

Potentials and constraints to Fair Trade production in small-scale aquaculture in developing countries

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What is Fair Trade?

The idea of Fair Trade is not new, but has become more important to consumers over the last 10 years. The 'developed' world consumes a great deal of products such as coffee, tea and chocolate, which are produced in poorer, mainly Southern hemisphere countries. The pressure amongst large food retailers for buying at ever lower prices has meant that the quoted price of these products on the international market has been falling rather than rising, whilst in parallel, the price of inputs such as seed, and fertilisers has increased. Fair Trade stands out as a solution to this problem of diminishing returns for farmers in developing countries.

FINE, an umbrella organisation formed from FLO¹, IFAT², NEWSI³ and EFTA⁴, define Fair Trade as: "a trading partnership, based on dialogue, transparency and respect, that seeks greater equity in international trade. It contributes to sustainable development by offering better trading conditions to, and securing the rights of, marginalized producers and workers – especially in the South. Fair Trade organisations (backed by consumers) are engaged actively in supporting producers, awareness raising and in campaigning for changes in the rules and practice of conventional international trade."

Fair Trade activity covers a wide range of products, most of them handicrafts, but with an ever wider range of foodstuffs now being included. Most of the products sold say on the packet that they have been produced fairly; but not all of them have the Fairtrade label. This label has been created so that consumers can more easily recognise the fairly traded products. FLO check that the producers/processors who use the Fairtrade label respect the specifications, but there are actually many products on the market, produced using similar specifications even though they do not carry the label.

There are benefits of Fair Trade for both producers and consumers. Taking coffee as an example, prices on open markets vary from one month to another, and can often fall below the cost of production. Farmers can carry large risks and often fall into debt, risking their land and their livelihoods. Fairtrade arrangements set a minimum price; a price guaranteed to the producers that covers the cost of production and living. With this fair price the workers/producers do not have to either take a mortgage for their land, borrow informally at punishing interest rates or switch their culture to other products, including illegal but highly valuable crops such as coca to earn enough money to live. As an addition to this, workers/producers are paid a premium on the price, are sometimes paid in advance, and have a contract to ensure that they are paid. Crucially, Fair Trade can give small producers access to international export markets.

Some conditions are inherent in Fairtrade specifications; these are the respect of human rights and democracy; health and social security benefits; no children or forced labour; no discrimination. These specifications improve workers' conditions. With the surplus from the higher sale price, money is invested in the community and as well as the allowance/bonus that the producers sometimes get. New housing, school development/improvement, health and sanitation improvement among other advances, make the life conditions of the workers and their families better.

Products are checked for their respect of the Fairtrade specifications by FLO. As a result consumers can be confident that the product has been produced and traded fairly, and that it is a high quality product. Buying Fairtrade labelled products is a responsible rather than a charitable purchase. The Fairtrade approach does not only have advantages for producers and consumers, but also for the environment, with specifications including various aspects of environmental protection and sustainable production practices. More importantly, the social and financial security provided by the system enables producers to look after their land, water and crops more carefully, and encourages an interest and incentive in improving the local environment.

Facts and Figures

At present there are 9 foodstuffs labelled by FLO under Fairtrade; those are: coffee, tea, sugar, fruit juices, honey, chocolate/cocoa, preserves, fresh fruits (apple, banana, mango, orange and pineapple) and rice. Rice is already available in other European countries, and should soon be available in the UK. The foodstuffs not stamped with the Fairtrade label but produced according to similar principles are numerous; they include dried fruits, a wide variety of snacks, spices, cereals, etc. Fairtrade labelled products come from 41 different countries within Africa, Asia and Latin/South America.

In the UK, Traidcraft and Oxfam are the two main importers of Fair Trade goods. Currently 75 shops selling only Fair Trade products are members of BAFTS (British Association for Fair Trade Shops), 3100 supermarkets were selling Fairtrade labelled products in 2000, and the global sale under the Fairtrade label exceeded £63 millions in 2002, of which coffee represented 1.5% of the total UK market and tea marginally less than 1%. Of Fairtrade labelled products, coffee represented 37% of total sales in 2002, 27% were bananas and around 11% each for tea and chocolate/cocoa. Sales continue to increase every year, as more and more consumers become Fair Trade product enthusiasts.



