



Climate Change and Fairtrade

Why Is It Time to Make the Links?

Climate Change and Fairtrade:

Why Is It Time to Make the Links?

Climate change is not fair. In fact, developing countries have contributed the least to this growing problem and are currently the most affected. Farmers from developing countries are increasingly showing their concern as they are more and more affected by this phenomenon. In order to address this new global issue and in solidarity with the most affected and least responsible, new ways to cope with the impact of climate change have to be developed. Farmers, consequently, need to be supported in adapting to climate change challenges and reducing their impact on climate change.¹

As opposed to conventional trade, Fairtrade intends to provide farmers from developing countries with fairer trade conditions that allow them to combat poverty, strengthen their position and take control over their lives. In doing so, Fairtrade has continuously promoted sustainable agricultural practices in the production of Fairtrade products. Fairtrade has also developed a climate change strategy aiming to support farmers as they adapt to climate change challenges and work to mitigate their impacts.

In addition to creating fairer trading conditions for farmers in developing countries, Fairtrade can be used as a vehicle to support farmers in adapting to and mitigating climate change.

Climate change: environmental repercussions are on the rise

As indicated by the Intergovernmental Panel for Climate Change (IPCC) in 2007, natural systems across the planet are being affected by temperature increases.² The IPCC Fourth Assessment Report indicated that “weather patterns have become more extreme”.³ The main environmental changes taking place across the world include rising temperatures, decreased precipitation in sub-tropical latitudes, reduced water supplies, desertification, wild fires and, on the other hand, rising sea levels, rising precipitation in high altitudes, floods, changes in river run-off patterns, etc.⁴ The report also points out that weather patterns have become more unpredictable, which also explains out-of-season storms and heat and cold waves. Moreover, scientists are indicating that climate change is also having an impact on the cyclone and hurricane seasons as more severe storms are taking place more frequently. Projections suggest that the number of weather-related disasters will triple by 2030.⁵

“Following the first floods we lost 13 percent of our honey bush crop. Now we’ve been hit by the worst drought in 130 years, which has wiped out another 2.5 hectares of our crop... Last year we had to replant because we did not have enough honey bush to produce a viable crop.”—Sydney La Fleur, Fairtrade honey bush producer, South Africa



Heavy rainfall preventing workers from being on the field. Mabale Growers Tea Factory Ltd, Fort Portal, Uganda, © Nathalie Bertrams 2011

Economic and social impact on developing countries

According to the Global Humanitarian Forum, approximately 325 million people are affected by climate change every year.⁶ Studies indicate that this number is expected to double within 20 years.⁷ Unfortunately, the most affected by this global issue are the most vulnerable. In fact, the populations that are most prone to climate change repercussions are those living in least developed countries and island states.⁸

Economic losses due to climate change are taking place worldwide. It is estimated that up to 2007, approximately US\$125 billion was lost as a consequence of climate change.⁹ Another study funded by the German Society for International Cooperation (GIZ) suggests that

farmers worldwide could see their incomes fall by as much as 90 percent in the next 15 years, and that 30 million farmers could be affected.¹⁰ Developing countries are certainly the most affected, although they are the least responsible—developing countries, in fact, absorb more than 90 percent of the world's economic losses due to climate change.¹¹ On the other hand, developing countries have benefited the least from the industrial development and economic growth that has brought about climate change.

Agricultural production in developing countries is increasingly being affected by climate change repercussions such as higher temperatures and increased rain, floods and droughts.¹² Fairtrade products have, consequently, been affected by climate change. Banana plantations in Ecuador and Costa Rica were severely

affected by floods taking place in 2008/09. Banana farmers in Windward Islands have also been affected due to an increased number of hurricanes passing through in the last couple of years. In a similar case, tea plantations in north-east India were severely damaged by a typhoon that hit the country in 2010. Floods also damaged harvests in Madagascar in early 2011.

"The entire banana industry is destroyed and would require at least six months to begin to return to normalcy. Our farmers have lost everything and we need all the assistance available as we work toward recovery."—Cornelius Lynch, Fairtrade banana farmer, Windward Islands

A reduction in food production will certainly have an impact on hunger across the planet, especially in developing countries. As indicated by the United Nations Framework Convention on Climate Change, "crop productivity is projected to decrease for even small local temperature increases (1-2° C), which would increase the risk of hunger."¹³ The Food and Agriculture Organization (FAO) estimated over one billion people suffered from hunger worldwide in 2009 (most of these people live in developing countries).¹⁴ The number of people suffering from hunger in 2008 was estimated to be 923 million.¹⁵ It is believed that climate change alone was responsible for causing hunger and malnutrition among approximately 45 million



Climate change impact: Fruits on tree are in different stages of development. Ankole Coffee Producers Cooperative Union Ltd, Bushenyi, Uganda, © Nathalie Bertrams 2011

people.¹⁶ According to the Global Humanitarian Forum, the number of hungry people due to climate change is expected to almost double to 75 million within 20 years.¹⁷ Climate change has also contributed to creating more poverty.¹⁸ In fact, it is estimated that 12 million people have been pushed into poverty by climate change,¹⁹ and projections indicate that this number might double by 2030.²⁰

Why Fairtrade?

