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FOR A SYSTEM OF **FAIR TRADE** WHICH FAVOURS RURAL FARMING ORGANISATIONS

A reference text

October 2011

“Everyone who works has the right to just and favourable remuneration ensuring for himself and his family an existence worthy of human dignity.”

The Universal Declaration of Human Rights - article 23

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Introduction

Fair trade labelling was launched in the context of an economic crisis (at the end of the 1980s, beginning of the 90s) which was caused by low prices and the great difficulty faced by small producers in gaining access to markets. It must be recognised that in the space of two decades, fair trade has experienced a considerable boom and development which without doubt reaches well beyond the expectations of those who were behind the initial launch. AVSF has seen the impact of FLO-Max Havelaar fair trade labelling in working alongside an important number of Producers' organisations in southern countries (more than 50 today), on local marginalised economies by increasing and stabilising revenue, creating jobs and improving access to social services. More significant is the impact when fair trade is in conjunction with measures intended to create an environment which is favourable for production (with technical help available, access to funds, training and an infrastructure) as well as the active participation of Producers' organisations, with not only their services offered to members but also their interests defended equally in each respective country as well as at the heart of the Max Havelaar FLO fair trade system.

The basis of fair trade has, however, been overwhelmed due to an important increase in commercial growth, the inclusion of new modes of production, the increased participation of food industry multinationals and large distribution as well as the new systems of certification. These changes are at the root of questions arising on the one hand for the small producers in the South, worried about the current place which they occupy in fair trade and their place in the future, and on the other hand for consumers in the North who are mindful of respecting the foundation of fair trade and are responsive to prices and guarantees. In fact, the development of power struggles and of the role of different agents within the fair trade value chains have been at least in part a detriment to small producers and to the business structures which were historically engaged in defending a system of fair trade where a fair redistribution of the value added is assured, favouring and protecting family farming. Today the major issue for fair trade, and for that matter even for the Max Havelaar FLO's labelling system and other new labels being developed, is in reinforcing this choice of agribusiness model.

AVSF wishes for this reference text¹ to firstly provide its technical teams and partners in the south with information and training support with regard to fair trade in as concisely, completely and as up-to-date a manner as possible. Secondly, thanks to a well-supported sales pitch and a clear position in institutional terms, AVSF intends to make an active contribution to reflexions upon fair trade, as well as to the work and debates concerning the present and future challenges involved in fair trade. The association seeks in particular to have an influence on the strategic and technical direction taken by various agents in the North, with the goal of effectively maintaining the interests of small producers at the heart of the system. This is with the overall aim of keeping fair trade as a tool for development for marginalised rural populations. Beginning with a presentation of historical reference points for fair trade and its main changes during the last two decades, the analysis of the impact fair trade has had on producer families, their organisations and their territories, has resulted in this reference text which sets forth AVSF's strategies for action in favour of a fair trade which serves rural farmers organisations.

¹ This reference text is an update of the former text produced by AVSF in 2005. It was written by Romain Vasseur and Barbara Guittard, with the contributions of Jean-Jacques Boutrou, Frédéric Apollin and Guy Durand. It was translated to English by Garreth Barnes.

1. Some historical reference points for fair trade

1.1. An initial assessment: the precariousness and unfavourable access to markets for rural farmers in the South

The role played by Least Developed Countries (LDCs) in the markets of world trade of goods has historically been minute (2.09% in 2009²). However, the export of agricultural foodstuffs from the south does represent a significant percentage of goods exchanged worldwide : for example, coffee comes second after petrol in terms of the volume traded. The rules of these markets though are dictated by the dominant agents of these value chains who are mainly based in industrialised countries but also now in countries which are beginning to develop. Thus it is the case that in 2006, two companies controlled 60% of the market in cereals, four companies controlled 45% of the coffee market and four companies controlled 80% of the banana market (Berthelot, 2006).

Since small producers are often the suppliers for these value chains, they often stand to lose the most from the value added within the value chain and the wealth shared out. Low prices lead to the inability for small producers to invest and to modernise their farms and it also leads to their impoverishment. While the industry prospers and experiences significant margins and enjoys good results, the low prices lead to bankruptcy of and to the exclusion of hundreds of thousands of small and seasonal farmers.

Thus millions of producers and workers in developing countries are confronted with difficulties which place them in a weakened position in international markets:

- ❖ Power relationships with other agents in the value chains (local intermediaries, monopolistic groups etc.) which are not in their favour ;
- ❖ The fluctuation in world prices which when they drop too low do not even cover the costs of production and do not allow producers to invest in order to increase their competitiveness and to put in place systems which are more respectful of the environment ;
- ❖ A lack of knowledge of and access to markets in the north ;
- ❖ A lack of capital and difficulties in accessing loans to finance their production ;
- ❖ An unequal redistribution of the value added created within the international value chains with a concentration of wealth further down the chain, at the level of processors and distributors ;
- ❖ Finally, business relationships with are all too often unequal and unfair.

In respect to this admission, new methods of trading between South and North should allow the process of marginalisation of rural farmer families in the South to be reversed.

² OMC, 2010 : <http://www.mdg-trade.org/LDCW48%20F.pdf>

1.2. The emergence of fair trade initiatives

1.2.1. The creation of an integrated value chain of fair trade

At the beginning of the 1960s, *Artisans du Monde* in France and other agents in Germany and the UK decided to create fairer commercial system by buying directly from producers in the South at a negotiated price in order to provide them with a reasonable income. These products were then sold throughout the networks of shops for alternative commerce (such as Oxfam, *Magasins du Monde*, *Artisans du Monde*). The end result of the initiative was the establishment of the historic fair trade value chains which relied upon the creation of a network of localised distribution points on a small scale, and subsequently gave rise to the Network of European World Shops (NEWS). Various operators in the north specialising uniquely in sales of fair trade products, such as *Solidar'Monde* in France or *GEPA* in Germany for example, therefore positioned themselves within these integrated value chains and, along with producers' organisations in the south and distributors participating in the value chain, they created the International Federation of Alternative Trade which became the World Fair Trade Organisation in October 2008 (WFTO).

The value chain is characterised in particular by the fact that it seeks to develop a close relationship between producers and consumers by limiting as much as possible the number of intermediaries as well as through the mode of distribution put in place.

1.2.2. The constitution of the labelling value chain of fair trade – Fairtrade FLO

Behind the idea of the creation of labelling value chains was the increasing demand from producers in the South for the establishment of fair trade links which allowed for the sale of more significant volumes of products. In the context of extremely low prices for coffee during 1986, the coffee producers from Chiapas in Mexico called upon a Dutch NGO which was cooperating with them to help them to sell their coffee on the markets in the North at a price which would allow them a reasonable standard of living. Added to this, under these conditions they took it upon themselves to take control of their own development. This second step in the emergence of fair trade therefore does not correspond to any initiative from the North but instead from the South. This recalls the slogan 'Trade but not aid' which was held up by the originators of UNCTAD³ in 1964. After the sale of the first container of coffee⁴ through solidarity stores, the promoters of the fair trade initiative in the Netherlands quickly realised that in order to secure a significant impact it would be necessary to acquire the capacity to market more significant volumes which the integrated value chain of fair trade would not allow them to do.

In coordination with producers, the initiators of this innovative approach thus created the concept of fair trade under Max Havelaar⁵ which thereafter was taken up by other fair trade initiatives (FAIRTRADE in the UK and TRANSFAIR in Germany⁶). In France, a think-tank considering the support of

³ United Nations Conference on Trade and Development.

⁴ Around 18 tonnes of coffee.

⁵ Max Havelaar: the title and name of the hero of a novel by Multatuli (1828-1887), a Dutch writer, former civil servant in Indonesia. In this novel published in 1859, he denounces the conditions of trade and the exploitation of the colonies.

⁶ The Max Havelaar France initiative has association statute under law 1901, without financial goals.

commercialisation for producers' organisations in the south was formed in 1991 from CICDA's⁷ initiative, in alliance with *Ingénieurs sans frontières* and *Peuples Solidaires*. By adopting the Max Havelaar principles it then forms into the Max Havelaar France association in 1993. These various national initiatives which today number 19 (15 in Europe, one initiative in the USA, Canada, Japan and in Australia-New Zealand respectively) are grouped together under the international FLO federation umbrella: *Fairtrade Labelling Organisations*, based in Bonn since 1997.

This system of fair trade and of labelling value chains designated 'Fairtrade FLO' was developed on the basis of several founding principles:

- ❖ **Shorter value chains in the South** which allow direct access for producers' organisations (cooperatives, producer associations etc.) to international markets, and which implicates traditional agents in the north (importers, processors, distributors).
- ❖ **A privileged access to the market for the most disadvantaged producers.**
- ❖ The payment of a **predefined minimum price** by buyers in the north creating a form of 'producer's minimum wage', which is applicable as soon as the price on the world market rises above this minimum price. This price which was defined in consultation with producers' organisations on FLO's register⁸ and with economic agents in the North, should allow not only production costs to be covered, but also environmental costs, an improvement in quality of products, in certification and in training etc.
- ❖ The payment of a **development subsidy** by importers in the North to producers organisations in the South of around 5% of the value of the product in relation to world exchange rates. Producers are committed to reinvesting this subsidy in activities which favour local development: the improvement of production, infrastructures and services to families and the community. These investments are decided upon collectively by the organisation's General Assembly.
- ❖ The **pre-financing of purchases** by importers or processors, if the organisation calls for it.
- ❖ A principle of **engaging buyers in the North in long term relations** with producers' organisations in the South.
- ❖ The engagement of **producers in a democratic and transparent functioning of their organisations** and in providing a quality product which meets the demands of the market.
- ❖ The **traceability of products** sold under the Fairtrade label (Max Havelaar in France) which is guaranteed by follow-up proceedings and controls put in place for organisations in the south and in the north with regard to importers, processors and distributors.
- ❖ An **independent control** with respect to the commitments of producers' organisations, buyers, processors, and distributors⁹.

