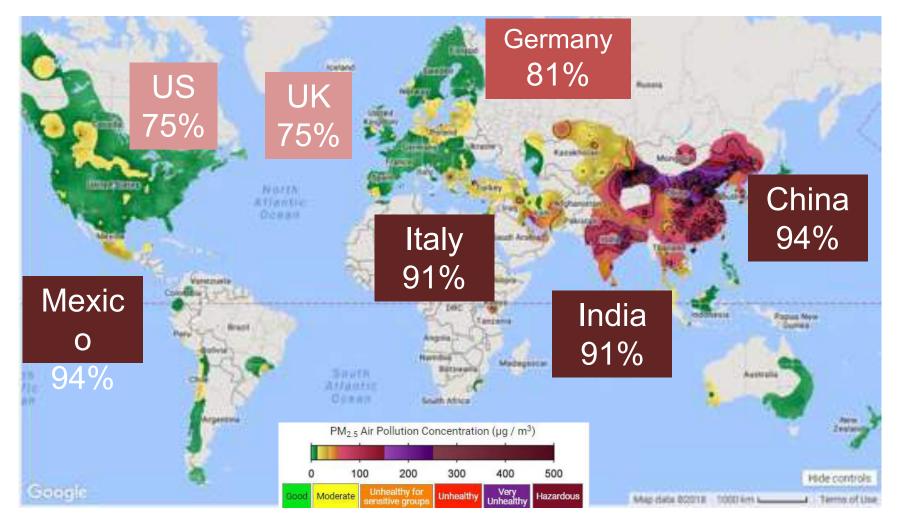


Source: CCI & Cotton Incorporated's Global Lifestyle Monitor Survey and Cotton Incorporated's Lifestyle Monitor<sup>TM</sup> Survey

# Environmental Issues Affect Daily Life

Consumers in developing markets are especially concerned with environmental

change







### Common Sustainable Actions

Consumers take various actions to improve environmental conditions in India



Limit water usage at home (92%)



Use my own bags while shopping (89%)



Purchase appliances that conserve energy (88%)



Use refillable water bottle (87%)



Recycle cans, bottles, paper, etc. (85%)



Purchase locally made products (84%)



Buy clothing made from natural materials (83%)



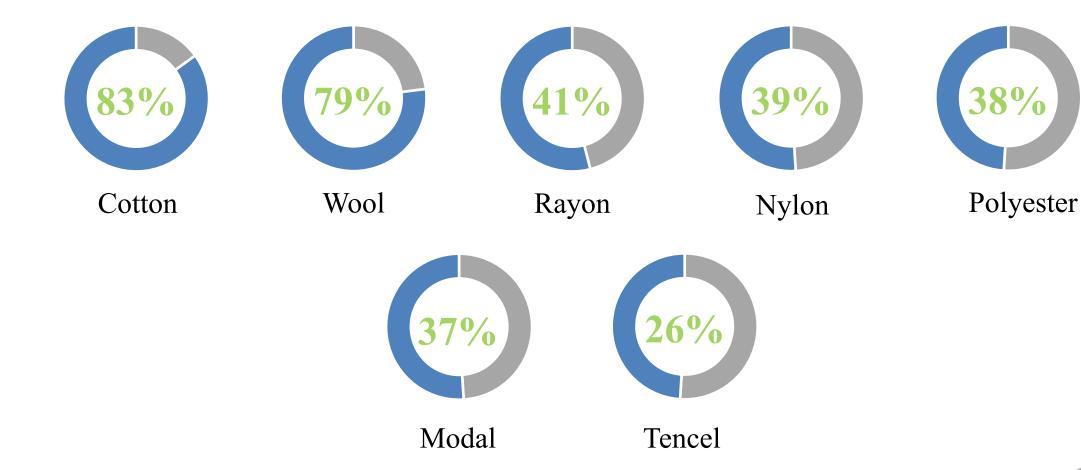
Recycle clothing or textiles (81%)





