



Contributing Writer

Andrea Fütterer



Milchwerke Berchtesgadener Land Chemgua e.G. trading partner, Josef Sichler from the "Großbrachlhof" farm.



Milchwerke Berchtesgadener Land Chemgua e.G. trading partner, Barbara and Felix Pletschacher from the "Grafnhof" farm.

After more than thirty-five years of focusing on the first of GEPA's three mission statements, "to promote disadvantaged producers in the South," GEPA is now paying attention to the growing social and economic imbalances in northern countries, the so-called "developed countries."

There is growing awareness among consumers and the public in general about the brutal inequalities within the global marketplace. Not only in the Global South, but also in Europe, and thus in Germany, small producers are struggling for survival because of high production costs — due to the lack of economies of scale, difficult production conditions and extreme price pressure from big buyers (supermarkets and discounters). Supporting regional producers and initiatives has become increasingly important. Consumers want to know the origins of their food, with producers being given a face and a personality, with shorter transport distances and reduced environmental impact, and with a clearer focus on regional and seasonal products.

Some years back, German milk farmers went on strike when their buyers offered less than 0.25 euro for one liter of milk, while their production costs were between 0.25 and 0.40 euro (for small-scale producers). To highlight their desperate situation, farmers decided to "throw away" their milk, so consumers were forced to see streams of milk pouring down the streets every night on the news. The scandal was given a visible face. As a result, there was a lot of public discussion about agriculture in Germany, EU agrarian policies in general, and the situation faced by small-scale farmers in Germany. But as often is the case, public interest and indignation lasted for only a short while.

When GEPA started thinking about fair trade in the Global North, we wanted to combine southern and northern ingredients, in order to have a direct link between disadvantaged producers across the globe. "Fair Milk" for us was the best example, as the difficult situation faced by milk farmers in Germany had already been the focus of public attention.

By using fair trade milk from German farmers in our chocolates, and thus combining fair trade ingredients from both the Global South and North in composite products, GEPA is looking to achieve the following:

- Make new consumer groups aware of trade, development and agrarian politics and policies;
- Combine ingredients with strategic and political importance, such as the German milk farmers example;
- Increase fair trade ingredients in composite products, meaning more producers can participate and benefit from fair trade;
- Network and find synergies with other movements and organizations, such as social movements and development groups;
- "Connect the dots" with topics that are linked to fair trade, like climate change, food sovereignty and land grabbing; and
- Increase the sales of fair trade products locally and regionally, promoting South-South trade.

Consumer response has been very positive; we have received a great deal of attention and positive feedback. Interestingly, many consumers were also surprised, as they thought the milk in GEPA chocolates had always been from fair trade producers. Currently GEPA chocolates and sweets are distributed to several other countries, including Austria, Spain, Canada, the UK and Denmark. Some of our clients are fair trade organizations, while others are conventional buyers.

Managing to work on composite products, made with fair trade ingredients from both the Global South and North, was possible largely because of the cooperation between GEPA and Naturland e.V., one of the major global organic farming associations. Naturland, besides promoting and working with its high standards for organic agriculture, has recently developed standards for fair trade, which are applicable to all producer organizations.

Naturland's Organic and Fair Trade Standards:

ORGANIC

- Strict child labor rules
- Safe working conditions and environment
- Contracts
- Equal treatment
- Sick, maternity and retirement pay
- Continuing education
- Minimum wages
- Access to trade unions and freedom of association

FAIR TRADE

- Social responsibility
- Prefunding
- Fair producer prices
- Fair trade premiums
- Acquisition of raw materials from local sources
- Joint quality assurance
- Social involvement and commitment of organizations (including priority for smallholders)
- Corporate strategy and transparency



Caption: Milchwerke Berchtesgadener Land Chemguga e.G. trading partner, Annette Fürmann from the "Unterirler Hof" farm.

Naturland's Social Standards (regarding social benefits for farm labor)

- // Workers for the purpose of these standards are, besides the permanent workers, also seasonal workers and sub-contracted workers.
- // Workers shall be paid at least the official national minimum wage or the relevant industry standard when employed in processing operations.
- // The employer ensures basic coverage for maternity, sickness and retirement. Operations with more than ten workers need to make a policy on wages and social security available to all workers.

GEPA's first producer partner in Germany is a dairy cooperative made up of farmers in the south of the country, who process their own wide range of dairy products. In 2014, GEPA will launch its next line of Northern fair trade ingredients, cereals from small-scale Italian farmers, to be used in our wheat-quinoa pasta and later in our cookies.

Of course, there are also some risks and challenges associated with introducing fair trade ingredients and products from the Global North, including:

- Confusion about and dilution of the traditional fair trade concept;
- Lost opportunities and markets for Southern producers;
- Direct competition with other Northern products like sugar, wine and honey; and
- Keeping the different levels of disadvantage in the Global South and North in mind, and presenting them appropriately.

In the end, however, it all comes back to the same discussion we had when the fair trade movement started: **fair trade is about changing the system and its inherently unfair structures.** It is not only about increasing sales for some "lucky" producers, while working within a corrupt system. It is obvi-

ous that we have to leave our niche called "fair trade" and move on to the next level — a just and holistic economy. To follow this path, we need to strengthen our main activities: we must increase the awareness and participation of producers and consumers, and, more importantly, we must increase our lobbying and advocacy work with political decision-makers.

There are new and exiting models which look at the economy from a different angle, and they help us see that economic growth alone is not a viable option for creating and maximizing wealth and happiness. Instead, we are moving towards ideas proposed by movements like the "Economy for the Common Good" and "Degrowth."



GEPA's chocolate with the Fair Milk and the Naturland Fair label

Numerous inspiring ideas and proposals are out there — we just have to go for it!

VIEW MORE >>>>>

Naturland's full standards can be found at: www.naturland.de/fileadmin/MDB/documents/Richtlinien_englisch/Naturland-Standards_Fair-Trade-Standards.pdf