



**ITC SUBMISSION TO THE SOIL ASSOCIATION CONSULTATION ON
AIRFREIGHT
30th May 2008**

Scientific opinion is agreed that climate change is driven by the rise in human consumption of carbon. It is therefore a global imperative to reduce greenhouse gas (GHG) emissions. In the absence of a global agreement to limit emissions, the private sector is taking its own initiatives. The Soil Association has proposed that airfreighted organic produce:

- meet its own “ethical” or fair trade standards,
- is monitored by licensees,
- is the subject of a plan to reduce airfreighted usage.

ITC welcomes the Soil Association’s concern about climate change but believes that focussing exclusively on airfreight is ineffective in terms of reducing GHG emissions and is likely to have a negative impact on poor farmers in Africa. The Soil Association would achieve more effective and equitable reductions in GHG emissions by lobbying to remove energy subsidies in agriculture and providing farmers and consumers with information and advice on “best practice” for reducing their energy use.

1. Unfair to insist on “ethical” and “fair-trade” standards

There is no further need to demonstrate through “ethical” or “fair trade” certification that the trade in organic products is reducing poverty and delivering environmental benefits. It is clear that it already does:

Poverty reduction:

Recent research¹ shows that Ugandan farmers participating in an organic coffee certification scheme received an increase of 100% in their prices and crucially were more likely to engage in processing, a value addition activity. Similar findings were made in research from the International Fund for Agriculture (IFAD), which describes organic agriculture as a “systematic development package”.² For this reason, ITC provides technical assistance to support the development of the organic sector in East Africa and other developing country regions³.

¹ Bolwig, S., Gibbon, P. & Jones, S. (2008). The economics of smallholder organic contract farming in tropical Africa, Danish Institute for International Studies, forthcoming, under peer review. www.djjs.dk

² International Fund for Agriculture (2005). Organic Agriculture and Poverty Reduction in Asia, http://www.ifad.org/evaluation/public_html/eksyst/doc/thematic/organic/acp_china.htm

³ See ITC’s project portal for more information: http://www.intracen.org/organics/technical-assistance_projects_overview.htm

Environmental and health benefits:

The environmental benefits of organic farming are well-documented including reduced soil erosion, improved water quality and net biodiversity benefits. Furthermore, farmers are no longer exposed to pesticides, which are routinely mishandled in developing countries resulting in many thousands of deaths and birth defects.

Organic agriculture also delivers important global environmental benefits through mitigation of climate change. It can also help farmers adapt to the impacts on farm production of a changing climate (see ITC and FIBL's recent study⁴).

New requirements for organic products to be "ethical" or "fair-trade" certified risks raising the costs of export without necessarily raising premium prices. Furthermore, the costs of compliance will be disproportionately high for smallholders rather than large exporters. Smallholders make up the majority of the rural poor and are already increasingly excluded from participation in global value chains through strict quality standards like GlobalGap.

Stricter certification requirements therefore risks hampering the development of smallholder organic agriculture in Africa and so losing environmental and social benefits through reversion to agro-chemical based agriculture or land abandonment.

2. Discriminatory approach

The Soil Association's focus on airfreight is discriminatory in that it ignores other energy intensive areas of the supply chain. These include high GHG emissions associated with beef production and heated glasshouse production. Furthermore, organic, like conventional farmers in the UK receive energy subsidies through the partial derogation on duty for tractor diesel. It is discriminatory to require "ethical" certification for airfreighted products but not for beef production, glasshouse production or indeed any farmers receiving these implicit energy subsidies.

3. Lack of transparency

The Soil Association has not been wholly transparent in its consultation process to date. Of particular concern is the lack of any publicly available Minutes of the discussions in the Standards Committee in October 2007 that led to this new proposal. This is an example of why development agencies and NGOs are concerned that private standards are developing in a way that is unfavourable to suppliers in developing countries.



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⁴ Niggli, U, Schmid, H. and Fliessbach, A (2008). Organic Agriculture and Climate Change, International Trade Centre and the Research Institute of Organic Agriculture, Switzerland.
<http://www.intracen.org/Organics/publications.htm>