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Chapter 6: The Palestine Fair Trade Association (PFTA), occupied Palestinian territory

Executive Summary

The Palestine Fair Trade Association (PFTA) is a union which economically and socially empowers Palestinians farmers, including women producers, through the promotion of fair trade and organic farming, capacity building, and certification. It aims to enable small and marginalized producers to overcome challenges generated by the on-going conflict with Israel, such as difficult access to land and markets, by giving them access to international markets, which individual Palestinian producers would otherwise not be able to access.

The Union was created in 2004 by Nasser Abufarha, a Palestinian from a farming family. While pursuing his PhD in cultural anthropology and international development in the United States, he was introduced to fair trade concepts and mechanisms. Upon his return to the occupied Palestinian territories (oPt) for doctoral research, he witnessed the worsening situation of farmers due to the fall of olive oil prices, and decided to set up a fair trade training and certification system to enable farmers to access new and more profitable and stable international markets.

The PFTA started with only 15 members, but in less than 10 years it became the largest fair trade union in the oPt, with over 1,700 small farmers organized into approximately 43 farmers village cooperatives producing olive oil from ancestral trees, and 6 women's village cooperatives producing other traditional goods, such as couscous and sun-dried tomatoes. In 2009, the union became the first entity in the world to be fair trade-certified for olive oil, and currently over 95 per cent of its products are certified organic. In 2011, it sold its products for USD 4.8 million, with USD 4.3 million from olive oil alone, through Cnaan Fair Trade, its exclusive exporting partner established in 2004.

PFTA's fair trade and organic trainings and certifications aim to improve its members' productivity, working conditions, and the quality of their products, which in turn increases their value and allow them to access lucrative international fair trade and organic markets. By guaranteeing the sales of its members' products, the union also improves the employment opportunities and working conditions of the wider Palestinian community; producers can make long-term investments on their farms, and over 2,400 seasonal farm labourers receive work for 3 months during the olive harvest, with a PFTA-created minimum wage that is on average 60 per cent higher than the Palestinian one. The social premium (a benefit that the union, the cooperatives and the farmers receive on top of the selling-price), further contributes to the general development of the region as it is often reinvested in community projects, in health care, in education, etc.

The union's empowering work also includes a set of complementary programmes, such as sapling distributions to disadvantaged groups to help them launch production; micro loans to set up fair trade and organic-certified production; and an international olive harvest festival to allow producers and consumers to meet and exchange.

Section 1: Introduction and Context

1.1 Introduction

The Palestine Fair Trade Association (PFTA) is a union of fair trade producer cooperatives, processors and exporters based in Jenin, a Palestinian city in the northern West Bank. Created in 2004, it aims to economically and socially empower small and marginalized Palestinian producers by promoting fair trade and organic farming, creating and organizing producers' cooperatives, and providing them with capacity building and certifications. Adapting their practices to fair trade standards enables farmers to access profitable and stable markets and to sell at fair prices through international fair trade channels. Currently the largest fair trade producers' union in the occupied Palestinian territory (oPt), the PFTA has over 1,700 members, grouped in approximately 43 farmer cooperatives, whose main activity is the production of olive oil from ancestral trees, as well as sesame seed, wheat, and honey. It also consists of 6 women's cooperatives that produce a variety of traditional goods, such as sun-dried tomatoes, couscous, tapenade, and thyme.¹

Growing up in a family of producers in Al-Jalama, a small Palestinian village close to Jenin, PFTA's founder, Nasser Abufarha, constantly faced the challenges encountered by Palestinian producers; mainly competition on local markets with subsidised Israeli products, and the lack of access to international markets, given the difficulties of crossing the border, and the control of imports and exports by the Israeli authorities. These challenges often led to the production of goods that Palestinian farmers could not sufficiently sell on local markets as their production capacities were higher (and more expensive) than the demand.² As people turned to cheaper Israeli products, Palestinian producers saw a decrease in income and a waste of produce. In this context, when Mr. Abufarha was introduced to the concept of fair trade in the USA, where he was working on his PhD, he immediately saw it as a valuable solution for Palestinian farmers as this certification would make them competitive on the profitable international markets, and thus guarantee fair and stable prices.

