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The confluence of Fair Trade and organic movements: A small producers' perspective in South India

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Abstract:

In the global alternative trade, the confluence of Fair Trade and organic movements has become a salient phenomenon. However, the two movements contradict each other at the production level: Fair Trade focuses on specific products and the organic targets production units. How do producers in the South cope with this discrepancy? This paper explores this question by observing a non-governmental organization (NGO)'s attempt to use the two movements for small farmers in South India. This case study reveals that even a group of smallholders contains different stakeholders who have different livelihood strategies and thus react to the two movements differently. Some members are more oriented to Fair Trade; some are more to the organic. Some are more attracted by another form of assistance from the NGO. While the two movements potentially offer a means-end approach to poverty reduction and environmental sustainability, combining the two movements may not always be the best practice of the approach.

Keywords: Fair Trade; organic farming; small farmers; the rural South; India

1. Introduction

The Fair Trade and organic movements are well-known global initiatives for economic, social and environmental sustainability and have attracted attention as alternative links between Southern producers and Northern consumers. Because the two movements are observed in parallel in many cases, many authors do not dare distinguish one from the other (e.g., Getz and Shreck 2006; Jaffee 2007). Although some authors discuss possibilities of combining the two movements, they have not empirically clarified the strengths and weaknesses of such confluence (Browne, et al. 2000; Reynolds 2000; Rice 2001). This paper sheds light on the confluence of the two movements on the part of Southern producers with empirical evidence.

While poverty reduction and environmental sustainability are two crucial objectives of rural development in the South, a fundamental problem is the absence of a framework within which both issues can be analysed simultaneously (Sanderson 2005). One promising approach to both issues is the Fair Trade or ethical trade movement. Fair Trade aims to offer better trading conditions to disadvantaged producers and workers in the South by linking directly with ethically-minded Northern consumers. In other words, Fair Trade takes advantage of globalisation for poor producers who, by themselves, cannot benefit from globalisation. Specifically, international and local non-governmental organizations (NGOs) have promoted Fair Trade by marketing agricultural products and handicrafts at higher than free trade prices for reasons of consumers' contribution to social justice and by using price premiums for the improvement of communal infrastructure and services. It is notable that in addition to social justice-related regulations such as the organisation of democratically run cooperatives, Fair Trade producers are required to comply with organic or sustainable production practices (Nicholls and Opal 2005). Roughly half of Fair Trade coffee is also accredited as organic (Raynolds, et al. 2007, p.154). In brief, under the Fair Trade movement, environmental sustainability is used as a means for poverty alleviation or income generation as an end. This means-end relationship has a potential to be the basis of an analytical framework for the two issues.

The organic movement is based on a "technical issue of production" (Browne, et al. 2000, p. 82). According to FAO (1999, in Kristiansen and Merfield 2006, p.3),

organic agriculture is a holistic production management system which promotes and enhances agro-ecosystem health, including biodiversity, biological cycles, and soil biological activity. ...This is accomplished by using, where possible, agronomic, biological, and mechanical methods, as opposed to using synthetic materials, to fulfil any specific function within the system.

The organic movement has also gone global and opened up opportunities for products from Southern agricultural producers to find new markets in the North (Raynolds 2004). Although the International Federation of Organic Agriculture Movements (IFOAM) does not insist that all organic products from developing countries conform to Fair Trade guidelines (Browne, et al. 2000, p.83), it aims to relate to "workers' rights, their basic needs, adequate return and satisfaction from their work and a safe working environment" (IFOAM 1997, in Browne, et al. 2000). Many small and marginal farmers in the South are traditionally organic depending on locally available manures; conventional smallholders whose yields are comparatively low can increase yields significantly through the transition to organic production (Bacon et al. 2008, p.353). Their disadvantages such as small-scale production and backward technologies may change into new sales points under the global organic movement.

While the Fair Trade and organic movements have gradually approached each other, the two movements have both common and contradictory characteristics. The overlap of the two movements can be summarized into a means-end approach to poverty reduction and environmental sustainability. Theoretically, if poor farmers invest more, financially and technically, in organic farming, they can gain more profits. However, as the next section details, there is a contradictory factor embedded in the two movements. Does the hypothetical means-end approach work in reality? Or, does the contradictory factor hinder this approach? This paper explores these inquiries by drawing on a case study in South India, in which a farmer group's attempt to take advantage of both movements is analysed from a perspective of farmers' livelihood strategies.

