



Fruit is a global product, imported and exported across continents and seasons. Large amounts are bought in bulk for on campus catering from less developed countries. Globalisation has supported demand for out of season fruit in the UK and imports exotic fruits such as mangoes when they are in supply from countries of origin. Growing, processing and packing fruit has a range of poverty-related impacts, both positive and negative. Fruit production can significantly increase the wealth of communities in developing countries, however globally the lack of labour unionisation and fluctuating prices often contribute to inadequate and irregular pay. Long working hours and exposure to hazardous chemicals are also important issues.

Issues

Bananas are the world's favourite fruit, accounting for approximately 19% of the value of fresh fruit exports (Somo 2006). Other key fruits imported to the UK include apples, pears and citrus and exotic fruit such as mangoes, papayas and pineapples. According to Somo's Fruit and Vegetable supply chain report (Somo 2006) developing countries dominate world production, producing 75 per cent of world supply. China is the largest fruit and vegetable producer with 36 per cent of production; India is the second largest with 9.4 per cent and Brazil and Mexico are also important. However, certain crops can be crucial to a country's economy even if they are not a major producing/exporting nation, such as bananas in the Windward Isles and mangoes in Senegal.



Fruit production issues

Products destined for UK FHE campuses are grown, packaged and transported in the same supply chains used by retailers, resulting in common poverty implications. Fresh fruit is grown on plantations or by small holders and transported by sea. The requirement to transport goods in bulk and at constant temperatures can present a barrier to small scale producers as this transportation link is often expensive or solely controlled by larger companies. SOMO and Action Aid have conducted key research in this area and they both identify common issues around the production and supply of fruit to the EU and UK:

- Long hours and low wages for pickers and packers on both large plantations and on small holdings
- Casual working contracts and repression of unions at larger plantations
- Health impacts through exposure to pesticides and fertilisers, particularly on plantations using aerial spraying techniques
- Exclusion of small holders and co-operatives from transportation services and dominance by large multinational producers.

Bananas

In the Windward Islands more than 20,000 (80%) of farmers have gone out of business since 1992 and more farmers lose their livelihoods in Ecuador, Jamaica and other countries each time prices fall. Smaller family farms dominate the Caribbean banana economy but are usually unable to access economies of scale or meet the cost of transportation. This often means bananas produced in the region are unable to compete with those produced in Latin America. Fairtrade has provided a lifeline for these farmers – 85% of the surviving farmers in the Windwards are now certified Fairtrade – however ongoing trade reforms remain a serious threat. New EU agreements in response to WTO rulings, coupled with devastating storms, have spelt disaster for small farmers in the Caribbean (Fairtrade 2009).

Plantation production

Large-scale plantation production has its own poverty risks. As bananas have become increasingly popular, retail prices have dropped significantly, forcing prices down across the entire supply chain in a race to the bottom. This has resulted in lower wages, longer hours and worsening working conditions for many plantation workers. Workers are often prevented from forming trade unions to protect their rights and improve their situation and wages are often less than £1 a day. The increasing use of casual and sub-contracted labour results in further abuses of workers' rights (Fairtrade 2009).

Possible solutions

Fairtrade accreditation

The Fairtrade Foundation has campaigned on the rights of banana (and other fruit) farmers and co-operatives, for over a decade. Fairtrade guarantees a minimum price for small-scale producers and social premiums for their communities. It has been pivotal in providing consumers in the UK with better information and assurance about production. Fairtrade provides environmental benefits through best practice guidance and hence partly addresses issues surrounding pesticide use.

Sustainable Agriculture Network

A joint venture between the Sustainable Agriculture Network (SAN) and Rainforest Alliance (providing assurance) supporting better business practices for biodiversity conservation and sustainability. Companies, cooperatives, and landowners must meet standards for protecting the environment, wildlife, workers, and local communities. The Network mainly covers the North American market and South and Central American production countries. For more information see www.rainforest-alliance.org/agriculture.cfm?id=san.

Organic

The International Federation of Organic Agriculture Movements (IFOAM) assures standards throughout the global supply chain using the Organic Guarantee System. While the focus of organic farming is to limit pollution and to eliminate the use of fungicides and pesticides, this in turn removes the risks posed to workers health via the overuse/unsafe use of chemicals. The OGS includes social standards set by ISEAL (see below) for those requiring accreditation by part of the international organic network. For more see: www.ifoam.org/about_ifoam/standards/ogs.html.

ISEAL Alliance

The ISEAL Alliance is the global hub for social and environmental standards systems. This organisation provides guidance to producers on standards for sustainable and socially responsible sourcing: www.isealliance.org/index.cfm?nodeid=1

SASA project

Sustainable Accountability in Agriculture is a multi stakeholder project set up to provide guidance on the standards that should be set in the global agricultural supply chain. The auditing system is yet to be established, but may provide an assurance mechanism. See project overview: www.rainforest-alliance.org/programs/agriculture/pdfs/sasa-summary.pdf

Sainsbury's & Fairtrade Bananas

In response to criticism levelled at supermarkets and as part of their corporate social responsibility effort, Sainsbury's supermarket converted to selling only Fairtrade bananas in 2007, giving it the largest share of the Fairtrade banana market in the UK.

Matt North, Sainsbury's banana buyer: "Moving every banana we sell to Fairtrade has been a major project, but most importantly, our customers have not had to pay for this move. Our Fairtrade bananas are now the same price as conventional bananas sold by other supermarkets, whilst the Fairtrade logo means that a fair and sustainable return is always paid to our growers, whatever the retail price... In just eight months, Sainsbury's has achieved the most significant step in Fairtrade history and shown how sourcing with integrity is fundamental to the way Sainsbury's does business."

www.sainsburys.co.uk/food/foodandfeatures/suppliers/fairtrade/100_fairtrade_bananas.htm

Recommendations

- ⊙ *Continued procurement from developing countries, including least developed countries, will have positive impacts on reducing poverty.*
- ⊙ *Ask for details of accreditations. These will provide different reassurances relating to stages of the supply chain and allow buyers to compare the supply chains of different companies for tender assessment.*
- ⊙ *Support supply from small holdings and co-operatives as a means to alleviate poverty.*

REFERENCES/FURTHER INFORMATION

Fairtrade (2009) Fairtrade Briefing Paper: Unpeeling the banana trade.

www.fairtrade.org.uk/includes/documents/cm_docs/2008/b/bananas_behind_the_price_tag.pdf

Kwa, A: Do agricultural safe guards afford adequate protection?, South Bulletin, Issue 25 October 2008.

Nicolls A: Thriving in a Hostile Environment: Fairtrade's Role as a Positive Market Mechanism for Disadvantaged Producers.

Somo (2006) Who Reaps the Fruit? Critical issues in the fresh fruit and vegetable supply chain. www.somo.nl

The Fairtrade Foundation campaigns on the rights of banana and other fruit farmers:

www.fairtrade.org.uk/includes/documents/cm_docs/2008/b/bananas_behind_the_price_tag.pdf

Action Aid has produced in-depth reports on the link between supermarket pricing and supply chain impacts: www.actionaid.org.uk/1486/who_pays_campaign.html

Banana Link a dedicated resource providing insights on the supply of the world's favourite fruit. Often cited by Oxfam, Fairtrade and others: www.bananalink.org.uk

This sheet is part of a series of 14 on different commodities written for EAUC's Promoting Poverty Aware Procurement project to enable universities and colleges to be more aware of poverty issues when they make procurement decisions. For more information about the project visit www.eauc.org.uk/promoting_poverty_aware_procurement_on_campus



Project funded by
UKaid
from the Department for
International Development