

Q & A

Fairtrade, Climate Change and Sustainable Production

The issue of climate change is rising up the public consciousness and consumers are increasingly considering how their behaviour can impact upon the environment.

Consumers are particularly concerned about the impact of food miles (how far a product has travelled before it reaches the consumer) and air miles (whether and how far a product has been air freighted) upon the production of greenhouse gases¹, which are the primary cause of global warming and climate change. This document outlines the Fairtrade Foundation perspective on the issues of air and food miles, climate change and sustainable development.

1. How are Fairtrade products transported to the UK? What proportion is air freighted?

The vast majority of Fairtrade products are transported into the UK by ship. Our most up-to-date figures indicate that in 2005, Fairtrade roses were the only certified product to be flown into the UK and they accounted for just 0.8% (by weight) of all Fairtrade imports. The UK Government Department for Food and Rural Affairs (DEFRA) estimates that freight transport on UK roads is responsible for 85% of UK food mile emissions while UK farming is estimated to be responsible for 7% of UK greenhouse gas emissions. In terms of carbon emissions, the Foundation has estimated that in 2005 the international transportation of Fairtrade products to the UK was responsible for just 0.03% of UK food mile emissions and 0.001% of total UK carbon emissions. In short, the contribution of Fairtrade products to UK emissions is negligible and that any actions to combat climate change would be better focused on real hotspots for carbon and other greenhouse gas emissions.

2. Is buying Fairtrade products a good idea, given concerns on climate change?

By buying products that carry the FAIRTRADE Mark, shoppers can be assured that disadvantaged producers and workers in developing countries are getting a better deal: receiving a fair and stable price for their products which covers their costs of production; benefiting from longer-term trading relationships; receiving the Fairtrade premium for investment in social and economic development projects; and receiving pre-financing where requested. In its 13 years of existence in the UK, Fairtrade has proved to be an extremely successful model of how people-centred trade can effectively reduce poverty and improve livelihoods.

The public concern around climate change and carbon emissions has been growing rapidly in recent months and there is no doubt that far-reaching global action has to be taken now to deal with global warming. However if the debate around this issue becomes overly obsessed with the question of food miles, this could severely damage opportunities for sustainable forms of export agriculture to contribute to the economic and social development of poor producers.

Agriculture can play a critical role in the economic and social development of developing countries – up to one and a half million livelihoods in Africa alone are estimated to be dependent upon UK consumption of agricultural and horticultural produce. Increased agricultural growth is thought to be the most likely source of economic growth in Africa given that 70% of the rural poor work on the land. Fairtrade certification ensures that the benefits of agriculture accrue to marginalised and disadvantaged producers.

While an international consensus has been reached on the science of climate change, what is now needed is a balanced debate on the best way forward to reduce the impact of climate

¹Greenhouse gases is the term to describe the six main gases with global warming potential. They are carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride. Carbon dioxide is the main greenhouse gas, accounting for about 85 per cent of the 'basket' of greenhouse gas emissions in 2005.

change whilst also supporting developing countries in tackling poverty and promoting sustainable development.

3. I want to help people in developing countries, but I'm also worried about climate change. Should we buy products like green beans or flowers from Africa that are more likely to be air freighted?

Whether or not a product has been air freighted to the UK is not an indicator of its overall sustainability and to reject products on this basis is to ignore the huge developmental and poverty reduction benefits that export agriculture and horticulture can bring to the continent of Africa and other developing nations. Over 1 million people in rural Africa are supported by the export of fresh fruit and vegetables to the UK, injecting an estimated £200m into rural economies in Africa as a result.² Further, air freighting of all fruit and vegetables from Sub-Saharan Africa represents less than 0.1% of all UK carbon emissions.

Those concerned about climate change should take a broad perspective that looks at the 'carbon footprint' of a product from plough to plate and beyond. This should take into account energy and water consumption required for farming processes, soil cultivation and agricultural inputs, packaging, UK transport, preparation and waste disposal. They should also weigh this carbon footprint against the economic, employment and livelihood benefits resulting from these activities. Balancing all of these factors provides a much more accurate picture of the true sustainability of a product rather than a narrow focus on 'air miles.'

Let's not forget the contribution of UK exports to greenhouse gas emissions. Precise figures are hard to obtain but newspapers and pharmaceuticals are routinely air freighted overseas but few have yet to recommend stopping selling these products or exporting them in a different way. We should not impose rules on other countries that we will not follow ourselves.

So before we consider stopping purchasing produce from Africa, we should ensure we have taken all other possible steps towards reducing our own emissions. For example, switching to an energy saving boiler would cut household emissions by a third³ and putting an insulation jacket on hot water tanks would save 670,000 tonnes of carbon dioxide.⁴ Do we use public transport instead of taking unnecessary car journeys or short-haul flights? These are among the range of simple steps that shoppers can take which have a greater impact upon emissions totals without harming poor and marginalised farmers in developing countries.

