Fair Trade in Ornamental Plants - Introducing the Fair Plant Nursery

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Abstract
Fair trade is an alternative approach to conventional international trade. It is a trading partnership which aims at sustainable development for excluded and disadvantaged producers in developing countries. Fair trade is well established within a range of edible horticultural products. Fair trade of cut flowers was launched in April 2001 by the Swiss fair trade organization "Max Havelaar" Switzerland, and has occupied a market share of 8% of all imported cut flowers, or 5% of the total cut flower market in Switzerland. To date, no other ornamental horticultural products have been adapted to fair trade. With this background, the world's first fair trade nursery, the "Fair Plant Nursery", has been launched in South Africa. The objective of Fair Plant Nursery is to establish and run a modern and prosperous wholesale production and export nursery, with a high ethical and social consciousness. Fair Plant Nursery will develop and produce exclusive, niche products of ornamental plants. The plants are to be exported as semi-finished pot-plants for the off-season markets in the northern hemisphere. Fair Plant Nursery will honor all generic standards of Fairtrade Labeling Organizations International (FLO) for companies dependent on hired labor, and Fair Plant Nursery will work to obtain certification from FLO, to enable the use of its member's trade-labels internationally.

INTRODUCTION
If one wishes to build up an export of horticultural products from a developing or low income country, and it is also the aim that this export shall benefit those who are worst off in the country, then one of the best options is to adapt fair trade (Jørgensen 2004). Another important issue is the Convention on Biological Diversity (CBD) (1992). CBD gives rights to the country of origin for "new" biological material, i.e. "new" plant species, or even "new" genotypes collected from the wild of plant species already known in cultivation. Sharing of benefits arising from the commercial utilization of the gene pool found in the developing countries is a growing concern. An alternative approach, to honor the CBD, giving the lawful owners a share in the financial benefits, is to promote cultivation of indigenous plants in their country of origin for the purpose of export (Coetzee, 2002)

Introduction to and History of Fair Trade
"Fair trade", has been defined by the International Federation for Alternative Trade (IFAT), as an alternative approach to conventional international trade. It is a trading partnership which aims at sustainable development for excluded and disadvantaged producers. Fair trade seeks to achieve this by providing better trading conditions, by increasing awareness and by campaigning (International Federation for Alternative Trade 1999).

Fair trade as such, has existed for over 40 years. It started off, at grass root level, as partnerships between non-profit importers and retailers in the North and small-scale producers in developing countries. Over the years, more and more alternative trade organisations (ATO's) were created in different countries. The ATO's set up networks of 'world shops', that not only sold the products of disadvantaged producers from developing
Eleven years ago the concept of a “fair trade label” were conceived. Fair trade labelling started in the Netherlands, with the Dutch fair trade label called 'Max Havelaar', after a fictive person featuring in a 19th century book about the exploitation of Javanese coffee plantation workers by Dutch colonial merchants. After this first initiative, other national fair trade labellers followed, some using the same name, others introducing new names, like TransFair, Fairtrade Foundation and Rättvisemarkt. At present, 17 fair trade labelling initiatives exists under one umbrella organisation, Fair Trade Labelling Organizations International (FLO).

FLO is a worldwide fair trade standard setting and certification organisation. It regularly inspects and certifies about 300 producer organisations in more than 40 countries in Africa, Asia and Latin America, permitting more than 800,000 producers and their dependants to benefit from labelled fair trade. FLO is thus one of the biggest international social economic certification bodies worldwide (Fair Trade Labelling Organizations International 2003).

FLO guarantees that products sold anywhere in the world with a fair trade label, marketed by a national initiative, conform to fair trade standards and contribute to the development of disadvantaged producers. FLO certification is run by an autonomous unit within FLO International. This certification unit co-ordinates all tasks and processes all information related to inspection of producers, trade auditing and certification. Operating independently from any other fair trade interests, it follows the ISO standards for certification bodies (ISO 65) (Fair Trade Labelling Organizations International 2003).

There are Fairtrade Labels on a wide range of different products, including: coffee, tea, rice, bananas, mangoes, cocoa, sugar, honey, fruit juices and even footballs. Cut-flowers were certified for fair trade by the Swiss fair trade initiative Max Harvelaar Switzerland in April 2001 and already occupy a market share of 8 % of all imported cut flowers, or 5% of the total cut flower market in Switzerland (Max Havelaar Stiftung Schweiz 2003). Other products are currently under consideration and might soon follow, as FLO constantly seeks to expand. These should include other fresh fruit, wines, nuts and oils and, in the years to come more non-food products such as ornamental pot-plants.

The point of reference for FLO Certification is the International Fairtrade Standards. These Standards are developed and regularly reviewed by FLO, in close cooperation with the relevant stakeholders, who are represented on FLO’s Board and other decision making bodies within FLO. In contrast to Codes of Conduct and other social labels, FLO’s fair trade standards are not simply a set of minimum standards for socially responsible production and trade. Besides the minimum requirements that producers must meet, FLO guarantees them a fair price, and, through process requirements, expects them to invest part of it in economic, environmental and social development (Fair Trade Labeling Organizations International 2003).

FLO is probably the only certification system in the world where producers do not pay for their certification. Finally the consumer pays for the fair trade system. Traders pass on to consumers the higher fair trade price and premium that they pay producers. The financial flow goes all the way back from the consumer who buys the product, to the producer. The National Initiative charges the Licensee a fee for using the fair trade label. This pays for all of FLO’s certification and inspection costs and partly for the National Initiatives marketing expenses. Although still partly externally funded, the biggest part of the cost of the system is included in the retail price, making fair trade labelling sustainable (Fair Trade Labeling Organizations International 2003).