# Perceptions of Safety and Sustainability - Global

Consumers rate cotton the safest and most sustainably produced fiber







## Circular Fashion

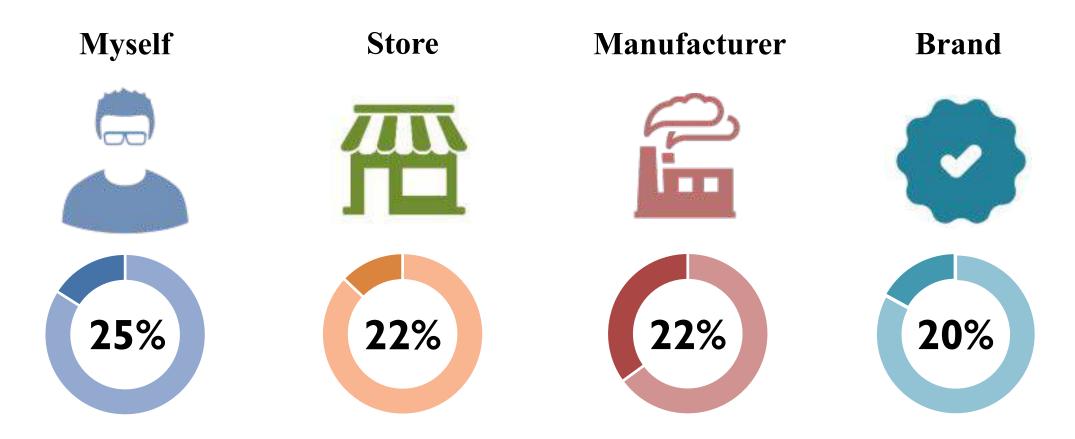
### Commitment to a more sustainable future





# Blame for Non-Sustainable Apparel

Indian consumers blame the industry if an apparel item is not environmentally friendly





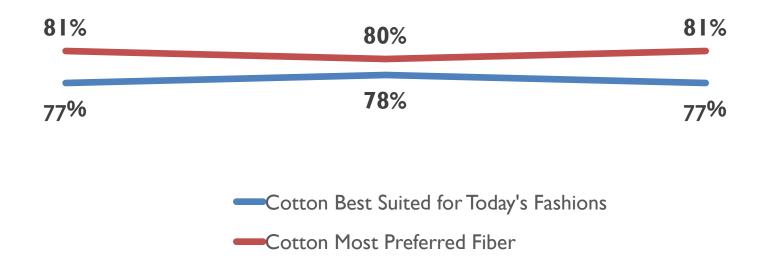




### **Cotton Preferences**

Thinking About The Current Clothing Fashions, What One Fiber/Material Do You Think Is Best Suited For Those Fashions?

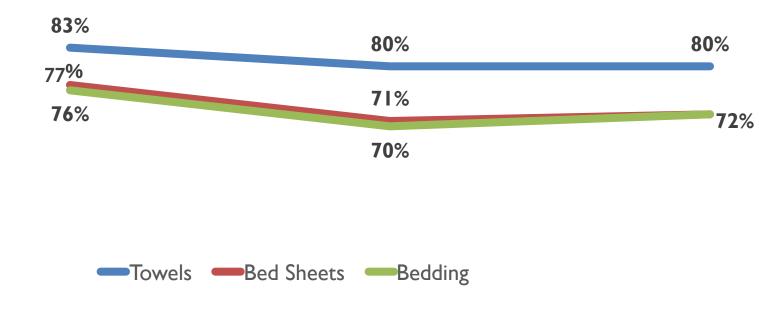
What one fiber or material would you prefer for the clothing in your wardrobe that you wear the most?



### Consumers Prefer Cotton Home Textiles

What do you most prefer the following items to be made of?

2014



2016

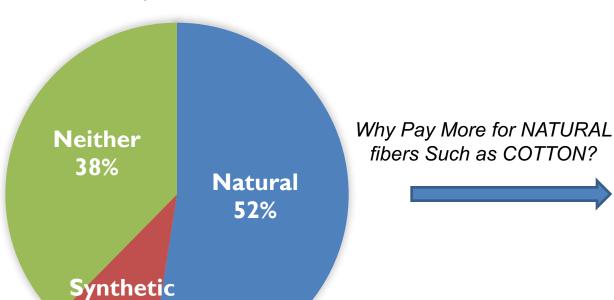
2018

### Pay more for clothing made from

Would you pay more money for clothing made from natural or synthetic fibers? Why would you pay or have you paid more for clothes made from natural fibers such as cotton?

Would you pay more money for clothing made from...

