



MEMBERSHIP FEE STRUCTURE

Membership fees are paid annually. Fee levels are decided by the Council and subject to annual review. For 2010, fee levels for each category, and sub-category, are given below.

Retailers and brands			
	Threshold (Metric Tonnes lint / year)	Annual fee (€)	Comments
Largest	Volumes: > 250,000 MT	50,000	Fixed fee
Very large	Volumes: 200,000 – 250,000 MT	35,000 – 50,000	Sliding scale
Large	Volumes: 100,000 – 200,000 MT	20,000 - 35,000	Sliding scale
Medium	Volumes: 50,000 - 100,000 MT	15,000 – 20,000	Sliding scale
Small	Volumes: 10,000 – 50,000 MT	10,000 – 15,000	Sliding scale
Very small	Volumes: 5,000 - 10,000 MT	5,000 – 10,000	Sliding scale
Smallest	Volumes: < 5,000 MT	5,000	Fixed fee*
Definitions: Retailers and brands			
Cotton volume thresholds	Refers to lint cotton. Retailer cotton use to be calculated according to volume of cotton used in manufacture of pieces purchased, on the basis of the BCI Cotton Volume Calculation Tool.		
	* Alternatively, for retailers with sales under €100 million per year, and without the staff resources to undertake a cotton volume calculation, BCI may propose a turnover-based fee.		

Suppliers & Manufacturers: Financial institutions		
IFIs, MFIs, regional development banks, commercial banks with international operations	€20,000	Flat fee
Local/national FIs	<€ 2,000	Sliding scale based on size of agri-business lending portfolio
Definitions: Financial institutions		
Commercial banks with international operations	Refers to all commercial banks and banking groups with operations in both Northern and Southern hemispheres	



Suppliers & Manufacturers: Other intermediaries (spinners, mills, CMT facilities)

	Threshold (MT lint / year)	Annual fee (€)	Comments
Very large	Volumes: > 50,000 MT	5,000	Fixed fee
Large	Volumes: 25,000 – 50,000 MT	2,000	Fixed fee
Medium	Volumes: 10,000 – 25,000 MT	500	Fixed fee
Small	Volumes: < 10,000 MT	200	Fixed fee
Definitions: Suppliers & manufacturers			
Suppliers and manufacturers	For the purposes of fee calculation, this category includes yarn spinners, fabric mills and all CMT facilities. Membership will be undertaken by companies, not individual facilities.		
Integrated supply chains	In the case of supply chains integrated from farm to processor – such as contract farming – entities will be categorised for BCI membership according to the highest value activity exercised by the entity		

Suppliers & Manufacturers: Cotton traders

	Threshold (MT lint / year)	Annual fee (€)	Comments
Very large	Volumes: >200,000 MT	20,000	Fixed fee
Large	Volumes: 50,000 – 200,000 MT	5,000 - 20,000	Sliding scale
Medium	Volumes: 10,000 – 50,000 MT	1,000 - 5,000	Sliding scale
Small	Volumes: < 10,000 MT	1,000	Fixed fee
Definitions: Traders			
Cotton volume thresholds	Refers to lint cotton. Established by reference to ICAC analysis of CICC survey data in ICAC Review of the World Situation Vol. 62 – No. 3, January-February 2009		

Suppliers & Manufacturers: Ginners

	Threshold (MT lint / year)	Annual fee (€)	Comments
Very large	Volumes: > 50,000 MT	2,000	Fixed fee
Large	Volumes: 25,000 – 50,000 MT	1,000	Fixed fee
Medium	Volumes: 10,000 – 25,000 MT	500	Fixed fee
Small	Volumes: < 10,000 MT	200	Fixed fee
Definitions: Ginners			
Ginners	Membership will be undertaken by ginning companies ('ginners'), not individual facilities ('gins'). Where gins are owned and operated by entities with other supply chain activities (eg mills or traders), these entities will be categorised for BCI membership according to the higher value activity exercised by the entity		



