



Fairtrade Bananas Case Study

Windward Islands: Dominica, St Lucia, and St Vincent

We don't want charity, we want the basic human right to earn a decent living to be able to feed our children and live without relying on handouts. Fairtrade is a start but, for us to earn a living, we need people to buy our fruit. I hope people begin to see that they can make a real difference to the lives of thousands of real people just by making a simple decision when they shop. That is all we ask.

Marcella Harris, President of WINFA

Fairtrade is empowering people to manage their own affairs – the development of human capacity that is so vital for the future. With Fairtrade, small farmers have been transformed from marginalised farmers into businessmen.

Amos Wiltshire, National Fairtrade Co-ordinator for Dominica

There is certainly no doubt about it - Fairtrade has saved the Islands. Without it we would be in desperate trouble.

Cornelius Lynch, Secretary of the Fairtrade Committee, St Lucia

Most farmers employ a couple of people a week to help with the harvest. In many cases this is the only work these people can rely on and it means they can feed their families.

Thaddeus Fontenard, Fairtrade Co-ordinator, St Lucia

Survival of banana trade is crucial to Windward Islands

Bananas are crucial to the national economies of St Lucia, Dominica and St Vincent in the Windward Islands¹. Successive changes to the EU banana regime introduced in 1993 have steadily eroded the protection traditionally given to the Islands' producers, resulting in a dramatic decline in the fortunes of the banana export trade. Compounded by global oversupply and low UK retail prices², the Islands' market share has been eroded by lower-cost producers from Latin America and Africa resulting in reduced revenues, decreased production and increases in unemployment and related social problems. Further reforms to the EU regime from January 2006 have undoubtedly 'put the viability of the industry in serious question' as predicted by an earlier IMF report³.

While it now appears that the Islands' governments and industry bodies have been unsuccessful in pressing the EU to stand by its commitment under the Cotonou Agreement to protect the region's banana growers⁴, Fairtrade has emerged as a means of helping thousands of

¹ The Windward Islands grouping consists of the Commonwealth of Dominica, Grenada, Saint Lucia, and St. Vincent and the Grenadines. Grenada's banana industry has not recovered from severe damage caused by Hurricane Emily in 2005.

² The supermarket 'banana wars' began in the mid-1990s when prices were temporarily cut to 43p a kilo. The wider long-term downward trend has seen headline prices fluctuate from £1.10 a kilo in 2002 to 85p in 2005 and 95p in 2010, with regular short-term cuts to as low as 46p, as in the 2009 round of the price war.

³ IMF Country Report 03/29 St Vincent and the Grenadines Statistical Appendix February 2003.

⁴ ACP-EU Partnership Agreement signed in Cotonou 23 June 2000, Protocol 5: Article 1: "The Parties recognise the overwhelming economic importance to the ACP banana suppliers of their exports to the Community market. The Community agrees to examine and where necessary take measures aimed at ensuring the continued viability of their banana export industries and the continuing outlet for their bananas on the Community market."

disadvantaged farmers protect their livelihoods. The success of Fairtrade is demonstrated by the fact that the percentage of Windward Islands bananas sold to the Fairtrade market has grown from 30% in 2004 to over 90% in 2009, with more than 90% of banana growers in the Islands now members of Fairtrade groups. The challenge now is to maintain sales to the UK Fairtrade banana market and develop Fairtrade, regional, and other markets for additional fresh fruit, juices, and processed fruit products from the Islands.

Background: decline of the Islands' banana industries

The export banana industry has been the mainstay of the Windward Islands' economies since it was developed by the former British colonial power in the early 1950s. Until then sugar had for many years been the principal export but the increasing supplies and competition from beet sugar produced in Europe forced prices down and put tremendous pressure on the sugar industries throughout the Caribbean. With the looming threat of economic decline and social unrest, the British Government decided that unprofitable sugar production in the Windward Islands could be replaced by developing the banana industry so that it could supply the large and growing UK market.

Windward Islands bananas are traditionally produced in a more socially and environmentally friendly manner than Latin American 'dollar bananas' grown on large-scale plantations. They are grown on small, hilly, family-run farms with intensive labour, fair wages and low usage of agrochemical inputs. Farmers have to contend with a difficult climate – the rainy season, extensive dry periods and hurricanes. This inevitably results in lower yields and a higher average cost than bananas grown on the vast, fertile and flat plantations of Latin America which benefit from economies of scale, where chemical usage and yields are much higher, and where wages and social benefits for workers are lower.