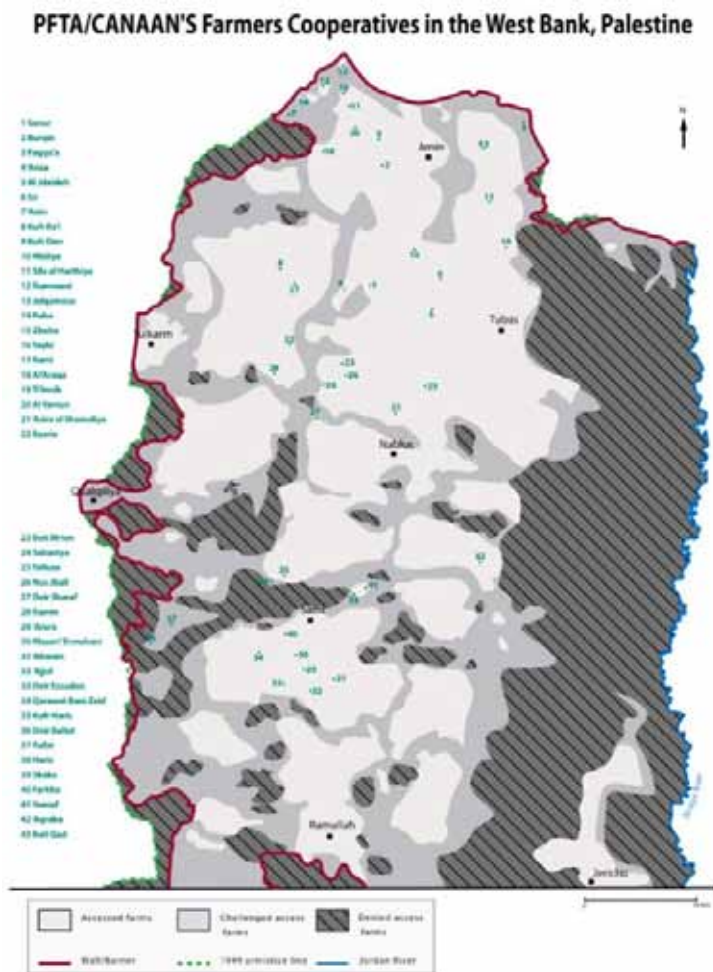
PFTA's main goal is to train and certify marginalized farmers in fair trade so their products can be sold through more profitable fair trade channels. Organic training and certification is also promoted as a sign of respect for the well-being of farmers as well as the environment. Organic certification is not compulsory, but most members try to obtain it as their traditional practices are similar to the organic-certified ones. The PFTA ensures access to international markets through close collaboration with its exporting partner, Canaan Fair Trade. Also created in 2004 by Nasser Abufarha, and principally owned by him, this private company buys all the olive oil and other products of the union cooperatives and sells them to international buyers, mainly in North America, Europe, and South-East Asia.³

1 *The Palestine Fair Trade Association*, <http://www.palestinefairtrade.org/> (accessed 16 January 2013).

2 N. Abufarha, interview, 4 October 2012.

3 C. Bruhn: *Canaan Fair Trade Impact Study: 2005-2011*, Canaan Fair Trade, December 2012, http://www.canaanfairtrade.com/images/Canaan_Fair_Trade_Impact_Study.2012_.pdf (accessed 15 January 2013).

Representing cooperatives across the entire oPt (see map below), the PFTA has succeeded in directly improving the living and working conditions of its members by increasing their productivity and enabling them to add value as well as quality to their products, and thus access profitable international markets. The union's work has also indirectly contributed to the wider development of the areas by ensuring the payment of a social premium to cooperatives and producers, which is generally reinvested in community projects, and by securing jobs for members. In turn, the members provide seasonal employment on their farms to other Palestinian workers.⁴



Source: <http://www.canaanfairtrade.com/map-of-farmer-cooperatives.php>

4 N. Abufarha, interview, 4 October 2012.

1.2 Context

The oPt, which is approximately 6,000 km², consists of the West Bank and Gaza, and is home to over 4 million people. The region has an average population density of over 700 people per square kilometre. In 2010, 74.1 per cent of its population lived in urban areas, while the rest lived mainly on small family farms.⁵

The economic and political situation of the oPt is particularly unstable due to its ongoing occupation by Israel, and its lack of recognition as a sovereign state.⁶ Since 1967, it depends heavily on Israel for exports and imports. Today, Israel absorbs around 90 per cent of the Palestinian exports, much of it low value-added, and is the source or channel for about 80 per cent of its imports.⁷ In 2010, while the Palestinian economic growth was 9.3 per cent, 30 per cent of the population remained unemployed,⁸ 26 per cent lived under the poverty line,⁹ and 50 per cent of households were food insecure.¹⁰

Agriculture plays a significant role in the Palestinian economy, as 31 per cent of the territory is cultivable agricultural land. In 2011, agriculture accounted for 5.5 per cent of the GDP, and approximately 15 per cent of Palestinian exports, with olives, olive oil, vegetables and cut flowers being the primary exports. It also represented 12 per cent of total employment, although about 94 per cent of agricultural workers are unpaid family members.¹¹

Condition of rural areas in the oPt

The PFTA's main area of focus, the West Bank, is predominantly a rural area, where approximately 60 per cent of the population lives in 400 villages that mainly comprise family farms and are thus highly dependent on agriculture and livestock production.¹² Agriculture faces severe constraints as a result of the Israeli occupation, in particular restrained movements of people and goods, and the confiscation of Palestinian lands and natural resources for Israeli settlements. The situation has worsened since 2002 with the construction of the Separation Barrier, of which 85 per cent is built on the oPt, further dispossessing Palestinian of their lands and natural resources.¹³

Mobility restrictions have been particularly harmful to agriculture as they undermine farmers' ability to access their land, and to easily import or export their products.¹⁴ The perishability of agricultural products, and the numerous unloading and reloading at checkpoints, for instance, increase damage. Due to this situation, production and

5 *Occupied Palestinian Territory*, UN Data, 2010, <http://data.un.org/CountryProfile.aspx?crName=Occupied%20Palestinian%20Territory> (accessed 21 January 2013).

6 *West Bank & Gaza, Overview*, World Bank, 2012, <http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/MENAEXT/WESTBANKGAZAEXTN/0,,menuPK:294372~pagePK:141132~piPK:141121~theSitePK:294365,00.html> (accessed 21 January 2013).

7 UNCTAD: *Report on UNCTAD assistance to the Palestinian people: Developments in the economy of the occupied Palestinian territory*, Geneva, 2011, http://unctad.org/en/Docs/tdb58d4_en.pdf (accessed 12 September 2012).