10%

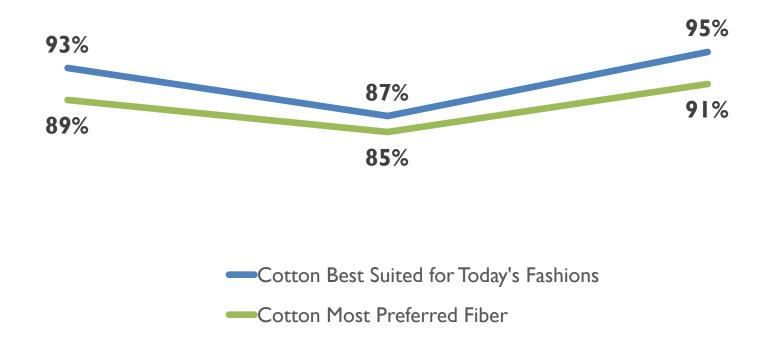


Why Pay More	%
More comfortable	60%
Better quality	58%
More durable	40%
Hypoallergenic	36%
Better performance	34%
Environmentally- friendly	30%
Fashionable	21%

### Cotton Preferences (In India)

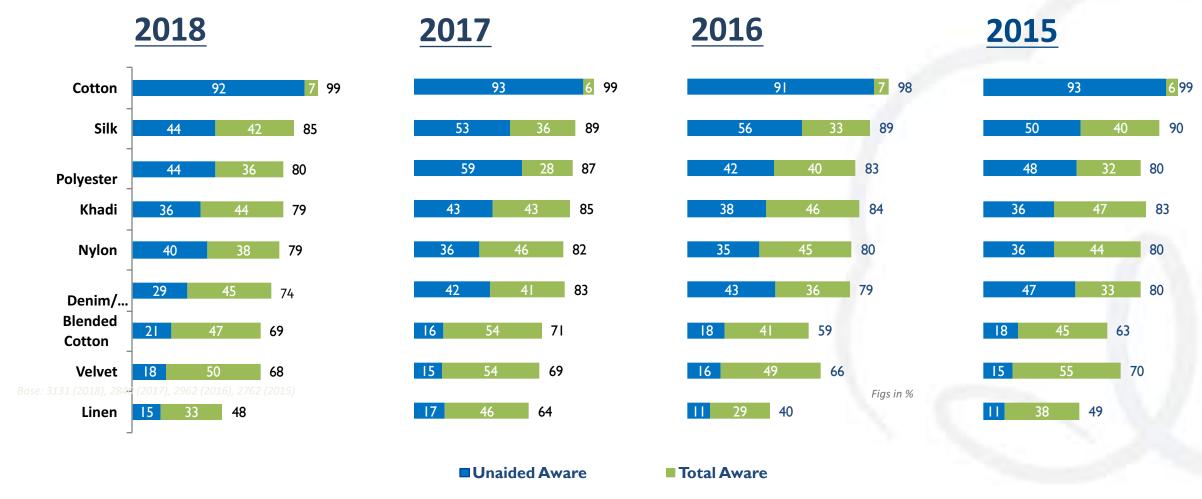
Thinking About The Current Clothing Fashions, What One Fiber/Material Do You Think Is Best Suited For Those Fashions?

What one fiber or material would you prefer for the clothing in your wardrobe that you wear the most?



#### **FABRIC AWARENESS**

#### Cotton continues to be most widely known fabrics



Change more than 3% are highlighted



#### CONSUMERS FIND COTTON MORE COMFORTABLE W.R.T FALL/ DRAPE AS COMPARED TO COTTON BLEND

#### **Fabric**

Fall / drape of the fabric's comfortable (73%)

Look / sheen of the fabric's Good (28%)

**Durable (29%)** 

Look / sheen of the fabric's Good (20%)

Look / sheen of the fabric's Good (26%)

Look / sheen of the fabric's Good (20%)

Look / sheen of the fabric's Good (25%)

Fabric that can stretch (22%)

#### Occasion

Good for in-home use (74%)

Good for formal wear/for work (31%)

Good for parties/weddings, etc (30%)

Good for parties/weddings, etc (18%)

Good for parties/weddings, etc (34%)

Good for parties/weddings, etc (20%)

Good for parties/weddings, etc (33%)

Good for parties/weddings, etc (13%)

#### Season

Suitable for Summer (76%)

Suitable for all types of weather (27%)

Suitable for winter (29%)

Suitable for all types of weather (18%)

Suitable for all types of weather (22%)

Suitable for all types of weather (18%)

Suitable for all types of weather (23%)

Suitable for winter (36%)



Cotton

**Cotton Blend** 

Denim/Jeans

Lycra/ Spandex

**Polyester** 

Rayon

Silk

Wool

#### COTTON REMAINS TO BE ONE OF THE MOST VERSATILE FABRIC > VAST VARIETY AVAILABLE

#### Range

Available in a variety of colour /designs /prints (72%)