2. A Contradiction between the Fair Trade and Organic Movements

The most plausible way for producers to benefit from both movements is to seek to obtain both

Fair Trade and organic certifications. I point out a crucial difference between the two movements in what is certified.

Organic certification assures the organic nature of production activities by a certified farmer or farmer group. In other words, “all products from all environmentally friendly production units will be automatically labelled” (Dankers 2003, p.23). This accreditation system is based on the principle of organic farming, i.e. “a holistic production management system which promotes and enhances agro-ecosystem health.” Therefore, certified farmers and farmer groups can sell any crop as organic from their “environmentally friendly production units”.

In contrast, a Fair Trade label is provided for a specific agricultural product.(1) This is because Fair Trade labelling has been developed to offer consumers an important degree of reassurance when buying Fair Trade products (Nicholls and Opal 2005, p.11). This product certification is criticized as a cause of monoculture (Leclair 2002). However, even if Southern farmers want to sell a variety of products, the potential range of Fair Trade products is in reality restricted due to limited acceptance of many basic Southern products in Northern diets (Wilkinson and Mascarenhas 2007).

This difference in the nature of certification may draw from Southern farmers different reactions to the two movements. Organic certification may facilitate farmers to consider biodiversity and long-term soil fertility in their entire farmland rather than to increase the production of a specific organic crop. When the same farmers attempt to access the Fair Trade market, they need to select one specific crop suitable for the Fair Trade market, which will inevitably require them to pay special attention to the selected crop. The confluence of Fair Trade and organic movements is likely to make Southern producers face a dilemma—entire production unit or specific crop. The means-end approach to income generation and environmental sustainability in a real setting depends on how each farmer copes with this dilemma.

3. Methodology: A Case Study Approach

3-1 A project in South India

I observed a project of an Indian NGO called NEEM (pseudonym) for organizing an association of small farmers who own less than five acres in highland Kerala, South India and converting them into organic farmers. In India, only 30 percent of its total cultivable area is irrigated and covered with fertilizers and in the remaining 70 percent, which is mainly rain fed, negligible amounts of fertilizers are used (Thapa and Tripathy 2006, p.93). With the sizable acreage under naturally organic cultivation, India has tremendous potential to emerge as a major supplier of organic products in the world’s organic market (Thapa and Tripathy 2006). The state of Kerala is one of the most advanced states in certified organic farming; IndoCert, a domestic certification body, has issued the largest number of certificates to Kerala farmers or farmer groups (based on an interview in IndoCert, August 2008).

The goal of the small farmer association is to export their certified crops to foreign organic markets. When I had fieldwork in the project site, it had been only seven months since the official establishment of the small farmer association while NEEM had spent more than two years in motivating and mobilizing small and marginal farmers. A variety of activities were still at their experimental stages. About 10 to 15 farmers compose one group; 52 groups had been already formed under the association. A majority of members are below the national poverty line. Member farmers cultivate a wide range of crops, including coffee, rubber, cocoa, pepper, ginger, nutmeg, tapioca and banana, in small plots of steep land.

3-2 Interventions by the NGO

NEEM has provided three categories of interventions: (a) the promotion of organic farming, (b)

special assistance for a potential Fair Trade product, coffee and (c) other activities for organizing farmer groups.

For the purpose of obtaining group organic certification, NEEM introduced a liquid bio-fertilizer to member farmers. At the start of NEEM's project, some members depended on chemical fertilizers; some were traditionally organic farmers relying only on cow dung, leave litter and crop residues. The introduced bio-fertilizer is effective not only as a substitute for chemicals but also as a supplement to traditional manures. It is expected to cure the diseases of some crops as well as increase productivity at a cost cheaper than chemicals.(2) Out of many options, NEEM selected the ready-for-use liquid fertilizer, easiest to prepare at the farm level. In general, one reason why many farmers prefer chemical fertilizers to organic manures is that chemical fertilizers, soluble in water, are easily absorbed by plants, giving instant results; in contrast, it takes a long time for organic manures applied with elements in insoluble forms to interact with microbes and show visible effects (Dhavse 2004). The liquid bio-fertilizer can solve this problem. An appointed member takes charge of mixing compost, liquid manure, bio-manure powder, sugar and water in a special refiner, which was also supplied through NEEM, and distributes the completely concentrated bio-fertilizer to each member. What member farmers have to do is only to dilute the liquid with water before applying to crops within 24 hours. In parallel with the introduction of the new bio-fertilizer, NEEM started to train internal inspectors. Provisional internal inspectors, chosen out of member farmers, periodically visit members and monitor their use of fertilizers.

