

World Congress On Organic Cotton

Financing organic cotton production and trade



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Triodos Sustainable Trade Fund

Nelleke Veenstra



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Finance need vs finance offered

- Project facilitation & Capacity building
- Working capital
- Investments
- Trade flow



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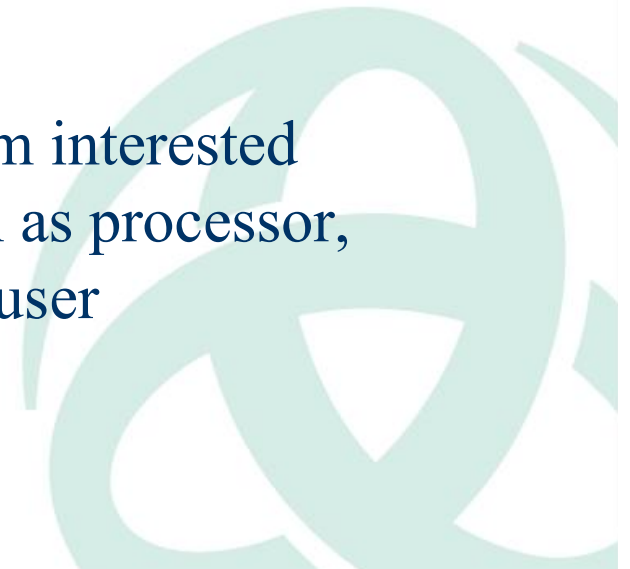
Project facilitation & capacity building

=> to be financed by grants / equity / specific reserves



- Grants from donor organizations

- Equity from interested parties such as processor, buyer, end-user



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**Working capital => to be financed
by microloans on an individual basis**

- Seasonal loans
- Collateral required
- Available from local (micro) finance institutions
- Quick but expensive



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**Investments => to be financed
by long term loans / equity**

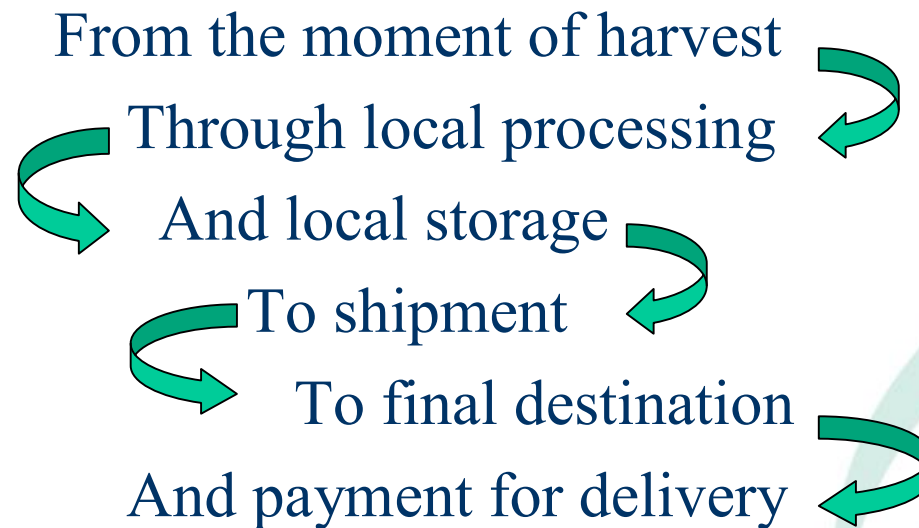
- LT loans from (local) banks or international financial institutions
- Collateral
- Can be expensive

- Equity from capitalized profit or new shareholders
- Strategic alliance
- Not always available



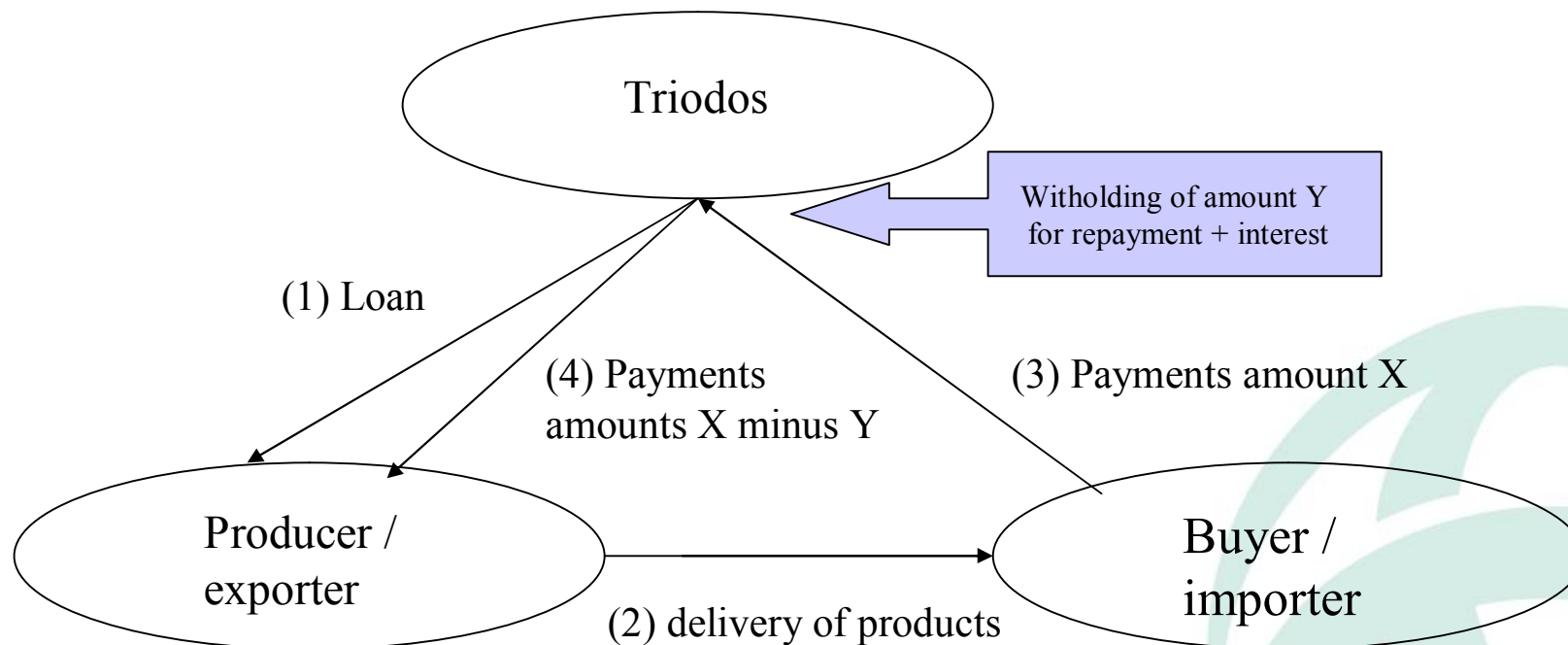
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**Trade flow => to be financed
by a trade finance facility**



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Trade finance by Triodos Sustainable Trade Fund



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Trade finance by Triodos Sustainable Trade Fund

Benefits:

- Provides cash upon delivery
- Follows trade cash flow
- No collateral other than export contracts
- Based on long term relation between producer and buyer



Financing organic cotton production and trade

Trade finance by Triodos Sustainable Trade Fund

Organic soybeans from Brazil



Fair Trade coffee from Peru

Organic Fair Trade cotton from Kyrgyzstan



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