8 Ibid.

9 Ibid.

10 Ibid.

11 Ibid.

12 *Program of assistance to the Palestinian people, Agriculture*, UNDP, 2012, <http://www.undp.ps/en/focusareas/economicdev/agriculture.html> (accessed 15 January 2013).

13 Op. cit., UNCTAD, 2011.

14 Ibid.

transaction costs have greatly increased, making it difficult for farmers to compete with the subsidized goods from Israeli settlements, produced on similar lands as those of Palestinians.¹⁵

The decline of the agricultural production base caused by the uprooting of productive trees, land levelling, and denial of access to water by Israeli forces, have further hindered Palestinian agriculture. During the second *intifada* (2000-2006), Israel uprooted 1 million trees in Gaza and nearly 600,000 in the West Bank.¹⁶

Meanwhile, unemployment has been increasing, among other factors because many Palestinians who previously worked as day labourers in Israel now face greater difficulties in crossing the border.¹⁷

Yet, olive trees play a particularly key role in the Palestinian territory for their economic, social and historical value. Olive groves cover approximately 15 per cent of the oPt, and account for 15 per cent of the total agricultural income. Products from olive trees are varied, and have many different uses, from nutrition and medicine, to crafts and energy. Olive oil production also lessens the impact of unemployment by providing seasonal work every year, thereby offering an income to about 100,000 Palestinian families.¹⁸ Supporting producers, processors and exporters in agriculture, and particularly in the olive sector, thus has the potential to enable a considerable amount of actors to improve their socio-economic situation from their traditional crafts.



15 Op. cit., UNCTAD, 2011.

16 Ibid.

17 M. Al-Ruzzi, interview, 8 October 2012.

18 Op. cit., UNCTAD, 2011.

Section 2: Analysis of the Catalyst

2.1 Why was it created?

Purpose

PFTA's goal is to enable producers from marginalized communities to re-gain self-reliance through the use of their own lands and their traditional farming practices, combined with modern techniques. Nasser Abufarha, PFTA's founder, realized that some of the challenges faced by farmers, such as difficult access to international markets and high competition with subsidised Israeli products on local markets, could be overcome through a system of technical training and certification of Palestinian producers to fair trade and organic standards and practices. Enabling farmers to improve their productivity as well as their products' quality, and to respect and obtain fair trade and organic certifications would increase the value of their products, giving them a comparative advantage over Israeli goods, and enable them to access profitable markets in Western countries and to sell at guaranteed and fair prices.¹⁹

However, individual Palestinian farmers generally do not have the means to export their products to these international markets, to ensure buyers that their products are of high quality, and to market them effectively. Before PFTA's creation, most Palestinian producers had to sell their raw products and olive oil to Israeli traders, who, as they were the only important buyers, had control over the prices. Farmers prefer selling their products right after the olive harvest in order to be able to purchase seeds to start the next season when they grow food crops and vegetables. However, to lower the prices, traders usually try to hold off sales till late January, or even February, when producers, under pressure from suppliers seeking to collect on debts, are forced to sell quickly at very low prices.²⁰

To enable farmers to access international markets without the use of these traders, to sell at a time of the year permitting them to buy their inputs for their second farming season, and at prices ensuring the profitability of their olive farming activities, the union organizes and trains its members to obtain fair trade and organic certifications, and to produce high-quality products. It organizes them into producers' cooperatives, which enables the union to deliver collective technical trainings about fair trade and organic standards and practices, as well as production and processing processes guaranteeing products' quality. Organizing farmers also allows them to meet and support each other's work through knowledge and experience sharing. PFTA's exporting partner, the private company Canaan Fair Trade, buys all the union members' products, then markets and sells them to international buyers.

¹⁹ N. Abufarha, interview, 4 October 2012.

²⁰ N. Abufarha, interview, 28 January 2013.

Relevance

Fair trade and organic trainings and certifications enable farmers to produce profitably because these certifications allow them to reach international buyers, who buy their value-added and high-quality products at fair prices, as the demand in those markets is higher than the offer. Selling the union's products through a specialized business is key to ensuring their sales to these buyers as only professional marketing and selling services can attract them, and as they expect guarantees of the respect of certifications and of the quality of the products.²¹ Further, creating a specialized exporting company which has the same empowering goal as the union, and not just a commercial purpose, guarantees producers a stable and fair income.

The fair trade system also offers a number of social and economic benefits that positively affect Palestinian farming communities. One of its main ideas is that a commercial relationship should be a “partnership based on dialogue, transparency, and respect”,²² which should ensure decent working and living conditions to producers. In practice, this concept of equity in trade translates into a guarantee of a minimum and profitable price, which ensures a stable income, and thus reduces farmers' stress of working in a sector where prices are usually volatile; and a social premium, an additional payment included in the product's price, but which has to be invested by producers, their cooperatives and the union into projects ensuring the long-term economic and social development of the areas (such as education, healthcare, or farm improvements).²³ The economic and social benefits generated by the fair trade system thus not only improve the individual economic situation of producers, but also positively impact their wider community.

