



rubbernews

on tap – angezapft

Where the rubber hits the road:

The World's First Fairly Traded Tyre



Schwalbe, the world's premier brand of bicycle tyres, has joined the Fair Rubber Association (FRA) and produces the world's first Fairly Traded tyres: The 'Marathon E-plus' for e-bikes. Second in line: "The tyre for cargo bikes 'Pick-Up' easily gets any load of up to 300 kg rolling". The launch fell victim to Covid, as the bicycle fair for which the introduction had been planned had to be cancelled, but despite this set-back the group of 377 tappers in Indonesia has been receiving a Fair Trade premium payment every month for more than a year now. And in order to meet increasing demand and an expansion of its Fair Trade range, Schwalbe is hard at work with the FRA to increase its current offer multiple times. As a result 100s more rubber tappers will receive a modest pay increase every month. Fair Trade is on a roll.

1839 Invention of the bicycle
1888 First pneumatic bicycle tyre
2021 First Fairly Traded tyre



An Equitable Distribution of Value?

The Global Platform for Sustainable Natural Rubber, originally founded in October 2018, has recently published a document with the title 'GPSNR Desired State': *"The Global Platform for Sustainable Natural Rubber (GPSNR) is committed to creating a sustainable global natural rubber value chain by ensuring high standards in the following areas: Environmental, Social, Economic."* The document then lists some bullet points for each of these three areas, including this one: *"Value Chain Equity"* and next to it under the header *"What does it mean?"* it explains: *"Equitable distribution of value from natural rubber within and among beneficiary communities at the local, regional and global levels."* And further on: *"... living wages earned by all members of the value chain"*. Next to the bullet point 'Rubber-based Households' follows this explanation: *"Secure and stable incomes from supply flexibility with no significant gaps in yield."*

Apart from the fact that it has taken the GPSNR 2.5 years to get to this statement – what does 'equitable distribution of value' actually mean? What is a secure and stable income, a living wage' – in terms of dollars and cents? And more importantly: What steps are to be taken to achieve this? The Fair Rubber Association has never spent much time on trying to define a living wage – there are plenty of official minimum wage lists and NGOs trying to define living wages. Instead we have focused on actually trying to address the imbalance of

income: On one side rubber tappers and small farmers, whose income does not allow them to send their children to school, on the other the makers and buyers of cars, where the application of the FRA-level of Fair Trade premiums for four tyres would add exactly EUR 6 to the cost of a vehicle. The senior Vice President of one of the biggest tyre making companies once called the level of our Fair Trade premium 'unrealistic'. Is it? Only the car makers can change that. They are the true tyre customers - they need to act on those well sounding words like 'secure and stable income'. It is almost shameful to use such lofty words for EUR 6 extra per car – is that the reason why nothing real is happening?



Fair Trade Standards for Natural Rubber Updated

The FRA introduced its first stand alone criteria document in 2018 (before that it had relied on other related criteria sets). After three years of experience in all countries where we have supplier partners, the criteria document has been revised: No

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FAIR Well - On A More Personal Note

15 years ago I went on my first trip to try and find a rubber producer willing to supply a few 100 kg of rubber under 'Fair Trade' conditions for the foot/soccerballs I was trying to sell at the time. At the end of 2020, the members of the Fair Rubber Association (FRA), which grew out of this effort, had traded 270,000 kg of DRC (Dry Rubber Content) and paid the corresponding amount in Fair Trade premiums to supplier partners from Indonesia to Sri Lanka. The audit of one of these suppliers reported on another incidence of increase: The original number of 277 tappers (only those who actually tap are allowed as members of that particular group – no absentee land owners) had voted to allow 100 more of their colleagues to join. However, even though the FRA member who buys from this group, is the most regular buyer amongst all our members, and overall the 2nd biggest by volume, each of those (now) 377 tappers at present gets an extra income of ca. EUR 15 per month only – EUR 180 per year. This is what our Fair Trade premium of EUR 0.50/kg DRC 'translates' into on the ground – an amount which is far

removed from an 'equitable distribution' or a 'living wage'. Nevertheless: Better than lofty goals that never translate into any actual benefits. At the time you read this newsletter, I will no longer be the Executive Secretary of the FRA. I hold dual nationality, but I have reached retirement age in both countries and I can take a hint. But is EUR 15/month extra pay for rubber tappers an achievement to retire on? Compared to the situation 15 years ago – and with the situation most primary producers still live in – I guess we can take some pride in the fact that Fair Trade in natural rubber has grown from zero kgs then to hundreds of tons p.a. today. And I am happy to be able to hand over to my successor at a time, when we get more inquiries from companies interested in joining than ever – from cosme-

tics to construction to sporting goods firms. Even so it is obvious that the Fair Rubber Association can never be the answer to the unequal distribution of benefits in the global trade in natural rubber. But what comforts me is that the FRA has demonstrated beyond doubt that the FRA's level of Fair Trade premiums, which has been called to be 'unrealistically high', is actually possible – and is already helping 100s if not 1.000s of disadvantaged producers and their families. Hopefully, my successor will continue to see growth in the numbers of companies who realize that all it takes is their will, and the outlook is good: A growing number of new inquiries have come in in the last few months, including one for a Fairly Traded car tyre!

I will remain around to help and hopefully see it happen. mk



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basics needed to be changed – but the explanations of which regulations apply to what type of setting etc. have been updated. The new version (Fair Rubber Standards 3.2) can soon be downloaded from our (newly formatted) website www.fairrubber.org We would also like to remind all customers of products with the Fair Rubber Association logo that the fees paid by the users of the logo pay for all 3rd party audits: We never charge supplier partners for our audit requirements. We are also happy to report that two new supplier partners could join our scheme as there was demand for (some) of their production: A group of small famers in Kerala in South India, and another plantation in Sri Lanka. For more information visit our website.

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