The banana trade has traditionally provided a direct living for thousands of small-scale producers, accounting for up to 50% of the Windward Islands' total export revenue. But since the introduction of the EU regime their annual banana exports have fallen from 274,000 tonnes in 1992 to 82,000 tonnes in 2009, while their value correspondingly shrank from US\$147m to US\$45m.

At the start of the 1990s, the Windward Islands supplied around 40% of the UK's conventional bananas. By 2009, this had fallen to 8.6% of the 958,000 tonnes imported by the UK, its market share being gradually whittled away by imports of lower-cost bananas from Latin American and, increasingly, from West Africa.

The falling market price, combined with increased costs for agricultural inputs such as fertilisers, has hit the Islands' banana producers hard and driven many out of the industry altogether - there are now around 3,500 farmers compared to 27,000 in 1992. High unemployment, youth unrest and poverty are real threats now facing the Island communities.

For St Lucia, banana production and export is the most important activity in the agricultural sector and makes a crucial contribution to income and employment in a country where 25% of the population lives below the poverty line. But between 1992 and 2009, annual export volumes fell from 135,000 tonnes to 30,000 tonnes and revenues crashed from US\$71m to US\$16.1m, while the number of banana farmers fell from 10,000 in the early 1990s to around 1,300 in 2009.

The banana industry is also critical to the economy of Dominica, where more than 30% of the population lives below the poverty line. In 1992, the industry accounted for around 69% of all exports and employed 60% of agricultural workers. Between 1992 and 2009, annual export volumes fell from 58,000 tonnes to 43,000 tonnes and revenues dropped from US\$32m to US\$24m⁵, while the number of banana farmers fell from 11,000 in the 1980s to around 900 in 2009.

⁵ Export volumes & values in this section from FAO and DEFRA (© Crown Copyright DEFRA, Source: H M Revenue and Customs). Where necessary, value is converted to US\$ from £ Sterling using exchange rates at time of trade.

International pressures point to an uncertain future

Changes to EU Banana Regime

The European Union is a hugely significant player in the world banana trade, importing about a third of all traded bananas – about the same amount as North America – and more than three times that of Japan and Russia, the third and fourth biggest importers. EU policies therefore have a major impact on the world trade in bananas and the EU banana import system of quotas and tariffs has been at the centre of global trade disputes for almost two decades. A new agreement signed in December 2009 resolved the dispute and cemented the process of opening up the market for increased imports of Latin American bananas at the expense of producers from former European colonies - particularly small-scale farmers from the Windward Islands.

How the dispute evolved

The formation of the Single European Market in 1992 meant that the EU had to consolidate the various tariff and quota arrangements across European countries for the importation of bananas⁶. Following lengthy debates, a system of both quotas and tariffs was adopted in July 1993.

The EU arrangements, however, were non-compliant with World Trade Organization (WTO) rules which promote trade liberalisation by removing trade barriers such as quotas, tariffs, and subsidies. Latin American banana exporting countries and the USA lodged a series of legal challenges at the WTO claiming that the EU regime discriminated against Latin American producers and hampered the expansion of, mainly US, multinational companies.

In response, the EU agreed to end the quota system and introduce a single tariff for all banana imports. As an interim measure, the WTO agreed that the EU could waive the single tariff and continue tariff-free entry for bananas from African, Caribbean and Pacific (ACP) countries to honour long-term commitments that would end in 2008⁷.

The crux of the argument regarding the tariff was that Latin American governments and companies wanted to ensure that the single tariff was set at a level they believed would be low enough to make it remunerative for their businesses. However small farmers' organisations, plantation workers' unions and many NGOs argued that by simply removing quotas and using tariffs, the market would be flooded with cheaper bananas, pushing import prices down, and threatening millions of livelihoods as multinational banana companies abandoned higher-cost producing countries in search of cheaper production. On top of that, if the tariff was fixed too low, higher-cost producers like the small farmers of the Windward Islands were under threat of being squeezed out of the market altogether.

Following multiple rounds of consultation and debate the EU eventually implemented in 2006 a single tariff of €176/tonne which in effect only applied to Latin American imports as duty-free entry for ACP imports was maintained for a volume which effectively covered all their EU exports. As predicted, since 2006 import volumes from both Latin America and West Africa have grown while prices inside the EU fell and, as feared, price-cutting by major European retailers is further squeezing the pay and conditions of plantation workers at the bottom of the banana supply chain⁸.