Also, while in the past many Palestinian farmers had to turn to unstable daily jobs outside agriculture because they could no longer make a living out of the olive oil business, they are now able not only to go back to be full time farmers, but also to have enough resources to invest in their own lands, expand production, and even hire local workers, in particular during the olive harvest, which usually lasts 3 months. Additional employment opportunities related to the PFTA have been created in the area, such as companies producing and supplying boxes and other materials to union members.²⁴ The assurance of a stable income creates a general situation of security, which has been shown to play an important role in poverty reduction and economic prosperity.²⁵

The organic certification, also proposed by the PFTA, gives further advantages to member products as it further increases their value. Moreover, organic practices help preserve farmers' health and environment. The implementation of organic standards has not been a difficult and costly process for most producers, as their traditional practices were already very close to organic standards, thus only a slight adaptation to modern organic practices was needed.²⁶

21 M. Al-Ruzzi, interview, 8 October 2012.

22 *Who we are*, PFTA, 2012, http://palestinefairtrade.org/index.php?option=com_content&view=article&id=47&Itemid=92 (accessed 16 January 2013).

23 Fairtrade International: *Challenge and opportunity: Annual report 2010-2011*, Bonn, 2011, <http://www.fairtradelabel.org.za/news/fairtrade-international-annual-report-2010-2011-published.78.html> (accessed 15 January 2013).

24 N. Abufarha, interview, 4 October 2012.

25 V. Nelson and B. Pound: *The last ten years: A comprehensive review of the literature on the impact of fair trade*, Natural Resources Institute, University of Greenwich, 2009, [http://www.maxhavelaar.nl/files/news/files/NRI%20Fairtrade%20Literature%20Review%202009%20\(2\).pdf](http://www.maxhavelaar.nl/files/news/files/NRI%20Fairtrade%20Literature%20Review%202009%20(2).pdf) (accessed 15 January 2013).

26 M. Al-Ruzzi, interview, 8 October 2012.

When the PFTA was created, a number of non-governmental organizations (NGOs) were already carrying out relief work in the oPt, namely buying olive oil from farmers and exporting it through solidarity networks. However, their work was mainly short-term aid, and could not promote long-term development in the region through a comprehensive production and export system.²⁷ Also, the union organized producers into cooperatives, enabling them to share knowledge, pool resources, and jointly discuss the long-term development of their villages.

2.2 How was it created?

The founder

PFTA's founder, Nasser Abufarha, comes from a Palestinian farming family and has experienced first-hand the challenges faced by small-scale producers in the oPt. While studying for his PhD in cultural anthropology and international development in the United States, he was introduced to the concept of fair trade in 1999 (through a cup of fair trade coffee), and immediately thought that applying it in the Palestinian territories could open new market opportunities to its farmers.²⁸

Upon his return to the oPt for his doctoral research in 2003, he witnessed the worsening situation of farmers who, although producing in villages not geographically far from cities, were denied access to them and their markets by Israel authorities. The olive oil prices were also plummeting far below profitable levels for Palestinian farmers after the first *intifada*, which was alarming as olive oil is the main product of the region, and is produced in particular by farmers from already marginalized communities.

Nasser Abufarha then decided to introduce the fair trade concept to increase the price of Palestinian olive oil with this certification of socially responsible production processes, and enable farmers to access international markets. In 2004, he founded the PFTA as a NGO which became operational the following year.²⁹



27 M. Al-Ruzzi, interview, 8 October 2012.

28 N. Abufarha, interview, 4 October 2012.

29 Ibid.

Creation - Initial opportunities, support and challenges

Mr. Abufarha's first step to create the PFTA was to approach the olive oil producers he knew from the area where he grew up who would be interested in becoming fair trade certified. A core group of farmers was formed with the task of presenting the idea of creating a union of producers' cooperatives to village councils in oPt, and asking them to invite producers to introductory meetings about the fair trade concept. In 2004, 6 workshops geared towards a cluster of different villages were organized to inform farmers about the rights and benefits they would gain by being part of the PFTA system, and the responsibilities they would agree to shoulder if they joined. Each meeting was well attended.³⁰

To help the core group of farmers establish locally-relevant fair trade and organic standards as well as create and organize effective certification programmes, producers attending the initial workshops were requested to fill out a form asking about their social and environmental farming practices, wages, size of farm, and product-handling methods, such as storage techniques. For instance, when the PFTA started, only 15 per cent of the olive oil produced was Extra Virgin (an oil that is not refined or chemically treated to change its taste and acid levels), while today 80 per cent of PFTA's production meets this high standard.³¹ This study was followed by 13 workshops to set up 13 farmers' cooperatives, organized by villages or local communities. These newly created cooperatives met in Jenin in January 2005 to found the PFTA.³²

Founding the union created a strong network of fair trade producers in the Palestinian territories. Nasser Abufarha knew that olive oil is a "very tricky commodity that needs a lot of meticulous attention to quality and a lot of industrialization to be able to compete on international markets",³³ and that gathering producers and certifying them was not sufficient to ensure the sales of their products. In 2004, he thus created Canaan Fair Trade, a professional commercial enterprise whose mission is to provide buyers with the guarantee that their demands in terms of quality and quantity of products are met, through certification processes, technical trainings and instructions covering the production and processing processes. Inspections by PFTA as well as Canaan's monitors control the product quality, namely during the harvest and before the olives are pressed;³⁴ as well as the respect of standards and practices of the fair trade and organic labels.³⁵ The PFTA's founder created it to ensure that the union would have a professional partner with the same goal of empowering Palestinian farmers through access to attractive markets, and thus guaranteeing PFTA members their fair share of the company's profits.

