

EU Sustainable Food strategy: Fair Trade movement contribution



1. Key recommendations for the European Union to include in the Sustainable Food Communication

As a minimum, build on past Communications that 1) recognise the contribution of Fair Trade to the three pillars of sustainable development¹, 2) “support [the] participation of small businesses in trade schemes that secure added value for producers, including those responding to sustainability (e.g. fair, ethical or organic trade)²”, and 3) acknowledge the role of fair and ethical trade schemes in “giving consumers the power to make informed purchasing decisions and the ability to make a real difference to small producers in developing countries”³, but also:

- ⇒ **Recognise that access to food is a basic right for everyone**, and therefore consider the way in which food is produced as part of our human rights framework
- ⇒ **Adopt a definition of “sustainable food”** that fits within a balanced and integrated model of sustainable development⁴ that makes poverty eradication and environmental sustainability interdependent
- ⇒ **Promote sustainable farming** in Europe and elsewhere at the heart of trading relations by actively promoting farming practices that maintain the

resource base on which small holders depend, so that it continues to

- ⇒ Ensure that **shorter supply chains** are understood in terms of the number of intermediaries in the food chain, rather than the geographic distance from “farm to fork”, as it is the number of players in a food chain which can undermine the position of farmers⁵
- ⇒ **Adopt a balanced approach to measuring the impacts of production and consumption of food** that avoids oversimplification. For example, recognising the complexity of quantifying environmental and social impacts so that “buying local” is not a synonym for reduced carbon emissions which does not address the whole environmental footprint of consumers’ food choices⁶
- ⇒ **Follow the recommendations of the United Nations special rapporteur on the right to food to promote Fair Trade** in accordance with the Charter of Fair Trade Principles⁷ as a way to secure human rights in agriculture

The EU Communication on Sustainable Food and subsequent policy proposals need to recognise that taking steps towards a more sustainable food system can only be achieved by changes that deliver coherence across the whole policy landscape in the EU (see conclusions on page 5).

2. Fair Trade as best practice for sustainable food production

There are two internationally recognised Fair Trade standard-setters, **Fairtrade International** and the **World Fair Trade Organization** that certify Fair Trade products. Both are cosignatories of the **Charter of Fair Trade principles**⁸ and have put in place systems (the former for the certification of products, the latter for the certification of organisations) that are complementary to each other. A number of policy documents at European Union level have recognised this definition as agreed by the Fair Trade movement, including the European Parliament⁹ and the European Commission¹⁰.



Building fairer trading relationships is a key element of the Fair Trade concept. Farmers are empowered thanks to the minimum price and access to pre-financing that the Fair Trade system guarantees them. This allows them to improve their livelihoods and be protected against price fluctuations, as the coffee case shows¹¹.

Fair Trade makes a difference to small farmers and workers. By targeting their income, living, and working conditions, the Fair Trade systems aim at the improvement of farmers' and workers' **socio-economic situation**¹². Fair Trade does not only benefit individual farmers, but also their communities. The Fair Trade premium that is paid on the top of the minimum price enables them to invest in community projects and increase their productivity. Fair Trade ensures that the whole community reaps the benefits of fair trading by encouraging co-operative entrepreneurial structures.

Fair Trade recognises the important role that **women** play in agricultural production and strives to help them realize their full potential and to get the respect in their communities that they deserve. According to Oxfam, in small-scale agriculture, women with the same access to means of production as men can increase productivity by 20 to 30%. This would boost total farm yields in developing countries by 2.5 to 4%. Bridging the

gender gap would mean that 12 to 17% (100 to 150 million) fewer people would go hungry¹³.

Fair Trade Standards include the use of **environmental friendly production** methods. Wherever possible, organic certification is encouraged alongside the Fair Trade certification. Furthermore, by preserving traditional farming and agro-ecological practices, small-scale producers can also benefit from higher crop yields, better adaptation to the impacts of climate change and increased household food security¹⁴.

However, impact studies show that producer organisations benefit well when they sell significant product volumes under Fair Trade terms system (approximately a third of sales), because in such a case significant financial income through **minimum prices and premiums** can be assumed¹⁵.

