



# rubber news

*on tap – angezapft*

## ASR-Small Farmer Group

Small scale farmers harvest ca. 85% of the world's natural rubber. Until now, the Fair Rubber Association only had one small group of small farmers as a supplier partner. Hence we are very happy that after two years of work it has been possible to include a group of 400 small farmers in Sri Lanka among the producer partners of our association: they supply exclusively to a factory called ASR, which produces all kinds of rubber qualities.

This farmer group is also the first to be audited against the full set of the new Fair Rubber Association criteria. Their first Fair Trade customer: Soulbottles (seal rings for environmentally friendly drinking water bottles made from glass).



**K.P. Premaratnan, (67 years of age), the ASR-member with the longest tapping experience: 52 years.**

## Ground Hog Day: World Rubber Summit

At the recent World Rubber Summit in Singapore one of the world's leading tyre manufacturers reported that they are trying to help 400 small farmers in one of their supply chains – using official governmental overseas aid – but without changing anything about the price they pay the farmers for the rubber. This company employs 65,000 workers worldwide.

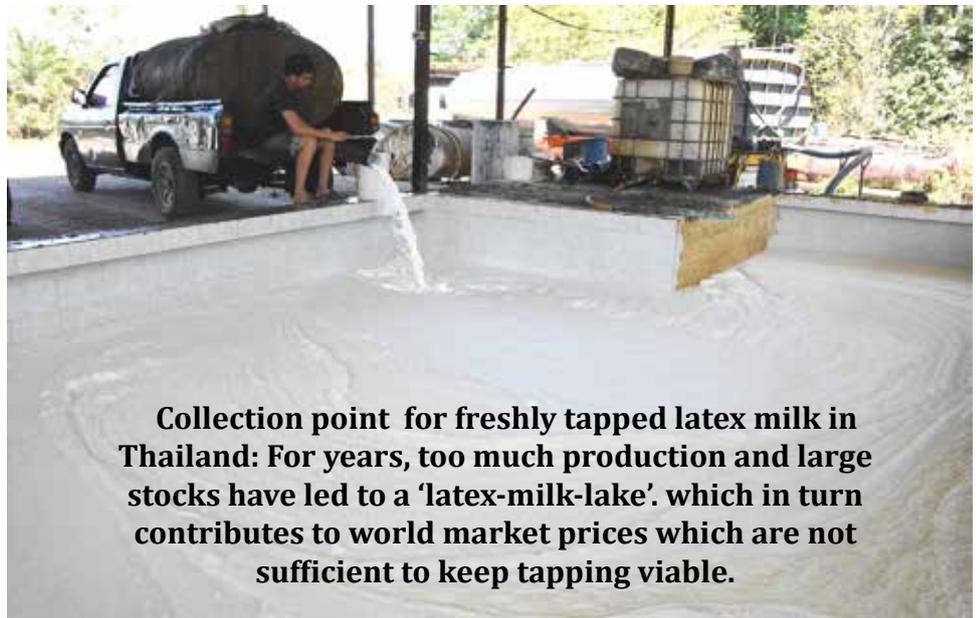
The Fair Rubber Association has about a dozen members, mostly small companies, which at present co-operate with five primary rubber suppliers. The total number of small farmers and plantation workers involved: 4,315. And: The members of the Association voluntarily pay EUR 0.50/kg DRC (Dry Rubber Content) on top of the world market price, directly to these supplier partners.

At the Singapore event, a presenter from the Ivory Coast reported how he has been involved in negotiations on cocoa, which

were meant to lead to a mutually agreed definition of 'sustainability'. After three years of talks the only thing they could agree on with the buyers was that 'sustainability' consists of 'three pillars': The environment, social issues, and economic ones. Since then, the buyers put forward detailed lists of issues like deforestation, pesticide (mis)use, forced and child labour ... but when the discussion touches on the (unsustainably) low price, the answer is that "this is a function of the market forces."

In Singapore, representatives from Thailand (rubber producer No 1 globally), Indonesia (No 2), India, Sri Lanka, Malaysia ... in a plenary emphasised one after the other, that there was an urgent need to discuss pricing: The present level is causing small farmers to stop tapping, as they cannot even cover their production costs, the tappers move to the cities, or the rubber trees

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**Collection point for freshly tapped latex milk in Thailand: For years, too much production and large stocks have led to a 'latex-milk-lake', which in turn contributes to world market prices which are not sufficient to keep tapping viable.**

## Scandal in Malaysia?

British newspapers recently reported on problems with migrant labour in Malaysia, in particular in factories where rubber gloves, condoms, etc. are being produced (Malaysia is the world leader in the production of so called 'dipped products' made from rubber).

Even though no member of the Fair Rubber Association (FRA) was implicated in any way, we want to take the opportunity to explain why the FRA 'limits' itself to the payment of a Fair Trade premium to the small farmers and (rubber) plantation workers: They tap the raw material, they are at the beginning of every natural rubber supply chain.

The first Fairtrade labels were available only for coffee, followed by tea, ... and this approach led to a systemic flaw: Fairtrade criteria specify pricing for *products* – not the amount of labour that is required to produce a particular item. When dealing with coffee or tea, that is not a big deal, drying and roasting is all that is required after plucking. But other raw materials undergo many processing stages until they reach a consumer.

Take natural rubber: After tapping the latex milk has to be stabilised (by coagulation and/or drying) – the first step from raw product to raw material, without which e.g. the onward produc-

*(continued from p1, column 3)* are cut down and replaced with oil palms. The comment of the session moderator: "Pricing is a multidimensional issue. Anything else?"

Two days after the summit the Global Platform for Sustainable Natural Rubber (GPSNR) was launched – a rather late attempt by the major tyre companies in particular to address the issue of



tion of a mattress would not be possible. If the mattress then is covered e.g. in a cotton and wool cover, things become even more complicated. Should not all these production stages be covered by Fairtrade agreements, too?

Unfortunately, it would be more or less impossible to calculate precisely how much labour went into a particular product at any given state: The administration of allocation, payment, and monitoring of such a Fairtrade split would be far too complicated, whereas the benefits to the various people involved would be rather limited.

At the FRA we nevertheless did our best to calculate how much labour is involved at the various stages of rubber-processing: To tap one kg of DRC (Dry Rubber Content – about 1/3 of the 'latex milk tapped' is 'rubber') a tapper requires anything from 40-68 minutes. To concentrate this by machine into so called 'centrifuged latex' (required e.g. for mattresses or condoms) re-

quires only 6 minutes of labour. Mattress making itself, too, is dominated by machines: 13 minutes/kg DRC. In other words: A total of 59-87 minutes of work are required for 'one kg of mattress' – of which the input at the tapping stage represent 2/3-3/4.

Hence at the FRA we feel justified in focussing our efforts on the tapping stage – a practical compromise which has the benefit of ensuring that the largest possible Fair Trade premiums are channelled to those people who have contributed the largest labour share to a product – while keeping administration to a minimum.

Which does not mean that we don't care about the 'rest' of the supply chain – but we leave that in the responsibility of the respective FRA members. And of course: As long as customers 'expect' a pair of household gloves to cost no more than EUR 1.50 – processors have little choice but to exploit their work-



'sustainability'. The constitution of the new venture prohibits any discussion of price matters.

The Fair Rubber Association had been invited to join, at the reduced Non Governmental Organization rate of USD 3,000 p.a. We believe, that our chosen route, i.e. paying Fair prices, is both more promising and more direct.

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