The first fair trade introductory workshops, as well as the first promotional pamphlets and brochures distributed to producers to get them interested in joining the PFTA, were financed by a grant of USD 25,000 that Abufarha and the first core group of farmers

30 N. Abufarha: "Insisting on Life. Organic Farming and Fair Trade in Palestine", Presentation at the Equal Exchange Conference, Portland, 5 January 2011, <http://www.youtube.com/watch?v=ADSKJxuALuE&feature=endscreen> (accessed 15 January 2013).

31 Ibid.

32 N. Abufarha, interview, 4 October 2012.

33 Ibid.

34 N. Abufarha, email correspondence, 18 February 2013.

35 Op. cit., C. Bruhn, 2012.



received from the British consulate in the Palestinian territories. They submitted their project proposal for setting up a union of fair trade certified cooperatives to enable farmers to access more profitable markets. As Mr. Abufarha puts it, they were “lucky” as the Palestinian official representing the consulate was very interested, and at that specific time it had some spare resources it had to spend before the end of the year, so they were allocated to the PFTA.³⁶

The company Canaan Fair Trade also started with some capital received from the British grant, and considerable hard work. In 2008 and 2009, when the company needed to improve its infrastructure and facilities, it applied for various loans, which were granted by Shared Interest, from the United Kingdom, and the Bank of Palestine, as a result of the company’s successful and profitable partnership with the PFTA. The company also received export credits from the Dutch sustainable trust fund Triodos Bank. In total, Canaan Fair Trade invested USD 5 million in the business, its facilities and equipment, which include the latest technology for olive presses, storage tanks, and bottling and jarring automation. These play a crucial role in increasing the quality of products, and thus raising their added value. Canaan Fair Trade also recently invested USD 50,000 to purchase and renovate an old house in central Jenin, which became the PFTA office.³⁷

In its initial stages, the PFTA faced a number of challenges. To begin with, Abufarha noticed that although most Palestinian olive farms are family owned, where all family

36 N. Abufarha, interview, 4 October 2012.

37 Ibid.



members participate in the cultivation of the land, the PFTA cooperatives' associates were mostly men. As he wanted to increase women's participation in the union, but did not want to force their membership in a way that was at odds with local traditions, he identified products traditionally produced and manufactured by Palestinian women that had good potential to be sold on international fair trade markets, and included them in the PFTA. Thus, a number of women-led productions, including olive oil soap, capers, thyme, couscous, sun-dried tomatoes, dried olives and tapenade, were integrated into the PFTA's list of products.³⁸

The essential step to practically establish the PFTA and Canaan Fair Trade was to find a way to formally certify the farmers "fair trade". This proved to be the most important challenge encountered by the PFTA because the Fairtrade Labelling Organization (FLO) did not have standards or guidelines for olive oil. In addition, the FLO indicated to the PFTA and Canaan Fair Trade that they could develop one only if there was evidence of a sizable market demand for the product. However, it was very difficult to develop a market demand without first having the fair trade certification.³⁹ Therefore, Nasser Abufarha himself developed fair trade standards for olive oil⁴⁰ by adapting the General fair trade standards of the FLO.⁴¹ They included, among others, the commitments from producers to work within the structure of a cooperative, to pay a minimum wage to hired labour, and to use natural and traditional farming techniques. He also worked with farmers and local traders

38 Op. cit., N.Abufarha: "Insisting on Life. Organic Farming and Fair Trade in Palestine", 2011.

39 Ibid.

40 PFTA: *Palestine Fair Trade Association Olive Oil Specific Guidelines and Standards*, 2011, <http://www.palestinefairtrade.org/pdf/PFTAOliveOilSpecificGuidelines.pdf>

41 *Standards*, Fairtrade Labelling Organization, 2011, <http://www.fairtrade.net/standards.html> (accessed 15 January 2013).

to establish a minimum price for olive oil, which was set at 15 shekels (USD 3.80) per litre, whereas its average price on local markets in 2004 was only 8 shekels (USD 2).⁴²

These guidelines were then translated and distributed to farmers. They were also posted on the PFTA's website to attract potential buyers and invite them to come to oPt to verify their implementation on the ground.⁴³ This strategy had the desired effects, as the union received several visits, such as from the American Friends Service Committee (AFSC), a Quaker organization promoting peace in various communities around the world. The most important actor that took interest in the PFTA, described by Nasser Abufarha as "life changing",⁴⁴ was Dr. Bronner's Magic Soaps, an American company manufacturing fair trade and organic certified classic liquid and bar soaps. In 2005, it informed the PFTA that the Swiss company Institute for Marketecology (IMO), a multi-national group of laboratories providing inspection and certification services, had the type of standard the union was looking for, called "Fair for Life". "Fair for Life" is a certification programme for social accountability and fair trade in agriculture, manufacturing and trading operations. Dr. Bronner's Magic Soaps hired the IMO to train and certify PFTA farmers in both fair trade and organic practices.⁴⁵

In 2006, the PFTA was thus certified Fair for Life. Furthermore, as the IMO accreditation is also recognized by the United States Department of Agriculture National Organic Program, the European department of agriculture, and the Japanese Agricultural Standards, it was able to certify the products of 375 PFTA olive farmers as organic that same year.⁴⁶