3. Definition of sustainable food

Any definition of "sustainable food" should be in accordance with the broader framework in which it fits. "Sustainable development" has been classically defined as "the use of resources that do not exceed the capacity of the Earth to replace them"¹⁶. At its narrowest conception, this definition is understood by many economic actors as a conscious growth, in the sense of consuming in a more efficient way.

However, as the **United Nations (UN) High Level Panel for the post-2015 MDGs acknowledges**¹⁷, "For twenty years, the international community has aspired to integrate the social, economic, and environmental dimensions of sustainability, but no country has yet achieved patterns of consumption and production that could sustain global prosperity in the coming decades. A new agenda will need to set out the core elements of sustainable lifestyles that can work for all".

Concerning food, the **Food and Agriculture Organisation (FAO)** defines sustainable consumption and production in food and agriculture is a "consumer-driven, holistic concept that refers to the integrated implementation of sustainable patterns of food consumption and production, respecting the carrying capacities of natural ecosystems. It requires consideration of all the aspects and phases in the life of a product, from production to consumption, and includes such issues as sustainable lifestyles, sustainable diets, food losses and food waste management and recycling, **voluntary sustainability standards**, and environmentally friendly behaviours and methods that minimize adverse impacts on the environment and do not jeopardize the needs of present and future generations.

Sustainability, climate change, biodiversity, water, food and nutrition security, right to food, and diets are all closely connected”¹⁸.

«The term “sustainability standards” is relatively new and does not have a single, widely recognized definition. The general feature of sustainability standards is that they promote the objectives of sustainable development by including social and environmental considerations in the underlying economic focus of business.»

[Voluntary Sustainability Standards, United Nations Forum on Sustainability Standards—[Today's landscape of issues & initiatives to achieve public policy objectives](#)]

4. Social, environmental and economic risks associated to food production

Small producers play a central role in feeding the world’s growing population: according to the International Fund for Agricultural Development (IFAD), they manage over 80 per cent of the world’s estimated 500 million small farms and **provide over 80 per cent of the food consumed in a large part of the developing world**¹⁹. Although small scale agriculture is increasingly presented as the solution to most of the challenges that the global food system faces²⁰, the reality is that small farmers are marginalised within many agrifood production chains. **The agricultural sector has the highest concentration of the world’s poor**²¹. They often have problems adapting to the changing dynamics of the retail industry as they can lack the necessary education, training, infrastructure and capacity. Furthermore, they can struggle to access loans or other type of funding to improve their production capabilities.

The increasing demands for a more environmental friendly agricultural system often understate the social downsides of agrifood chains. This translates in practice to the violation of core labour standards in most countries where food is grown.

According to the United Nations special rapporteur on the right to food to food, 450 million people are farmworkers. Among them, less than 20% have access to basic social protection²².

For instance, workers employed in large plantations are exposed to abuse and disrespect of their right to collective bargaining and decent salaries. Small scale farmers who own their land are not better off either. They are exposed to increasing pressure that threatens their ownership and the survival of traditional agriculture. **“Land grabbing”** has increased in recent years in the context of the food, financial, climate and energy crises²³. This phenomenon benefits from weak governance structures and hinders the use of natural and land resources by local communities.

Poor working conditions also have an impact on worker’s **health**. Direct exposure to pesticides and other toxic substances increases the risk of chronic diseases and other health related problems. Not only the production, but also the disposal phase entails serious risks for human wellbeing. The consequences of **food waste** on the arable land are considerable. For small producers this affects their own food consumption habits.

About 870 million people are estimated to have been undernourished (in terms of dietary energy supply) in the period 2010–12. This figure represents 12.5 percent of the global population, or one in eight people.

The vast majority of these, 852 million, live in developing countries, where the prevalence of undernourishment is now estimated at 14.9 percent of the population. Malnutrition also affects the productivity of those farmers.

Whether in families of landless workers or smallholders, **women can suffer more than other groups from the inequalities in supply chains**. Women have to not only work in agriculture, as it is the main source of income for many people in developing countries, but they also have to cope with their traditional role in household duties²⁴.

According to the UN, women do more than 67% of the hours of work done in the world, earn only 10% of the world's income and own only 1% of the world's property.

On average women are paid 30 to 40% less than men for comparable work, but in many developing countries women regularly do not receive remuneration for their work at all²⁵.



Another vulnerable group are children. According to the International Labour Organization (ILO) there are around 215 million child labourers in the world; around half of them work in hazardous conditions.