Look for the Fairtrade label on the products you buy. Source: the Fairtrade Foundation

1 FLO: Fair Labelling Organisation International
2 IFAT: International Federation for Alternative Trade
3 NEWSI: Network of European World Shops
4 EFTA: European Fair Trade Association

Fair Trade and aquaculture

The success of the Fairtrade development has widened interest in involving other sectors. For aquaculture, with significant growth in output and international trade over the last two decades, smallholder producers are increasingly vulnerable to market conditions, and as the sector becomes more competitive, the very valuable livelihood gains they have achieved in recent years may risk being lost. The prospect of using Fairtrade approaches for aquaculture therefore holds considerable interest. However, although there is an increasing pressure towards sustainable production, based primarily on environmental issues, nothing has been done to assess the potential for developing a Fairtrade approach in this sector. Although some initiatives are commencing, with e.g. labels for environmentally friendly and socially responsible production, such as the Shrimp Seal of Quality (SSOQ) created in Bangladesh, and various 'sustainable practice' accreditations created by the Marine Stewardship Council, these do not extend to trading

conditions, or specifically to smallholder producers.

There are clearly constraints to the practical application of Fairtrade systems to aquaculture, but potential advantages would justify exploring the prospects. Nowadays, environmental problems are a major concern in aquaculture and there is an increasing pressure towards sustainable production. Because farmers often deal with middlemen independently, they have little leverage, and this has a negative impact on prices paid to smallholders (Fairtrade production tends to eliminate those levels). Aquaculture plays an important role in livelihoods of numerous smallholders. According to the experience with coffee, Fairtrade labelling seems to be a good tool to alleviate poverty. However, whether or not Fairtrade is a useful tool in helping to alleviate these problems in relation to aquaculture is what I aim to address in the coming years

My project will be divided into three basic studies conducted in parallel:

Study	Aim
farmers/middlemen oriented study	to assess what farmers already know/think about fair trade and assess the possibilities of gathering the farmers in co-operatives, to establish a larger, more homogeneous product to export
technical feasibility study	to assess whether the products meet or would be able to meet the Fairtrade production standards and will aim at the development of a code of conduct for the Fairtrade aquaculture label
market study	to determine the market size for those products in the UK and their outlets

The Fairtrade Foundation:
<http://www.fairtrade.org.uk/>

FLO: <http://www.fairtrade.net/>

IFAT: <http://www.ifat.org/>

NEWS!: <http://www.worldshops.org/>

EFTA: <http://www.eftafairtrade.org/>

OXFAM: <http://www.oxfam.org.uk/>

Traidcraft: <http://www.traidcraft.co.uk/>

BAFTS: <http://www.bafts.org.uk/index.html>

These studies will be carried out using case studies in different countries: contact is being made with projects in Bangladesh, Senegal and Peru and with people involved with Fairtrade in the UK.

The project aims to focus on more than one species: tilapia, catfish and shrimp. However, the species will depend on the case studies. Those species have been chosen because they are already exported, sold and eaten in developed countries (where the Fairtrade market is) and have a well-established market there (enough outlets).

The project is just starting, but I hope to give you more details of the progress of the research in future editions of Aquaculture News. Meanwhile, do not forget to look out for the Fairtrade label on the products you buy.

Immunology Workshop at Zhejiang Institute of Freshwater Fisheries, Huzhou, Peoples Republic of China

Professor Sandra Adams and Dr Kim Thompson of the Aquatic Vaccine Unit, Institute of Aquaculture, were recently invited to give an immunology workshop at Zhejiang Institute of Freshwater Fisheries, Huzhou Province in the Peoples Republic of China.

The workshop, funded by the Chinese government, consisted of a series of lectures covering immunodiagnosics, vaccine development and the immune system of fish. The workshop was held in Huzhou City, and was attended by over sixty delegates working on different aspects of fish health at Government Institutes and Universities throughout Huzhou Province.