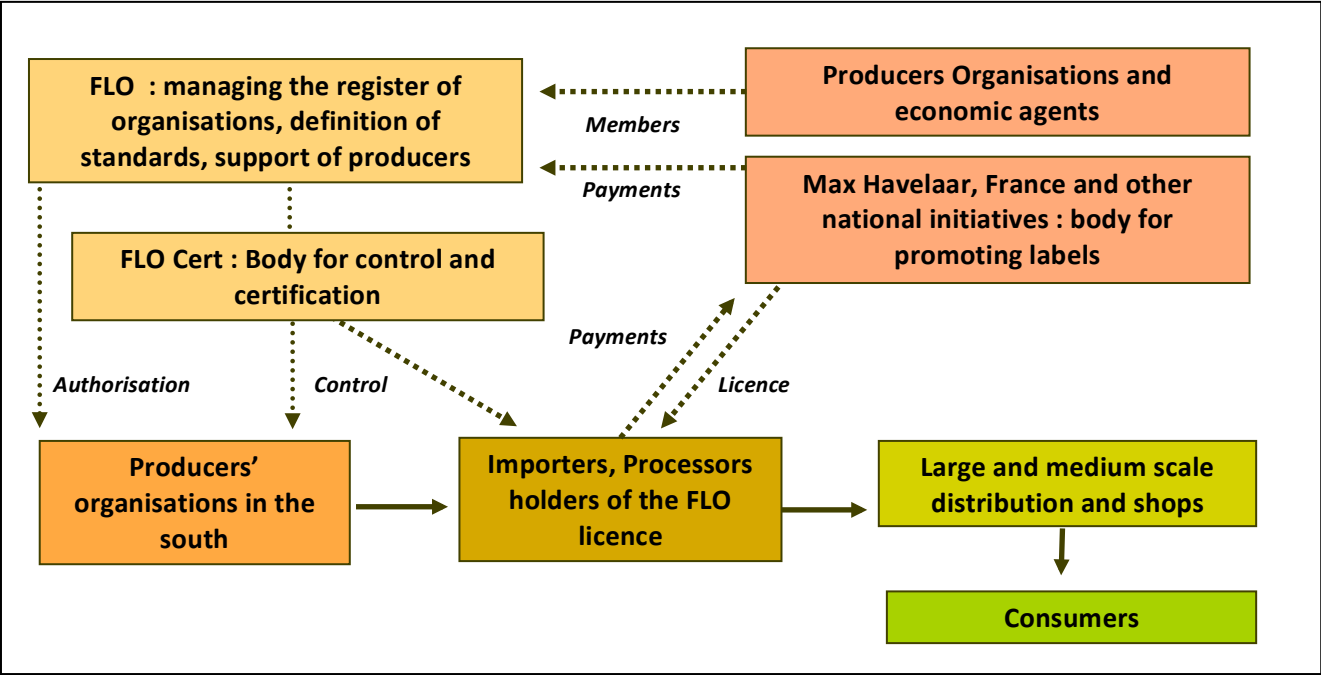
⁷ The International Centre of Cooperation for Agricultural Development, which in 2004 became *Agronomes et Vétérinaires sans frontières* (VSF-CICDA). *Artisans du Monde* and *Solidarmonde* formed part of this working group in the first instance, before withdrawing.

⁸ Register for all organizations certified with FLO that give access to fair trade chains.

⁹ These controls are guaranteed by FLO Cert, a monitoring body independent of FLO, registered under ISO 65.

National initiatives of promotion of fair trade under Max Havelaar - FLO labelling, such as the Max Havelaar France association, alongside economic agents in the north (manufacturers, distributors, consumers) ensure the promotion of the label which guarantees international standards of fair trade as defined in consultation with producers and other economic partners within the FLO organisation.

The FLO association supports cooperation between agents in the value chains for the definition of international standards of fair trade for the different products concerned¹⁰, and management of the register of officially recognised producers' organisations in order to market their goods in fair trade value chains. FLO-Cert, as a private and independent company registered under ISO 65, ensures the control of producers' organisations with regard to their obtaining certification (inspecting for commitments are being honoured) and of concessionaries, that is to say manufacturers and distributors, in each and every consumer country¹¹ (control of stocks, respect for commitments).



¹⁰ The products which carry the Fairtrade FLO label are : coffee, cocoa, tea, fresh fruit (bananas, mangoes, etc.) or processed (orange, passion fruit, guava, mango, banana, pineapple, etc.), rice, quinoa, sugar, honey, vanilla, spices, nuts, cotton, flowers, gold, wine, composite products.

¹¹ 40 countries consume Fairtrade labelled products in Europe, in the USA, Canada, Australia, Japan, South Africa etc.

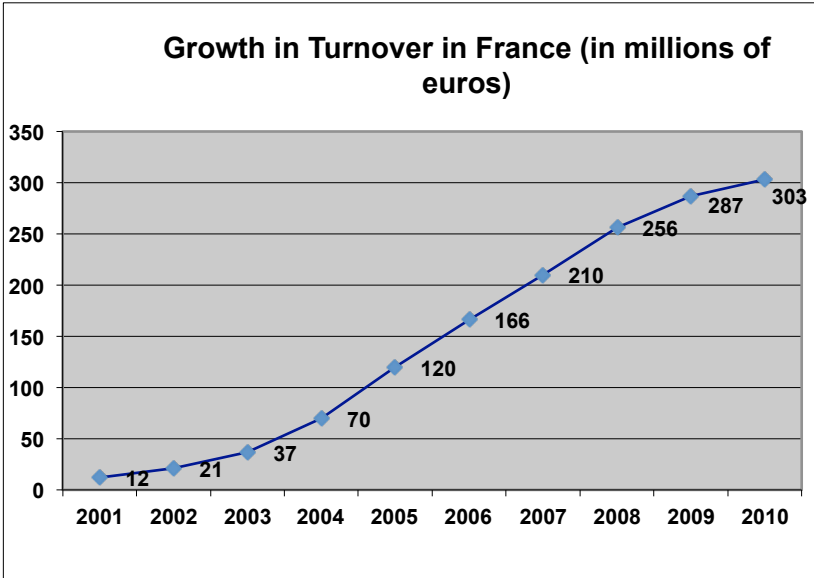
2. A positive and controversial change in fair trade

2.1. An effective increase in business for fair trade

Sales volume for fair trade goods represents around 0.1% of all products traded on a worldwide scale. Fair trade goods certified by FLOs however represent a worldwide turnover in sales that reached 3.4 billion Euros in 2009 and this was already an increase of 40% more compared to 2007; the growth that was witnessed was very important and has accelerated in the last decade.

More than **80 million families worldwide are consumers of fair trade goods** and in France more than one household in three regularly buys products whose provenance is of fair trade. Even though other sectors of society are becoming more and more interested, these consumers are above all well-off urbanites of an older generation, with no children and who are sensitive to ethical and environmental problems. The increase in sales followed almost the same trend with an annual increase of 22% in 2008 and a turnover of more than 287 million euros in 2009. In 2009, 205 **companies in France began marketing more than 3000 examples of products which carried the Fairtrade label**, beginning with the most well-recognised: coffee (33% of the total), cotton (16%), bananas (11%), cocoa (10%) and tea (9%). Two thirds of the sales were made within large scale distribution value chains but also more and more to non-household consumers (restaurants, the hotel business, corporate catering etc.) where the fastest growth is taking place¹².

The decrease in purchasing power of French households has had an inevitable affect on fair trade. From 2009 onwards the effect of the world wide crisis began to be felt, which has put **a break on growth**: an increase of 12% in 2009 and of 5% in 2010, compared with an annual average of 60% between 2000 and 2008 in France.



¹² www.maxhavelaarfrance.com

These sales in fair trade goods allowed the participation of more than 827 Producers’ organisations and workers spread over 60 countries in Africa, Asia and Latin America; that is to say, for more than 1.4 million families¹³.

Certified products	Coffee	Cocoa	Tea, aromatic herbs	Fresh fruit	Bananas	Rice	Cotton	Quinoa	Nuts and spices	Sugar cane	Honey
Number of certified producers’ organisations of fair trade	264 (20 countries)	26	74	121	55	16	18	4	38	16	29

The growth in fair trade has led to increased interest in this approach from diverse economic agents, particularly in France from those involved in large scale distribution. All the large French chains have opted to stock fair trade goods on their shelves. Regional communities are also today setting themselves up to promote fair trade locally and regionally including in public procurement.

2.2. New strategic directions for the Fairtrade FLO system from which several questions arise.

With the growing success of fair trade labels, the FLO system has taken on new directions; notably the new modes of production which operations have been opened up to, and more recently the strategic global reorganisation of the system which has taken place. These radical changes which are shaping the strategic choices and certain key elements at the system’s origin are not happening without stirring up important questions.

2.2.1. The inclusion of different modes of production within fair trade certification is not without criticism

In 2006 a new set of standards for fair trade was created within the Fairtrade International (FLO) system in order to include organisations which depend on a salaried workforce (for example, agro plantations) followed a few years later by standards set out for producers operating under contracts for production.

In order to promote the standard which favours organisations that depend on a salaried workforce FLO defends the fundamental principle that in certain contexts, autonomous Producers’ organisations simply do not exist and instead there are marginalised farm workers employed by private organisations or agro plantations. However, **in many places across the world, the workers employed nowadays by these plantations are a direct result of a rural depopulation; the extreme poverty they experienced in their region of origin led them to a form of forced temporary or even permanent migration** to be able to supplement the income from their concerns or when they are left with no choice but to sell off their land respectively. There are therefore obvious risks of this leading to an acceleration of depopulation when we witness the emergence of agro plantations. The agro plantations benefit from amongst other things certain competitive advantages, from their size and their capacity for providing significant volumes of consistent quality. **The participation of agro**

¹³ Official figures from FLO in 2009

plantations in fair trade value chains¹⁴ thus constitutes strong and direct competition for Producers' organisations.

Since the organisational model for small producers does not allow for consolidated contracts to be made with the trade sector, FLO designed an intermediary model to bring a sufficient level of structuring to rural farming families which would allow them to sell their products as fair trade : the model is one of contract farming. By bringing together small producers who are organised by way of informal structures, they then gain accessibility to the Fairtrade certification as soon as they are associated with an intermediary organisation. The intermediary (an exporter, a processor, a private company, an NGO et al.) must demonstrate they are capable as well as willing to help the producers to be sufficiently organised to encourage the conditions under which a social and economic development which respects the environment can take place. The responsibility of these intermediaries lies in lending support to the producers so that they can group together as an autonomous organisation and thereafter the generic standards for small producers' organisations will apply to them as well. **Although as in the majority of cases the promoting organisation happens to be a company (a processor, an exporter) it is not always within their interests to have effectively structured organisations with the ability to negotiate and a certain autonomy accorded to them;** contribution requires that a considerable amount of investment is summoned up, and for the economic agents there is a great risk that the negotiating powers of the producers will be too strong and even that a progressive emancipation will begin. Supplementary controls and stricter requirements for progress are therefore absolutely necessary if the structuring effect of this method of agriculture by contract hire is to be evaluated before the model is rolled out extensively¹⁵. This type of model, if managed badly, could in fact lead to situations where the contract hire producers are actually dependent on the market's dominant economic agents.