132 million or 70% of all working children worldwide work in agriculture.

Risk analyst firm Maplecroft rates 76 countries as at 'extreme' risk of child labour²⁶. A distinction needs to be made between the worst form of child labour, which should be eliminated, and children helping at home in running the family business, which allows them to continue with their education. However, in some circumstances parents have no other choice than to ask their children to work, impeding this way a proper development of the child. The recourse to child labour is quite common in the production of some commodities, such as cocoa.

Whereas child labour is a complex issue which roots are difficult to tackle, **Fair Trade certification not only prohibits the use of exploitative child labour, but also at a macro level reduces the**

context where children are expected and needed to work, because it ensures that adults are paid enough to sustain a household²⁷. This is another example of how Fair Trade recognises the important link between economic and social aspects of sustainability.

But the implications of the current corporate model of farming do not stop there.

The current threats to traditional farming will have economic consequences.

Food and Agriculture Organisation of the United Nations (FAO) figures show that 43% of the world's working population are employed in the agricultural sector, a proportion that rises to 53% in developing countries.

Such a large part of the world's population lives of farming, and most of them live of labour-intensive small-scale farming²⁸. In the last five years, the production of food has become more unpredictable than ever. The **rise in speculation in the agricultural commodities markets** has resulted in price volatility and food price rises for farmers. For instance the World Bank estimated in February 2011 that the latest price hikes had plunged 44 million people into extreme poverty²⁹.

If farmers can't make a living out of agriculture, the alternative is to move to cities, increasing **migration to urban areas**. In big cities migrants are pushed to live in slums, exacerbating poverty and social tensions.

Farmers are also in a weaker position to face the current challenges of the world food system: **how to produce enough food to feed the growing demand but in a more efficient way**. Since most of these farmers are located in developing countries, they have a reduced resilience capacity.

The **consequences of global warming** are already felt by some communities: the rapid changing land conditions are pushing people to leave their homes, so a new type of "climate" refugees is arising. The scarce resources due to the changing climate will impact on the availability of food. The arable land available will decrease and conflicts around land tenure will arise.

5. Conclusion

As described above, Fair Trade addresses the multiple risks associated to food production. Furthermore, it is considered by the UN special rapporteur on the right to food as “a model that others should seek inspiration from, and that can ensure that global supply chains work for the benefit of small - scale farmers and thus contribute significantly to the alleviation of rural poverty and to rural development”³⁰.



However, an EU coherent approach to a sustainable food system should be complemented by:

- **Integrating the social and economic pillars into all Sustainable Consumption and Production policies:** not only in relation to food, but also textiles, handicrafts, electronics and other labour-intensive sectors
- **Tackling unfair buying and commercial practices** - which results in producers bearing excessive and inappropriate risks- by ensuring a fair sharing of risks and benefits along the supply chain
- **Preventing distorting impacts of the recently revised Common Agricultural Policy (CAP) on producers in developing countries**³¹
- **Issuing specific guidelines** for the sourcing of food, textiles and other raw materials that encourage public authorities to take into account the production process and methods of the product in question

6. References

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5. For instance a Fair Trade coffee importer that buys directly from the Fair Trade coffee cooperative and sells it to the Fair Trade shop is a much shorter commercial circuit than the supermarket that squeezes the value that is passed on to milk producers due to the number intermediaries in the supply chain.
6. Many impact reports show that in industrialised countries, greenhouse gas emissions caused during transport, processing, sale, storage and preparation are much higher than the greenhouse gases emitted in the field, so by taking into account the whole life-cycle of short-distance products these have a higher environmental footprint than long-distance ones.
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31. For instance the recently adopted CAP reform lifts restrictions on domestically produced beet sugar and other sugar products in 2017. Without appropriate accompanying measures, this decision will push African Caribbean and Pacific producers into poverty

The Fair Trade Advocacy Office (FTAO) speaks out on behalf of the Fair Trade movement for Fair Trade and Trade Justice. The FTAO is a joint initiative of Fairtrade International, the European Fair Trade Association and the World Fair Trade Organization-Europe. Through these three networks the FTAO represents an estimate of 2.5 million Fair Trade producers and workers from 70 countries, 24 labelling initiatives, over 500 specialised Fair Trade importers, 4,000 World Shops and more than 100,000 volunteers.