

Agroecological cotton and fair trade make the difference

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Brazil started producing organic cotton in 1993, when a group of small scale farmers in Tauá, in the semi-arid regions of the state of Ceará, decided to include it in their farming systems. This cotton was bought by *Filobel Indústrias Têxteis do Brasil*, a textile company in Brazil's largest city, São Paulo, to make t-shirts for Greenpeace. This pioneering example was supported by ESPLAR, an NGO based in Ceará, and organised by ADEC, an association of rural farmers following agroecological practices.

For the ensuing ten years, different textile companies tried to buy agroecological cotton (in this area, referred to as cotton produced to organic standards but not necessarily certified as organic), produced in Ceará but none showed interest in setting up a permanent contract as the volumes the farmers could offer were too low, at less than five tonnes per year. Farmers therefore made an effort to establish contact with smaller businesses or those which for various reasons only needed small volumes, but this was difficult. Despite these challenges, farmers were able to sell their produce in the small Brazilian organic market at prices up to 30 percent higher than for conventionally produced cotton.

Fair trade – making the difference

Three years ago, *Veja Fair Trade*, a French company, went to Brazil in search of organic cotton to make sports shoes for the European fair trade market. Visiting the ESPLAR website, they

found information about the agroecological cotton produced in Ceará. One of its directors immediately went there, agreeing to buy three tonnes of cotton from ADEC. A new contract was eventually signed for the following three years, and negotiations are currently under way to renew this contract for another three years.

Simultaneously, a sewing co-operative in Porto Alegre, in the southern state of Rio Grande do Sul, organised a network of co-operatives and associations of workers, eager to make clothing according to fair trade norms. One of the co-operatives, *Cooperativa Nova Esperança*, decided to produce organic cotton thread, with between three and five tonnes of organic cotton per year. The brand *Justa Trama* was launched in 2005.

With different stakeholders involved, the most important discussions turned out to be those relating to price. Negotiations took place between ADEC, *Veja*, *Justa Trama* and ESPLAR, taking different issues into consideration. One of these, for example, was the average yields achieved and the fact that farm families need to be stimulated to keep producing cotton following agroecological methods. Equally important was the need to consider the processing costs, and thus assure the sustainability of ADEC. *Veja* and *Justa Trama* expressed the need to cover the costs of setting up the production chain and still make a profit, while at the same time aiming for a competitive price of their products in the market. *Veja* and *Justa Trama* agreed to buy the cotton at US\$ 3.30/kg. This allowed ADEC to pay the farmers more than double the prices offered on the conventional market.

This is very different from the conditions under which the farm families of Ceará used to work. The majority did not own their own land, but had to rent it from large landowners. The rent was paid through handing over half of their cotton harvest to the landowners. Farmers also tended to simply sell the other half to the landowners



as well, at a lower price than on the local market. The farmers never knew where their cotton was ultimately sold. Today, the farmers not only get a better price, but they also know their cotton goes towards producing sports shoes for *Veja*, and clothes for *Justa Trama*. They know the owners of *Veja* and those who make up the *Justa Trama* co-operatives. This brings a qualitative change into the relationship between producer and buyer.

Broadening opportunities

With prices, volumes and other conditions already established through the contract signed with ADEC, it was possible for ESPLAR to stimulate the expansion of cotton production to seven other municipalities in Ceará, through the respective unions, thereby trying to respond to the increasing demand for organic cotton. The number of farm families participating in this project has increased considerably: back in 2003, there were 97 families involved, producing a total of 7100 kilogrammes. Production rose to 43 000 kilogrammes in 2007, involving 245 families. In 2008, we hope that the total number of farm families engaged will reach 500, and that production will reach a total of 85 tonnes.