2.2.2. A strategic reorganisation of the FLO system which is as yet incomplete.

The exponential demand for fair trade products in France and in the rest of Europe has resulted in a rapid increase in supply which has in turn made reorganisation within FLO a necessity. So as not to lose its credibility and to address these new issues , FLO undertook a strategic global revision in 2007 which was based on a large-scale consultation with national initiatives, as well as with stakeholders from the South and the North. This would allow for an assessment of the diversity of situations, a reinforcement of shared notions between agents and finally for a common and coherent strategy to be drawn up. The intended objective was clearly to improve the efficiency of the Fairtrade FLO system in a wide variety of local contexts and a greater accountability in terms of national initiatives and equally in the continent-wide networks of producers in their current existing form, as well as in the definition and launch of these desired adaptations. The end result of this process was the drafting of a 'blue book' or standard for legal citation, which the FLO's administration advisory board validated in November 2007. In 2009, a business model was finalised which describes the main strategic activities, the systems and procedures within which fair trade certification must invest in order to achieve the objectives which were previously set out¹⁶.

¹⁴ Certified fair trade wishes to defend the respect of elementary rights for salaried workers in the case they are organised and the company for which they work for wants to promote their development and to share the supplementary revenues generated by fair trade. A mixed council including workers and direction must be implemented to manage the allowance in a democratic and transparent way. The right of association and negotiation must be allowed thanks to the creation of a joint committee and the right of adhesion to an independent syndicate in order to negotiate collectively their working conditions and in particular fair salaries (equal or superior to the regional average or to the current minimum wage). Health and security measures must be implemented in order to avoid injuries at work.

¹⁵ In a first time, this standard has been applied exclusively to Indian rice and cotton as well as dried fruits from Pakistan. But there is a talk of extending its application to the coffee chain.

¹⁶ Information relating to strategic revision on the FLO website: <http://www.fairtrade.net/brochure.0.html>

One of the biggest challenges set out by the strategic revision of FLO is to continue to promote an increase in supply and demand of certified products. What is at stake is *'an integrated management of supply and demand on the basis of a real commitment from certification initiatives (which will increase demand) and from continent-wide networks of producers (which will increase supply) whilst at the same time operating at the same rhythm as industry and large-scale distribution'*¹⁷. However, even before this strategic revision, the increase in demand was already such that it outstripped the increase in supply. The reasons why are well-known : the weaknesses of the capabilities of the networks and their Producers' organisations which still exist; the initial probate procedures of Producers' organisations in the South which remain complex and bureaucratic; the minimal requirements in the standards of FLO which newly-created or still flimsy organisations sometimes find difficult to achieve; the initial confidence to be established between small producers and their certified organisations with regard to the increase in volume of sales in these new markets. However, **the development of true services which would offer help to small producers in conjunction with specialist cooperation bodies as advocated in the framework of the strategic revision of FLO still now remains a dead letter**¹⁸.

A pragmatic vision has weaved its way into the midst of FLO's various national initiatives ; that is to avoid consumer frustration in the North as their demand for fair trade goods continues to increase. If there is no act of fair purchase at the end of the chain, fair trade in effect loses its very reason for existing. However, to increase supply from countries in the South would require economies on a scale that isolated Producers' organisations cannot always provide for. Added to this is the fact that large-scale import or distribution networks which participate in the Fairtrade FLO system demand high volumes and high frequency of supply which Small Producers' organisations often have difficulty keeping up with. In the UK, one symbolic instance of this is when the supermarket chain Sainsbury's decided to change all of its banana supply to fair trade, which in one year alone in 2010, represented 650 million bananas, or around 97,500 tonnes. When it is a question of such large volumes, this type of distributor's priority will be to seek to buy from large agro plantations, the better to fulfil their short term demands.

Even though the strategic revision had identified the necessity of reorganising the services and roles within the FLO system, the choice of realigning its forces using the 'Small Producers' model did not take place. Therefore several fundamental questions remain; what solutions are proposed for the Small Producers' organisations to enable them to confront the growing competition in fair trade and the difficulties which result from them? If no realignment actually takes place, what will be the influence of Small Producers' organisations within the Fairtrade FLO system of trade? Is fair trade heading towards institutionalisation in two different ways? First of all, from the powerful economic agents who dictate the rules in the supply chain which leads to them selecting organisations that have already consolidated or newer raw material producers' organisations which are then condemned to submitting to the demands of certified exporters; secondly, from the autonomous small producers' organisations and from those which generate the value added and are responsible for local development but who all sell their products to economic agents who are fighting for and 100% committed to fair trade which works in their favour.

¹⁷ Extract of the « White Paper » from FLO, 2007

¹⁸ It is understood as the access for smallholders' organizations to a support service for an organisational strengthening and not for central services and decentralised of FLO that aim to give a support in understanding certification and putting into conformity smallholders' organizations with standards (Producer Services and Relations Unit (PSRU), created in 2004).

2.2.3 The increasing and damaging participation of dominant agents within fair trade value chains

A good deal of multinationals in the food industry which have established themselves in countries in the south are playing an increasing role in fair trade by buying and exporting products from Producers' organisations to markets in the North. **The aim above all of the intermediary companies' commercial strategies is to open up the maximum possible margins and control of the markets ;** these strategies are often incompatible with the progressive transfer of capability to Producers' organisations which is however one of the positive effects held by FLO to be expected when these agents are included. In the history of their relations with the farming world, it is clear that improving the quality of life and the instigation of policies favouring local developers is in no sense a priority. Thus Producers' organisations see themselves as deprived of a more equal redistribution of the value added created within the value chains and moreover feel they are being limited in their commercial and financial empowerment. **These multinationals are in direct competition on two levels with the Small Producers' organisations when they acquire the ability to export directly;** firstly, in the South, the need to acquire producers' supply leads them sometimes to create organisations which are parallel to the producer export organisations and even to enter into underhand competition with these organisations (dumping, misinformation on producers etc.); secondly, in the North, their positioning with relation to fair trade markets is such that they provide a significant enough volume in trade which then limits the possibilities producer export organisations have for direct access to these very markets. **Finally, at the very heart of the Fairtrade FLO system, there are no existing mechanisms which give any guarantee that these exporting multinationals will not hinder the producers' organisations in their development and quest for autonomy.**

Another criticism often levelled at fair trade certified labelling is that there is an increasing involvement and commitment to large scale distribution. **However in the most recent decade, if there has been a growing success in fair trade in France in the last few years it is undoubtedly in sales in medium and large sized retail stores; this has meant a sufficiently large volume of sales of fair trade products has been reached** and thus has allowed for efficient leverage for the development of producers' organisations in the South. Today in France, the main channels for fair trade are on the shelves of large scale distributors, which come top in terms of sales of fair trade products above non-domestic markets (such as corporate catering, distributors, hotel chains etc.) and specialist shops.

Sales in France (2007)	Sales in medium to large size retail stores	% of index in brand names
Coffee	78%	10.6%
Rice	85%	-
Tea and aromatic herbs	62%	1.25 %
Cocoa	77.6%	25% (powder) et 20% (bars)
Sugar cane	75.7%	11%
Honey	100%	22.2%
Bananas	85%	-
Fresh fruit (pineapples, oranges,	85%	-
Cotton	85%	-

Source : statistics MHF, 2007

In France this rapid development has thus provoked the interest of a multitude of economic agents, entailing a specific slant in its marketing: fair trade is thus considered above all as a new marketing niche, without taking into consideration on the approach as a whole which aims to ‘establish a transparent economy which takes into account the values of humane and sustainable development’.

The large scale distributors may have adhered to the approach laid out by FLO and its national initiatives right from the beginning by stocking shelves with innovative brands of fair trade products and with those that had always been strongly committed to fair trade; **however, today there are many distributor companies which have decided to create their own range of fair trade products using their own brand names across part of the spectrum of these products.** There are a number of issues which have been raised by these distributors developing their own brands with regard to what are their interests and how these large distribution companies are engaging in fair trade; will they remain as faithful to the sustainable business partnerships which have been established with producers’ organisations in the South? Is it possible that from the distributors’ involvement, ethical practices as a whole will spontaneously evolve along the length of the chain of supply and even if there are no existing standards which stipulate any need for them?

Without doubt one of the main concerns is that distributor brand names dominate the fair trade market with regard to those brands whose range of products is 100% fair trade and which historically have shown such commitment. As leaders on the side of their supermarkets, the distributors have all the freedom to impose their own rules upon other fair trade providers (e.g. volume, profit margins, shop displays) or in offering more attractive prices by using their fair trade products as a focal point which then leads to a weakening of the position for brands which are 100% fair trade. **It constitutes a setback for the success of fair trade and for the democratisation of the consumption of fair trade goods ; therefore it has become imperative that the development of distributor brands happens within a framework** in which the expected involvement of these powerful agents are more heavily defined and controlled. If not, fair trade runs the risk of becoming all but a simple more lucrative economic niche in which small producers of the South would play the role of mere ethical guarantee serving the interests of large economic agents in the North.

2.3. The emergence of new labelling initiatives

2.3.1 The FSR (ECOCERT) and Fair for Life (IMO) initiatives

With the commercial growth of fair trade in recent years, the criticisms sometimes levelled at the Fairtrade FLO system (such as the monopolistic situation, the cost and complexity of certification procedures, the acceptance of a limited range of products) have given existing bodies for organic certification the opportunity to create new fair trade labels.

Therefore from 2007, ECOCERT developed its frame of reference, “**Equitable, Solidaire et Responsable**” (ESR¹⁹ - fairness, solidarity and responsibility), based on the labelling initiative called *Bioéquitable* which was initially developed by the *Biopartenaire*²⁰ association and its business members.

This new frame of reference which is today in the process of being developed, seeks to allow for the development of organic and fair trade value chains based on a business partnership which is regulated

¹⁹ <http://www.ecocert.com/equitable-solidaire-responsable-esr>

²⁰ <http://www.biopartenaire.com/>

between buyers and producers. This framework, besides specifically centring its reference points on organic production (to the exclusion of conventional production methods), places emphasis on the strength of the role played by commercial operators in developing value chains. Equally taken into consideration is the existence of a project owner which corresponds to ECOCERT's enlisted operator having the same capacity to coordinate technical support and complementing producers and/or producers' organisations. Generally the first buyer or possibly a cooperative body, the project owner thus contributes to the development of the fair trade value chains and makes possible the medium-term business relationship between the production group and the first buyer.