Producer organisations			
	OECD states (€)	Non-OECD states (€)	
National and supra-national	2,000	500	Fees may be waived/reduced for poorest non-OECD countries (eg 140-179 on UNDP Human Dev Index)
Sub-national	1,000	100	
Definitions: Producer organisations			
OECD states	30 member states of OECD include the following significant cotton-producing countries: Greece, Turkey, USA, Australia and Mexico		
Fee exemption	The fee structure provides for the possibility that fees are not charged for Producer Organisations in the poorest non-OECD countries: the definition covers those countries ranked between 140-179 on the UNDP Human Development Index. In terms of major cotton producing countries, this would (at September 2009) include Benin, Burkina Faso, Cameroon, Chad, Côte d'Ivoire, Mali, Senegal, Togo, and Zambia.		

Civil society				
	Threshold	Annual Fee (€)		
Large international	Income: > €10m - €100m	5,000 – 10,000		Sliding scale
Medium international	Income: €1m - €10m	1,000- 5,000		Sliding scale
Small international	Income: €0.5m - €1m	500 - 1,000		Sliding scale
Very small international	Income: <€0.5m	500		Fixed fee
		OECD	Non-OECD	
Large national	Staff: > 100	500	200	Fixed fee
Small national	Staff: < 100	300	100	Fixed fee
Definitions: Civil society				
International CSO	International CSOs are deemed to be those organisations whose work entails either directly employing staff in another country, or providing financial support for projects or programmes implemented by partners in countries other than where they are headquartered. Discretion may be exercised by BCI in the case of CSOs established in a Southern country, with operations in more than one Southern country.			
Income	Income of International CSOs to be established by reference to annual operating expenditure for previous financial year.			
National CSO	Refers to all CSOs – established in any country – with operations in that country only. See definition of OECD / non-OECD under 'Producer Organisations'.			

Associate members		
Non-OECD	€1,000	Flat fee
OECD	€1,000 – €20,000	Sliding scale based on revenue



Activities covered by fees

In order to successfully deliver the BCI's 2012 goals, during the start up phase of implementation, there are three different levels of financial needs:

1. Funds for farmer support to enable farmers to produce and sell Better Cotton.
Such funds can either flow directly to Implementing Partners or through the BCI. It is BCI's preference that funds flow directly to Implementing Partners.
2. Core operating costs that cover work related to running and managing the BCI Association and delivering services to members. These costs represent 55% of the BCI Association's budget in 2010.
3. National implementation operating costs that cover work related to coordinating and supporting work on the Better Cotton System in the BCI focus regions (Brazil, India, Pakistan and West and Central Africa), that specifically includes:
 - oversight of Farm Assessment procedures to determine which farmers are producing and selling Better Cotton;
 - carrying out 3rd party credibility checks - annually on a random and risk basis - of farmers that sell Better Cotton;
 - running of National Stakeholder Councils in each focus region to facilitate national level ownership and mainstreaming of Better Cotton production;
 - full time BCI Regional Coordinators in each focus region.

These costs represent 45% of the BCI Association's budget in 2010.

The BCI aims to fund 100% of the Association's budget through membership fees over time. However, this is not expected in the start-up phase of implementation and BCI's goal for 2012 is to have at least 60% of the Association's operating costs covered by membership fees. Income received from membership fees will therefore contribute towards both the 55% core operating costs, and the 45% national implementation operating costs.

Funds for farmer support will be needed in addition to the membership fees.

Terms of Payment

1. Membership fees are payable on an annual basis.
2. Members will be invoiced by the BCI Secretariat as soon as practicable
 - a. after the Council has approved an organisation for membership; or
 - b. after the anniversary of this approval.
3. Invoices will be sent electronically by email by default and as hard copy by post upon request only.
4. Invoices will be considered as received on the next business day following the day the documents were emailed.
5. Membership fee invoices are payable within 60 days of receipt.
6. After 60 days a reminder will be sent by the BCI Secretariat. Fee payments will be considered late if received after 60 days of receipt of the invoice. An interest of 1.5 % of the initial amount invoiced will be payable for each month that payment is overdue.
7. Membership status will be reviewed by the Council for members that have fees outstanding after 5 months of receipt of the invoice.