To become completely organic is a long process. Only after obtaining organic certification, member farmers are allowed to sell their products to organic markets. NEEM considers it necessary to give member farmers some tangible benefit from being organic even during the transitional period. NEEM has, therefore, decided to pursue a Fair Trade label for coffee from member farmers. Coffee, which is a major Fair Trade item, has traditionally been a cash crop in highland Kerala (Kjosavik and Shanmugaratnam 2007). To show a benefit from participation in the farmer association, in November 2008, NEEM began to purchase fresh ripe coffee beans from members at a higher-than-market price near their farms.(3) This helps farmers to save costs and time for post-harvest processing and transportation. NEEM has established a large drying space and a primary processing unit in the project site and is planning to build a processing factory in Cochin (the largest city in the state of Kerala) for the production of final coffee products for export. NEEM has also nurtured saplings of a specific variety suitable for the selected processing method and distributed them to member farmers at a subsidized price.(4) Although NEEM has already purchased coffee from member farmers, it cannot be exported until the processing factory operates and the farmer association obtains organic or Fair Trade certification. NEEM actually sold collected coffee to a local non-organic market in this season.

To organize small farmers into groups and reinforce organized groups, NEEM has also provided other forms of technical and financial assistance for the farmer association. First, NEEM helps each group have a group saving account in a commercial bank. Through this group account, members are expected to access bank loans for their own investment purposes in the future. This scheme is beneficial for many small farmers who cannot individually access formal loans due to the lack of formal land titles. Most of the 52 groups have started their regular saving activities and 17 groups have already opened their bank accounts (as of December 2008). Second, NEEM provides member farmers with extension services in organic farming, which can rarely be expected from government offices in the light of their limited field officers. NEEM also collects and distributes information relevant to organic farming, for instance, on government subsidies for the purchase of organic fertilizers. Third, NEEM financially supports the management of the farmer association by paying regular remuneration to the committee members who were selected out of members.

3-3 A focus group of farmers and data collection

My observation focused on one of the 52 groups which consisted of 13 member households. The 13 households were neighbours in a village. This group was chosen as a result of discussion with the fieldworkers of NEEM; it met all the three criteria for the selection: (a) it is not among the most active groups; (b) not among the most inactive groups; (c) includes members of a “scheduled tribe” unique to the area. Scheduled tribes are generally characterized by their (a) primitive traits, (b) distinctive culture, (c) geographical isolation, (d) shyness of contact with the outside world and (e) economic and social backwardness (Srivastava 2008). The majority of tribal people are marginal farmers because, in the long colonial and post-colonial history, they have been deprived of their land by the British and Indian settlers (Kjosavik and Shanmugaratnam 2007). Nine of the 13 families had only possession rights of their land in place of formal titles. In three of the 13 families, electricity was not available.

Primary qualitative data were collected in November and December 2008 on the members’ reactions to the interventions for organic and Fair Trade certifications, through semi-structured interviews with all adults in the member families and fieldworkers of NEEM. Supplementary interviews were made with other member and non-member farmers and local traders dealing with major cash crops. Analysis of the collected data aims to clarify how they incorporate the new interventions into their livelihood strategies. I use NEEM’s interventions only to observe member farmers’ reactions to them. To evaluate the effect of each intervention, such as the quality of the selected bio-fertilizer, is beyond the scope of this research. All names of persons used in this paper are pseudonyms.