In 2007, the organic certification was expanded to include almonds, sesame seeds, wheat, and tomatoes. Each organic production follows strict standards, including the use of natural manure and non-harmful chemical fertilizers, organic pest control, and mechanical weed control.⁴⁷ In 2011, 95 per cent of PFTA products were certified organic, which includes the production of over 1,000 PFTA olive farmers, representing over 43,000 hectares of organic olive trees.⁴⁸ The union is now seeking a complete conversion of its producer base to certified organic production, principally to ensure healthy working conditions for its farmers; secure the long-term preservation and production capacity of the environment, such as the soils, trees, wild and bred animals; and to enhance economic returns as international buyers are ready to buy fair prices for healthy products.⁴⁹

In 2008, once PFTA products had become highly successful on the United Kingdom market, the FLO went to the oPt to audit the project and its standards, and could certify the 8 cooperatives presented at that time. It decided to develop official fair trade olive oil standards, and, in 2009, the PFTA as a whole became the first entity to be fair trade certified for olive oil. In 2012, 18 PFTA farmer cooperatives carried the FLO certification, in addition

42 N. Abufarha, interview, 28 January 2013.

43 Op. cit., PFTA: *Palestine Fair Trade Association Olive Oil Specific Guidelines and Standards*, 2011.

44 Op. cit., N. Abufarha: "Insisting on Life. Organic Farming and Fair Trade in Palestine", 2011.

45 N. Abufarha, interview, 4 October 2012.

46 *PFTA Organic Program*, PFTA, 2012, http://www.palestinefairtrade.org/index.php?option=com_content&view=article&id=60&Itemid=89 (accessed 15 January 2013).

47 Op. cit., *PFTA Organic Program*, PFTA, 2012.

48 Op. cit., N. Abufarha: "Insisting on Life. Organic Farming and Fair Trade in Palestine", 2011.

49 M. Al-Ruzzi, interview, 8 October 2012.

to the Fair for Life certification that all the 43 farmers and 6 women's cooperatives have.⁵⁰ As all cooperatives sell their products to Canaan Fair Trade at the same price and receive the same social premium of 2.5 shekel (USD 0.67) per kilo of organic oil, and 2 shekels (USD 0.54) per kilo of conventional oil, the main value-added of this new certification for these 18 cooperatives is the specific FLO market that it opens worldwide.⁵¹

2.3 How does it currently work?

Structure

The PFTA was chaired by its founder for the first 4 years, and is today fully owned and run by its members. The union has several levels of organization, all of which have democratic and participatory decision-making processes.

- The base of PFTA's membership is its producers' cooperatives, also called collectives.⁵² Farmers interested in joining the union first form a cooperative, with PFTA's help if necessary, and then apply to become members.⁵³ Each collective has a committee composed of a few members responsible for proper implementation of the fair trade and organic practices amongst all its producers. A new committee is elected every 2 years, along with a new collective coordinator. These elections are supervised by the PFTA and must be attended by more than 50 per cent of the cooperative's members.⁵⁴
- The union also includes in its structure all parties whose work is directly linked to the production process of PFTA members, and who respect the fair trade and organic standards. These include various processors - such as owners of olive mills, or of soap factories-, the PFTA's partner exporter Canaan Fair Trade, and a workers' union of the company. The processors and exporters' membership are renewed every year, depending on their performances related to fair trade practices. In addition to their annual membership fees, these members also have to return part of their profits to the cooperatives that supplied them, and another part to finance the union's functioning.⁵⁵
- The second organizational level of the union is the General Assembly. It meets every year to discuss the union's goals, and the challenges of PFTA members, such as how to increase productivity and yields, how to better manage the fair trade premium, and to agree on the prices. The General Assembly is composed of coordinators democratically elected by each farmer's cooperative, women's cooperative, workers' union, processors, and exporters. The representation for farmers cooperatives, women's cooperatives and the workers' union is proportionate to the group size; for each 25 members, 1 coordinator is elected to represent the group at the General Assembly.⁵⁶ Elections are

50 Op. cit., *PFTA Organic Program*, PFTA, 2012.

51 N. Abufarha, interview, 4 October 2012.

52 Ibid.

53 A.Haydariyeh, interview, 9 October 2012.

54 Ibid.

55 *PFTA Organizational Structure*, Palestinian Fair Trade Association, 2010, http://palestinefairtrade.org/index.php?option=com_content&view=article&id=54&Itemid=93 (accessed 22 January 2013).

56 N. Abufarha, interview, 4 October 2012.

held every year in each village.⁵⁷ Processors' organizations and Canaan Fair Trade only have 1 elected representative each.⁵⁸

- The 3rd organizational level (mandatory for all NGOs) of the PFTA is the Managing Board, which is the highest authority in the union. It oversees union employees: the office staff, who research and draft product guidelines or minimum prices for new productions, and project managers. The Board also ratifies or amends guidelines, while members of the General Assembly can lobby at this level for amendments to standards.⁵⁹ It is elected by the General Assembly every 2 years and has 9 members who, like the other representatives in the PFTA's structure, are volunteers.⁶⁰

Another key part of the union is its Internal Control System (ICS), which is co-directed by the PFTA and Canaan Fair Trade.⁶¹ It is a smallholder scheme developed by the International Federation of Organic Agriculture Movement (IFOAM), allowing smallholders to have an internal inspection system to ensure that they maintain the production standards of their certifications, and the quality of the products.⁶² It checks on the cooperatives' elections, and on the wages and working conditions of the labour force, for example. The ICS also has the task of organizing and delivering the introductory as well as the continuous training workshops to help producers obtain fair trade and organic certifications.⁶³