Available in a variety of colour /designs /prints (30%)

Available in a variety of colour /designs /prints (28%)

Available in a variety of colour /designs /prints (19%)

Available in a variety of colour /designs /prints (27%)

Available in a variety of colour /designs /prints (20%)

Available in a variety of colour /designs /prints (26%)

Available in a variety of colour /designs /prints (13%)

#### **Brand & Price**

Branded (69%)

Branded (26%)

Branded (29%)

High Priced (15%)

Branded (19%)

High Priced (15%)

High Priced (23%)

Branded (10%)

#### **Wash Care**

Easy To Wash (68%)

Easy To Wash (24%)

Easy To Wash (21%)

Easy To Wash (16%)

Easy To Wash (26%)

Easy To Wash (15%)

Easy To Wash (21%)

Easy To Wash (10%)



Cotton

**Cotton Blend** 

Denim/Jeans

Lycra / Spandex

**Polyester** 

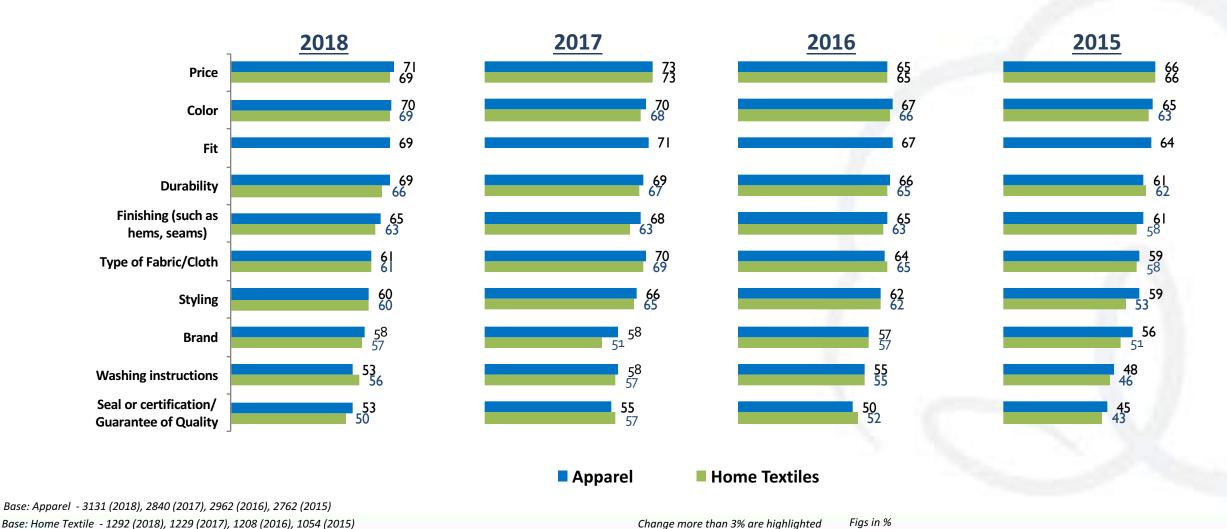
Rayon

Silk

Wool

#### **APPAREL & HOME TEXTILES IMPORTANT ATTRIBUTES**

#### Level of importance remains largely same for top 4 attributes

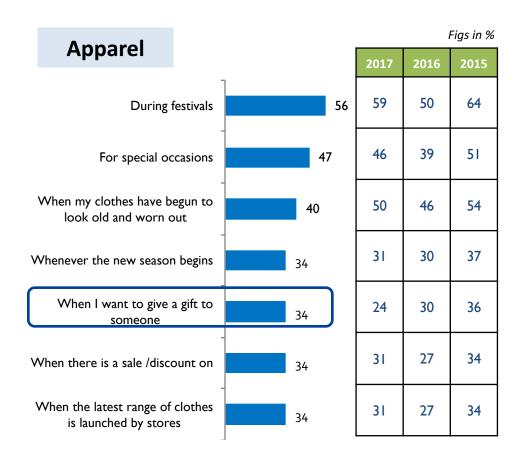


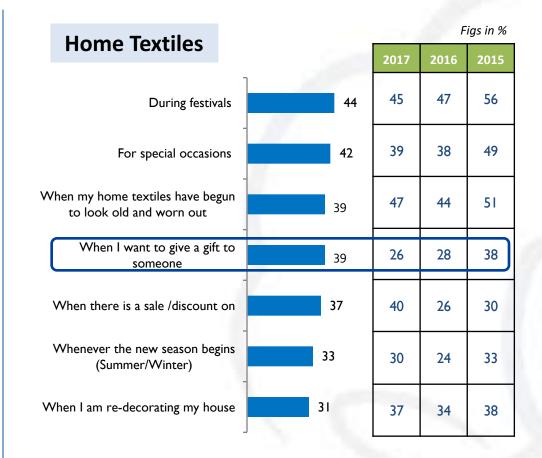


Base: Home Textile - 1292 (2018), 1229 (2017), 1208 (2016), 1054 (2015)

#### **PURCHASE OCCASIONS**

#### One of emerging triggers for purchasing apparels and home textiles are gifting occasions





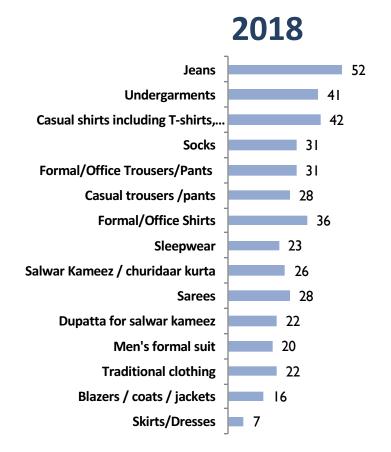
Base: 3133 (2018),2840 (2017), 2962 (2016), 2762 (2015)

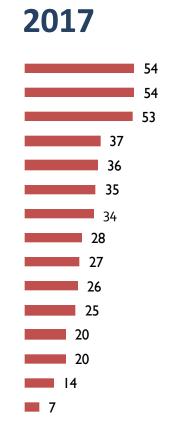
Change more than 3% are highlighted

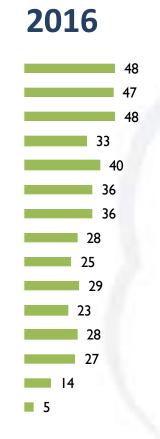
Base: All Females above 15 years of age 1292 (2018), 1229 (2017), 1208 (2016), 1054 (2015)

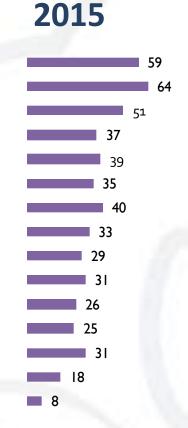
#### **ITEMS DESIRED**

## Desire for formal shirts remain consistent









Base: 3133 (2018) , 2840 (2017), 2962 (2016), 2762 (2015)