4. A Real Confluence of the Two Movements

4-1 Four types of farmers in the group

While the all 13 members are small farming families who own 0.5 to 4 acres of land respectively, they can be classified into four categories: (a) 5 full-time subsistence farmers, including the president of this group, (b) a full-time commercial farmer, (c) 3 wealthier part-time farmers and (d) 4 poorer part-time farmers.

The full-time subsistence farmers are characterized by their small family size. Three of the five families are middle-aged or elderly couples only and their children are financially independent; another elderly couple lives with a mentally disabled son; and one single woman takes care of a son of her brother living in another village. Due to the small numbers of dependent family members, these five families can make a living only with subsistence farming in their small plots of land.

In this group, one full-time farming family is overtly distinct from the above-mentioned subsistence farmers. The family head called KJ, his wife, father and mother live in the same house and both KJ and his father have memberships respectively. Therefore, correctly speaking, this group is composed by 14 individual members. While this family officially owns 3 acres of farmland, they have customarily encroached and used more than 20 acres of forest land for coffee cultivation. This unofficially occupied land has substantially brought large profits to this family for the last 20 years.

The other seven families have another major income source in addition to farming in their own land. Three of them have stable employment. In one family, the husband is permanently employed by a government organization, Rubber Board, and his wife is a teacher in a primary school. This family maintains farming by employing many casual labourers. The head of another family works for a private bank and his son living together takes charge of farming. In the third family, the husband works as a load carrier in the nearest town and his wife runs a cafeteria in the village. In

these three families, non-farm income already surpasses farm income.

In contrast, four part-time farming families, classified as the poorest category, need to keep additional income sources to complement their farm income. In all these families—a young couple with the mother of the wife, a middle-aged couple with four children and two female-headed families supporting children—income from their agricultural labour is larger than that from cultivation in their own land.

These four categories of group members, having different livelihood strategies, took different attitudes toward the interventions given to them by NEEM (Table 1). The fact that all the 13 families joined this farmer group means that they expected some kind of benefit from the participation. Yet expectation varied from a farmer to another even in the same group. Only the commercial farmer, KJ, was active in both organic farming and Fair Trade coffee. The five subsistence farmers were active in adopting the new organic method but inactive in selling coffee in the designated way. To the contrary, the three wealthier part-time farmers were active in selling coffee to NEEM but inactive in practicing the new organic method. The labourer-cum-farmer families showed different attitudes: two families were active in organic farming but inactive in Fair Trade coffee; the other two were inactive in both. Further analysis focuses on uncovering reasons for such different attitudes.

4-2 The two movements incorporated in different livelihood strategies

Type A: Crop diversification rather than a single Fair Trade crop

The objective of the five full-time subsistence farmers is to maintain their modest living. Therefore, they give priority to gaining income throughout a year rather than to maximizing annual income. The small and marginal farmers plant a variety of crops which have different harvest periods. Cocoa is one of their preferable crops which can be harvested and sold once a week throughout a year. It is attractive to sell coffee at a higher-than-market price to NEEM, but in such tiny plots of their land, it is physically impossible to increase the number of coffee trees, which bring income only once a year, at the sacrifice of other crops. While they sell to NEEM some of their harvests from currently available coffee trees, they do not intend to buy any sapling. Furthermore, there are other reasons why they are not positive in the Fair Trade coffee.

Before the intervention of NEEM in coffee started, the world coffee price fell below small farmers' costs of production in 1999 and hit an all-time low in real terms in 2001 (Jaffee 2007, pp. 42-49). This situation continued until 2004. During this coffee crisis period, many farmers in this area decreased coffee trees and newly planted rubber as an alternative cash crop. Four of the five subsistence farmers have rubber trees. Two of them, free of charge, received rubber saplings with chemical fertilizer from Rubber Board. Although they have to wait for the first harvest of rubber latex for a few years more, the recent good producer prices of rubber allow them to look forward to future profits.⁽⁵⁾ Rubber is also attractive due to its year-round income-generating nature. The concern of many farmers may have shifted from coffee to rubber. As a result, about 25 percent of coffee saplings in NEEM's nurseries remain unsold.

