

Fairtrade, Dominica's Shining Light

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Introduction

The Windward Islands' banana export was established in the 1950's in order to export the crop to the UK, and makeup for lost sugar revenue. The first EC/ACP Lomé Convention in 1975 formally protected the EC/ACP banana exports and Successive Lomé Conventions continued the preferences granted to the Windward Islands.

The Banana trade currently accounts for about 50% of all of the Windward Island revenue and 60% of all Dominican exports- 72,000 people live in the country of Dominica alone. Unfortunately, however, the entire Windward Island banana trade has depleted severely over the past 16 years. From 1992 to 2004 the Windward Islands have gone from exporting 274,000 tons per year to 99,000 tons per year. The fact is there is no other logical source of income for many Dominican farmers. Those who were raised on banana farms are trying their best to carry it, but most of them have to have other jobs just to keep their families supported. It takes a combination of a desk job and a farming job just to eat.

Methods: My research for this project included viewing and studying eleven credible internet sources and 5 newspaper articles, interviewing Dominican banana farmers, and interviewing a professor from Miami University in Ohio, who is researching the banana industry as well.

Thesis: Several factors have lead to the depletion of the banana crop in Dominica and the Windward Islands. However, other factors are currently contributing to the revival of the

crop including the establishment of Fairtrade and, most importantly, first world country concerns, especially the United Kingdom for good health and a healthy conscience. These concerns combined with society's natural vulnerability to track consumer trends will lead to a greater demand for Fairtrade and a steady export of the banana crop from Dominica and the Windward Islands. Steady export through Fairtrade will lead to a more developed social and environmental economy for all underdeveloped countries registered to Fairtrade. It doesn't take much from a major economic power like the UK to impact a country as small as Dominica. Fairtrade has made a significant change in Dominica, and will continue to make significant changes throughout all underdeveloped countries.

Numerous factors have contributed to the depletion of exported banana crop though, even before 1992. 1. Hurricane David of 1979 followed by an increased poverty rate. 2. The falling market price combined with the increased cost of agricultural inputs. 3. EU regime changes in preference.

1. Hurricane David;

In 1979, Hurricane David left the island of Dominica in chaos. At a whopping category five, David was the deadliest hurricane to hit the island since the 1834 season. While awaiting hurricane relief, small-scale farmers attempted to establish short-term crops until the land was again suitable for replanting bananas. During this time the flow of exports naturally decreased and the flow of imports such as agricultural chemicals and fertilizers basically ceased to exist because farmers were not unable to afford them, nor did they need them at the time; there wasn't anything to use them on. Many farmers felt

that they had come to a dead end and quit the business, thus beginning a major depletion of the crop, and contributing drastically to a 40% poverty rate.

2. The falling market price combined with the increased cost of agricultural inputs;

Small- scale farmers' banana crops were already substandard in terms of quality and impacted financially due to hurricane David, so when the market prices for bananas decreased due to a surplus of Latin American banana crop and more advanced and expensive agricultural inputs were developed, money for fertilizers was no longer available to them. This once again led to a dead end for many farmers and much of the banana crop as well. Many farmers lost trust in the EC and in the world market altogether. Due to these two factors alone, (natural disasters and falling market prices) the Dominican banana farmers that were still in existence were forced to use the knowledge that their forefathers had once used and grow their crops as organically as possible.

3. Preference Changes in the EU regime;

During the time of hurricane relief and gradual reconstruction of the banana crop, the EU regime was established, which ran alongside the Lome' Convention and its obligations, giving the Windward Islands preferential treatment through a series of licenses, quotas, and tariffs to ensure their access to the European market. Established in July of 1993, the EU regime's main purpose was to "harmonize the banana market, permit free movement of bananas within the EU and ensure adequate incomes for EU producers and for traditional ACP suppliers whilst ensuring fair prices for consumers in the EU. In addition, there was the wish to promote producer organizations to improve the

efficiency of banana production. [1]” The EU regime seems as if it would be the key to the banana industry in the Windward Islands, But since the inception of the EU regime, the Windward Islands banana exports have decreased. The EU has more or less dismissed its obligations and commitment to the Windward Islands, shunning the older and more traditional of their exporters and directed their business towards the lower quality “dollar bananas” of Latin America.

Dollar bananas vs. Windward Island bananas

The differences between the two are that the Windward Islands bananas are grown on small family hillside farms (averaging 3.4 acres per farm), workers do intense labor and are paid fairly, and the crops are treated with as little agrochemicals possible to produce a good crop. I like to refer to this method as “morally grown”. This is done not only to save money, but to further protect the environmental state the islands are currently in. In fact, agrochemicals in the past have actually eroded a reef just off the islands so badly that it is just now beginning to grow again. Also, freshwater fish stocks have declined dramatically, and some species have disappeared completely. Some of this comes from over-fishing but also because of the chemicals from bananas running off into the rivers [2]. Farmers and laborers must deal with harsh climate, hurricanes, and the rainy season, as has been previously discussed, which makes their job much harder. Latin American’s “dollar bananas” (as they are called because of their low cost of inputs) however, are grown on several hundreds of acres of land and nationally owned plantations. These plantations are not child labor or slave free, and the crops are grown

using potentially hazardous agro-chemicals and methods. In addition, workers are paid and treated very poorly and unfairly.