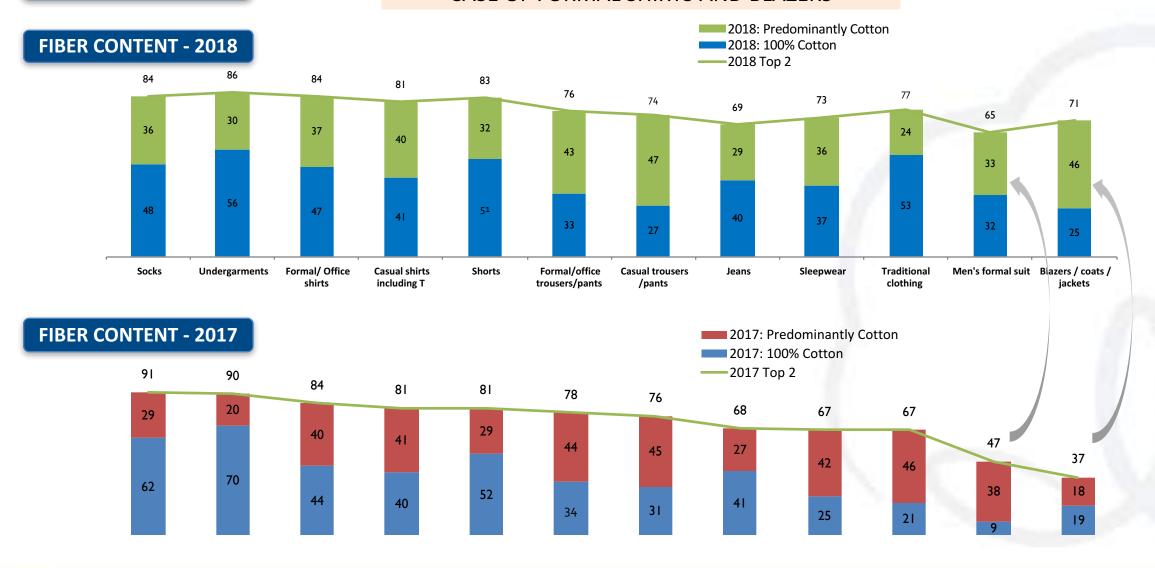
Change more than 3% are highlighted

Figs in %



#### **MEN'S WEAR**

## COTTON FABRIC GETS HIGHER CONSIDERATION IN CASE OF FORMAL SHIRTS AND BLAZERS

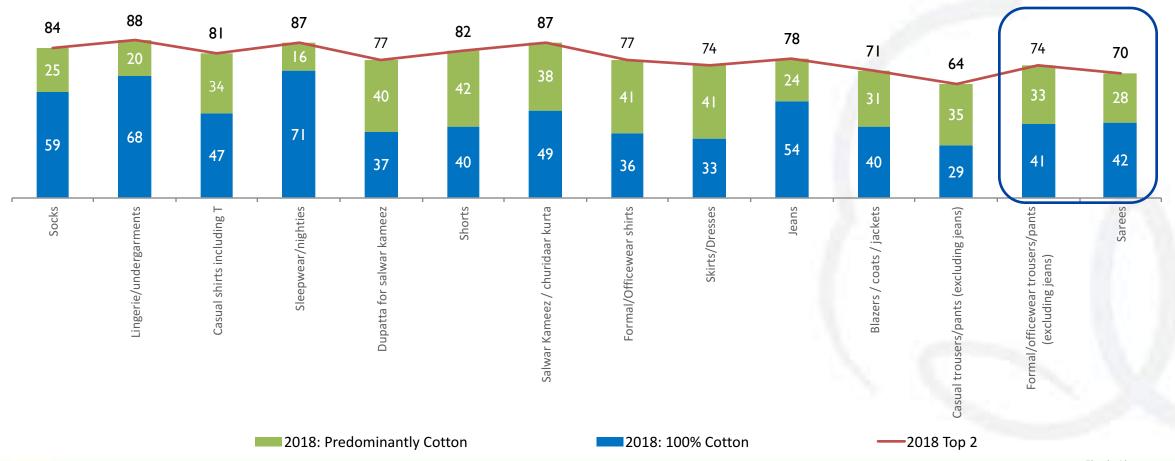




#### **WOMEN'S WEAR**

#### FIBER CONTENT - 2018

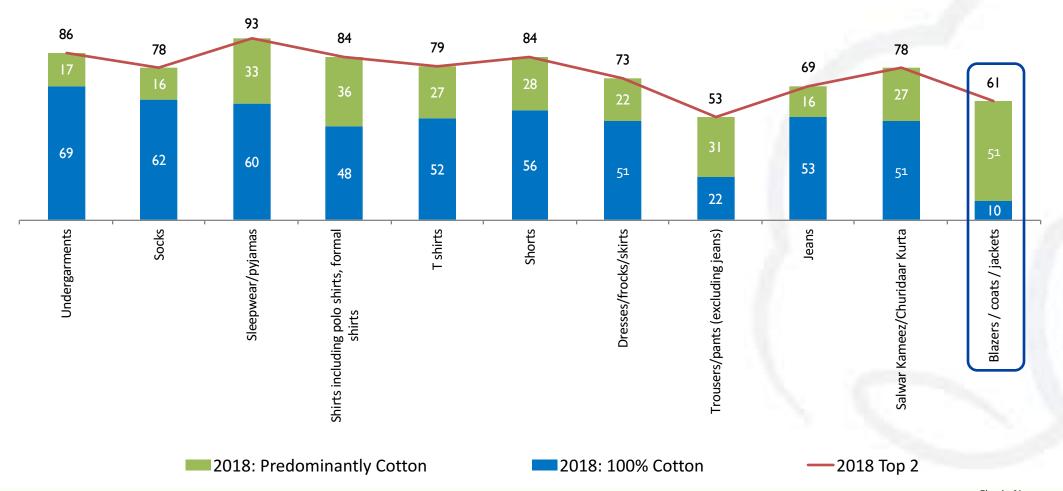
