

## Small Farmers Darjeeling Tea

# An Experience in Fair Trade

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Members of Sanjukta Vikas Cooperative (SVC) in Darjeeling, India have been selling certified organic, fair trade-labelled, small farmers' tea in the international market since 2001 – and getting a premium price for it. This is helping the cooperative meet its development needs and is partly supporting SVC's programmes including a savings and credit union, women's self-help groups, and milk, drinking water, and consumer cooperatives.

SVC's experience is unique and significant and comes at a time when the world-renowned Darjeeling tea industry is going through a 'bearish' period. It is also interesting because of the way the tea is being cultivated, managed, and marketed through fair trade, and the profits shared among cooperative members.

Producer communities own the land. SVC has a two-tier elected governance system with nominated members from the women's self-help groups on the Board. Tea is providing the Cooperative with income nine months of the year and supporting some of its activities. There have also been fair trade inquiries for their other products, such as ginger and cardamom. Fair trade is a promising movement that bears watching as a possible avenue for small, rural poor players to cope alongside giant players in the world markets of liberalised trade, but as the movement is new, there are few actual experiences and models to draw from. This makes SVC's experience something for the development community to watch.

Communities of Harsing, Dabaiani, and Yangkhoo villages in Darjeeling, consisting of 448 families, first organised themselves into Sanjukta Vikas (meaning, United Development) Cooperative in 1996 with assistance from, DLR Prerna, a local NGO. DLR Prerna facilitated SVC's tie-up with Tea Promoters India (TPI), which now exclusively processes and markets SVC tea

under the brand label, 'Mineral Springs Small Farmers Tea'. In 2001, SVC made it to the stringent global environmental standards for organic products after being granted a producer organic certificate under EEC 2092/91 (European Union standards), Naturland (German standards), Bio-Suisse (Swiss standards) and National Organic Program (US standards) certificates. SVC is also certified under the National Program for Organic Production (India). The organic certification is based on an internal control standard (ICS) and an internal regulation system (IRS) that decentralises organic farm certification and promotion at the community level. ICS and IRS enshrine the roles and responsibilities of organic farming at the farmer, hamlet, SVC, DLR Prerna, TPI, and IMO India levels. (IMO India is an independent inspecting body.) Responsibilities include individual documentation of farm practices and internal and external inspection procedures. The process makes the certification participatory and accessible to small farmers.

In 2003, the Fair Trade Labelling Organisation (FLO) included SVC as a partner-member. FLO labelling ensures that the products bearing the FLO label are ethically produced and marketed. SVC has been receiving premium price benefits from FLO since 2004 and getting benefits from being associated with it, such as the inquiries for its other agricultural produce. Mineral Springs Small Farmers Tea is being sold through international chains like Alter Eco and Equal Exchange.

SVC tea is not a plantation crop but is intercropped with other crops. Its organic certification ensures that it is environmentally safe. The SVC experience is also relevant to the fragile socioecological systems of Darjeeling as part of the Eastern Himalaya biodiversity hotspot. SVC is thus not only charting new development for themselves but also for the larger world community.

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(Right) SVC meeting with Equal Exchange (a USA based ethical marketing organisation selling SVC tea) facilitated by DLR Prerna. (Left): Members of SVC and Sanjukta Nari Sangathan (women's wing of SVC) in front of the SVC office built with FLO funds

# Sustaining Mountain Villages Enhancing Life and Livelihoods in the Villages of Uttarakhand

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**Decentralisation and diversity remain the hallmarks of mountain systems. Mountain settlements have always been small, isolated, and scattered, where life and livelihood demand a multitude of survival skills.**

Nature promotes biodiversity, and hill agriculture has been the most diverse of agricultural systems, producing wide varieties of cereals, pulses, oilseeds, fruits, vegetables, mushrooms, and medicinal and aromatic plants. The livelihood promotion programme of the Institute of Himalayan Environmental Research and Education (INHERE), an NGO active in the Kumaon and Garhwal Himalaya, focuses on promoting the agro-biodiversity of the mountain villages of Uttarakhand, India, converting this diversity into high-value products for niche markets. Basic to this effort has been the conversion largely by default of organic agriculture of the mountains into certified organic products – products organic by natural design. In 2004, the number of farmers certified growing organic was 1,250; this year (2005) it is expected to reach 2,284. Since the programme covers small farmers with marginal landholdings, acreage covered by organic certification was only 637 in 2004, but will be 1,014 acres more in 2005. The organic certification has been given by SKAL (Control Union Certifications) International and now covers 68 crops.

INHERE has adopted a strategy of adding value to the organic produce before sending it to market. This may be as simple as cleaning, sorting, and grading, or include processing into jam, pickles, and fruit concentrates. Three units are being set up by INHERE to deal broadly with three categories of agricultural produce. One unit processes and adds value to grain. Grinding, milling, and expelling oil using cold press methods are being taken up to maintain organic standards, including good manufacturing practices. A second unit has started processing fruit into jams, pickles, concentrates, and spices. A third unit, in the process of being established, will process medicinal plants into herbal products, ayurvedic medicines, and nutraceutical products. This effort has been initiated and given a business orientation only in the past year, and the period has been one of learning and exploration.

During 2004/05, only the grain unit was fully functional, and the unit's first year was spent stocking and selling organic produce. In 2004, surplus collections were invited from 1250 small, certified organic farmers for the first time. The first year's collection totalled 14,402 kg, with a value INR 361,368. The collection comprised twenty-four different kinds of grain. These small surpluses had virtually no markets before and could not be sold as bringing small quantities to market was not economical. A village level purchase network set up by INHERE provided the facility.

In the fiscal year 2004/05, a farmer on average received a premium of 16% over the prevailing local market price totalling INR 57,773. The farmers were paid immediately in cash for their small surplus quantities, for which they were grateful. Additional income was generated for needy women in sorting and grading the produce. This labour had a value of INR 28,800. Employment was also generated in the transport of goods by 'head load' (loading and unloading of produce) and, subsequently, in packaging of produce at the local level. Income generated for the head loaders reached INR 36,000 this year. Though the project started small with a turnover of INR 542,000, market response has been encouraging. The programme is expanding with the opening of new market opportunities in the current year.

*\* In 2004, INR 46 = US\$ 1 approx.*



INHERE cooperative activities