

# ON THE ORGANIC FARM - FAIR TRADE CHALLENGES FOR COSMETIC INGREDIENTS



The cosmetics industry – like many others, is demanding more and more organic and fair-trade raw materials and ingredients for end products. While organic raw materials – such as essential and vegetable oils - are certified under a well-recognised organic certification process - no such certification category exists for the same products under fair trade status. Recently, raw material suppliers and organic certification bodies have been working as joint pioneers in an effort to create a separate but relevant standard. Rob Hardy, Special Projects Director for Organic

## What is fair and ethical trade?

In essence 'fair trade' is a trading partnership, based on dialogue, transparency and respect, that seeks and establishes greater equity in international trade. By offering better trading conditions it contributes to sustainable development and secures the rights of disadvantaged producers, workers and their communities. As yet there is no legislation/regulation covering fair-trade, as there is with organic production. However, France now has draft legislation, and there is the potential for EU governance to cover this area at some point in the future.

The current growth in fair trade is dominated by local initiatives under the 'umbrella' of the Fair Trade Labeling Organisations or, FLO. The UK based local initiative is the Fairtrade Foundation, with other initiatives such as Max Havelaar in France and Transfair in the USA. The standards used cover a number of commodities, including coffee, tea, cocoa and a number of fruits. However, the FLO standards, as yet, do not cover all agricultural product categories. Thus essential and vegetable oils currently offered by suppliers of these products are not yet covered by FLO.

Partly in recognition of FLO's incomplete product standards, and the need for organizations setting organic standards, and certification bodies, to be more explicit in their requirements for 'fair-trade'; a number of these organisations now have sought to establish some type of fair or ethical standard. As with FLO, they are geared to product certification, as opposed to making a 'fair-trade' claim about the organization/company producing the 'product'. Organic certifiers which currently offer such certification include IMO (Institute of Market Ecology), Naturland, Soil Association, and Ecocert. Their standards are

and Fair-Trade at Earthoil Plantations Limited (and former International Development Manager at the Soil Association for eight years) has had first hand experience in this area - through his role overseeing Earthoil's grower-groups producing certified organic cosmetic oils, in both Africa and India. In this article, Rob discusses the challenges he has faced working towards fair trade certification for these grower groups and gives his own opinion on the principles behind fair and ethical trade and why these principles marry so well with the practices behind organic farming.

not limited to the current FLO product categories, and therefore allow suppliers - like Earthoil - to seek objective and independent certification of its product range.

Whilst different 'fair-trade' type certification bodies offer different standards with differing emphasis, they all cover the following principles based on fairness, mutual respect and transparency:

- Employment is chosen freely;
- Freedom of association and the right to collective bargaining are respected;
- Working conditions are safe and hygienic;
- Enforced child labour shall not be used (remembering that, in India and in Africa, farms are family enterprises, and children have their duties in support of their family);
- Living wages are paid;
- Working hours are not excessive and are reasonable;
- No discrimination is practiced;
- Regular employment is provided;
- No harsh or inhumane treatment is allowed;
- There should be sustainable trading relationships, based on trust, transparency, equity, accountability and continuity. These should be long term, based on mutual advantage, which includes price stability;
- There should be a social and cultural emphasis within and external to the business that benefits the wider community;
- That the whole chain of product supply is covered, from farmer to retailer;
- That the environment is both protected and enhanced.

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### **A working example - Earthoil fair-trade projects in the field:**

Fair/ethical trade is at the very core of the projects that Earthoil supports. One, for example, is in Uttar Pradesh, India where we are working with an organic grower group of over 260 small-scale mint farmers producing organically certified peppermint, spearmint and corn mint oils. These farmers had previously been growing mint oils conventionally and Earthoil encouraged them (in 2003), to convert the project to organic - offering support and logistics to do so. Earthoil employs agronomists and field managers here to oversee the project, educating the farmers on organic farming methods. I act as the point of contact on all issues relating to the project and oversee the organic certification of these lands and all the associated paperwork and documentation. As the next step on from achieving organic status, we are now seeking to formalize the projects' fair/ethical trade by entering the full process for independent verification with IMO's Fair for Life standard.

Earthoil also has another grower project in Kenya, again both organic and fair/ethical. In the Mount Kenya region, Earthoil Kenya (the operations arm of the Earthoil Group) is overseeing a community grower group of around 400 small-scale farmers producing organic essential oils such as tea tree oil, and pressed seed oils such as sunflower oil. Earthoil oversees these operations, to provide as much on-the-ground expertise as possible - training field officers and providing agronomists to deal with all aspects of the farming of these crops. As with our Indian project, I visit this project many times throughout the year and we are currently seeking verification of ethical trade standards for Earthoil, in this Mount Kenya project. As before, limitations with FLO's standards means we will, at least for the moment, use IMO's Fair for Life standard.

In both of these projects, Earthoil ensures premium payments are made to individual farmer members, but crucially will also make payments into a community fund. The responsibility for, and the decisions on spending of these funds, will be made by democratically elected farmer's organizations. The intention is to encourage the flow of wider benefits into the farmers' local communities; to assist in health, education and the cultural enhancement of these important communities. With these changes to the business model, more comprehensive checks on the sources, more searching questions, and requests for more detailed documentation all

arise. Passing co-responsibility 'upstream' to our suppliers is no easy task. Nevertheless, by working closely in-conjunction with these suppliers, and strengthening our relationships, Earthoil will ensure that the principles and practices of ethical/fair trade are fully met.

As to the future, Earthoil is increasingly embarking on other grower group projects, so that it can continue to expand and assist in providing the technical, certification and logistical support for farmers, so they in turn are empowered to support themselves. Earthoil believes that organic and ethical/fair production can go a long way in resolving some of the major challenges that face farmers in developing countries.

#### **Some additional points to note:**

1. Earthoil always seeks to adopt the organic route in agricultural practice, believing this to be significantly better for the environment and therefore for the people. We also believe it to be the best form of sustainable agriculture; environmentally, economically and socially.
2. Earthoil believes that for it to be socially and economically just and for its operations to be sustainable, that it must always trade on an ethical basis. In fact, we believe that for it to be fair it should be organic, and for it to be organic it should be fair. The two are inextricably linked and are mutually dependent.
3. Earthoil Plantations provides 'on the ground' technical assistance, both in organic and fair-trade/ethical trade, in assisting farmers and their communities through the difficult start-up phases, and in assisting them in maintaining their projects. These functions are carried out through locally based, fully employed, teams in India and Kenya.



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