



African consumers discover fair trade © Fairtrade Eastern Africa

Made in Africa, sold in Africa

The challenges for organic farming and fair trade on the African market

The time that the production of organic and fair food was a business of farmers in the poor South and consumption was the business of the rich in the North is over. Some countries in the South with a growing middle class are opening up to sustainable consumption. We explore the emerging African organic and fair trade market.

South Africa, fair trade pioneer

In 2012, worldwide, 21.8 million bottles of fair trade labeled wine were sold. Two-thirds originated in South Africa, which represents approximately 5% of the country's wine production. Other South African production cooperatives have been exporting rooibos tea, citrus fruit and grapes to European fair trade organisations for years. In other words, the fair trade concept is not unfamiliar to the rainbow nation even though until recently there was not a single fair trade product for sale.

This changed in 2010 when the Fair Trade Label South Africa (FLSA) was established. FLSA was responsible for the certification and promotion of fair trade products in South Africa. Soon, the first labeled local wines were followed by coffee from East African cooperatives. Local businesses and retailers followed suit. In 2012, FLSA's business turnover was 234 million Rand (EUR 15.5 million), three times the turnover of 2011. Coffee, chocolate and wine were top of the list.

Kenia follows suit

In August 2013, The Tablet – a Kenyan newspaper – headlined “Charity comes home”. With the launch of the Fairtrade label, Kenya is the second country, after South Africa, on the continent “where consumers can buy fair trade just as in Britain”. Fairtrade Eastern Africa awarded its label first to products such as Kenyan tea and coffee, Ghanaian cocoa processed into chocolate in a South African Cadbury factory and sugar from Malawi processed in Europe. To boost familiarity of the label, the young team organised a Valentine's action in supermarkets and handed out Kenyan Fairtrade-labeled roses. The long-term goal is to extend into neighbouring countries. “Clearly, tackling poverty in Kenya is not a question of aid alone – if indeed it ever was – but of making Kenya's new (relative) wealth work as well as possible for the poorest people,” said The Tablet. Market research showed that the growing Kenyan middle class was keen to support local farmers as they often still have strong family ties to rural areas.

The South African consumer

With the support of the Trade for Development Centre of the Belgian development agency, extensive market research has been conducted in South Africa into the attitude of consumers towards sustainability and fair trade. The conclusions, from the European fair trade experience, do not come as a surprise:

- Sustainability as a concept is less well-known than in Europe and is associated mainly with the environment.
- 7% of South Africans are familiar with fair trade. Those who know fair trade, make the link with the Fair-trade label.
- Current fair trade customers are white, black and coloured people from the higher middle class for whom social justice is important. It is essential to point them towards retail and catering businesses that offer those products.
- 76% sees themselves buying fair trade products which means the potential is definitely there. But more awareness-raising is still needed to achieve this. A second obstacle is the fact that people not only link fair trade with 'quality' but also with 'more expensive'.
- Building familiarity and credibility also requires the impact of fair trade to become clear. An advantage is that some of the beneficiaries, especially in the wine business, are South Africans.

Starting dynamism

Fairtrade International with its 15 product categories – 11 foodstuffs plus cotton, gold, flowers and (sports) balls – is not the only player on the fair trade market. The World Fair Trade Organization (WFTO), an umbrella for fair trade organisations in the North and South, is active in artisanal and handicrafts production. Members of the WFTO must meet *Fair Trade Principles and Standards*. In 2011, the WFTO decided to take one further step and to also develop a certification system that would allow its members to label their products as fair trade products. In October 2013 the organisation was proud to announce that the *WFTO Guarantee System* was being developed and tested and that People Tree, a British pioneer in fair trade fashion, would soon be the first to use the product



Launching action of the label in Kenya © Fairtrade Eastern Africa

label. The system would be easier and cheaper than other certification systems making it more accessible to smaller organisations.

"This obviously offers prospects to many African organisations to become fair trade", says Mike Muchilwa of WFTO Africa. "Kenya's national umbrella organisation KEFAT with its 80 WFTO members is the largest in Africa, for instance. Some of them, such as Kazuri and Undugu, are improving their organisation and not only target exports or the tourism sector, but also the local middle class. They focus strongly on the growing appreciation for local products. We are experiencing the rise of the Fair Trade professional – new, talented, young designers and managers who are transforming the way Fair Trade is done. They launch professional *webshops* and stores in major *shopping malls* and are very active on social media."

Organic in South Afrika



Poster Fair Trade Label South Africa

In the aforementioned South African market survey, Afrisco, the best-known organic label in South Africa, only has a 3%-familiarity rate which is much lower than familiarity with fair trade. The website of one of the many South African online organic shops states that the many labels and certification bodies (Ecocert, Afrisco, Bio Org, Soil Association....) increase confusion. Still, organic farming is growing after many years of inertia under apartheid. It is interesting to see how attempts are undertaken to make certification feasible and affordable for – sometimes illiterate – smallholders. For instance, Afrisco, in addition to traditional third-party individual certification, also offers group certification on the basis of the *Internal Control System* (ICS), which holds the producers group accountable for collecting data on organic criteria. The monitoring body checks whether this process is conducted correctly and checks a limited number of individual farms.