## PREFERENCE FOR COTTON INCREASES FOR SAREES AND FORMAL OFFICE WEAR



#### **KID'S WEAR**

#### FIBER CONTENT - 2018

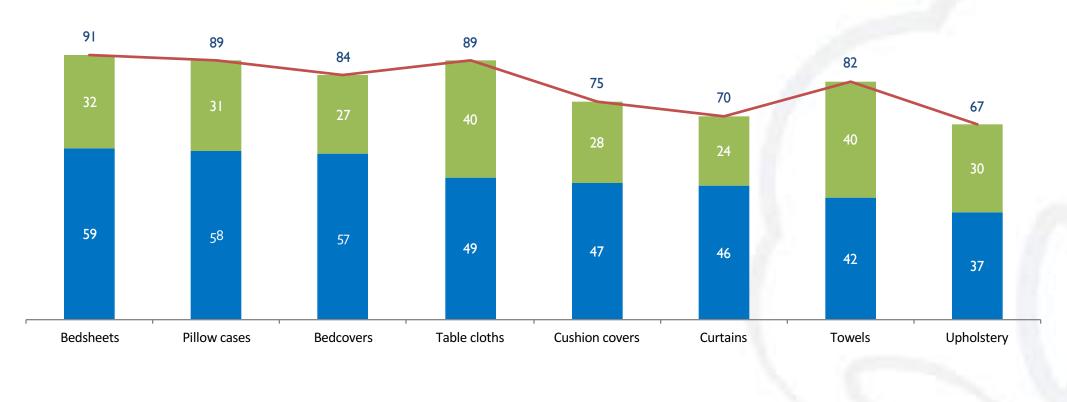
#### MAJOR PROPORTION OF GARMENTS HAVE 100% COTTOM. SIGNIFICANT INCREASE OF COTTON IN CASE OF BLAZERS



#### **HOME TEXTILES**

FIBER CONTENT - 2018

#### COTTON REGAINS IT'S IMPORTANCE AND PREFERENCE FOR