As it has been greatly inspired by the Max Havelaar - FLO label, this frame of reference (*see table below*) incorporates some of FLO's tools and fundamental principles such as a guaranteed minimum price and the development fund (similar to FLO's development subsidy). The system has several advantages compared to the Fairtrade FLO system of labelling:

- Making use of the existing organic certification system (notably in terms of human resources), which allows for a reduction in costs for fair trade certification;
- The procedure for setting up value chains for fair trade products is relatively simple, whether the products are included within the framework of Fairtrade FLO or not;
- The creation of medium-term partnerships which, through the projects themselves, allow the programme of action to be determined in purpose as well as determining the objectives for the partnerships and the methods deployed to meet these ends. This is defined by the project owner (generally the buyer, or a cooperative body) and the producers, whether organised or not. The project also allow the minimum guaranteed price to be defined for the allotted period (between 2 to 3 years initially).
- The role of commercial operators in developing value chains is highlighted (in terms of investment in technical help to improve producers' cultivation practices, investment in infrastructures and equipment etc.)

There are however some limitations that rise out of ECOCERT's initiative. The biggest amongst these is that by incorporating agro-plantations and contract farming the producers' organisations are exposed to the same level of competition within fair trade value chains as they are within the Fairtrade FLO system. Faced with this criticism from different agents such as SCOP, *Ethiquable* and AVSF, ECOCERT has proposed a limitation on agro-plantation participation and to promote further still producers' organisations. Yet, the mechanisms to do so have not yet been defined nor put in place...

Although it advocates the constitution and strengthening of producers' organisations, the frame of reference does not besides this consider the restrictive mechanisms which exist for commercial operators (or project owners) in terms of the established partnership. The terms of contractual agriculture thus seem for some commercial operators to consist of an 'easier' option and one which only need be medium term as it includes the pretext that it is not possible for an organisation to be set up in every single place nor reinforced because of the context and because of the producers' 'culture'. Contractual agriculture allows fair trade value chains to be put in place by these operators using interlocutors who are representative authorities for the producers but whose methods of functioning and whose terms for their constitution remain vague and who have a questionable legitimacy are limited in their risk capacity as well as in management and negotiation. Finally, it allows commercial operators to keep their control over the value chains.

The development fund was conceived in order to allow for investment in the development of the value chains, to aid the established business partnership, or for investment in projects of a more social nature. The buyer and the production group (representative authorities for the producers in the case

of contract farming) decide together how it will be used. It is not therefore a question of funds that are directly managed by organised producers and which aid their organisation and their community as is the case with the development subsidy created by Fairtrade FLO, which has a proven impact on strengthening producers' organisations and in the stimulation of the process of local development, and which forms one of the strengths of the system from the point of view of producers and of the general public in particular.

The ESR frame of reference is thus characterised by a significant amount of flexibility based on the capacity of buyers and production groups to determine together the terms of their business partnership. **The impact of this system of fair trade on the processes of development in the south thus depends to a great extent on the vision of development held by the buyers who are using the ESR frame of reference and the producers' capacities in terms of organisation and negotiation.** At the time of writing, around 60 business relationship projects have thus been certified by ECOCERT under the ESR framework.

A Comparison of Fairtrade FLO and ESR²¹ initiatives

	FLO	ESR
Objectives	Developing communities through trade	Developing value chains through a strong partnership between companies and their providers working with marginalized communities
Producers	Organised small scale producers In some cases, non-organised small scale producers providing a company (contract farming) Plantation workers	Organised small scale producers Non-organised small scale producers providing a company (contract farming) Workers from plantations (when eligible)
Scope of action	More limited scope: from producers' organisations to the brand name	Wider scope : from the producers' organisations to the distributor (if he is willing to)
Field of application	Closed list of food and non-food products	Open list of products (foodstuffs, artisanal, cosmetics, textiles when eligible) and services
How the frame of reference is formulated	More precise and adapted ; differentiated criteria between 'minimum' and 'in progress'	More general : to be applied in a very wide range of cases
Where certification regulations apply	Each agent involved in the production and commercialisation parts of the value chains (producers and their organisations receive a certificate; buyers, traders, processors, and brands are controlled)	The project owner and thereby the chain of supply which is used. Each actor involved directly with ECOCERT and controlled does receive a certificate
How the value chain is constructed	The value chain is created by the company using as a base a pool of already certified agents	The value chain is created by the company itself using as a base a pool of already certified agents, or the company creates itself its value chain with a group of production proposed for the certification.
Use of pesticides	Restricted	Forbidden
The number of agents in a value chain	No restrictions	No restrictions

²¹ From the study 'Free trade as a tool of public aid for development', HORUS-AVSF, AFD- 2009.

	FLO	ESR
The link to organic farming	Encouraged for all productions ; standards do constitute a transition	Obligatory for agricultural raw materials; for textiles and cosmetics, acceptance of ecological certifications
Responsibility for the follow-up on the impact on the environment	Producers' organisations	The project owner
Stakeholders	Producers and commercial agents who participate in the instances for developing the system	Consultation within the technical comity set up by ECOCERT
The standards	Distinct according to the types of structure of production (producers' organisations or plantations)	One generic which covers all types of structure of production
Paying for the certification of producers' organisations	The organisation itself (or the necessary support funds from FLO) ²²	The project owner
Who the certificate belongs to	The certified structure	The project owner
Methods of fixing the minimum price	Minimum prices fixed in public standards, guaranteed for large regions and by category of product	A minimum price fixed in each value chain and for each local situation (negotiations are between the first buyer and the production group)
The amount of the subsidy	On average between 10 and 20% of the FOB price, according to the product	Presently being revised by ECOCERT, at the moment fixed at 5% of the value of the minimum price paid to the producer
Payment of the subsidy	By the buyer	By the first buyer
Costs	For the producers : costs of adhering to the sets of standards, cost of the certification For the commercial agents : costs of traceability, costs of certification For holders of the licence : costs of using the label	For the project owner : costs of adhering to the sets of standards, costs of certification, costs of technical support For the commercial actors : costs of some control actions, costs of certification, costs of communication No costs of using the label
Commitment of buyers with regard to the producers	Medium term commitment recommended by economic agents, but not compulsory	A compulsory commitment for a minimum of 3 years

In 2006, **Imo Control** also launched a certification initiative for fair trade included within its *Fair for Life* programme²³. They noted that the Fairtrade FLO system did not allow certain products to be certified when they were not included within FLO's accepted value chains or when they were included in other forms of business relations that were not considered eligible. Their frame of reference allows all types of products to be included (from agro-plantations, artisanal or from inorganic sources) and from all commercial enterprises (agro-plantations, producers' organisations and companies that are labelled as 'conventional'). The initiative complements those certification systems which already exist. Therefore, unlike the frame of reference of ESR, *Fair for Life* does not require a product to be labelled as organic but does expect the set of standards which apply to the environment for the GOTS²⁴, FSC²⁵, Globalgap²⁶ or Utz Certified²⁷ certifications to be adhered to.

²² A different structure (buyer, NGO etc.) can possibly support the organisation to finance certification.

²³ http://www.fairforlife.net/logicio/client/fairforlife/file/FFL_2011_0_Programme.pdf

²⁴ Global Organic Textile Standards : <http://www.global-standard.org/certification.html>

Fair for Life does recognise equivalency to that of the Fairtrade FLO system thereby allowing organisations that wish to obtain this certification to do so as soon as they hold that which is granted by FLO-Cert. ESR is considering this possibility, with a control audit in the first year that enables to evaluate the respect of its own standards.

Therefore, if they wish to enable access to certifications which complement or even improve on (from their point of view) those of FLO, these two initiatives from the North are not a result of a challenge to the strategic direction of the Fairtrade FLO system.

For producers' organisations, the choice between these different methods of certification or the holding of several concurrent certificates depends on several factors : the degree to which they adhere to the models of fair trade promoted by these different certification methods, their commercial strategies in connection to the evolution of the fair trade market (the demand from commercial operators, distributors and consumers), their financial capacity for meeting the costs of endorsed certification, how complex the frames of reference are and the complexity of the proposed methods of auditing, and their capacity to manage the different types of certification.

2.3.2. The "Small Producers" label: a positive reaction from rural farmers

In response to FLO's lack of effective provision to meet the demands of small organised producers, in particular with regard to their exposure to competition from agro-plantations, multinationals and contractual agriculture, an initiative in the South has emerged. It has been encouraged in recent years by one of the organised continental networks at the centre of the Fairtrade FLO system: from the historical cradle of fair trade, Latin America, **CLAC has launched the 'Small Producer' label**. This label by its very name differentiates clearly between products which come from small producers' organisations within the Fairtrade FLO system, and those which are from agro-plantations or from contractual agriculture.

With regard to the fundamental principles of fair trade as set out by Fairtrade FLO, the set of standards differ only on one main point: that **100% of certified products come solely from organised small producers**. Complex internal debates about the definition of a small producer resulted in the following criteria finally being kept, according to the field of production; a maximum of 15 hectares of land cultivated in open fields, 1 hectare of land inside greenhouses or 500 hives per beekeeper. FUNDEPPO²⁸ desired a simple and quantitative definition of what actually constitutes a small producer whilst bearing in mind the past difficulties of collectively assigning a definition that was both multidimensional and adapted to different contexts, as well as being easily applicable. The next few years should see the definition evolve based on FUNDEPPO's experience of applying the standards and to the possible inclusion of new products (for example, cottage industry products or those from livestock farming). During the CLAC assembly in Honduras in September 2010, the initiative was approved and launched officially and is currently being discussed with networks in Africa and Asia.

By opting for this certified label initiative, based on a system of independent certification, CLAC and the organised producers they represent, have at their disposal a way of putting a great deal of pressure on the Fairtrade FLO system. The FLO system is itself preoccupied with the emergence of this

²⁵ Forest Stewardship Council, label for responsible management of forests : <http://www.fsc.org/>

²⁶ Standards of good agricultural practices : http://www.globalgap.org/cms/front_content.php?idcat=9

²⁷ Label of sustainable development for coffee, cocoa and tea value chains : <http://www.utzcertified.org/fr>

²⁸ Foundation of small producers' organisations, created by CLAC to administer the label

symbol and the creation of a system which could become a competitor in the medium term. FLO along with its national initiatives is naturally becoming anxious when confronted by an initiative whose application could equally make consumers aware of the fact that not all fair trade products come from small producers' organisations even though promotional campaigns by national initiatives, such as Max Havelaar France, up until the present have been exclusively centred on organised small producers.