Recently, certification based on Participatory Guarantee Systems (PGS) emerged. Farmers monitor each other and in addition there are annual inspections by an independent monitoring body. The system has been very successful in India and New Zealand. Siyuvana, an NGO, applies it in South Africa with the financial

support of the Trade for Development Centre of the Belgian development agency. Siyuvana operates in KwaZulu-Natal and helps farmers in the transition to organic farming. Members are united in cooperatives that buy the fresh produce every week and bring it to the market. The Kumnandi brand name stands for fresh, locally harvested and organic. All members commit to organic farming and sign a document that includes sanctions in case of violations. Both ICS and PGS are recognised by IFOAM, the worldwide umbrella organisation for organic agriculture.



Kumnandi: Fresh, South African, organic vegetables © Siyuvana

Kilimohai Mark

Eastern Africa particularly has taken major steps in terms of organic certification. Within the regional framework of the East African Community (Uganda, Kenya, Tanzania, Rwanda and Burundi), IFOAM coordinated the OSEA I project (Organic Standards in East Africa) with the support of UNEP and UNCTAD. In 2007, this resulted in a common standard for organic agriculture and a common label (East African Organic Mark – EA-OM or Kilimohai Mark). To provide smallholders with an opportunity to make the transition to organic farming, a PGS system was used for certification.

At the end of 2013, with Swedish backing, OSEA II was also completed. The goal of this follow-up project was to promote the label among producers and consumers and at the same time develop initiatives to find local, regional and international distribution channels for the products. It is still too early to provide figures, but IFOAM published an impact study based on 150 field interviews filled with stories of higher yields, new market opportunities and better resistance against the consequences of global warming.



Uganda front runner

According to the latest IFOAM figures based on the situation in 2011, with 228,000 hectares of organic certified area, Uganda is the front runner in Africa. This is 1.6% of the total agricultural acreage. In percentages, Uganda is just below Egypt and Tunisia. In international reports Uganda is often referred to as a success story for organic agriculture thanks to a strong farmers' movement that received a lot of support from the government in the nineties. This resulted in the establishment of NOGAMU, the National Organic Agricultural Movement of Uganda in 2001, a national certification programme and a national certification agency (UgoCert) in 2004.

The large majority of the more than 200,000 certified farmers cultivate between 1 and 3 hectares of land. They are organised in associations that actively search for distribution channels under the impulse of NOGAMU. These can be 'organic grocery stores' and local markets but also supermarkets, schools and other traders. Some of these projects are supported by the Trade for Development Centre.

In Kabalagala, part of Kampala, NOGAMU has had its own *organic shop* since 2006 where more than 60 associations from all over the country retail products. Equally important is the *Organic Trade Point* (OTP), an online service which provides market information to farmers, traders as well as export and import organisations.

The East African consumer

Under OSEA II, market research was conducted into the attitude of consumers towards organic products.

- In 2013, 67% of interviewees knew what an organic product was (62% in 2006). Uganda scored best (83%); Rwanda poorest (48%).
- 17% knows the EAOM label (Uganda 29%, Rwanda 0%). One-third of those who know it, have seen it on a product.
- 88% can see themselves buying organic products; the potential is definitely there. But more awareness-raising is needed to achieve this. A second obstacle is the fact that people not only link organic with 'healthy' but also with 'more expensive'.

Major challenges in Senegal

So far for the top players and pioneers in Africa. Senegal's story is without doubt an example of how things go elsewhere in Africa and of the massive challenges awaiting the rest of the continent. While organic trade and fair trade are slowly growing in Africa, exports to the European market remain the primary engine. Gaining local markets is not easy. First of all, because a middle class that is aware of social justice and sustainable consumption is nowhere as prominent as in Kenya or South Africa. An ILO report about organic farming in Senegal provides one more reason: awareness of the risks of pesticides is growing among producers, but is still very weak among consumers.

The logical consequence is that many farmers sell organic produce on the local market but without any added value, since the produce is sold as ordinary produce. Is nothing happening then? Something is definitely going on. Throughout the country experiments are conducted with small-scale direct sales, usually with the support of NGOs. Agrecol for instance has storage facilities in Thiès which stocks a weekly organic market and a number of organic restaurants. Enda Pronat promotes the sale of fresh organic vegetables to consumers with weekly vegetable packages. In Casamance, Senegal's top tourism region, the Agri-sud NGO collaborates with a number of hotels and restaurants.

Hervé Bouagnimbeck, IFOAM coordinator for Africa summarises: "Right now, organic products are marketed mainly in the larger cities, with foreigners and with a part of the middle class. In South Africa, Kenya, Uganda, Ghana, Tunisia and Egypt more organic shops and supermarkets are already offering organic products. Doubtlessly, there is a huge potential, but many countries currently lack a national coordinated movement that brings together producers, consumers and authorities to meet the double challenge: convince producers to switch and raise awareness among consumers."

African approach ?

In 2008, Senegalese NGOs launched their 'Ndayane declaration'. It stated that fair trade is facing a double issue. First of all, the certification process is far too expensive for many African producer groups. Secondly, the label does not give any guarantees for market access. The experiences of cotton farmers were at the basis of this analysis. With the help of the Enda Pronat NGO they achieved both organic and fair trade certification. This had positive effects for their organisation and revenue, but their dependency from (uncertain) exports only increased. That is why a few NGOs developed an 'African vision on fair trade', based on partners working together to set up producer-to-consumer local and regional value chains, including affordable certification for the local market. A couple of pilot projects were set up, but due to a lack of funding plans have remained on the drawing board.

Still, there is sufficient potential in Africa. But organic and fair trade still have a long way to go before a breakthrough can be achieved from being a niche export product to a broader local market.

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Enda Pronat at work in Senegal © Enda Pronat

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