The Cotonou Agreement

In February of 2000 the Lome Convention expired, and the Cotonou Agreement was established in June 2000. The Cotonou Agreement is “a global and exemplary Agreement, introducing radical changes and ambitious objectives while preserving the tradition and dedication of 25 years of ACP/EU cooperation. It is based on five interdependent pillars with the underlying objective of the fight against poverty: an enhanced political dimension, increased participation, and a more strategic approach to cooperation focusing on poverty reduction, new economic and trade partnerships and improved financial cooperation. [2]” This agreement however, is following directly in the footsteps of the EU regime. Once again, the banana farmers of Dominica and the Windward Islands are being put on the backburner for the cheaper, lower-quality bananas or Latin America. The sad part is, Dominica can’t do a thing about the breach in the agreement. Dominica has a very weak political standing in the world. The only thing these islands can do is to come together and make the world understand their position.

Summary of formal export/import agreements

From 1975 to 2000, the Lome Convention was Dominica’s protection against poverty through lack of banana exports. Running alongside the Lome Convention was the EU regime, which existed from 1975 to 2000. In 2000, The Cotonou Agreement

was passed and is still in existence, though it is not doing the Windward Islands much good.

WIBDECO, WINFA, NFTO, and DBPL

WIBECO (Windward Islands Banana Development and Export Company), UK, is jointly owned by four governments and four banana growers associations. WIBDECO undertakes the transport and marketing of bananas from the Windward Islands to the UK, is part of the Fairtrade, and currently trades under the name Windward Bananas.

Dominica’s shareholders are the Government of the Commonwealth of Dominica, and the Dominican Banana Producers Limited (DBPL). (See Table #1)

Table #1 Percentages of Shareholders of WIBDECO

Government of the Commonwealth of Dominica	12.5
Government of St Lucia	12.5
Government of St Vincent & the Grenadines	12.5
Government of Grenada	12.5
Dominica Banana Marketing Corporation (DBMC)	13.2
St Lucia Banana Growers' Association (SLBGA)	20.0
St Vincent Banana Growers Association (SVBGA)	15.6
Grenada Banana Co-operative Society (GBSC)	1.2

[3]

In 1982, the Windward Islands Farmers Association (WINFA) was established in order to promote the economic and social welfare of small-scale farmers. WINFA's duties include advocating and lobbying; networking; training and exchange, promotion of diversification; Fairtrade; organic production; and agro-processing. Also, WINFA has set up the WINFA Fairtrade unit, NFTO (National Fairtrade Organization), in order to coordinate Fairtrade activities, including the registration and education of farmers, implementation of criteria, internal control, and the dissemination of information among its members. Especially since 1987, WINFA and NFTO have worked to promote in particular the banana crop, production, and export throughout the islands due to the several challenges listed above. In July of 2000, WINFA became a registered Fairtrade banana producer whose marketing agent is Dominican Banana Producers Limited (DBPL). As of 2006, 71% of Dominica's banana crop is sold to Fairtrade.

What is Fairtrade?

The Fairtrade foundation vision is: "A world which every person, through their work, can sustain their families and communities with dignity.[4]"

"The Fairtrade Foundation is the independent non-profit organization that licenses use of the FAIRTRADE Mark on products in the UK in accordance with internationally agreed Fairtrade standards.[4]" Fairtrade was established in order for first world countries to help underdeveloped countries to reach their full potential. Fairtrade has a set of standards they hold up to, as long as the producers hold up to theirs. Certain standards include an ensured minimum price which is agreed upon with the producers and a

premium price for producers who do activities in order to improve the social, economic, and environmental development of their country.

In order to become a registered Fairtrade member and to receive the FAIRTRADE Mark, businesses must meet requirements which include certain activities such as improving and protecting their environment by using minimal agro-chemicals and fertilizers and educating their farmers and employees.

Who decides on the standards required to obtain the Fairtrade mark? The Fairtrade Labeling Organizations International (FLO) is responsible for the inspection and certification of producer organizations and traders against the Fairtrade Standards. The independence of the inspections ensure that the Fairtrade Minimum Price reaches the producers and that the Fairtrade Certification Mark is only used on products coming from Fairtrade Certified Producers [5].

Since 2000, Fairtrade premiums have generated a total of US\$1,000,000 allowing for projects to be completed that most Dominicans haven't ever previously experienced. In schools, furniture was supplied, as well as a photocopier and four computers for each primary school. In the community of Castle Bruce, nine streetlights have been placed and US\$60,000 has been used to build a community center in Castle Bruce for meetings and social gatherings. Bus Shelters have been built in Castle Bruce so that people don't have to wait in the rain or in the sun. Also, a lawn mower was purchased to mow down overgrown sports fields where cricket and football teams now flourish.