HOUSEHOLD ITEMS



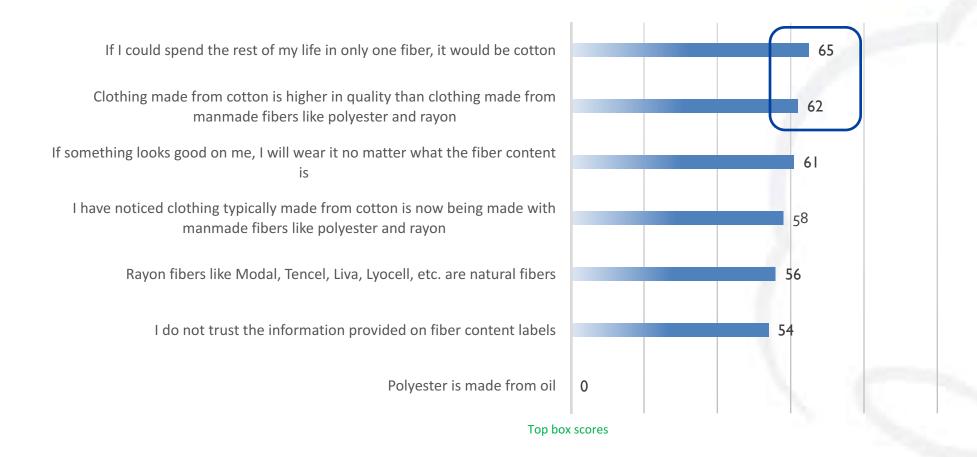
2018: Predominantly Cotton

**2018: 100% Cotton** 

-2018 Top 2

#### **AGREE WITH STATEMENTS**

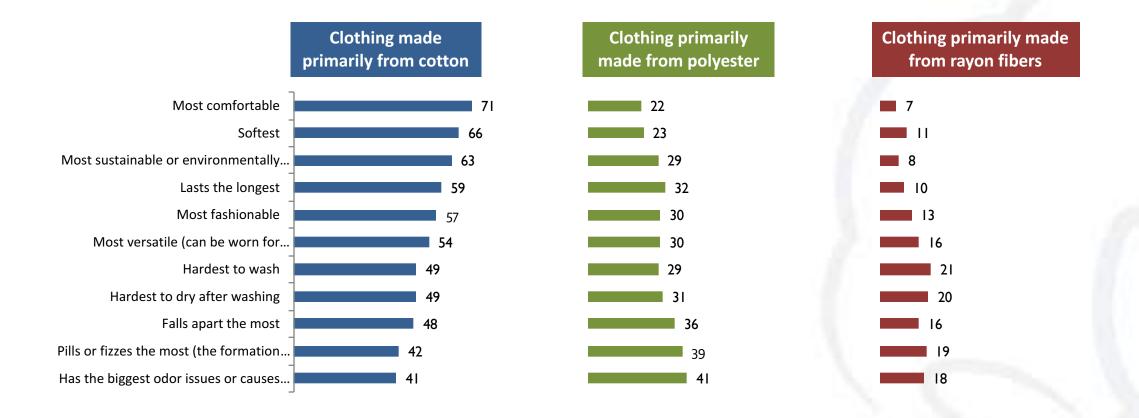
## 2/3<sup>RD</sup> OF THE CONSUMERS DISPLAY HIGH CREDIBILITY AND TRUST ON COTTON FABRIC. ALSO HIGH BELIEF OVER QUALITY OF CLOTHING MADE FROM COTTON



