

June 2023

# LOCAL FAIR TRADE IN THE EU: FROM BEST PRACTICES TO PUBLIC POLICIES

In recent years, the EU has been taking strides in working towards **more sustainable agrifood value chains** through a diverse set of policy measures. However, the approach is often creating silos between ‘green’ and ‘social’, is not addressing **existing power imbalances** between different actors leading to harmful outcomes such as prices received by producers below the costs of production and does not include meaningful engagement with actors most affected by these policy changes.

To ensure that European citizens have long term access to sustainable food, it is not enough to support local production at any cost. Long term food security and resilience of EU agri-food value chains must entail addressing social, environmental and economic sustainability of local food production. This should **include policies to support transition to agroecological practices**:

- addressing the contributions of EU agriculture to climate change, biodiversity loss and other environmental harm,
- working conditions of migrant workers,
- access to living wage and living income for those working in agricultural value chains,
- sustainable prices received by smallholder farmers and prioritisation of support for the green transition to smallholder farmers and enterprises.

During the last decade, local Fair Trade initiatives multiplied across the world, but especially within the European Union. These developments clearly show that there is a global need to expand the application of Fair Trade principles beyond their traditional model of North-South collaboration. The Fair Trade movement includes a diverse set of actors such as farmers, producers, labels, traders and social enterprises. The World Fair Trade Organization centres around the support of mission driven enterprises which, with their work, aim to contribute to fairer distribution of value in global value chains. After years of experience in trading globally, several national organisations have also expanded their activities to contribute to **fairer local production**.

The experience of these enterprises, also captured in recent research on *Fair, Accessible, Sustainable and Short Food chains for the EU*, has shown a number of elements that will be necessary to support the development of sustainable local agrifood production in the EU.

Enablers	Policies and regulations	Public procurement Social conditionality in the new CAP Social economy action plan Cities developing food strategies F2F, sustainability label, commitment to organic land by 2030
	Market Structures	Contractual agreements that integrate sustainability indicators Improvement of food environments for purchasing and consumption Alternative food networks and direct sale (CSAs but also public markets) Collaborative agreements between producers to increase price obtained
	Behavioural aspects	Establishment of public and local markets for FASS Food Willingness to consume products produced locally and under sustainable and fair conditions Food education in schools and universities Post-covid financial support to young farmers and local food networks

## **1. Proposal for a legislative framework for sustainable food systems (Farm to Fork (F2F) strategy)**

A well-designed framework could address most of the identified blockers as it will most likely establish a combination of obligations and responsibilities for all (or most) actors involved in the EU food system (including Member States).

By creating an enabling legislative framework that, inter alia, promotes community supported agriculture and other forms of local solidarity partnerships between producers and consumers fostering direct purchasing. As well as better informed consumers that choose sustainable products but also that makes sustainable products the default and accessible choice.

### **1. Common Agricultural Policy (CAP)**

A stronger social conditionality in the CAP, with the provision of adequate resources to facilitate the adoption of adequate legal protections and guarantees by employers, associated with a stronger recognition of agricultural farmworkers' rights when it comes to housing, salary, working conditions, contracts, etc.

The recognition of the ambitious objectives of the F2F and the need to adapt the current content of the Common Agricultural Policy so that its funds are distributed according to different parameters. This would include a stronger social conditionality with the provision of adequate resources to facilitate the adoption of adequate legal protections and guarantees by employers. Well designed and implemented eco-schemes can also help support the adoption of more sustainable practices.

### **3. Minimum criteria for food public procurement (F2F strategy)**

Sustainable food public procurement could directly contribute to making sustainable products the default and accessible choice for EU consumers. The strong purchasing power of public administrations must be harnessed to support local businesses producing sustainably. Minimum mandatory criteria also related to social sustainability aspects (socially responsible public procurement), would contribute to the offer of fair food products (extracted, harvested or produced in fair and decent conditions, respecting labour standards and covering a minimum price for production of sustainable products, as central elements) to EU consumers.

The upcoming EU Sustainable Food Systems framework has the potential to address this by including a strong set of for public food procurement. Some minimum criteria is already gathered by the *EU manifesto for establishing minimum standards for public canteens across the EU*.

### **4. Social Economy Action Plan**

Promotion of social economy may directly lead to promotion of social enterprises and alternative business models key for sustainable local food production. This would tackle the lack of acknowledgement and support to sustainable business and farming models that contribute to achievement of social economy.

Supporting social economy could establish support for farmers willing to turn to short chains, with organic and agroecological production, grant more recognition to cooperatives and organic farms, and provide public financial support for fair, social and sustainable enterprises.