However the matter didn't end there. In 2007, Ecuador and Colombia lodged complaints that the EU reforms had hit their EU banana sales and the US again complained that duty-free access for ACP countries was discriminatory⁹. The EU protested that the US action would only damage

⁶ Import tariffs are taxes imposed on internationally traded goods whilst quotas limit the volume of goods that can be imported.

⁷ ACP countries are the 46 African, Caribbean and Pacific countries that are signatories of the Cotonou agreement with the European Union.

⁸ According to EUROSTAT figures, imports of the big four Latin American exporting countries taken together rose by 9% from 2005 to 2006, although Ecuador's volume fell; West African exports rose by over 15%.

⁹ The WTO ruled this was discriminatory and said the previous EU regime, which admitted a quota of 2.2 million tonnes of Latin American bananas with a tariff of €75/tonne, was still in force (Reuters 2/2/09 via Flex news/DG_EU_WTO banana regime summary 2 Feb 09).

ongoing talks with all parties, particularly EU negotiations with ACP governments to sign new Economic Partnership Agreements (EPAs) that would be WTO-compliant from the outset and would therefore resolve these issues.

EU and Latin American ministers were on the verge of signing a historic breakthrough deal at the WTO Doha Round meeting in Geneva in July 2008 that would see incremental cuts in the tariff to €114 a tonne by 2016 from the current €176. This could potentially spell the end of the banana export industry for Caribbean growers, but having run out of options, the ACP group accepted the deal on the understanding that it came with additional development aid to restructure remaining industries and assist those forced out of business. However the deal fell through amidst the collapse of wider trade negotiations to slash tariffs and subsidies for farm products.

Talks dragged on at the WTO in 2009 but stalled in May when ACP delegates baulked at the €100m compensation offered by the EU. Noting that the EU was keen to sign a deal with the Latin American countries by the end of June 2009, the ACP said €500m would be needed to avoid social turmoil and political instability in the affected countries.

A deal is finally struck

At WTO talks in Geneva in December 2009, the EU and the major Latin American exporter countries¹⁰ finally signed an agreement to end the long-running dispute. The EU committed to cutting tariffs from €176 a tonne to €114 by 2017 at the earliest, while the Latin American countries agreed to end all pending disputes in the WTO related to the EC banana regime. ACP countries will receive an EU funding package of €190 million, known as Banana Accompanying Measures, to increase the banana sector's competitiveness, promote economic diversification and mitigate the broader social, economic and environmental impacts.

The deal was welcomed by Latin American ministers and US-based banana exporting companies but ACP countries fear the tariff cuts will deal a lethal blow to their banana industries. The Windward Islands in particular are concerned that the deal will reduce the price competitiveness of their bananas and force more farmers out of business. Those farmers who are able to invest in improving the quality and productivity of their crop or in diversifying production will have a better chance of adjusting to the new market conditions. To this end, WINFA is investing in agritourism, and in an agro-processing plant producing juices, jams and jellies for local and export markets. Fairtrade is supporting WINFA with funding to ensure the sustainability of its operations: increasing efficiency and diversifying markets for their bananas, strengthening internal management systems, and promoting their diversified range of value added products.

What role EPAs?

The EU's longer-term strategy to resolve ongoing banana trade issues has been to replace existing agreements with Economic Partnership Agreements (EPAs). In parallel talks starting in 2002, the EU and ACP governments have been negotiating individual or regional EPAs to replace the trade sections of the Cotonou Agreement and Lomé Conventions. These deals date back to 1975 and enshrine the unilateral preferential treatment for ACP imports and were due to expire in 2008.

The EPAs are intended to put in place new reciprocal trade deals that are compatible with WTO rules from the outset. Under WTO rules, trade deals must open up 'substantially all trade' between partners but they also allow for the gradual opening up of markets for sensitive and emerging ACP country industries.

However, the EU has been accused by NGOs, civil society groups, think tanks, and prominent academics of using bullying tactics to push through an aggressive trade strategy with ACP countries that goes beyond WTO requirements and forces them to open up their markets in a way that could be disastrous for local economies and the livelihoods of millions of people.

