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“Resilience of agricultural systems against crises”

Fair Trade and Organic Agriculture in Developing Countries – A Review

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Abstract

Fair trade regimes and organic agricultural systems are two innovations that increasingly play an important role for agriculture in developing countries. While fair trade arrangements have its origin in the developing countries, organic agriculture was started in the industrialised nations and has only recently become popular in the Third World. Whereas organic certification is purely production-oriented, fair trade regimes includes labour standards and guarantee a minimum price and a pro poor price premium. In combining the two innovations; developing a pro-environment and pro poor agenda are promoted simultaneously. Both can be mutually reinforcing as fair trade often combined with organic production standards open up new market prospects. More specifically what has been the ground level impact of both these movements and how these have been perceived by the smallholder farmers has always been a topic of research. Adopting these certification schemes does not come without challenges and costs for the farmers. But these systems will only be accepted if they prove to offer better livelihood strategies.

In this paper we explore the opportunities and constraints of marketing organic products from developing countries under fair trade managements. Based on available literature, we review evidence of the magnitude of organic production and fair trade systems in developing countries. We explore theoretically and empirically how these two are likely to influence the smallholder producers. We also propose a framework for studying the impact of fair traded organically produced commodities using the case of black pepper in India. The framework will generate testable hypotheses regarding the two innovations. Results will allow assessing if organic production under fair trade regimes will discriminate against the smaller and poorer farmers. It will also contribute to design policies that can better adhere to inclusive growth in the agricultural sector in India.

Keywords: Fair trade, India, organic farming, sustainability, vulnerability