Government Involvement

It is not just WIBDECO, WINFA, and Fairtrade that care dearly for the success of the Windward Islands and Dominica. On January 17, 2008, the Dominican Government invested US\$20,000,000 dollars in order to further improve the agriculture sector of the country and expect to benefit from it in the short to medium-term. On top of that, the Dominican Government spent approximately US\$8,000,000 dollars following the passage of Hurricane Dean (August 2007) providing relief to banana farmers and other agriculturalists on the island. In the very same article announcing the US\$20,000,000 investment and US\$8,000,000 relief fund, it was said that “The Government of Dominica is convinced that the surest way to secure the country’s future, to improve livelihoods and the health of the people, to reduce poverty and the cost of living and to improve food and national security is to invest in agriculture” [6].

Is Fairtrade Working?

“Americans are used to the idea of premium coffee and chocolate, but lets face it, a banana is a banana”- John Musser, Chief Executive of Jonathon’s Organics, a fruit producer in East Freetown, Massachusetts.

Fairtrade would not exist if it weren’t for people who gave a second thought to any other country’s well being but their own. Morality is truly the term behind Fairtrade. 71% of Dominica’s banana crop goes to Fairtrade and 60% of all Fairtrade products are bananas. The impact is greatest in Dominica from the UK. More people are buying

Fairtrade bananas in the UK out of a sheer desire to help others, and the numbers go up every year. (See Table #2)

Table #2 Sales of Fairtrade Certified products in the UK- Bananas

Year:	Estimated UK retail sales in US Million
2000	7.8m
2001	14.6m
2002	17.3m
2003	24.3m
2004	30.6m
2005	47.7m
2006	65.6m
2007	150m

It's not just that consumers are grabbing a brand of banana, and it happens to be Fairtrade certified. They actually realize that they are paying that extra dollar in order to help an underdeveloped country. Below is a survey conducted by the Fairtrade organization [5].

Consumer Survey

In 2007, an anonymous survey showed that the FAIRTRADE Mark is now recognized by almost three in five British adults. The findings show that 57% of adults can identify the independent Fairtrade consumer label, up five points in just one year, and 53% of respondents correctly associated the symbol with a better deal for producers in

the developing world.

The survey interviewed a nationally representative quota sample of 1,947 adults throughout Great Britain in 121 sampling points. The survey asked people to identify the Fairtrade symbol, excluding the text which is only used in the UK. This symbol (without the text) is used by FLO labeling initiatives. The survey found that 53% of adults correctly associate the FAIRTRADE symbol excluding the text box with “a better deal for third world producer”. (See Table #3)

Table #3 Percentage of Great Britain Population able to Identify Fairtrade Mark

Year	% of Population
2002	20%
2003	25%
2004	39%
2005	50%

[6]

Before doing this research project; I didn't give a second thought to buying Fairtrade products. Now, I have no choice but to support it. I know that when I buy a Fairtrade product I am getting three ensured things; 1. A comparatively low agro-chemical product. 2. The product I am purchasing was grown and harvested by farmers and their employees who are equally treated and paid and are being educated in all aspects of their environmental and social development. 3. Dominica in particular has recovered and literally reconstructed their entire banana crop since 1979- they deserve nothing but support. The United States Government is currently not a part of Fairtrade. However, a business in the United States does have the right to choose whether they want to be. For example, Shipley's Donuts uses nothing but Fairtrade Certified coffee.

People like to feel good both health-wise and conscience-wise. Even if Fairtrade is expanded through personal reasons, it is still expanding, thus nurturing developing countries into their greatest potential economically, socially, educationally, and environmentally.

Banana War

On Saturday, May 24 2008, WINFA and NFTO rallied in the streets in order to obtain the rights to trade directly with WIBDECO and to no longer have to go through Dominican Banana Producers Limited (DBPL). WINFA and NFTO argue that they are the ones who do all the work, therefore they are the ones who deserve the right of the

Fairtrade mark, and the right to directly trade with WIBDECO. As of now, WINFA and NFTO have to sell their bananas to DBPL who is buying them from the farmers at a lower price, and selling them to WIBDECO for more.

Although just the thought of independence is liberating, the truth is, it is a dream and even if it were to come true, it would take a very long time. As far as the Dominican banana industry goes, total independence will never be a word that follows. Fairtrade is the life support of this country right now, and it seems selfish for these organizations and companies to think anyway but cooperatively. If anything, they should all unite. The bottom lines of each and every one of these organizations should include the desire to better the lives, health, and happiness of their fellow countrymen, although they are at war with each other. As of now, this 'banana war' is still unresolved.

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Appendix

Windward Islands- Commonwealth of Dominica, St. Lucia, St. Vincent and the Grenadines, and Grenada

EC- European Community

ACP- African, Caribbean, and Pacific States

EU- European Union

WIBDECO- Windward Islands Banana Development and Exporting Company

DBPL- Dominican Banana Producers Limited

WINFA- Windward Islands Farmers Association

NFTO- National Fairtrade Organization

FLO- Fairtrade Labeling Organization International

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