¹⁰ Brazil, Colombia, Costa Rica, Ecuador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Peru and Venezuela,

CARIFORUM, the Caribbean regional grouping, is currently the only ACP region to have signed a 'comprehensive' EPA (covering goods and services and investment). According to the Caribbean Regional Negotiating Machinery (CRNM)¹¹, this means that 'Bananas will gain full duty-free and quota-free access to the EU market from the inception of the EPA. In effect, the recent ruling of the WTO dispute settlement panel against the EU's preferences granted to ACP banana exporters will no longer be applicable since the duty-free preferences under the EPA are now protected under WTO rules governing free trade areas'.

So far, other ACP regions have only concluded interim agreements which allow gradual trade liberalisation over a transitional period of up to 15 years. This reflects the significant concerns about the terms of the agreements currently on the table and who will benefit most.

Since the Geneva Agreement was signed in December 2009, however, Colombia, Peru, Costa Rica, Guatemala, Honduras, El Salvador, and Nicaragua have signed bilateral Free Trade Agreements with the EU. They include a bigger tariff reduction than under the Geneva Agreement, with the tariff coming down to €75 a tonne by 2020. Each country has also been allocated a maximum volume of banana exports that will attract this lower tariff. These quotas are in some cases considerably higher than current volumes of trade and have been met with strong criticism from ACP exporters as well as from Ecuador, the world's biggest banana exporter, which is not currently party to the bilateral accords.

Fairtrade in the Windwards

The Windward Islands Farmers' Association (WINFA) began working with Fairtrade in the 1990s. They set up Fairtrade Groups (associations of Fairtrade farmers) on each Island and began shipping Fairtrade bananas to the UK in July 2000. There is now a National Fairtrade Organisation (NFTO) for each Island and a total of 47 Fairtrade Groups with 3,376 members.

In 2001, the first full year of Fairtrade sales, the Windwards shipped 4,700 tonnes of Fairtrade bananas to the UK, with an estimated retail value of £7m. In 2009, this had grown to 41,542 tonnes worth an estimated £46m. In 2004, 30% of Windward Islands bananas were sold to the Fairtrade market. By 2009, consumer demand and commitments by supermarkets had seen this grow to over 90%, with over 90% of banana growers in the Islands now members of Fairtrade groups.

Membership of WINFA, National Fairtrade Organisations, and Fairtrade Groups November 2008 (www.winfa.org)		
Island	No. of members	No. of Fairtrade Groups
Dominica	856	17
Grenada	31	1
St. Lucia	1,289	13
St. Vincent	1,191	16
TOTAL WINFA	3,376	47

Selling to the Fairtrade market means farmers get a guaranteed higher price for their bananas plus a premium¹² which they decide democratically to invest in commercial, social or environmental projects. In 2009, the three islands received almost US\$2.3m in Fairtrade premiums with St Lucia earning US\$1.66m, St Vincent US\$333,000, and Dominica US\$300,000¹³. The money is paid directly into a bank account controlled by an elected Premium Committee and is used to fund various projects, some of which are listed below.

¹¹ http://www.sice.oas.org/TPD/CAR_EU/Studies/CRNM_agriculture_e.pdf

¹² On 1/1/2010 the revised minimum Fairtrade Ex Works price was set at \$9.00 per box (18.14kg) plus \$1.00 premium.

¹³ Fairtrade Foundation Certification Department

WINFA takes control of the supply chain

For more than fifty years Windwards banana growers were little more than contract growers. They were legally required to sell their crop to private or state-controlled banana companies on the Islands which sold them on to the exporter, WIBDECO¹⁴ (Windward Islands Banana Development and Export Corporation), and also provided a range of agricultural services to the farmers. As Renwick Rose, WINFA Co-ordinator for St Vincent & the Grenadines, explained: 'This gave these companies access to farmers' payments allowing them to determine costs for services rendered and placing the farmers at the very end of the banana chain, receiving only what is left after all the intermediaries had their share.'

For many years WINFA lobbied, mobilised, and trained farmers to make reality their dream of controlling the supply chain and increasing their incomes. WINFA's involvement in Fairtrade helped boost the status of farmers, and members voted to use their Fairtrade premium to help fund the long legal battle for the right to take over the role of the banana companies and sell directly to WIBDECO. The struggle was given impetus by changes to Fairtrade standards which, in order to comply with ISO 65 accreditation, now require certification of the entire supply chain from producer to exporter and importer.