4. Is it true that a flower grown naturally in Africa has a lower carbon impact than a flower grown in a European greenhouse?

Yes. There have been a number of studies which show that this is indeed the case. A 2005 study conducted by the University of Utrecht indicated that the energy required to grow a rose under glass in the Netherlands is around 9 MJ compared to around 2-3 MJ used to produce a rose in Kenya and air freight it to the UK.^{5,6}

A more recent study by the University of Cranfield, which compared the production and transportation of 12,000 roses from Kenya and Holland, demonstrated that the emissions from the Dutch roses were higher than the Kenyan emissions even taking air freight into account. This study found Kenyan emissions to be 5.8 times less than those of the Dutch roses.⁷

² MacGregor, J. and B. Vorley (2006) 'Fair Miles? The concept of "food miles" through a sustainable development lens.' IIED

³ 'Air miles: roses and ending poverty.' Speech by Hilary Benn, 13 February 2007

⁴ Energy Savings Trust at <http://www.est.org.uk/myhome/climatechange/stats/homeenvironment/>.

⁵ Vringer, K. and K. Blok: The Energy Requirement of Cut Flowers and Consumer Options to Reduce It, Resources, Conservation and Recycling, **28**(2000): 3-28.

⁶ Burning fossil fuels - coal, gas and oil - to generate energy releases their stored carbon into the atmosphere forming carbon dioxide.

⁷ Williams, A. (2007). Comparative study of cut roses for the British market produced in Kenya and the Netherlands. Cranfield University.

The reason that Kenyan roses have a lower carbon footprint than their Dutch counterpart is that the more tropical climate in Kenya is more suited to growing roses commercially without the intensive heating and lighting that is required in Europe.

5. How can buying Fairtrade products help to tackle climate change?

All Fairtrade certified producers are required to comply with the international Fairtrade environmental standard as part of the requirements of certification.⁸ The standard requires producers to ensure that they protect the natural environment and make environmental protection a part of farm management. Producers are also encouraged to minimize the use of energy, especially energy from non-renewable sources.

By purchasing Fairtrade products, shoppers in the UK are ensuring that disadvantaged producers and workers receive a Fairtrade premium for investment in economic, social and environmental products. These premiums can enable farmers to implement a range of environmental protection programmes which will contribute to the range of solutions needed to address climate change and ultimately benefit all of us. To give two examples, tea workers in India have invested some of their Fairtrade premium into replacing the traditional wood-burning heating with a solar-panelled system. Coffee farmers in Costa Rica have used the premium to replant trees to prevent soil erosion and have invested in environmentally friendly ovens, fuelled by recycled coffee hulls and the dried shells of macadamia nuts. This means that they no longer need to cut forest trees and so can preserve the rainforest and the oxygen they produce

6. What impact is climate change having on Fairtrade producers?

It is clear that poor countries will be hardest hit by climate change even though they are least responsible for greenhouse gas emissions. They are going to be doubly affected by the extremes in environmental patterns and subsequent loss in agricultural productivity and also by the implementation of policy tools by developed nations such as carbon-trading and fuel price rises. In some countries, farmers are reporting changes to normal rain patterns and seasons that are already starting to have an effect on their ability to produce their traditional crops, causing anxiety about the future of their livelihoods. However, unless they are getting a sustainable income from their current produce, it's unlikely that they will be able to invest in diversification programmes. That's another reason why it's so important to support Fairtrade.

International agreement and action on climate change is undoubtedly urgently needed. But we are concerned that any knee-jerk reaction against either products air freighted from developing countries or any imports from the South in general will harm poor producers and workers and be a disproportionate response to the volume of greenhouse gases associated with that trade compared to emissions from other parts of the food system or industrial and domestic emissions.

7. Should the Fairtrade Foundation refuse to certify products that have been air freighted? Should Fairtrade products carry additional labels to show whether or not they've been air freighted, as some supermarkets are now suggesting?

Fairtrade is about providing a better deal for disadvantaged and marginalised producers in developing countries. The Fairtrade Foundation was set up in 1992 with the specific aim of developing a fairer trading system that can enable poor producers to successfully compete in the mainstream market. We believe that it would be unfair and inappropriate to penalise poor producers and workers who depend upon exporting their produce to international markets by withholding the FAIRTRADE Mark on the basis of incomplete evidence, particularly when they have made the effort of putting in place necessary changes to comply with the international Fairtrade standards.