This internal inspection system is crucial to ensure the long-term certification of smallholders, as individually they could not afford to pay for the services of expensive external certification groups, often composed of inspectors coming from abroad due to the absence of local certification bodies. Certification is currently financed by a portion of the fair trade premium. To ensure that the ICS is correctly functioning, its team is itself inspected by the IMO on a regular basis.⁶⁴

Activities

Core tasks

- Certification

The main activity of the PFTA is the fair trade and organic certification of Palestinian producers to enable them to access profitable international markets. When new farmers want to create a new cooperative, this certification process always begins with a series of introductory workshops organized and given by PFTA officers. These introductory trainings cover several themes, such as: the fair trade concept, movement and standards about the organization of labour, environment preservation, processing, pricing and

57 A.Haydariyeh, interview, 9 October 2012.

58 Op. cit., *PFTA Organizational Structure*, Palestinian Fair Trade Association, 2010.

59 Ibid.

60 M. Al-Ruzzi, interview, 8 October 2012.

61 N. Abufarha, interview, 4 October 2012.

62 International Federation of Organic Agriculture Movements: *Smallholder group certification - Compilation of results*, Tholey-Theley, 2003, http://www.ifoam.org/about_ifoam/standards/ics/Compiled_IFOAM_Smallholder_WS_Results.pdf

63 N. Abufarha, interview, 4 October 2012.

64 Ibid.

trading; the farmers' responsibilities and entitlements in fair trade; the membership procedures and the organizational structure within the union and cooperatives, including explanations on how farmers can participate in decision-making processes.⁶⁵

Regarding fair trade certification, the new cooperative and its members have to form a local committee, elect delegates to the General Assembly, and, based on their respect of the standards, be approved by the union's board to officially join the PFTA. When new farmers want to join an existing cooperative, this cooperative takes charge of their training, and one of its local committees assesses the practices of the new members to certify them.⁶⁶ Concerning the organic certification, a team of the ICS has to visit each farm, to present the rules to be certified organic, and to assess the current practices of each farmer to help him or her start converting to these standards. Once completely trained and converted, the PFTA members receive the "Fair for Life" certification from the IMO social accountability and fair trade programme, and also the organic certification if they decide to respect these organic standards as well on their farms.⁶⁷ The fair trade certification only takes 1 year to implement on a production process, but obtaining the organic one can take between 2 to 3 years, depending on whether the farmer has a history of using traditional farming methods, which often already respect most organic standards as, for instance, not using chemical substances on their land.⁶⁸

Helping farmers obtain these certifications is however only the beginning of the PFTA's work. The main goal of the union is to ensure the long-term sustainability of producers' respect of fair trade and organic standards, to guarantee their long-term access to these profitable international markets. This is why the ICS team also closely works with farmers who are already part of the PFTA by continuously training them, in at least one workshop a year. These are organized by the cooperative's representative, who invites all its members as well as PFTA experts or specialists (such as agronomists, or people with experience about the social premium). A variety of topics are covered, depending on the past experience a given collective has with the PFTA system, and can thus address issues such as administrative procedures; first aid and safety practices; best farming practices, including ploughing and olive picking technics; organic farming, including soil fertilization, moisture retention, and treatments of pest and fungus techniques; the products' quality, including processing and storage techniques.⁶⁹ These workshops build the producers' technical and managerial capacities not only by providing them with regular up-to-date information about fair trade and organic practices, but also by giving them the opportunity to ask any other questions related to their production. These workshops are also opportunities for farmers to meet and share knowledge and experiences. The PFTA also takes advantage of workshops to distribute written information, such as pamphlets and booklets, so those unable to attend are not left behind, as the cooperative's collective committee has the responsibility to pass on these training documents to them.⁷⁰

65 Op. cit., N. Abufarha, email correspondence, 18 February 2013.

66 Ibid.

67 N. Abufarha, interview, 4 October 2012.

68 Op. cit., C. Bruhn, 2012.

69 Op. cit., N. Abufarha, email correspondence, 18 February 2013.

70 A. Haydariyeh, interview, 9 October 2012.

■ Monitoring and inspection

The other crucial task of the PFTA is the inspection of its producers to guarantee to the buyers that they respect the fair trade and organic standards, and a high-quality. The ICS team thus also holds field inspections once a year in every farm to control the farmers' production practices, and their employees' working conditions. During each inspection, instructions about the correct practices are repeated, conformities to the standards checked, and producers have the opportunity to ask for advice about any particular issue. If the ICS team finds that some producers are not respecting fair trade or organic standards, their certifications are suspended. Further, to externally ensure these products' quality and standards' conformities, PFTA members also go through additional inspections from the IMO every year during the olive harvest, which is the peak of farms' activity.⁷¹



Additionally, although no minimum wage exists in the oPt, all PFTA members have to implement the one for hired labour developed by the union at its beginning, which is approximately USD 15.50 per worked day, whereas the Palestinian average is around USD 10.⁷² Further, all PFTA producing communities, as well as traders, importers and exporters, have to respect the fundamental standards of the International Labour Organization⁷³ regarding the ban of forced and child labour, non-discrimination of workers, and the rights of all workers to organize themselves.⁷⁴ It is also the ICS that is in charge of ensuring the respect of all these rules, and in particular the equal pay for men and women.⁷⁵

Inspections and capacity-building workshops are also an important way for the PFTA to remain close to its producers' base, and thus be able to adapt its work to their needs. Additionally, these meetings give the union the opportunity to gather information that can help its members improve their practices. For instance, the cooperative's coordinator, who always joins the ICS team during field inspections, is always kept

71 N. Abufarha, interview, 4 October 2012.

72 N. Abufarha, email correspondence, 22 November 2012.

73 PFTA: *Palestinian Fair Trade Association Guidelines*, <http://www.palestinefairtrade.org/pdf/PFTAGeneralGuidelines.pdf>

74 See: Forced Labour Convention, 1930 (No. 29); Abolition of Forced Labour Convention, 1957 (No. 105); Minimum Age Convention, 1973 (No. 138); Worst Forms of Child Labour, 1999 (No. 182); Equal Remuneration Convention, 1951 (No. 100); Discrimination (Employment and Occupation) Convention, 1958 (No. 111); Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87); Right to Organise and Collective Bargain Convention, 1949 (No. 98).