In the face of strong resistance from the banana companies, farmers won historic legal victories that enabled them to bypass the banana companies and sign their first direct sales and purchase agreement with WIBDECO, starting with St Lucia and Dominica in 2008 and followed by St Vincent in 2009.

WINFA is now responsible for the whole supply chain up to export and provides services such as the supply of fertiliser, pest and disease control, and agricultural extension, at a significantly reduced cost to the farmers. Over 100 new staff have been hired in the Islands, technical staff trained, and payment and pest control departments created.

Farmers now enjoy a better understanding of the banana industry and have a stronger, more equal relationship with the exporter. The transition means farmers receive more money for their bananas than they did before, even under Fairtrade agreements, empowering them both in their communities and nationwide.

Marcella Harris, farmer and President of WINFA, said: *'For us, there can be no greater challenge, than that of fighting for the right to work, the dignity of earning a livelihood and providing for our families and contributing to the development of our communities and by extension our countries, these Windward Islands. By assuming responsibility for the banana industry, WINFA and Fairtrade have given us this opportunity.'*

Fairtrade - a growing solution for the Windwards

With over 90% of Windwards bananas now exported as Fairtrade it is clear that access to Fairtrade markets has enabled the Windward Islands banana industry to survive. As Arthur Bobb, Manager of the WINFA Fairtrade Unit, has said: *'If the Windward Islands had not made the switch to Fairtrade we may have been out of the market now.'*

Dr Kenny D Anthony, Prime Minister of St Lucia¹⁵, has noted that: *'In this era of competitive global trade, small-scale farmers like ours have little or no chance of survival without the kind of market intervention that is provided through Fairtrade. Not only does Fairtrade guarantee a fair price to our farmers, but the social premium that is generated through the Fairtrade sales provides invaluable support for projects in rural communities throughout the Windward Islands.'*

¹⁴ Rebranded Winfresh in October 2009

¹⁵ Response to Sainsbury's announcement to switch all its bananas to Fairtrade, 12 December 2006

In addition, the Prime Minister of Dominica, Roosevelt Skerrit¹⁶ is very clear how important Fairtrade is for the Island economies. *'Fairtrade is providing a vital livelihood for small farmers.... It is giving people a legal way of earning a living and maintaining stability,'* he said. *'Confidence has been returned to the farmers through access to the Fairtrade market and continued employment is promoting peace and stability,'* he added.

Not only is the Fairtrade market providing a lifeline to farmers, but the Fairtrade premium is also providing them with their only possibility of having sufficient resources for diversification into other areas such as fruits, avocados and tourism, as they seek to develop sustainable livelihoods for themselves and their children in the future.

Fairtrade Premium use in the Windward Islands

From the Fairtrade premium of US\$1.00 per box, 40 cents is earmarked for business development and 60 cents for social/environmental projects and for ensuring Fairtrade standards are in place. The premium has been allocated to a wide range of projects including:

Montaque Agro-tourism Project

In 2009 NFTOs from all three islands jointly invested in the new Montaque agro-tourism project. They purchased and completely refurbished a small agro-processing plant and estate near the tourist destination of La Soufrière in St Vincent. It required a major capital investment – only possible because of UK supermarkets' commitment to Fairtrade bananas – and represents the first such farmer-led practical demonstration of regional co-operation as well as WINFA's commitment to diversifying farmers' options.

The plant processes a range of fruits grown by banana farmers – passion fruit, guava, mango – into jams, jellies, juices and chutneys which are already being sold in shops on the islands. The long term vision is to transform this into a visitor destination, including a nature trail for tourists to learn about the history of the island's produce and how the fruit is grown, and end with a tour of the factory and an opportunity to buy the produce.

Hurricane Disaster Fund October 2007

On August 17-18 2007 the Windward Islands were hit by Hurricane Dean and suffered devastation to farms, housing, and infrastructure. Damage to bananas was widespread with 100% of production lost in Dominica, 65% in St Lucia, and 10% in St Vincent.

Farmers voted to use accumulated and new premium money on reconstruction work. A total of USD\$300,000 was spent in St Lucia alone on field rehabilitation, replanting, fertilizers, pre-harvest and post-harvest practices training, field monitoring, and labour costs.



¹⁶ Speaking at the Fairtrade Foundation office 10 August 2006

Subsidised Fertilizers

With fuel prices rising worldwide, fertilizer prices more than doubled in 2008. To allow farmers to access fertilizer, it was voted that social premium money should exceptionally be used to subsidise these costs and in December 2008 US\$200,900 was spent on the bulk purchase of fertilizer. Without the availability of the premium money, the farmers' access to fertilizer would have been seriously compromised with huge impacts on farm yields.