FLO has recognised the need for a single logo, for increasing clarity for consumers and for making cross-border trade easier. Therefore, FLO has started the process of harmonising the different Labels into one International Certification Mark by proposing the use of this newly developed Certification Mark to countries that wish to move towards a common approach. The new mark is now available and it will be replacing existing labels at different speeds in different countries.
Establishing a fair trade minimum price: FLO works with a pricing methodology, which defines per product and per region of production, the “Cost of sustainable Production” (CoP), and “Cost of sustainable Living” (CoL). FLO’s principle is that a fair trade minimum price at least covers the CoP and CoL. On top of that price, FLO establishes a premium, which has to be invested in social, economic or environmental projects of improvement, decided upon democratically within the producing organisation.

Other Fair Trade Initiatives within the Horticultural Sector

The Flower Label Program (FLP) was created in 1998 as a worldwide initiative, of German origin, by human rights organisations, trade unions and the flower trade. The organizations behind FLP include: BGI (German flower whole-saler and import organisation), Brot für die Welt (protestant aid organization "Bread for the world"), FDF (professional association of German florists), FIAN (FoodFirst Information- & Actions-Network), IG BAU (industrial trade union for construction, agriculture and environment) and Terres des Hommes (children's aid organisation). FLP receives financial support from the German Federal Ministry for Economic Co-operation & Development.

The Flower Label Program sets standards of human rights and environmental protection for flower farms. These standards are very similar to the generic FLO standards.

Flower farms anywhere in the world can apply to have their farms inspected by independent social and environmental auditors and become FLP members -provided they comply with the FLP-standards. Once accepted as members, the flower farms receive the FLP certificate and have the right to market their flowers under the FLP label. On a worldwide basis, 55 farms have already joined the Flower Label Program. These include farms in Kenya, Zimbabwe, Tanzania, South Africa and Ecuador. The combined size of these farms is more than 1000 ha with a total workforce of over 13,000 workers. As yet, FLP only certifies cut-flowers and cut-greens (Flower Label Program 2003).

The “Milieu Programma Sierteelt” (MPS) initiative started in 1993 in the Netherlands, and by January 2003 MPS had 5000 participants in the Netherlands and abroad. The main objective of MPS is to minimize the environmental impact of the participating companies. In addition, social aspects play a role within MPS, the focus here is particularly on health, safety and working conditions.

MPS issues a number of certification marks; MPS – A, B, and C are basic certification marks related to the environment, whereas MPS-GAP (Good Agricultural Practice) is a special certification developed especially for and in co-operation with supermarket chains. The MPS-GAP requirements relate to growing conditions, labour, the environment and nature. The registration for MPS-GAP is more extensive than the basic MPS registration. “MPS Socially Qualified” focuses on social aspects such as health, safety and terms of employment. As these areas are largely already regulated by law in Western Europe, “MPS Socially Qualified” targets growers in countries outside Europe which are obliged to comply with a number of supplementary requirements alongside the registration of the environmental themes. Growers often seek “MPS Socially Qualified” certification if they supply particular marks such as Max Havelaar (de Groot, 2003). There are currently “MPS Socially Qualified” companies in Kenya, India, Zimbabwe and Zambia (Anon Milieu Programma Sierteelt 2003).

"New plants", with special reference to ornamental plants, has been defined as; either new selections of existing crops, new use of plants already known in culture, or introduction of species about which no or little garden or greenhouse cultural information exists (Armitage, 1987). New plants can however also be a result of new production methods, such as either ecologically grown plants or plants produced under fair trade conditions (Jørgensen, 2004).

As ornamental plant production can be readily compared with other agricultural or industrial production, the basis for fair trade is the same as in these sectors. When the target is poverty alleviation, sustainable job creation and introduction of democracy in the labour market, it does not matter whether the product is coffee, tea, rice, flower bulbs,
cuttings or plants, the important factors are the potential for job creation, the market potential and market acceptance of the product (Jørgensen, 2004).

Ornamental plants should be an obvious product-group for fair trade, as it is easy for the consumer to understand and appreciate that a large green- or exotic flowering plant has its origin, and indeed, has started its life in a developing country (Jørgensen, 2004).

INTRODUCING THE FAIR PLANT NURSERY
The Fair Plant Nursery initiative has been launched near George in the Western Cape, South Africa. The Fair Plant Nursery initiative is a commercial venture between the Botanical Garden, University of Copenhagen, a Danish- and a South African nursery. The objective is to develop a new export nursery dedicated to developing the fair trade standards to production of ornamental plants and to pioneer in the development, production and export of fair trade plants. This will be production of South African plants in South Africa for export!

Much work still needs to be done, before the first fair trade plants can be marketed to the public, but we have now taken the first important steps – to adapt fair trade conditions to the production of ornamental plants.

DISCUSSION
Fair trade has grown from a grass-root movement to a system that has proven it’s strength in practice and that is well recognized on the market. When adapted to production of ornamental plants, the benefits for the fair trade producer will be many; besides the obvious benefits of better working conditions and better protection of the environment, the benefit of a neutral controlling body is worth being considered first and foremost as a guard against groundless technical claims.

The benefits for the developed country fair trade partner are the association with a strong and positive brand, high profiling as a highly social and environmental conscious business and professional marketing at a level where hardly any single company in the business can compete.

The CBD exist not only for medicinal- and potentially high value crop-plants, but in fact for all plant species! Production of indigenous plants, for export, in their country of origin should be promoted – as this, in fact, will be the best and simplest way to honor the CBD! Introduction of fair trade will, again in the sprit of the CBD, ensure equitable benefit sharing for the lawful owners of the country’s genetic resources.

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Literature Cited