Base: 3133 (2018) Figs in %

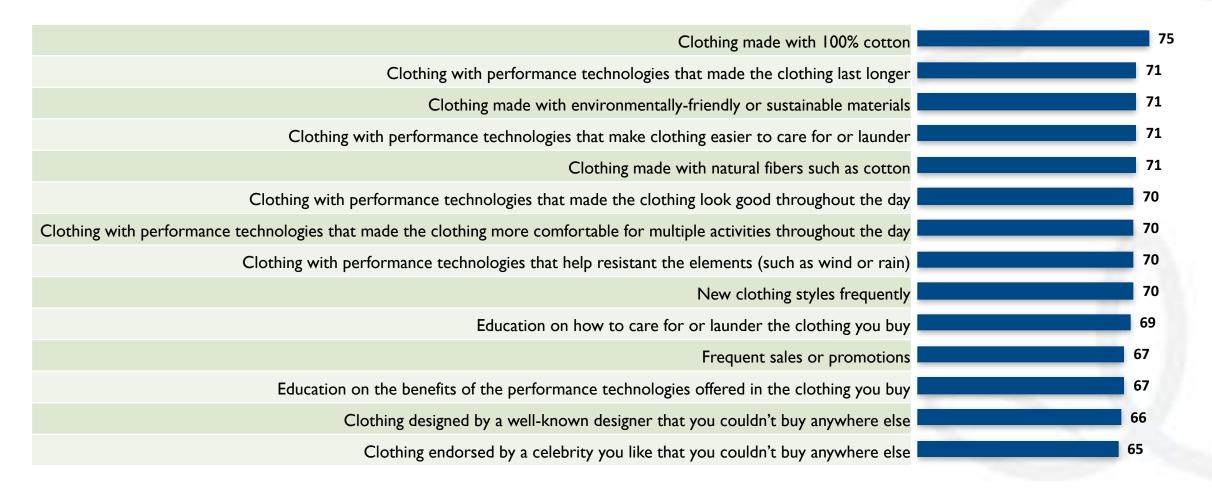
## CLOTHING FITS THE ATTRIBUTES MOST

## COTTON CONTINUES TO BE THE MOST COMFORTABLE FABRIC. ASSOCIATION OF COTTON OVER POSITIVE ASPECTS STRENGTHEN



Base: 3133 (2018) Figs in %

#### **BUY CLOTHES FROM STORES THAT OFFERS THE FOLLOWINGS**



Base: 3133 (2018) Figs in %

### COTTON STRENGTHENS IT'S POSITIVE ASSOCIATION AS VARIOUS GARMENTS ARE MORE DESIRED TO BE OF COTTON



- Cotton continues to enjoy universal awareness with better credibility and trust over fabric quality of cotton vis-à-vis other fabrics
  - Purchases are slowly trending to be more unplanned and one of emerging triggers for purchasing apparels and home textiles are gifting occasions
  - Preference for exclusive brand outlets or factory outlets is gradually picking up for apparels and home textiles too
  - Blazers/coats are observed to be most expensive garment across all segments
  - Purchase of **branded garments** for **kids** drops. Men are brand conscious while buying Formal suits while Women in case of blazers
- 6 Cotton regains it's importance and preference for household items too

Key factors for cotton to improve competitiveness



Maintain Positive Brand, Retailer & Consumer Perceptions



Continued Fiber, Fabric & Product Innovations



Ability to Supply the Market in Volume & Quality



Improved Sustainability & Sustainability Communications

### To learn more about COTTON USATE

Visit us at WWW.COTTONUSA.ORG

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# THANKS