Fairtrade benefits for Dominica

The Dominica NFTO is made up of 17 Fairtrade Groups with a total of 856 members. Each group meets once a month and has an elected representative on the National Fairtrade Committee. Regular meetings are essential to ensure the participation and involvement of all the farmers in the decision making process. During the meetings farmers discuss technical issues related to production and market information but, more than anything, they discuss how they should use the Fairtrade premium and decide on their work plan for the year.

Membership in the Fairtrade Groups provides many benefits to the farmers:

- Transparent and democratic structures foster empowerment by encouraging farmers to participate in decision-making.
- Meeting regularly in a democratically-run group provides an improved mechanism for farmers to share ideas and find solutions to shared problems as well as a forum for providing improved technical services (to improve production).
- New and improved relationships between the farmers themselves and with their communities.

Examples of Fairtrade Premium Use in Dominica

A total of approximately US\$200,000 was allocated in 2006 for community projects which were successfully submitted for approval to the farmers' Premium Committee. Some are awaiting full implementation which, in most cases, is managed by the executive members of the respective Fairtrade Groups on a voluntary basis. All executive members are farmers and, as this work is done in addition to their farm work, projects can sometimes be delayed.

a) Medical store at the Princess Margaret Hospital in Roseau (US\$37,200)

The Princess Margaret Hospital in Roseau is the central hospital of Dominica. The hospital medical store burned down at the end of 2004. It was a simple construction and wasn't hurricane proof, which meant staff had to wrap all medicines in plastic whenever a storm warning was issued. The new building is hurricane proof.

b) School bus for Calibishie (US\$43,900)

The children in the villages around Calibishie had to walk to the primary school in Calibishie or hitch a ride, often on the back of pick-up truck. The Fairtrade Group approved the parents' application to purchase a school bus.



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c) Pre-school in Bense (US\$25,000)

The primary school in Bense, in the north of Dominica, had inadequate pre-school provision so local nursery children had to go to the church hall for classes. The Fairtrade Group in Anse de Mai, made up of 35 farmers, came to their help and a built a brand new pre-school with premium money. The school opened in September 2005 for children aged 2 to 5.



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d) Ongoing Composting Project (US\$38,800)

Dominica has limited funds to invest in disposing of the country's waste. Most of the waste is brought to a landfill site in Roseau and includes organic waste from households and yards. The organic waste takes up space in the landfill and the nutrients in the organic material are lost. The Castle Hill Fairtrade Group have built a composting site where organic waste from households and yards from Castle Bruce and surrounding areas for composting and the compost will be given back to private households in return for a small contribution. The project includes an educational component involving students from Castle Bruce secondary school.

e) Greenhouse for secondary school in Grand Bay (US\$3,000)

It is very important for the future of the banana industry and agriculture in general that young people develop an interest in farming. Agricultural science was only taught on a theoretical basis at the secondary school in Grand Bay because there was no possibility for the students to grow plants in an environment protected from extreme weather conditions. Grand Bay Fairtrade Group financed a green house for the school with social premium money. The students can now put into practice what they learn during lessons and can observe the growth of their plants.



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f) Retirement fund

Retirement benefit is very rare in Dominica so most farmers have no income once they are too old to work on their farms. So to help the rural community, the National Fairtrade Committee of Dominica launched a retirement programme in March 2006 in which members receive a lump sum payment on retirement. This benefit is mainly funded by the Fairtrade social premium with a small monthly contribution of US\$7.5 - US\$19 from farmers who wish to participate in the scheme.

g) Clean water project

The Rosalie Group invested US\$22,500 from the Fairtrade social premium to fund a much-needed water project in the area that provides up to 120 people in the village with access to a clean water supply. The group also funded and set up a computer literacy programme at a cost of US\$2,800.

Fairtrade Benefits for St Lucia

During 2006 a concerted effort was made in St Lucia to upgrade producers to become Fairtrade compliant and therefore assume membership. The result was an increase in membership from 670 to 1,289 comprising 100 % of banana farmers.