Labelling air freighted products will not enable consumers to make an informed choice about the products that they buy. Under such a system, to label flowers air-freighted from Kenya would

⁸ See www.fairtrade.net for more information on Fairtrade standards

imply that they are somehow more environmentally damaging than flowers grown in Europe when the evidence would indicate precisely the reverse (see question 4). In that instance, consumers would be basing their purchasing decision on a label that does not reflect the actual carbon footprint or sustainability of a product and without taking into account or fully appreciating the devastating impacts upon the livelihoods for poor producers, workers and their families such an action would have.

Such a labelling regime would do nothing to raise consumer understanding of other equally or more detrimental transport practices in the food chain such as transporting Lincolnshire potatoes to Bristol for washing or trucking fish from Aberdeen to be smoked in Cornwall before being distributed to the shops around the UK.⁹

There is also the issue of equity for developing countries. Annual carbon emissions per person are 200kg in Kenya and 172kg in Bangladesh compared to 21,000 kg in the US and 9,000kg in the UK. Under these circumstances to deny poorer countries and people the opportunity to develop when their overall carbon footprint is so low is simply morally unfair and politically unsustainable. As those most to blame, rich countries have the responsibility to demonstrate leadership and cut their own emissions before expecting poorer nations to bear the brunt of change by reducing their relatively small emissions.

The Fairtrade Foundation believes that labelling products according to their mode of transport would be simplistic and misleading. It would be far more useful to raise consumers' awareness of the entire carbon footprint of products and their respective supply chains. This would strengthen consumer understanding of the potential impact of a range of behaviours and practices on greenhouse gas emissions rather than fixating upon the relatively minor and often statistically insignificant issue of air freighting.

8. Should the Fairtrade system look at offsetting carbon emissions from international transportation? Shouldn't producers have to offset emissions for any products that they import into the UK?

The idea of offsetting for international imports is an interesting one but is only truly fair if it is applied equally to all products – both local and imported - and not just Fairtrade certified products. Otherwise, its only impact would be to increase the costs of Fairtrade products relative to conventional products, which in any case may not have been produced to the same social, environmental and economic standards.

The responsibility for any offsets should certainly not be borne by Fairtrade producers who already face huge obstacles in making a decent livelihood from farming and in accessing markets on fair terms. Any additional costs could make the difference between survival and being forced out of farming altogether. It is also unfair to expect producers in developing countries to have to pay the price for a global climate crisis they did little to create.

In fact, it could be said that many Fairtrade producers are already engaged in carbon offsetting. As well as reducing chemical usage, developing more sustainable agricultural methods, managing water and waste carefully, many have developed additional environmental schemes to protect their forests, replant trees, recycle materials, switch to solar power etc. An interesting question could be to see whether Fairtrade producers could derive additional benefits and income from offering these schemes as part of Western carbon offsetting.

9. Some people say 'buy local' rather than 'buy Fairtrade'. What is the Fairtrade Foundation's response?

The Fairtrade Foundation recognises that many farmers in the UK face similar issues to farmers elsewhere, not least ensuring that they get a decent return for upholding decent social and environmental standards in their production. We therefore support the promotion of sustainable

⁹ John, L. (2006). 'Should we be buying food from abroad?' The RELU debates 2006.

production for UK farmers but our specific role will continue to be supporting farmers from the developing world.

Fairtrade isn't in competition with UK farmers and the purchase of locally produced and Fairtrade products are not necessarily mutually exclusive. Fairtrade focuses by and large on tropical agricultural products such as coffee and bananas that can't be grown in temperate climates or products that can't be grown in sufficient quantities in the EU e.g. grapes and oranges. For some items such as honey and flowers, local supply is not able to meet the total demand - it has been estimated that both UK flowers and honey account for less than one-third of the UK market - and so imports are necessary to keep up with consumers' shopping preferences. Other products, such as apples, are seasonal in both the UK and places like South Africa, and for as long as shoppers want to buy apples out of season, there is a demand for fruit from other countries. Often the choice facing shoppers is not necessarily between local honey and Fairtrade certified honey but between Fairtrade honey and conventional honey imported from, say, the US or China. It is up to each person to weigh up these choices and shop accordingly.

Ultimately, it is up to each person to do what they see as being in the interests of people and the planet. What is important is that we all try to make informed choices wherever possible. The Fairtrade Foundation is committed to raising awareness of ways in which buying products carrying the FAIRTRADE Mark is empowering and strengthening the future for disadvantaged producers in developing countries.

10. Shouldn't people in Africa be growing food for themselves rather than be encouraged to grow products like flowers for export?

The livelihoods of 2.6 billion people worldwide depend on agriculture. Most of them are poor farming families in the developing world and strengthening small-scale agriculture and related rural industries can bring vital benefits to their communities and the wider economy. Under the right conditions, agricultural exports can act as a dynamic force for poverty reduction, providing small farmers with opportunities to generate income, diversify their livelihoods, provide work for others in the community and reduce vulnerability. It also means that small farmers and their families are less likely to be forced to leave their land and migrate to urban centres in search of employment.