The initiative and reaction from producers in Latin America is thus quite promising in these terms. However, various factors will no doubt determine its future:

- The evolution of the somewhat difficult relationship between CLAC and FLO,
- The strategic orientation of the system which has been advocated by various fair trade agents, Max Havelaar France included as well as other national initiatives, who today wish to completely re-align their focus towards the interests of small producers,
- CLAC's capacity to put in place a reliable and efficient system for auditing
- The possibility for organisations to easily reconcile their internal systems of control (with regards in the short term to a new system which has become in addition to the required system for certification awarded by FLO-Cert),
- The cost of labelling not only for producers' organisations but also for importers who wish to commit themselves to this approach,
- Finally, the interest for the importers, distributors and consumers in giving support to this initiative from small organised producers in the south.

For AVSF, above and beyond the conditions for the future viability of this symbol and potential label, this initiative from the producers in Latin America has an essential quality : by highlighting the need to defend the interests of rural farmer families as well as small producers faced with competition from agro-plantations, multinationals and contractual agriculture, it brings this back into the heart of debates on the evolution of fair trade, in the case of FLO and equally with regard to all the agents involved in the certification process. It therefore forces all these agents involved in fair trade, certifiers, importers and economic agents to make a stand on what are the fundamental principles of fair trade.

2.4. Bringing to the fore the frameworks for cooperation and for regulation

The creation of frameworks for cooperation and regulation of fair trade in the north have become a fundamental need. This is in the light of a system which is in a period of great expansion, and which is seeing the inclusion of various new agents with many different interests, new labelling initiatives emerging at the same time as there is criticism and a questioning of the system, its direction and its impact from a section of consumers and in particular from political decision makers.

The French Platform for Fair Trade (PFCE - *La Plateforme Française du Commerce Equitable*), was created in 1997 as a collective for cooperation and for the representation of different fair trade agents in France. Its mission is to '*defend and promote fair trade in France...and to establish relations between the North and South which are fairer and more balanced... allowing producers and consumers to live with self-respect and autonomy.*' The members of the PFCE, whose numbers rose from 18 in 2005 to 39 in 2010, are on the whole heterogeneous in terms of size as well as in terms of position and participation within fair trade in France. Thus the platform brings together support agencies in the South, importers (wholesale and retail distributors), specialist distribution value chains, fair trade tour

operators, promotion and labelling associations, as well as international solidarity organisations²⁹. The platform proposes³⁰ that its action is structured around the following axes of priority : to recognise and increase the visibility of fair trade in France, to consolidate the credibility of its members' practices, to valorise the products and activities of its members, and to reinforce its role as a professional organisation. One important contribution from PFCE in France is in **the creation of a charter for fair trade which pronounces upon the engagements and criteria which must be respected by its members, and this constitutes a first step towards defining the fundamental principles of fair trade which are common to the different certification systems and to various different participants in France.**

In 2007, the French government created a legal and regulatory framework specific to fair trade³¹; this was in response to French consumers expectations, a certain amount of confusion surrounding the recent profusion of consumer labelling, of which fair trade is a part. The National Commission for Fair Trade (**Commission Nationale du Commerce Equitable – CNCE**) the first of its kind in Europe, has thus been set up within the French Ministry for Finance, Industry and Employment. As its objective, CNCE will officially recognise the systems of fair trade certification in France and these will need to adhere to a frame of reference which is hinged upon the following 6 principles:

- The improvement of living conditions for disadvantaged producers in developing countries ;
- Independence : in terms of the body seeking recognition not having engaged in any production activities, processing or distribution ;
- Transparency : making available to the body seeking recognition all the relevant information pertaining to how the system operates;
- The presence of a system of control which is set up at local and national level alongside disadvantaged producers in developing countries in order to respect fair trade conditions;
- Monitoring with regard to importers ;
- Attending to and raising the awareness of producers in respect of their technical and economic competencies, their benefits and their organisation.
- The CNCE consists of capable and appropriate ministers (of the Economy, Ecology, Transport, Cooperation, Foreign Trade etc.), representatives from professional organisations and federations which are involved in fair trade (numbering 2), representatives from organisations and federations which specialise in fair trade (4), representatives from associations which defend consumers' rights (2), representatives from organisations of international solidarity and which are involved in fair trade (numbering 4, one of which is AVSF), and finally two professionally qualified individual authorities.

The very existence of this legal and regulatory framework and of this national commission seems to constitute an important element of the system required in order to provide recognition for private systems of fair trade which adhere to the framework; thus labelling initiatives can be avoided which could emerge seeking purely mercantile results, with no real expertise in the field of fair trade in the South, and with a set of standards and audit procedures which provide no real guarantees for end consumers (in terms of providence of the products, and the impact which is generated in particular in countries in the south). The framework also confers on CNCE its mission to develop consumption of fair trade products and reinforce the visibility and credibility of fair trade with respect to consumers: the general public, regional communities, and businesses. In addition, its mission includes a guarantee that the development of the fair trade market will allow for a development in real terms in countries in the South through a strong commitment to representing systems of guarantee for fair trade: a guaranteed minimum price which covers the cost price, development subsidies, durability of

²⁹ <http://www.commercequitable.org/lapfceetsesmembres.html>

³⁰ <http://www.commercequitable.org/lapfceetsesmembres/le-collectif/25.html>

³¹ <http://www.legifrance.gouv.fr/affichTexte.do?cidTexte=JORFTEXT000000463875>

commercial relations, pre-financing and support for producers' organisations, respect for the commitments which relate to human rights and to the environment.

The official inauguration of CNCE on 22 April 2010 aroused a very cautious approach, and as a result some important work in elaborating the frame of reference and in defining the terms for controlling its application were carried out. However, 18 months on since CNCE was set up, the frame of reference has not yet been finalised nor has it been officially validated. Moreover, there still remains the consideration of questions relating CNCE's strategies with regard to communication with the general public, the promotion of a recognised sign for certified systems and its role in the promotion of public procurement. The composition of the official application for recognition of the framework is expected to receive the ministerial decree before the end of 2011. After an initial phase of elaborating upon the framework and the terms for its application, CNCE will lay out precisely the conditions for financing the application of the controls. Above all, CNCE will enter a new phase focussing on the issues of communication and promotion of fair trade. In order to do so, it will need to form within a space where cooperation and prospective reflection are possible and where these will full participation of the various member agents of the commission.

3. The undeniable impact of fair trade on rural farmers families in the South, their organisations and their territories

3.1. A method for evaluating impact which will meet the expectations of the agents in the North

A growing number of questions have arisen from the growth of fair trade along with criticisms which are sometimes exaggerated in the last few years. A growing number of questions have arisen from the growth of fair trade along with criticisms which are sometimes exaggerated in the last few years. This has necessitated that precise objective information of the real impact which fair trade is producing in the South is made available, which goes beyond the usual position of improving revenues and the quality of life of small producers of the South generally postulated. Consumers, political agents, financial agencies, economic agents in the value chains of the North (concessionaries, large-scale distributors etc.) all made these requests to better meet their customers' expectations as well as those of their financial and economic partners; in fact, thereby meeting the expectations of fair trade initiatives and the FLO system itself. Equally, it was a question of information which had become indispensable for the cooperation institutions to be able to assess the relevance of their work in helping Producers' organisations and of the effects this had on local economies. In addition, this provided the North with an account of the effects of fair trade from the basis of an objective viewpoint which was made available to the general public, specialist audiences, political and economic agents, and which supports advocacy for integrating the same 'rules of play' that are more favourable to small producers in the south into international business.

With the cooperation of Max Havelaar France and Max Havelaar Belgium, in 2005 AVSF took charge of **creating measures to evaluate the impact of fair trade on rural farming families, their organisations**

and of the development of the land involved³². Thus five categories were identified of significant and lasting changes, according to the type of change documented by FLO:

Producers' organisations	Workers on agro plantations
1. changes at the level of social differentiation ³³	1. changes at the level of social differentiation
2. changes at the level of families participating in fair trade	2. changes at the level of families participating in fair trade
3. changes in how producers' organisations are structured	3. changes in how worker organisations are structured
4. changes at the level of local and national development	4. changes at the level of local and national development
5. changes at the level of management of natural resources	5. changes at the level of management of natural resources

As the fair trade initiatives launched by IMO-Control or ECOCERT are quite recent, and as today the vast majority of the fair trade farm products traded are governed by FLO, the measures set up concentrated on the impact of Fairtrade FLO on fair trade itself, as is the case with further studies which followed. Using these new frames of reference, which were greatly inspired by Fairtrade FLO, studies conducted since have provided lessons to be learned and equally constitute an important contribution to various organisations in outlining their strategic and technical direction. This model for analysis has been used by AVSF for various studies on the impact of fair trade with relation to rural farmer organisations and plantations. The system has also since been used by numerous operators, research departments and universities.

3.2. An efficient leverage in steps for development in the South

The effects of fair trade have been shown through studies conducted on its impact on the value chains of trade for coffee, mangoes, banana and even quinoa. It is equally possible to differentiate between the effects on the value chain models and the types of agent participating in fair trade. These studies thus provide crucial elements for the promotion of a fair trade system which is dedicated to Producers' organisations, and for promoting AVSF's action in supporting the consolidation of the system, both in the North and in the South.

Fair trade as it has been defined historically is considered by AVSF to be a tremendous tool for **promoting local development** processes, since it is in conjunction with the required technical and organisational support. The studies conducted on the impact of fair trade show that when it is effectively based on the participation and consolidation of Producers' organisations, it can have a huge impact of improving quality of life for rural farmer families, reinforcing Producers' organisations, on the management of natural resources and various other local and national development processes in countries in the South.