The St Lucia NFTO is made up of 13 Fairtrade Groups with 1,289 members. Each Fairtrade Group has one representative on the National Fairtrade Committee. The Fairtrade Groups meet once a month as regular meetings are essential to ensure the participation and involvement of all the farmers in the decision making process. During the meetings, farmers discuss technical issues related to production and market information but, more than anything, they discuss how they should use the Fairtrade premium and decide on their work plan for the year.

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- New and improved relationships between the farmers themselves and with their communities.

Examples of Fairtrade Premium Use in St Lucia

a) Financial Benefit

Farmers who became members benefited from an immediate increase in revenue, receiving EC\$23.00 per 18.14kg box of bananas compared to EC\$16.00 received by non-Fairtrade suppliers - a difference of EC\$7.00 a box.

b) Medical Contributions

Producers and their beneficiaries continue to have access to medical benefit of EC\$1,000 per person per annum. Also included was special financial assistance to an accident victim and cancer patients. In total, 600 farmers benefited from the medical assistance to the value of EC\$250,213.

Example: The Dennery Hospital

Dennery Hospital benefited from the donation in August 2006 of an autoclave (apparatus for sterilizing surgical instruments) by Dennery Fairtrade Group at a cost of EC\$ 30,000. This critical piece of equipment serves approximately 12,000 people from the communities of Dennery, Praslin and the Mabouya Valley.

c) Health Fund

A total of US\$260,700 has been invested in healthcare for farmers and workers via the NFTO Health Fund which was set up in 2004. This fund entitles every farmer and at least one of his workers to receive up to US\$370 a year towards medical costs. With the average GP's visit costing US\$10, most farmers would not be able to afford to visit a doctor let alone pay for medicines, treatment or surgery if it were not for the Health Fund. In 2008, 1,087 farmers benefitted from treatment or consultation through the scheme.

d) Supply of Farm Inputs

Farmers have been supported with a wide range of farm inputs including fertilizers, diothene sheeting, propping twine, post-harvest inputs, cluster bags, boxes, etc.

St Lucia National Fairtrade Committee supplied the inputs at minimum cost. For example, NPK fertilizer is supplied at EC\$58.00 per 50 kg bag compared to at least EC\$70.00 charged by most private suppliers.

Example: The Fairtrade Truck

This project was initiated to assist with the distribution of packaging material and other farm inputs to all Fairtrade Groups. It also serves to help the groups in the delivery of material for different social projects to the various communities and to accommodate farmers meeting etc. The project is valued at EC\$110,000.

e) Educational Projects

Projects totalling EC\$186,500 have supported the following schools: Dennery Infant School, Dennery Primary School, Micoud Secondary School, La Ressorce Primary School, Lady Gordon Special Education School, Plain View Combined School, Richfond Combined School, and Ti Roche Combined School.

Example: Richfond Combined School Water Project

This project provided children and staff of the school with access to running water in the dry season when there is usually a shortage of water in the community. The school has a student population of 260 and 16 staff members. The project is valued at EC\$11,500. This school was also provided with a computer and printer.

Example: Dennery Infant School Computer lab

This project offered an improved learning environment and early exposure to computer technology to the 200 children of this school. It involved the renovation of one classroom, the installation of an air conditioning unit and purchase of five computers and a laser printer. These facilities will be made available to the parents through an evening programme, thus widening the beneficiaries of the project. A total of EC\$25,000 was spent on this project.

Example: The Plain View Combined School

This school has over 600 students and was suffering from problems of poor literacy levels and a general lack of motivation, especially among young male students. The project provides a reading room with updated reading materials and an improved atmosphere for learning. It also provides another room with modern equipment such as video, television, computer and projector to make lessons more interactive and student friendly. This project cost EC\$60,000.

Example: Ti Rocher Combined School Resource Centre

This project involves the construction of a class room, installation of electricity, the provision of furniture and equipment including computer, video, and television to improve the learning environment at the schools. The Ti Rocher community at the moment lack these facilities and so the project will go a long way in helping the children of this area to keep up with other more developed schools. The school has a population of 250 children and this project is valued at EC

\$90,000 and will be officially opened by Mr Justin King of Sainsbury's on his visit 12-13 February 2007.

f) Environmental projects

To contribute to improving and maintaining the natural environment, the National Fairtrade Organization engaged in the collection of non-biodegradable farm waste throughout the country. To minimise the use of herbicides in order to safeguard the environment, a substantial investment was made in purchasing motorised weed cutters for use in banana fields.

g) Social projects

Some of the social projects included: tree planting, bus shelters, sponsorship of sporting activities, farm road improvement projects and the procurement of equipment for the 'Home for the Aged' at Soufriere.

h) Business development:

A banana ripening centre is under development in St Lucia. The St Lucia NFTO plans to source bananas from Fairtrade farmers not destined for export and develop new local market possibilities and added revenues for the farmers. Total costs: EC\$240,000.