For such subsistence farmers, it is also important to reduce production costs and increase profits on the premise of access to year-round income. Because all the five members are fairly elderly, they are required to hire labourers for coffee harvesting. The eldest farmer has already decided to lease out all his coffee trees from the season of 2008. The group president called VG, in his mid-40s, plans to convert some coffee into nutmeg so that he can harvest easily when he becomes older. To cover labour costs, they also try to maximize cash income from each harvest. While NEEM offers the best price only to fresh ripe beans for the future Fair Trade product, farmers can gain more cash income from local markets if they dry and husk beans by themselves before sales.

The last reason why the subsistence farmers are indifferent to the Fair Trade coffee is that they sometimes lease out coffee trees when they need a large amount of cash urgently, which is a strategy typical of poor farmers. It is their only way of paying medical bills and dowries for the marriage of their daughters, without falling in debt. Therefore, they cannot promise to constantly supply their coffee beans to NEEM.

Instead, it is the new organic method introduced by NEEM that encouraged the five members to join this group. One of them has never used chemical fertilizers, drawing on cow dung and crop residues, but worried about a disease observed on her cocoa. She started to use the new bio-fertilizer and has gradually recognized a positive effect. Another two of them did not want to spend much money on fertilizers but used a chemical fertilizer for rubber saplings delivered by Rubber Board. After the five-year period of free provision ended, they again became naturally organic farmers. For these traditionally organic farmers, the new organic method is a way of improving their farming at a small cost. Another subsistence farmer, who has used both chemical fertilizers and organic manures, regards the bio-fertilizer as a cheaper substitute for chemicals. These subsistence farmers are not so keen on investing in agriculture, i.e. increasing production with chemicals, but are not satisfied with traditional organic farming, either. While they have little knowledge on organic certification, they are interested in improving farming organically.

Unlike the other four members, the group president, VG, is enthusiastic in farming and has experimented many methods of fertilizing, including the use of chemicals. As soon as NEEM introduced the bio-fertilizer to the group, he started to use it for many crops experimentally. He says that while he has already confirmed some positive effects of the bio-fertilizer, it will take two years to learn the most effective way of using this bio-fertilizer. Asserting that rubber, a new promising cash crop, cannot grow only with organic manures, VG intends to continue to use chemical fertilizers only for rubber. He requests NEEM to introduce more drastic organic methods to convert the association members into 100-percent organic farmers.

Type B: Making most of the unofficially encroached land

KJ, who is officially a small farmer but unofficially a large commercial farmer, attempts to take advantage of participation in the farmer association in many aspects. His family's first reason for the participation is to gain organic certification. Because the soil of the encroached forest land has been sufficiently fertile, KJ does not have to use any fertilizer. Although coffee cultivated in the forest is completely organic, it is impossible to obtain individual certification for the unregistered land. If the farmer association is certified, KJ can sell coffee from the unregistered land as certified organic. This family is therefore keen on facilitating other members to adopt the new organic method. The family has offered a part of their homestead to the farmer association so that a refiner for the bio-fertilizer can be operated there, also providing electricity for the refining process. Member farmers not only from KJ's group but also from other groups come to his homestead to purchase the liquid fertilizer.

KJ also shows a great interest in selling part of his coffee to the Fair Trade market. He is concerned with selling coffee at higher prices as well as with diversifying sales channels. This is a way of thinking typical of large-scale producers. He thinks nothing of rubber which has recently increased in this area because the forest land is unsuitable for rubber which needs more sun light than coffee.

The third reason for his participation is that he expects to receive technical and financial services for his coffee cultivation through the association or group; he can never receive any subsidy or service directly from government offices. He has already purchased 300 coffee saplings originally from Coffee Board through NEEM at a subsidized price.

Type C: Compatibility with more lucrative non-farm activities

The houses of the three part-time farmer members suggest a higher standard of their living. While their non-farm income is larger than their farm income, all of them intend to keep farming in their own land as a basic asset of theirs. In these families, both husbands and wives are too busy with their non-farm activities to spare much time for farming. Although in one of the families, the son is currently a full-time farmer, he is also seeking an opportunity to work as a professional driver.

Therefore, these families' concern in farming is to maximize profits, saving as much time as possible. One family leases out coffee and rubber trees; another does their paddy field.