Fairtrade can be used as a vehicle to address climate change by supporting farmers' livelihoods, sustainable development and climate change adaptation.

- **Supporting livelihoods**

Given the lack of fairness found within the conventional trading system, consumers support farmers so they can receive a fair price by buying Fairtrade products. Farmers are paid an amount that aims to cover the costs of sustainable production, which allows them to do future business projections. This is especially important in times of instability and volatility, as prices can significantly fluctuate. Farmers are, thus, driven towards the Fairtrade system as they can see their livelihoods secured, given the stability that they can enjoy. This stability can help them be better prepared to face climate change challenges.

Farmers also receive the Fairtrade Premium, which can be used to implement local projects that support social and economic development such as building

schools, enhancing production capacities, improving conditions for workers and so on. Projects to be developed are collectively selected in a democratic and transparent manner. The Fairtrade Premium has funded several projects that support sustainable development and climate change adaptation.

"The Fairtrade premiums have helped to pay for some good projects. We have improved the coffee's quality by increasing the number of drying tables using concrete pillars instead of wood...and we are looking at building a permanent processing facility."—Bernard Kaunda, Fairtrade coffee producer, Malawi

- **Supporting sustainable development (climate change mitigation)**

Fairtrade supports and promotes sustainable development. This is mainly done through the adherence to core environmental standards, which all farmers must comply with.²¹ In addition to the core environmental requirements, farmers are asked to fulfill development requirements over time that reinforce good agricultural practices and reduce GHG emission. Farmers are also encouraged to adopt organic production processes over time and subject to local conditions.

In terms of environmental protection, farmers are required "to have agricultural and environmental practices that are safe and sustainable".²² In order to do so, farmers are asked and supported to fulfill different requirements such as integrated pest



Ruberema Selestino, farmer (back), Borunsya Agenina, farm worker (front). Coffee and banana in mixed use farming. Ankole Coffee Producers Cooperative Union Ltd, Bushenyi, Uganda, © Nathalie Bertrams 2011

management, safe use and handling of permitted pesticides, improve soil fertility, sustainable water use, proper waste management techniques (reduce, reuse, recycle and compost waste), protection and enhancement of biodiversity, minimization of energy use (especially energy from non-renewable resources) and so on.²³

It is also important to address certain misconceptions raised in relation to Fairtrade products and food miles.²⁴ First of all, consumers should take into account that in most instances, Fairtrade products do not compete with local products as they are often different, given that they are grown in warmer climates. Carbon emissions are, in fact, not limited to transportation; they are also caused through production

and should, therefore, be taken into account. For products grown in Europe and North America, emissions due to production can be generally high as opposed to products sustainably grown in developing countries. This is especially the case if the use of energy from non-renewable sources or synthetic fertilizers is taken into account. Lastly, it should be emphasized that farmers from developing countries should not be penalized for the increasing industrialization of developed countries, which has greatly contributed to climate change. On the contrary, disadvantaged farmers should be supported as they face climate change challenges and develop production mechanisms that lower their impact on climate change.

- Supporting climate change adaptation**

Farmers need to adapt to climate change challenges to continue producing their products. Adapting agricultural practices and improving water management techniques can certainly help in sustaining livelihoods and, thus, preventing migration and displacement.²⁵ Further, many adaptation measures also help to mitigate carbon emissions or to sequester carbon. Climate change adaptation can nonetheless be costly due to training and equipment expenses. Given the investments needed, most farmers are not able to adapt to climate change challenges. Unfortunately, adaptation funding has not been enough and it has not necessarily been allocated to address the needs of the most vulnerable.

The Fairtrade Premium has been used by certain farmers to invest in their production capabilities, including technologies that enhance production and help face new climate change challenges such as soil erosion, water shortages and higher temperatures. In certain cases, farmers have used the premium for different purposes, such as planting trees in order to avoid soil erosion or to counteract higher temperatures, constructing dams to capture water, investing in methods to use less water and so on.

Fairtrade has also developed a Producer Support Programme for Climate Change Adaptation and Mitigation. This programme focuses on a) providing generic services to farmers namely in terms of climate change awareness and information and b) developing regional and product-specific projects to support farmers in adapting to climate change. The development of these regional projects depends on funding available; Fairtrade is continuously seeking funding opportunities to bring these projects into reality as well as the development of partnerships to implement them.

It is also important to note that the Fairtrade system provides a number of benefits that are essential to building adaptive capacity, such as organizational development of small producer organizations, community organization and development, and producer empowerment, in addition to access to information and exchange of experiences through producer networks.

Fairtrade: a global social response to address climate change

Fairtrade has proven to be a global movement connecting farmers from developing countries, disadvantaged by conventional trade practices, and sensitized consumers. The Fairtrade system has demonstrated itself to be an alternative trade mechanism that takes into account

key principles such as social justice and environmental sustainability. The Fairtrade system, thus, believes that conscious consumers from the north should continue selecting Fairtrade products in solidarity with populations from the south and in support of sustainable development, taking into account both climate change adaptation and mitigation.