These results have also influenced other groups of farming families in the neighbouring states of Rio Grande do Norte and Pernambuco. After three years of producing agroecological cotton, the farmers there have finally managed to sell it at a price higher than for conventional cotton, having negotiated contracts with two other French fair trade companies. In Paraíba, another state in northeast Brazil, farmer groups have also started producing agroecological cotton, selling it on the national organic market. This last group includes *Copnatural*, a large co-operative which produces clothes made of coloured cotton. All of these different initiatives – covering four different states – work together at the regional level through joint meetings, exchange visits, and the sharing of information and experiences about production techniques, processing and marketing. This is due to a scheme of co-operation which involves farmers' organisations, NGOs, the Brazilian agricultural research organisation, the University of Ceará and various fair trade companies. Co-operation has resulted, for example, in the organisation of regional seminars in 2006 and 2007, discussing the impact of fair trade and organic production in the region.

Challenges coming from growth

Cotton is commonly grown intercropped with maize, cowpea, or sesame, following a method adopted to minimise the risks of yield losses in a region of extremely irregular rainfall. In these adverse conditions, yields in agroecological plots vary between 400 and 800 kg/ha of grain, and between 100 and 200 kg/ha of cotton. Such volumes will generally satisfy the demand for beans, maize and sesame for domestic consumption, while the production of cotton results in an income of between US\$ 85 and 175 per hectare. The frequent infestations of the boll weevil (*Anthonomus grandis*) limit the average yield of cotton to less than 200 kg/ha, indicating the need for research and development of clean technologies for managing this pest in mixed agroecosystems. To respond to the rising demand, a higher supply of cotton has been achieved by increasing the area under cultivation, and by bringing new families into the fold.

As a result of this expansion, ADEC is facing new challenges. Having new producers involved means extra costs in terms of

capacity building and technical support. At the same time, as production has increased in other municipalities, the costs of transporting the cotton to ADEC's processing plant have also risen. In addition, new machinery is needed in order to process the increasing quantities of cotton. Another challenge is the capital that ADEC requires to pay the farmers in instalments. During the last three years, this was solved as *Veja* and *Justa Trama* paid them in advance, together with help from ESPLAR. Although farmers were satisfied, it shows that ADEC is not completely autonomous and able to operate independently.

Veja and *Justa Trama* have until now bought the cotton without needing organic certification. This is due to the credibility acquired by ADEC and ESPLAR over ten years of working in the organic cotton market. They have always been able to take responsibility themselves for the quality of the agroecologically grown cotton, in a context when the supply in Brazil was minimal. However, now that the supply is coming from broader groups of producers, companies in the organic and fair trade market have begun to be more attentive, and *Veja* has already expressed the need to buy cotton that is certified. The farmers and stakeholders in the project have therefore undertaken the certification application processes, taking advantage of the offer put forward by the Ministry of Agrarian Development, to pay the certification costs for 2007. For its part, *Veja* offered to pay ADEC's costs for Fairtrade certification with FLO. In this way, the production of cotton in Ceará and its manufacturing process will be doubly certified in 2008.

Special attention will need to be given to the introduction of transgenic cotton in the region. The Brazilian government has recently relaxed the regulations limiting the cultivation of genetically modified crops: the presence of transgenic cotton plantations in the region is a real and worrying threat. All the stakeholders involved have started to confront this threat by mobilising farmers and their organisations, NGOs and related entities, and by lobbying the government to declare Brazil's semi-arid region as a transgenic-free zone.

Shared management

Following the growth of agroecological cotton production in Ceará, ESPLAR invited the directors of ADEC and the representatives of the farmers' unions to discuss and look collectively at the main questions related to cultivation, marketing and manufacturing processes. This led to the formation of the *Grupo Agroecologia e Mercado* (GAM), a group of stakeholders that meets between four and six times per year to plan the harvest, define the basic issues related to agroecological production, share information, and negotiate the sale of local production to *Veja* and *Justa Trama*. GAM carries out the important role of political and organisational networking regarding the access of family agriculture to fair trade, and the opportunities for sharing the experiences and information which help the farmers as well as the organisations they represent. ■

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Gerardo Germano da Silva harvesting agroecological cotton in Assentamento Tiracanga, Canindé, in Ceará.