



rubber news

on tap – angezapft

Fairly Traded Rubber: Babies – Or Not!

Despite Covid travel restrictions it was possible to welcome a new supplier partner into the Fair Trade system of the Fair Rubber Association: 44 small rubber farmers in the Hat Yai region (Thailand), who supply to a local processor, registered their association as “KLONG POM PHATTHANA 95”.

The group consists of men and women, aged from 32 to 71(!) years of age. The natural rubber which they supply, and for which they get a Fair Trade premium of EUR 0.50/kg DRC (Dry Rubber Content) is used in the products of two members of the Fair Rubber Association – in effect providing options for all families that want children – and those who don't:

One member produces pacifiers and tops for baby feeding bottles – the other is the world's biggest condom manufacture. Its latest Fairly Traded condom brand is *Loovara intimate*. Either way there is no more excuse not to LOVE Fairly Traded rubber!



Fair Rubber in Times of Covid

You are not alone if you are fed up with all the devastating news surrounding the Covid pandemic and its impact. The Fair Rubber Association (FRA) and its work has not been spared either: Supply chains have shut down because factories had to close when workers became infected, travel became difficult to impossible for groups that wanted to meet, or for auditors to visit.

And of course the shock to the economy hit the natural rubber sector hard, too: Because an estimated 70% of all natural rubber goes into tyres, its price is closely linked to that of synthetic rubber (i.e. rubber made from petroleum): If the oil price is low – using synthetic (where possible) instead of natural rubber makes economic sense. The slump in car sales, air travel etc. kept the price for oil low, and as a result the price for natural rubber is at or below the cost of production.

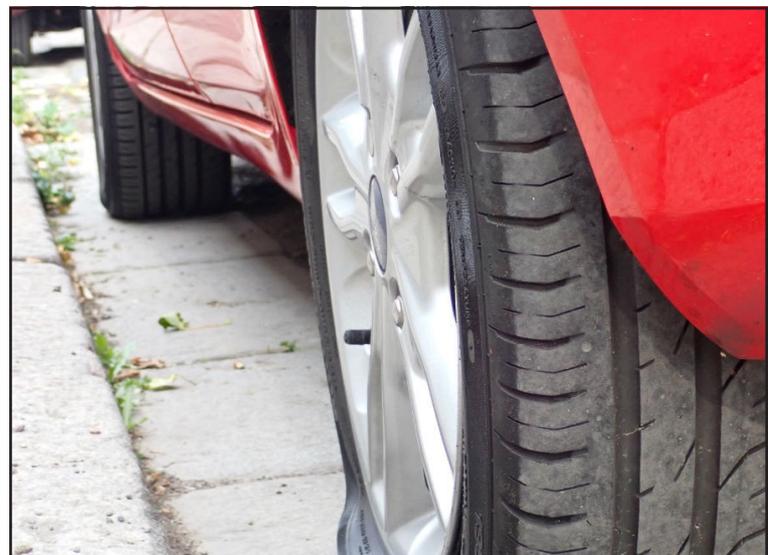
However, car and tyre makers still seem to fail to understand that if they do not pay better prices now – there may not be enough natural rubber available in a few years. With prices as low as they are now, small rubber farmers and plantations are abandoning rubber in increasing numbers.

Despite the dire economic situation, the FRA has seen a sur-

prising uptick in support and interest from existing and new members: A bedding shop in Switzerland, who likes the work of the FRA so much that the owner became a supporting member reported that on the first day of reopening after the shut down in spring – the first item he sold was a natural rubber mattress from our founding member Prolana. At the other end of the size-scale we have just welcomed a Fortune 500 company (more information in the next newsletter).

And the supplier partner base also keeps growing.

Since FRA staff, too, could not travel, we are (re)telling the story of the use of Fair Trade premiums by some of our longest supplier partners on the next page: This is the difference that the payment of a small Fair Trade premium can have on the lives of 100s of primary rubber suppliers.



Makers of cars and tyres still don't get it: Small farmers and tappers deserve fair payment, too.

A Wedding and Some Funerals

The decision on how to spend Fair Trade premium payments rests with the primary producers. In the case of plantations, a representative 'joint body' of plantation workers decides. And over the years, they have come up with some surprising decisions. Two examples show the breadth of usage – and their implications:

Fifty-two year old S. V. Chitra is a supervisor on the New Ambadi Rubber Estate in the southern Indian state of Tamil Nadu. When his younger daughter, Vasudevan, got married, the joint body gave him a Rs 40,000 (ca. EUR 470) interest free loan. No, this did not pay for the one thousand people who attended the wedding – thankfully it's a tradition in Tamil Nadu that the wedding guests contribute enough money to cover the catering costs. The money was used to top up Vasudevan's savings – she is a schoolteacher – and to buy gold jewellery.

To go to the gold bazar of the nearest town and shop for golden necklaces and bangles may sound like a fun day out, but that is not the point. Gold jewellery is a solid financial investment (which is why the gold price goes up during the wedding season. Though Vasudevan became part of her husband's family on her wedding day, the jewellery remained her's and she can decide what to do with it. The official line is that

(like her mother) she will probably pass some of it on to her daughters on their wedding days. But there is a subtext too: should Vasudevan's marriage fail she will have a nest egg to start over. Even if her husband or her in-laws don't like Vasudevan's decision to keep her job for the time being, her nest egg gives her the freedom to do it nevertheless. And that's how an interest free loan financed through a Fair Trade premium makes a difference: To S.V. Chitra because the wedding of his youngest daughter hasn't plunged him into debt. And to Vasudevan who has the freedom to decide about her future.

At Lalan's Sapumalkande Group in Sri Lanka the joint body invested in the purchase of items that are hired out for all kinds of celebrations, from weddings to funerals: With an average of 50-300 people attending, hiring everything from commercial supplies is expensive (if too many people attend, feeding them is spread out over days in groups). The store put together by the joint body consists of three 'towers' of cooking vessels of eight pots each, sized from 8x16 to 17x34 inches. There are also pans, scoops, three tents etc. The implements were purchased following a tender focused on quality, not just on price – the successful supplier added a gas cooker as a bonus.

There is also sound system, but this is only hired out manned by Dhammika. His day job is in the of-



fice, but he gets a bonus of SLR 750 (ca. EUR 3.40) per day for looking after the sound system. By comparison: The hire of one of the biggest pots costs SLR 50/day. Mostly transport can be arranged via plantation vehicles – which usually have business nearby in any case. Hiring from the joint body store means a tremendous saving for the plantation workers, the joint body charges just 25% of local alternatives (most renters provide their own cook).

Often the reason for hirings are funerals – and for these there are also three white (the colour of mourning) banners mentioning Fair Rubber ... Previously, people joined 'funeral societies', and paid SLR 100-200 month: While most deaths are sad affairs indeed – at least they are no longer cause for these plantation workers to take on unsustainable debt – or saving over a life time just to avoid financial ruin on top of the emotional pain.



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