Climate change adaptation measure: Production of drought-resistant trees in their nursery; the small plants are free for farmers to plant themselves (with Venitah Kahunide, 19 yrs). Mabale Growers Tea Factory Ltd, Fort Portal, Uganda, © Nathalie Bertrams 2011



Makaibari Tea Estate, India, © Didier Gentilhomme 2006

Endnotes

1. Climate adaptation can be defined as 'individual or governmental action to reduce present adverse effects or future risks of climate change'. The Anatomy of a Silent Crisis – Human Impact Report: Climate Change (2009). Global Humanitarian Forum, Geneva, p. 69
2. Summary for Policymakers. In Climate Change: Impacts, Adaptation and Vulnerability. Contribution of Working Group II to the Fourth Assessment Report of the Intergovernmental Panel on Climate Change, M.L. Parry, O.F. Canziani, J.P. Palutikof, P.J. van der Linden and C.E. Hanson, Eds. (2007), Cambridge University Press, Cambridge, UK, p. 8
3. Ibid.
4. Ibid., p. 11
5. The Anatomy of a Silent Crisis – Human Impact Report: Climate Change, p. 13
6. Ibid., p. 9
7. Ibid., p. 12

8. Climate Change: Impacts, Vulnerabilities and Adaptation in Developing Countries, United Nations Framework Convention on Climate Change (2007). UNFCCC, p. 6
9. The Anatomy of a Silent Crisis – Human Impact Report: Climate Change, p. 18
10. For more information, please see:
http://www.adapcc.org/download/gtz_TopicSheet-ROA_en.pdf
11. The Anatomy of a Silent Crisis – Human Impact Report: Climate Change, p. 3
12. Research carried out by GIZ has shown that given the rise in temperatures, farmers in certain countries from the south need to grow their crops at higher altitudes (at an average of 3-4 meters per year). This study was carried out in Kenya, Mexico, Peru and Nicaragua. For more information, please see: http://www.adapcc.org/download/gtz_TopicSheet-ROA_en.pdf
13. Climate Change: Impacts, Vulnerabilities and Adaptation in Developing Countries, p. 11
14. For more information, please see: The State of Food Insecurity in the World: Economic Crises – Impacts and Lessons Learned (2009), FAO
15. For more information, please see: The State of Food Insecurity in the World: High Food Prices and Food Security – Threats and Opportunities (2008), FAO
16. The Anatomy of a Silent Crisis – Human Impact Report: Climate Change, p. 24
17. Ibid.
18. Approximately 2.6 billion people live in poverty (below \$2 per day) in the world and almost 1 billion of those live in extreme poverty (less than \$1 per day).
19. It is also important to mention that out of 350 million displaced across the planet, approximately 26 million are displaced because of climate change repercussions. This number will grow significantly as climate change disasters continue; this number could reach 50 million by 2010. In Warner, K.; Erhart, C.; Sherbinin, A. de; Adamo, S. (2009), Care International. In Search of Shelter: Mapping the Effects of Climate Change on Human Migration and Displacement, p. 2
20. Ibid., p. 36
21. For more information, please see: Generic Fairtrade Standard for Small Producer Organizations, Fairtrade International (2011), FLO. Available online at: http://fairtrade.net/fileadmin/user_upload/content/2009/standards/documents/2011-08-09_SPO_EN_FINAL_EB.pdf; Generic Fairtrade Standard for Contract Production, Fairtrade International (2011), FLO. Available online at: http://fairtrade.net/fileadmin/user_upload/content/2009/standards/documents/2011-08-10_CP_EN_final_AR_EB.pdf; Generic Fairtrade Standard for Hired Labour, Fairtrade International (2011), FLO. Available online at: http://fairtrade.net/fileadmin/user_upload/content/2009/standards/documents/2011-08-09_HL_EN_final_EB.pdf.
22. Generic Fairtrade Standard for Small Producer Organizations, p. 11
23. Ibid., p. 11-21
24. ‘Food miles’ refers to the distance that food travels from producer to consumer, from ‘farm to fork’.
25. Warner, K. et al.,(2009). In Search of Shelter: Mapping the Effects of Climate Change on Human Migration and Displacement, p. 1



Francisco Guamán carrying his quinoa. COPROBICH collective, Chimborazo, Ecuador,
© Didier Gentilhomme 2006



Fairtrade International (FLO)

Bonner Talweg 177

53129 Bonn

Germany

Phone +49 (0) 228-949 230

Fax +49 (0) 228-242 17-13

info@fairtrade.net

www.fairtrade.net

twitter.com/fairtrade

facebook.com/fairtrade



FAIRTRADE

Cover photo: Mabale Growers Tea Factory, Uganda, © Nathalie Bertrams 2011

Back cover photo: Van Chan Bio Farmers Club, Viet Nam, © Didier Gentilhomme 2008