For these families, it is convenient to sell fresh coffee beans to NEEM without doing post-harvest activities. They appreciate the better price offered by NEEM and saved time and costs they had to spend on transportation before. They are willing to cooperate with NEEM in supplying their coffee beans for the Fair Trade processed coffee; two of the families have purchased new coffee saplings from NEEM.

It is typical of busy part-time farmers to prefer chemical to organic fertilizers. The three members are not exceptional, either. Before knowing NEEM, they drew more on chemical fertilizers than on organic manures although they, comparatively highly educated, understood bad influences of chemicals. When NEEM introduced the new bio-fertilizer, easy preparation for it immediately attracted them. However, they have gradually felt it inconvenient to use this liquid fertilizer. Some quantity of the bio-fertilizer, adequate to the capacity of the refiner, is produced on fixed dates and the liquid has to be applied within 24 hours after produced. This means that member farmers cannot buy and apply this bio-fertilizer when they like. It is actually difficult for the busy part-time farmers to comply with NEEM's bio-fertilizer production schedule. Consequently, they have used the bio-fertilizer less frequently. They also believe that chemical fertilizers are indispensable for rubber.

Type D: A process from agricultural labourers to subsistence farmers?

Although labourer-cum-farmers need to earn wages as labourers, they also take care of their small parcels of land as earnestly as full-time subsistence farmers do. A primary difference of labourer-cum-farmers from full-time subsistence farmers is the larger number of dependents in the former. When their children graduate from schools, labourer-cum-farmers are highly likely to be full-time subsistence farmers. Like subsistence farmers, they also secure year-round income by planting a variety of trees and crops. Therefore, it is physically difficult to increase coffee trees. All the four labourer-cum-farmer families in this group are reluctant to sell fresh coffee beans to NEEM immediately after harvest. Although they are busy in working for other farms, they also try to maximize cash income from their own land. They inevitably prefer to sell dried and husked beans to local markets at higher prices.

While one female-headed family has never used chemicals to reduce production costs, three of the labourer-cum-farmer members tended to use more chemicals than the full-time subsistence farmers. The fact that they are busier and poorer than full-time farmers may have encouraged them to use chemicals, to save time as well as to maximize production. When the bio-fertilizer was introduced, two of them immediately switched to this organic fertilizer. In addition to the cheaper cost of the bio-fertilizer and easy preparation, one described another merit of the bio-fertilizer as follows:

When I apply chemical fertilizer, I have to carefully measure a proper quantity for each crop. In applying this bio-fertilizer, I do not have to be nervous. I can use this fertilizer for all crops. It does not damage crops even if I apply too much.

The other told me why many farmers quickly adopted this bio-fertilizer in this area:

The most popular item of chemical fertilizer became unavailable in the local market about one year ago. So, we had to give up the use of chemicals. It was timely that NEEM introduced a good alternative to us.

This narrative was endorsed by fertilizer retailers in the nearest town. The most popular item subsidized by the government, cheapest as well, has not been available here for the last one year due to its sharply dropped production. According to the retailers, the sales of organic fertilizers have increased since then.

The rest, two of the labourer-cum-farmer members seem indifferent to the new organic method introduced by NEEM. The female-headed family, traditionally organic, confesses that even the bio-fertilizer is more costly than traditional manures. The two members also tend to be absent from the group's regular meetings. They may have joined this group to keep good relationships with the neighbour members, who are their employers as well. More persuasive, a group saving account they expect to have in a commercial bank may have motivated them to participate in the farmer association. Such title-less households will comply with the Fair Trade and organic regulations as long as they have access to bank loans through the group.

4-3 Strengths and weaknesses of the confluence

This case study implies some strengths and weaknesses of combining the two movements. The first strength is to enlarge accessible markets by double certification. Even in the coffee sector, the global organic market is larger than the Fair Trade market (Raynolds, et al. 2007). Double certification enables disadvantaged producers to access both markets. Organic certification further opens up opportunities to export more items in response to changing market demands. This was the original intention of NEEM. However, ironically, only one member household in the focus group positively reacts to double certification. The member is a substantially large commercial farmer who can afford to diversify the sales of a single item—coffee in this case—by adding the organic and Fair Trade values to the item.