Through fair trade agreements in the south, Fairtrade FLO has stimulated local economies which are often marginalised or forgotten by state policies. This was done by allowing access to a minimum guaranteed price which meant **producer workers were paid fairly and at a better rate** thanks to an additional subsidy being granted for development. It has generated and facilitated the mobilisation of small producers within the structures of organisations who reflect upon and define economic and

³² System for measuring the impact of fair trade,, AVSF, 2005, available and downloadable on the editorial site of AVSF: www.ruralter.org. A system created with the support of the French Ministry of Foreign and European.
³³ FLO shows its will to work with disadvantaged families. This category allows understanding more precisely which families are concerned by the fair trade in a region, depending on different social existing categories (ethnic, economic, social, etc.)

social development projects in their region at ground level. Fair trade contributes directly to the **strengthening of organisations' economic capacities** as well as to local investment (processing infrastructures) and promotes the foundation of economic services in rural regions (trade, small businesses). Fair trade therefore has an important effect on how rural communities and local development are structured.

Fairtrade FLO, through a long term guarantee of a business relationship and by allowing access to pre-financing to gather together stock, contributed to the consolidation of these very same Small Producers' organisations in the south. The organisations have thus been able to gradually increase the knowledge of markets needed and develop their **capacity for negotiating with economic agents**, including those who operate in markets other than fair trade (specialist or conventional markets). The leverage effect, which is for AVSF therefore the role played by fair trade, means that Small Producers' organisations hitherto excluded from being active on the world market, are now in a much better position within certain trade value chains (coffee, cocoa etc.). For some, it has even led to their role being of vital importance, and one which cannot be ignored, in the upstream sector of the market (production, stock, initial processing). Fair trade, by contributing to ensuring fair relations along all links in the chain, is an innovative form of regulation of a quality-sourcing market. It addresses the increasing consumer demand for quality products which is emerging from geographical areas where rural farming respects the environment. It is behind sustainable development in its three forms of ecological, economic and social in regions engaged in production.

3.3. An effective example: the Central of Small Producers of Organic Bananas or Piura in Peru

3.3.1 Dramatic economic results and recognition of rural farmers in local and national economies

The most recent study conducted in 2010 by AVSF along with the Central Association of Small Producers of Organic Bananas in Peru (CEPIBO) on the **impact of fair trade in bananas in the north of Peru** has allowed the resulting effects of fair trade to be exemplified in comparison with the local and international system of conventional commercialisation. CEPIBO, created in 2003, is an umbrella association of 12 grassroots organisations of banana producers in the north of Peru. From 2007 onwards, with the aid of AVSF, CEPIBO has been able to develop its capabilities with regard to packaging, quality control, commercialisation as well as administrative and accounts management. Thus in 2008, CEPIBO became the first Producer Organisation of bananas in Peru to directly export fruit to the European fair trade value chains, opening up a direct route to export markets for the rest of the country's organisations.

In economic terms, the minimum guaranteed price offered to Peruvian small producers in the fair trade system is more than 25% higher than the average price on the national market. There are some rural farmer organisations such as CEPIBO which sell between 50% and 70 % of their production on fair trade markets (that is to say, around 10 containers of roughly 20 metric tonnes each week). Families of producers benefit from a resultant manifest increase in income and those who own at least 1 hectare of banana plantation gain a monthly income which reaches beyond the legal minimum wage in Peru of €150 per month. A producer harvesting at least 1 hectare of bananas therefore receives around €195 per month when there is present a limited amount of technology invested in cultivation of the land, and around €260 per month with a greater investment in technology. This sum thus allows them to enjoy a certain stability of income which reduces their vulnerability to the flux of prices throughout the

year. Practically all of these families depend on the monoculture of bananas which is due to the small amount of land owned (0.9 hectare on average per family) and by the relative profitability of the crop. The income received pays for the family's basic needs for buying food stuffs and guarantees access to basic health care and education services.

Moreover, it has made an improvement in housing possible along with the development of complementary economic activities, such as opening small stalls or investment in rice production.

Another fundamental impact of fair trade is evident in the structuring and consolidation of Producers' organisations. They have begun to directly export bananas to fair trade markets and are centralising their role within the value chain which therefore means they are taking on the role previously assigned to private agents who were viewed as intermediaries. A greater amount of the value added generated is provided to the member producers as the organisations have acquired an ability to negotiate on a commercial level; previously this was concentrated at the level of agri export companies (a purchase price from producers of around 4 US\$ per crate with an export price of more than 10 US\$ per crate).

Today, CEPIBO secures the following for its 400 producer members; technical assistance services, certification management (organic, Globalgap, fair trade), packaging of fruit, financial and accounts management and direct export. Equally, CEPIBO lays down the agreements for partnerships with technical and financial institutions such as the Dutch foundation, Rabobank, or with local savings and lending banks whose members are able to gain access to loans and to emerge from their situation in a secluding conventional financial system (ill-adapted security in relation to the reality of the situation for small producers and their capacity, excessive interest rates etc.).

The subsidy provided to the Producers' organisations from all the fair trade importers of bananas (1 US\$ per 18.14kg crate of bananas, or 1080 US\$ per container) allows these very organisations to consolidate their own funds and to make fundamental collective investments which will improve their competitiveness with regard to national and multinational companies who dispose of a strong capacity for investment in the market sector. The organisations are able to use this subsidy to put in place overhead cables for the transportation of bunches of bananas, packaging units, irrigation systems etc. With so much investment, they are not only able to increase work productivity of associated producers, but equally reduce marketing costs. In addition, the subsidy allows for training programmes for producers to be made available, self-help funds for families of deceased producer members, shared access to special medical care as well as the financing of community projects.

These Producers' organisations also contribute to development initiatives at a local level which demonstrate an impact on fair trade which stretches far beyond the individual family members of the organisations. The development subsidy enables them to launch paid employment in rural areas for deprived social groups, in particular women and young people, which includes producing and selling organic fertilizer, banana flour and equipment for the packaging of bananas. These groups also contribute to consultations which are concerned with the allocation of state budgets that are available at regional and local levels and with the joint management of the land by State representatives and third sector organisations.

In production areas, these organisations have stimulated competition between banana buyers through breaking the dominance by monopolies or by modifying conditions for trade which until present were not to the advantage of individual small producers. Therefore they have a key role in regulating prices in local markets for the benefit of all producers. Already there has been an initial significant increase in the price paid to the producer (from 1.1 US\$ per crate to 2.7 US\$) thanks to the creation of several small producers' organisations for fair trade in 2003, one of which was CEPIBO. The sale price of bananas has thus more than tripled in a period of 5 years. Finally, these organisations have contributed

significantly to improving working conditions for the workforce employed in harvesting and in the packaging of bananas across the whole area. The average salary has increased by 30% on average when compared to the salary paid by rival companies.

Besides the different effects previously outlined, the main impact is possibly elsewhere; through belonging to organisations that manage the complete process of production, of packaging and direct export of their products, these producers are able to **gain recognition of their role in the local and national economies in Peru and to recapture self-esteem as individuals and in their work.**

3.3.2 An organisation weakened by competition from a multinational company

The analysis and mapping of impact studies conducted by CIRAD³⁴ for the French platform for fair trade, PFCE³⁵, as well as the AVSF impact study into fair trade in bananas carried out in the Dominican Republic in 2007³⁶, demonstrate that the impact of fair trade based on agro plantation production is mainly twofold: the relative improvement in work conditions and income for agricultural workers in addition to access to several further advantages such as health insurance, contribution to tuition fees etc.). In fact, this production model of involvement in fair trade has by its very nature neither any direct impact on improving quality of life for the families of small producers, nor on consolidating rural farmer organisations. With regard to a similar study carried out in 2010 by AVSF and CEPIBO in the Chira Valley in Peru, important elements concerning banana export operators to fair trade markets have been evinced, notably for the multinational DOLE through its Peruvian subsidiary COPDEBAN.

One of the first important elements is the lack of business know-how and the producers' participation in decision making. Organised producers who sell their products to DOLE are unaware of the export price for their fruit on the fair trade markets and have only a limited capacity for negotiating prices which are fixed by the company. It was only in response to the appearance of organisations for exporter producers that the most significant increase in price paid to producers was decided upon by the multinational company (from 3.5 US\$ per crate to 4.3 US\$ in 2008 when CEPIBO began exporting their first containers). Whilst this is a good illustration of the important ability for fair trade organisations to regulate the prices on local markets, it also demonstrates that the multinational's business politics does not prioritise either increasing producer's income or the consolidation of their organisations.

The fact that during all these years of business relations (from 2003 to 2007) the company bought bananas from producers directly at the fields meant the organisations could not develop their capacity to be able to play an increasing role within trade value chains, and in particular at the level of packaging and marketing. The progressive transfer of responsibilities from the company to producers' organisations, as envisaged by FLO as a justification for including export companies such as these, did not take place. This strategy of maintaining the producers in the role of simple provider of raw material from the fields thus limits their own and their organisations access to the wealth generated within the value chain. Equally limited is the changeover to using technology in these producers' systems of production in comparison with those who work in association with agri export organisations. This has a direct effect on the margins generated by banana production and ultimately on the producers' income. Neither are organisations able to supply their own capital in financial terms unlike those who thanks to profit margins and fiscal advantages granted to them can export directly.

³⁴ *Centre International de Recherche pour le Développement Agricole – France* (Centre for International research for Agricultural Development)

³⁵ <http://www.commercequitable.org/>

³⁶ "Estudio de medición de los efectos y del impacto del Comercio Justo en el caso de Paso Robles" (República Dominicana). Nicolas Eberhart & Sally Smith, 2007.

Several actions on DOLE's part which are efforts at destabilisation have been denounced by fair trade Producers' organisations which were subjects of the study: disinformation campaigns among producers which attempt to discredit them, a sharp increase in the purchase price from producers, below current market prices offered to organisations' potential clients, and the creation of parallel organisations in the export organisations' zones of influence etc. The attempt is to use these malpractices to weaken those organisations that opt for direct links to the export market in order to put a brake on their emancipation, divide and then steal away their producers and thus their products, and create a monopoly over as many areas of the market as possible within fair trade value chains.

Each of these studies shows how the resultant impact of Fairtrade FLO's certified labels presents important differences according to the mode of production (whether small individual producers or organised agro plantations), according to the degree to which Producers' organisations participate in the value chain as a whole (control over different parts of the production chain, packaging, processing, exportation) and according to the type of value chain. Thus for those producers who are a part of the coffee trade value chains, the value added from fair trade remains important particularly because of the role that their organisations played in preventing plantations from acceding to the FLO certified market, by the fact that they have consolidated technically and financially and, finally, because they have demonstrated their ability to become part of the market in an efficient manner.