In parts of East Africa and Central America, small farmers have succeeded in entering markets for high-value-added fruit and vegetable exports. Research shows that export agriculture has played a critical role in reducing rural poverty in Uganda and Vietnam. Far from displacing food production, export success in both countries has gone hand in hand with an increase in output of basic food staples.¹⁰ This doesn't mean that agricultural trade automatically generates poverty reduction benefits. Small farmers often lack access to the land, capital, information, and marketing infrastructure needed to take advantage of export opportunities and this is where Fairtrade can provide a vital lifeline for marginalised farmers and their families. Once they are selling to Fairtrade markets, the increased stability, better price and support to farmers' organisations means they can implement their own projects to improve food security and nutrition for their own families and the wider community. As just one example, women cotton farmers in Mali have described how the better price they receive for their cotton has enabled them to buy vegetable seeds to feed their families. They have also used the Fairtrade premium to build a warehouse to store not just cotton but also maize and sorghum seeds for their own consumption and sale to local markets. The warehouse also acts as a food bank for families between harvest times when cash income is scarce to mitigate food security worries.

¹⁰ Watkins, K. and J. von Braun (2003). 'Trade Policies and Food Security.' IFPRI: Washington.

11. Many African countries have water shortages, whilst the horticulture industry can be very water intensive. Should Fairtrade be certifying farms where water is an issue?

The international Fairtrade environmental standard requires farms to carefully manage their water usage in order to ensure conservation and non-contamination. There have been concerns about the impact that both the flower industry and booming tourist trade have had on the local environment at Lake Naivasha, where some of the Fairtrade certified farms are located. The favourable conditions there – fertile land, dry climate, access to fresh water and ecological importance of the area - have resulted in an influx of workers into the region who live on the flower farms or in and around Naivasha Town. This expansion is not without problems including growth of shantytowns and water abstraction as well as the risk of water pollution from pesticide run-off. However Fairtrade certified farms cannot take responsibility for the whole industry. Fairtrade farms often provide on-farm housing for workers and are assessed on their capacity to comply with local regulations on water abstraction and pollution.

The farms themselves are also developing programmes to reduce water use. For example one of the flower farms has reduced its extraction of water from the lake by 30-40% as a result of drilling its own boreholes and reducing water needs through expanded indoor production and hydroponic cultivation. Hydroponics minimises pesticide and fertiliser usage and seepage into soil and other farms are also increasingly looking to convert to this method of production or are trialling other measures to reduce the need for agricultural inputs.

The issue is often exacerbated by poor water management within the country as a whole and this issue needs further research so that appropriate solutions can be found. While this research is underway however it would be wrong to withhold certification from the more progressive farms that have made the efforts needed to meet the requirements of Fairtrade certification and where there are workers who have a lot to gain from the additional benefits of Fairtrade certification.

12. Aren't large-scale horticultural farms in Africa all owned by big foreign companies? Are Africans benefiting at all from this? Should we only buy the produce from Africa that carries the Fairtrade label?

Fairtrade is about getting a better deal for producers and workers at the bottom of supply chains who are marginalised by international trading rules. While primarily known for supporting small farmers, Fairtrade has for many years engaged with plantations such as tea estates, whether foreign-owned or not, to bring benefits to the hired workforce. The reality is that these farms can provide much-needed employment opportunities for workers who have few or no other options open to them. Many of the flower workers on Kenyan flower farms for example have migrated specifically to the areas where the farms are located to find work and have limited alternative employment options. However it is also clear that workers on many plantations are amongst the most powerless people in global supply chains and so they also need the benefits that Fairtrade can bring such as decent working conditions, health and safety provision and access to trade unions. The Fairtrade standards for these types of farms are aimed at reinforcing international labour standards, as well as ensuring additional resources that the workers themselves can invest in projects to improve their own situation and services available to them. The Fairtrade premium has been used by farm workers to set up revolving loan schemes to fund small businesses, improve education and healthcare and build community centres.

In South Africa, the Fairtrade system only works with private farm enterprises which implement empowerment projects that fall within the government's Black Economic Empowerment strategies - innovative joint enterprises between farm workers and commercial farm owners that enable disadvantaged farm workers to participate in the global economy as either owners or shareholders of commercial farms. Produce from South Africa, having formed an important part of the consumer boycott in bringing down the apartheid regime, can now, through support of the FAIRTRADE Mark, provide a clear avenue for black empowerment. We urge shoppers to always look for the FAIRTRADE Mark on products that they purchase where it is available so that they can be certain that producers and workers are benefiting from Fairtrade terms.