The second strength is that the confluence may help producers perceive the value of, at least, one of the two movements. In this project, the members have learned why organic products can be sold at higher prices through NEEM's attempt to purchase organic coffee from them for the Fair Trade market. However, this effect of the confluence did not direct the members' attention to the Fair Trade coffee. Rather, they now expect to sell many other crops—such as vegetables and local nuts—at higher-than-conventional market prices through NEEM. It seems difficult to make them understand that only specific crops can be exported to foreign organic markets and that local organic markets are still underdeveloped.

In addition to practical constraints such as increased costs of double certification and double inspection pointed to by Browne et al. (2000), I argue that the confluence of the two movements has a crucial weakness that its outcome depends greatly on each producer's livelihood strategy. For marginal and small farmers, diversification of crops at the field level is more important than diversification of sales channels. The majority can accept the organic movement which is applicable to any crop, while they are not so interested in the Fair Trade movement which focuses on a single crop. The organic movement coincides with small and marginal farmers' wish to pursue better profits throughout a year and reduce costs for chemicals. Even if they do not accept the organic method introduced by NEEM, they could enjoy the added value as long as their products are organic. While some of the members still use chemical fertilizers for their important cash crops, they also experiment effects of the new bio-fertilizer with minor or decaying crops. The

outcome of such experiments may gradually change them from 50-percent to 100-percent organic farmers.

A focus on one single product required by Fair Trade, unfavourable to full-time subsistence farmers, is inversely welcomed by the wealthier part-time farmers. Because they have already diversified their income sources, they may not have to mind diversity in farming. They are rather concerned with making more profits without spending time. Their time-saving nature may be more suited to the Fair Trade movement which requires only basic environmental criteria (Raynolds, et al. 2007, p.154) than to the organic movement which requires being completely organic.

These strengths and weaknesses suggest that combining the two movements may not always be the best practice of the means-end approach to poverty reduction and environmental sustainability, especially on the part of producers. Further research is necessary to clarify under what conditions the strengths can benefit poor farmers and how the two movements should be combined in consideration of the proper timing of each intervention and viable focus crops.

5. Conclusion

In the global alternative trade, the confluence of Fair Trade and organic movements has become a salient phenomenon. However, the two movements contradict each other at the production level: Fair Trade focuses on specific products and the organic targets production units. How do producers in the South cope with this discrepancy? The case study in South India reveals that even a group of smallholders contains different stakeholders who have different livelihood strategies and thus react to the two movements differently. Some members are more oriented to Fair Trade; some are more to the organic. Some are more attracted by another intervention provided through the farmer association. The two movements do not necessarily reinforce each other.

It is too early to evaluate the NEEM project at the initial stage. However, the existence of different stakeholders in a group predicts difficulty in organizing them for common objectives. Those who intervene in the organization process, like NEEM, should be sensitive to the fact that a favourable form of the confluence depends on each producer's overall livelihood strategy. Without recognizing this, they will fail in drawing the means-end function from the two movements. It may be necessary to detect and eliminate officially small but substantially large farmers. Considering a recent increasing shift from farm to non-farm activities in the rural South (e.g., Rigg 2006), an association for part-time farmers may be needed separately from one for full-time farmers.

Notes

(1) This labelling system is unique to the agricultural sector. In the case of handicraft making, a Fair Trade label is given not to specific items but to producer groups.

(2) According to NEEM's experiment, the most popular and cheapest chemical fertilizer costs 984 to 1,312 Indian rupees (Rs.) per acre each year; the bio-fertilizer costs Rs. 600 per acre in the first year and Rs. 400 per acre in the second year and each year afterwards. The retail prices as of December 2008 were applied for calculation.

(3) In the 2008 harvest season, NEEM paid Rs. 20 per kilogram against Rs. 15 per kilogram as the local market price.

(4) Concerning some coffee varieties, the speed of ripening differs among beans on a tree, which makes it difficult for farmers to pick out only ripe beans after harvest; if they wait until all beans get ripe, some get rotten. Therefore, NEEM introduced to members a specific variety which had an even ripening speed of beans.

(5) After planting a sapling, it usually takes about eight years to gain the first income from rubber. According to local wholesalers, the Olympic Games in China specially boosted the price of rubber

in 2008.

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(Table 1: cannot be attached.)

Presentation Preference

Additional information