4. Agronomes et Vétérinaires sans frontières's commitments to promoting fair trade

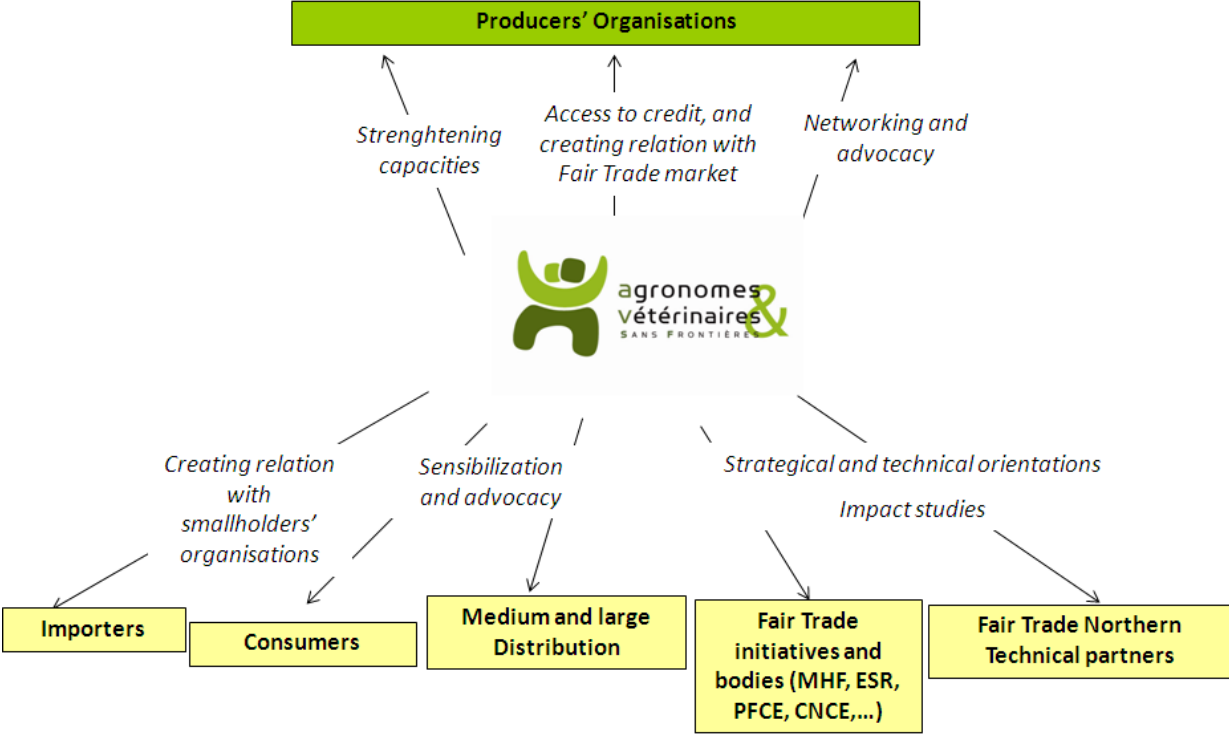
4.1 Founding solidarity among agents acting within the value chains in favour of rural farmer organisations

The future of fair trade depends upon the combined effort of a chain of agents all throughout the value chain:

- ✓ From rural farming families in the South and their organisations,
- ✓ Fair trade organisations and certifying agencies such as FLO, ECOCERT, or *Artisans du Monde* in France in an integrated value chain,
- ✓ Supporting NGOs in the North and South which back organisations in improving their production and quality, the structure of their own organisations, and their capacity for becoming a part of the value chains of commercialisation,
- ✓ The economic operators (buyers, processors) which open up and propose markets to organisations in the medium term,
- ✓ Distributors of fair trade products, whether they are large supermarkets or small shops, even though they are not today operating under any set of standards and only see fair trade as another commercial strategy or even simply a marketing tool,
- ✓ Finally, the consumers, who buy making the effort to buy fair trade contribute directly to a better remuneration for producers in the south and to a development drive in rural territories in the south.

AVSF hopes to defend fair trade by contributing to the constant reminder that solidarity does exist, as do combined efforts from all agents in the value chain, and therefore a takeover by any of these agents in Europe can be avoided. Also AVSF wishes to avoid the hijacking of debates and therefore of the positive image of fair trade in order to gain notoriety or for strictly commercial ends.

As an association with a historical role in fair trade in both the North and the South, AVSF intervenes by offering support to different kinds of partners. It also acts as a reference institution for different groups of workers, in spheres of consultation, and in decision making with regard to fair trade. Its sole objective in its participation is **to consolidate fair trade which is above all in the service of agricultural families and Producers' organisations.**



4.2. Tracking the historic backing from AVSF to serve the reinforcement of the capacities of rural farmer organisations in the south

Agronomes et Vétérinaires sans frontières today supports more than 50 smallholders' organisations in Central and Latin America, in Haiti, Western Africa and Asia, that commercialize coffee, cocoa, fruits, spices, sugar, sesame or quinoa in fair trade chains en France and in Europe.

AVSF positions its role clearly in aiding family producers and their organisations in the south which conforms with its mission statement and charter³⁷. The chief among its principal objectives in terms of cooperation remains strengthening the Producers' organisations' capacities. This objective makes a major contribution to the fair trade system, one of whose main issues at present is guaranteeing the active participation of organised producers within fair trade networks and within the very bodies which govern over the system.

³⁷ Downloadable from www.avsf.org

Thus AVSF is developing projects to strengthen the capacity of producers' organisations that are at the heart of various fair trade value chains (coffee, cocoa, bananas, mangoes, pineapple, passion fruit, lychee, vanilla, quinoa, sesame and fonio) which should allow them to:

- Strengthen their role at an institutional level : **transparency, democracy, organisation, capacity for administrative, technical and commercial management,**
- **Improve the quality of products** whilst guaranteeing the durability of systems of production which have been put in place and without weakening food security conditions at a local level,
- reinforce their **capacity to advance their rights within the framework of commercial negotiations with economic agents** within fair trade value chains and equally within conventional or other value chains,
- reinforce links and exchanges between themselves (organisations or professional unions) and their capacity for cooperation with other agents in the value chain (interprofessional) in order to **defend the interests of small producers in international markets and in supporting policies at a national level.**

Several of the organisations that AVSF has been supporting in recent years today make up entrepreneurial agent organisations that are equipped with a participative, democratic, transparent and efficient management : EPICAFE and CEPIBO in Peru with regard to coffee and cocoa value chains and that of bananas respectively, FANOHANA in Madagascar with regard to lychee, vanilla and value chains of other spices, UCOCAB and FECCANO in Haïti with regard to coffee and cocoa value chains, and COPROBICH in Ecuador with regard to quinoa.

4.3. Favouring partnerships between producers' organisations and financial institutions to gain access to funds

Within the cooperation that has been set up in the South, **access to funds remains a fundamental issue.** Access to working capital is in fact a determining factor for producers' organisations; it is required for them to be able to take responsibility for the collect and sale phases of their associates' products and to thus obtain a greater amount of the added value created within the value chains.

An initial response to this need comes from the prefinancing of part of the harvest by the buyers of fair trade products, which is a practice that is recommended although not enforced by the various frames of reference for fair trade. It is however, dependent on the financial capacity and the perception of the business partnership on the side of the buyer. Local and international financial institutions have equally developed tools that are more adapted to the needs and capacities of producers' organisations. Thus AVSF supports the creation of links between these organisations backed by AVSF with these types of financial institution (for example, the Rabobank foundation or Progreso) which use producers' organisations as a guarantee in contracts which these very organisations have established with buyers.

On one hand, because of the inherent risks involved in agricultural activities and the nature of the guarantees put forward by the producers' organisations on the other, the amount of financial help available remains on the whole inadequate in order to be considered as working capital or to allow organisations to invest in their activities. Along with its European partners (NGOs and specialist financial organisations), AVSF is supporting the development of innovation in several organisations: in Bolivia, for example, the Federation of Small Producers of Coffee (FECAFEB) has created a financial tool

which has been granted financial capital which serves as a guarantee in the merchant banking sector in order to obtain treasury loans which are necessary for collection operations.

4.4. Consolidating partnership relations with companies that are engaged in and militate for fair trade in the North

Access to the market in fair trade is another key element for Producers' organisations. The direct relations that are favoured and given privilege of place to by AVSF with regard to commercial operators that are significantly involved in fair trade adhere to the following principles:

- defending the founding principles of fair trade and for commercial operators, putting them into practice,
- for these operators, the participation and contribution to fair trade as a cornerstone commercial and institutional strategy,
- The creation of solid partnerships between Producers' organisations and operators on a long-term basis; this includes pre-financing harvests and common investment projects (for example, processing lines and of packaging of agricultural products) which develop the organisations' capacities and they progressively take on responsibility throughout the value chains.

AVSF hopes to consolidate the partnerships which are already established with certain economic agents, which are themselves campaigning for fair trade on behalf of small farmers in the South, as are in particular buyers of '100% fair trade' goods, such as SCOP Ethiquable (a Cooperative Production Society) or Altereco, a fair trade company.

These economic agents have the know-how to establish competitive and sustainable commercial relationships with the Producers' organisations with which we cooperate, to inform Producers' organisations on the evolution of these markets, and thus they contribute directly to increasing their knowledge and strengthening their skills.

With AVSF at their side, they sometimes take risks in areas where the economic and political situation is sometimes difficult (for example, in Haiti or Madagascar) in order to consolidate newly-created rural farmer organisations who are in a fragile state because it is still early days. Innovation proves not to be a stumbling block: for example, Ethiquable tries to ensure that processing is directly or indirectly handled by Producers' organisations from which SCOP buys their products, so that the largest amount possible of the resultant value added remains in the South.

It is also recognised by these economic agents that when AVSF is backing the organisations it is often a guarantee of quality of production, of the democratic function and transparency of the organisation, the respect for the commitments undertaken with them, and finally respect for the set of standards. The Producers' organisations in the South which are today show the most consolidation are those which are strongly led from within, but have also received support at key moments in their development from technical support organisations and from cooperation projects.

Finally, these 'militant' economic agents in France and in the rest of Europe bear out the fact that business, profitability and ethics can exist in harmony. **In the North, they are crucial allies in defending fair trade which serves Producers' organisations.**

4.5. Consolidating national and international networks of fair trade Producers' organisations

Besides their contribution to stimulating the economy in rural areas, Producers' organisations which are backed by AVSF have an important role in representing the interests of rural farmer families at the heart of the sphere of consultation and in decisions taken at a local, national and international level. Therefore AVSF believes that a key strategy in aiding the strengthening of Producers' organisations in the south is its promotion of associative qualities between small producers' organisations.