Examples of Fairtrade Premium Use in St Vincent

Farm improvements

Ongoing work is taking place across the Islands to ensure farmers continue to meet GLOBALGAP hygiene and health and safety standards, a requirement of contracts to supply UK retailers. In St Vincent alone, 50 farm packing sheds were upgraded with washing facilities, pit toilets and lunch rooms for workers in 2008/09.

School bus

In March 2009, a brand new school bus was purchased to help children in North Windward get to school in the capital, Kingstown. They also hire the driver and conductor. Previously, the children were reliant on private buses which, because children only pay half fare, often didn't stop for them in the morning, leaving them stranded by the side of the road and often late for school. When it's not in use for school travel, the bus is offered for private hire to tour companies (especially in the tourist high season) or for other community groups.



Science lab

The children of Pamelus Burke primary school in Byrea on the Windward coast of St Vincent have a new, well equipped science lab, funded by Fairtrade premiums, and opened in 2008.

EC\$33,000 was invested in this project and included the purchase of a laptop and projector plus a wide range of science equipment including microscopes, globes, weighing equipment, chemistry sets, Bunsen burners, and a model skeleton.

School library

The new library at North Union School was sparsely stocked so, at the school's request, farmers funded the purchase of new books. Equipment including photocopiers has also been provided to schools in Georgetown.

Scholarships

The farmers are currently providing scholarships to seven gifted children who have done well at 11+, but whose families are struggling to cover the costs of attending the secondary grammar schools they have got into. All Fairtrade farmers are eligible to apply for a scholarship for their child or grandchild.

Multipurpose centre

Equipment has been provided for a multipurpose centre for young people to learn key skills such as carpentry, welding, electrical work and plumbing to improve their employment opportunities.

The premium has been used over the years for many more projects in communities with Fairtrade Groups:

- Chairs have been purchased for some Fairtrade Groups whose members previously had to stand during meetings. They are also used for other meetings and community events.
- Social projects in all communities with Fairtrade groups:
- Home economics centre. The centre will be used for classes in cookery and for catering for events held at the centre.
- Refurbishment of community centres to enable the community to make greater use of them.
- Purchase of material to enable knitting classes for young people in rural community centres.
- Improvement of feeder roads and bridges to give banana farmers better access to their fields and benefit all farmers located along these roads.
- Support for three nurseries with equipment enabling children to rest after lunch. Purchase of toys, storybooks and tape recorders.
- Construction of two bus shelters to protect passengers from the sun and rain.
- Purchase of a nebulizer for respiratory patients at a rural clinic in the north of the island.
- Purchase of two computers for a secondary school in Overland.

Organisation is the key

Today, Fairtrade is not only making a huge difference to hundreds of farmers, it is benefiting whole communities as well as the Island economies and is recognised by the industry as a crucial part of its survival strategy.

Farmers who join a Fairtrade Group have to make a commitment to attend regular meetings to discuss farming issues, Fairtrade standards and how to use the social premium. Members are elected to represent the group at national and regional committee meetings, while delegates from WINFA Fairtrade Unit attend Fairtrade international producer assemblies to contribute to the development of Fairtrade policies and strategies.

This process of participation has had a number of positive consequences in Dominica that have been observed by Colin Borton of Windwards Bananas, WIBDECO's marketing company:

'There is an enhanced sense of participation in the banana industry, an increased social awareness within communities both by farmers and, as a knock on effect, by the community as a whole. Health and safety issues have been highlighted and environmental issues have been brought to the fore and been taken up by the community as a whole.'

'Fairtrade has encouraged growers to discuss, consider and improve their farming practices This is well borne out by the quality of the product being produced, which is consistently the best the Windward Islands have ever produced, and has resulted in a greater awareness and understanding of the banana industry as a whole.

'Fairtrade has rekindled hope and confidence in the banana industry in Dominica, which was in serious decline. There is now an unmistakable pride by the farmers in their work, a concept seriously lacking in banana farmers before the introduction of Fairtrade.'

Fairtrade Foundation, updated July 2010