Strategic representations of the defence of rural farming and of a model of fair trade which favours organised small producers, in the countries in the South and even within the system of governance of FLO³⁸, are borne out by the national and continental networks of Producers' organisations of the Fairtrade FLO system. Therefore, AVSF offers its **cooperation in founding and/or consolidating various networks of fair trade producers, mainly in West Africa, Latin America and the Caribbean.**

Based on AVSF's experience, which has developed over the course of the last few years in supporting various national and continent-wide networks such as CNCJ Peru (National Coordination of Fair Trade Organisations), detailed below are the support strategies used :

- Associative management tools put into place (statutes, policies and procedures, strategic plans etc.)
- Support for stimulating the organic growth of networks (structuring of a technical secretariat, event organisation and meetings of members, visits of member organisations etc.)
- The formation of fair trade organisations by members and employees (principles and the mechanisms of cooperativism, managing certification, administration of development subsidies etc),
- The creation of an internal system of information, analysis and debate concerning the strategic and technical orientation of fair trade,
- Support for elaborating in a participative way upon proposals for improving different fair trade systems which favour small organised producers,
- Support for the development and promotion of 'pro-rural farmer' networks of fair trade labelling initiatives such as the 'Small Producer' symbol launched by CLAC,
- Support for the representation of member organisations within different fields of cooperation and decision making at a national level and within continental networks,
- Organising an exchange of experiences between national and/or sub-regional networks and fair trade producers' organisations (such as those which took place in 2009 and 2011 between Latin America and West Africa),
- Support for technology for reinforcing capacities for mastering techniques and finances,
- The promotion of fair trade and rural agriculture at a national and regional level.

It is important to underline the fact that different regulation or framework initiatives for fair trade have recently emerged from the governments themselves, for example in Ecuador or in Peru. Driven by certain ministerial departments with the aid of agents which sometimes are barely legitimate (NGOs, parallel networks of fair trade to those already existing), this process exists externally to fair trade Small Producers' organisations and to their networks. It is therefore

³⁸ As FLO's Board of directors is constituted by 5 representatives of national fair trade initiatives, 4 representatives of producers' organisations and/or continental networks, 2 representatives of commercial operators with fair trade certification, and 3 independent experts.

fundamental for those certified fair trade organisations that they actively participate in the process of regulation in the south; through their national networks, they can guarantee that the legal framework which already exists takes into consideration the foundations of fair trade as well as gaining recognition for their representation and legitimacy in national level reflexions and decision-making with regard to fair trade.

4.6. Mobilising AVSF's expertise with regard to technical associates in the north for a fair trade system which favours rural farmer organisations

To be able to disseminate its knowledge and understanding of the dynamics of rural farmers in countries in the South as well as the effect of the technical and strategic directions followed in different fair trade systems, AVSF is leading action on aid and advice alongside different technical associates in the north.

In particular, in France and the rest of Europe, AVSF is taking action to ensure that as a matter of priority the interests of Small Producers' organisations are taken into account in the systems created by different existing labelling initiatives as well as those which are being developed at present. There are a growing number of different types of agent which are playing an increasing role within fair trade value chains (in particular, agro plantations, export and large-scale distributor multinationals) which forms the context of AVSF's action:

AVSF maintains a **trading and cooperative relationship with Max Havelaar France** whose strategic shifts announced in 2011 will determine the extent to which both institutions will collaborate in coming years.

AVSF also participates in the **technical committee set up by ECOCERT** in its development of its fair trade label initiative (ESR) by making sure that the criticisms held against the Fairtrade FLO system would be taken into consideration and not prove to be the same stumbling blocks for the initiative. AVSF is attempting to influence the frame of reference of ECOCERT to effectively refocus its strategies and tools to work in favour of small producers in the South and to avoid the consolidation of vertical value chains in which the driving force would come from import or export companies and the producers' organisations would constitute only a secondary or even optional target for the system of fair trade that is in place.

A more restrictive set of standards should allow effective guarantees that the partnerships that have been set up will serve primarily the interests of the producers in the South and their organisations in the medium term.

A **system of fair trade between countries in the North** has been considered by various agents and equally by different fair trade initiatives; this is as a result of the difficulties faced by certain family-run farms in the North in gaining favourable access to markets as well as global issues involved in the preservation of natural resources and protecting the environment. The first few ranges of fair trade products based on value chains in the North have been developed by agents such as Ethiquable and Altereco and include products such as cereal-based flours, fruit juices, split peas and beans. At present, these initiatives are based on the sets. Therein lies a new issue for the existing certified fair trade label systems as they take into account the new intra-North dimension. The merit of these initiatives comes from the fact that they remind us that even if rural farmers are far from facing the same difficulties in the North as they do in the South, they are both in danger and should be better known and receive

more recognition at an economic and social level as well as being supported through trading methods and strategies which are more favourable to them.

4.7. Active participation in spheres of consultation and decision making in the North

Within the French Platform for Fair Trade (PFCE) disagreement exists with regard to the interest and expectations of its members which makes a systematic pursuit of a consensus difficult; the consequence of which is that the Platform's position with regard to certain strategic points of fair trade is less than clear, for example, the certification of agro plantations or establishing stricter standards concerning the production of fair trade quinoa. As the evaluation carried out by the PFCE in 2010 shows, members have several different expectations of the collective; some would like to see relations with authorities developed further; some would like to see an increase in credibility; others that the association would play a political role, or develop its aid services and still further there are other members who would like the collective to become a strategic ally for promoting a change in scale for fair trade or in building bridges with families who are ethical consumers.

The French Platform of fair trade (*Plateforme française du commerce équitable - PFCE*) reinforces alliances between strategic fair trade agents and carries out studies into the impact of fair trade which then inform analyses and debates and provide the basis for constructing solid arguments. Their willingness to do so is within the same field as some of AVSF's actions these last few years and reinforces **the connections which link the two institutions**. According to AVSF, FPFT's capacity in the future to address the subject of existing funds within fair trade value chains and to reach agreements between members which effectively provides for the improvement of their practices, constitutes a major part in the consolidation of this platform. The clarification of the FPFT's roles equally constitutes another important element: for AVSF, besides the consultation and reflexion with fair trade agents in France, the platform should focus on the role of representing its members, in particular within the CNCE and on the promotion of fair trade at a national level. In reference to the direction taken by the platform, AVSF will decide on the most relevant terms for collaboration: whether it is incorporating the platform as member or establishing partner relations between the two institutions.

AVSF's participation in the **National Commission on Fair Trade (CNCE)** is equally important. Its contribution aims at being able to officially recognise the fair trade system of guarantees amongst whose criteria the fundamental principles of fair trade which serve the needs of small producers and favour the development of rural regions will be taking into consideration. The essential element of the Commission's work in fact resides in perfecting the system of recognition of reference frameworks for fair trade (Fairtrade FLO, ESR and WFTO). The establishment of sets of standards for distributors and their elaboration is another issue which exists within this domain. At the centre of the Commission, AVSF has a role as one of the four representatives of cooperative bodies whose work is in support of fair trade. The contribution from AVSF should demonstrate the impact fair trade based on Producers' organisations has in order to promote rural farmers and the contribution they make to the development of rural regions. Finally, through its work, AVSF should help representatives from government bodies to analyse the evolution of fair trade and to take up certain principles, practical details and tools from fair trade and transfer them to the drawing up of government policy for regulating markets.

Conclusion

Fair trade therefore is today confronted by a **number of challenges** : a significant market presence despite growth having slowed up, the launch of new certified fair trade initiatives alongside the Fairtrade FLO system which already exists, the incorporation of competitive modes of production from Producers' organisations (agro plantations and contract farming), an increased participation from dominant agents within fair trade value chains (multinationals and large-scale distribution), and debates over funds in different instances concerning the direction of various systems of fair trade labelling and lastly, **the safeguarding of the fundamental principles of fair trade.**

Despite other things, because of the business partnerships that it allows for, the contribution to the improvement of living conditions for marginalised rural farmer families, and the process of local development that it generates, **fair trade remains an important tool for development.** When combined with favourable measures put in place by public and private agents who support producers' organisations and their socioeconomic development, its effectiveness becomes more important and sustainable. In fact, fair trade alone will not solve the problem of inequality in development which particularly affects rural farmer peoples in the South in a profound way. There is an implication from crucial questions of food security and of economic re-stimulation of marginalised zones without a great potential for production evident; it is that political choices need to be made for voluntary action which will favour the adaptation of rural farmers in the South so that they can provide to markets, generate revenue and jobs within the region and to effectively manage their environment.

This pathway presupposes that fairer agricultural and economic policies will be defined and put into practice which favour the farmers as well development and do not lead to domination, exclusion or mere aid.

However, fair trade is not simply an innovative business model. It is a model which works according to international market regulations, and this applies not only to North-South business relations, but also in the direction North-North and South-South. These principles and tools should serve as reference points within conventional value chains as a basis for discussing and promoting regulatory measures for partner relations between complementary agents. As a consequence, the proposals resulting from this could be taken up within decision making on international commercial policies which would allow the negative economic, social and environmental effects of the free market economy to be balanced out.

Thus AVSF will continue to act alongside the various systems and agents involved in fair trade, in the North as in the South, in order to defend the founding principles of fair trade which the rural farmer families the organisation supports benefit from. AVSF will also act to contribute to the construction of a collective set of proposals to improve present rules and regulations which exist in international commerce to further favour countries in the South and their peoples.

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French association for international solidarity, recognised as of public interest *Agronomes et Vétérinaires sans frontières* has for the last 30 years acted alongside rural farmer communities in developing countries to resolve the issues of food. The association has in its service professionals whose competences range from agriculture, livestock rearing, animal health, technical, financial and training aids, access to markets etc. *Agronomes et Vétérinaires Sans Frontières* even leads more than 80 cooperation programmes in 20 countries in Central and South America, Asia and Africa, alongside rural farming societies for whom agricultural and livestock rearing activities remain a fundamental method of food security and of economic and social development.

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RURALTER is a programme from *Agronomes et Vétérinaires sans frontières* which supports initiatives aiming at building on experience and diffusing methodologies and technical and economic reference frameworks which are useful for agents in rural development, whether they are engineers from institutions and regional communities or rural leaders. RURALTER diffuses its works under the editorial label of the same name.

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