75 N. Abufarha, interview, 4 October 2012.

informed about the activities of its cooperative's members and, he or she or the ICS team can try to find out what agricultural practices are leading to better yields, which is valuable information that the union can then disseminate to improve its members' productivity.⁷⁶

■ Managing the social premium

Another core task of the union and its cooperatives is to manage the social premium that comes with the fair trade system. As mentioned earlier, this is a sum of money that is included in the price of the fair trade product, but whose explicit goal is to contribute to the long-term socio-economic development of the producers' communities, and whose allocation has to be decided collectively.⁷⁷ This sum is split between the PFTA (receiving 25 per cent), farmers' and women's cooperatives (also receiving 25 per cent), and individual producers (receiving 50 per cent). The social premium guarantees: the long-term sustainability of the union, as it is used to finance its basic expenses, such as the ICS's costs or its employees' wages; the broader development of Palestinian communities, as PFTA cooperatives often invest it in projects for their villages, such as public bathrooms, computers for primary schools, or extra tools for all the village's farmers; and a better economic situation for PFTA producers, as they receive an extra sum of money they can invest in their farm or families, for example better tools or children's education.⁷⁸ Additionally, through the management of the social premium, producers are strongly encouraged to get involved in decision-making processes related to the development of their region. PFTA has also launched a number of programmes to empower economically and socially the wider Palestinian community, as indicated below.



76 N. Abufarha, interview, 4 October 2012.

77 Ibid.

78 Op. cit., C. Bruhn, 2012.

Projects, external collaborations and support

■ Trees for Life

The Trees for Life project intends to enable farmers to regain livelihoods and lost pride after the destruction of many olive trees plantations following the Israeli occupation. A Trees for Life committee, elected by the PFTA General Assembly, distributes olive tree saplings to small and disadvantaged producers, with priority given to young families, new farmers, women farmers, and farmers whose trees have been destroyed. Although the majority of saplings are distributed to PFTA members, other Palestinian producers, particularly disadvantaged, also receive saplings as long as they still have the possibility to economically and environmentally sustain olive production to ensure the programme's effectiveness.⁷⁹ Every year, the union distributes more than 10,000 saplings.⁸⁰

Trees for Life is mainly funded by a network of solidarity organizations in Europe and North America, but it is also supported by an additional premium from a small percentage of olive oil sales, that specifies that USD 1 per bottle sold will go towards planting trees in the Palestinian territory.⁸¹ According to Abdelmuti Haydariyeh, the representative of the Al Rami cooperative, Trees for Life is not a relief programme, as it helps farmers to become self-reliant again once their olive production is re-launched.⁸²

■ Micro Loans

Another broader-reaching programme of the PFTA is the Micro Loans initiative, aiming to economically and socially empower small producers with few resources (primarily women) through micro loans to start their own business. This opening of economic opportunities to disadvantaged and marginalized groups also unlocks other social and political opportunities, such as greater civic participation for women who acquire a new social status by becoming breadwinners.⁸³

A PFTA micro loan committee grants 2-year interest-free loans to individuals who want to start producing fair trade Palestinian products. They first have to organize themselves into cooperatives, and each participant can then receive between USD 500 and USD 1,000 to buy inputs to begin producing according to fair trade principles.⁸⁴ Upon receiving the loan, the cooperatives become members, and both the PFTA and Canaan Fair Trade guarantee the success of micro loan-launched businesses by providing proper training for producers, and a market for their finished products.⁸⁵

■ Olive Harvest Festival

Taking place every year in Jenin since PFTA's creation, the Olive Harvest Festival is an opportunity for consumers and producers to gather and learn about each other. In November,

79 *Trees for Life*, PFTA, 2011, http://www.palestinefairtrade.org/index.php?option=com_content&view=article&id=65&Itemid=86 (accessed 21 January 2013).

80 N. Abufarha, interview, 4 October 2012.

81 Op. cit., *Trees for Life*, PFTA, 2011.

82 A. Haydariyeh, interview, 9 October 2012.

83 *Micro Loans*, PFTA, 2010, http://www.palestinefairtrade.org/index.php?option=com_content&view=article&id=66&Itemid=87 (accessed 21 January 2013).

84 Op. cit., N. Abufarha: "Insisting on Life. Organic Farming and Fair Trade in Palestine", 2011.

85 Op. cit., *Micro Loans*, PFTA, 2010.

over 150 international participants come to the Palestinian territories to meet thousands of local farmers, and work with them on the olive plantations for 1 or 2 days.⁸⁶ Through work, shared meals, visits of facilities, and multiple other activities, communities from a diversity of backgrounds are brought together, united by shared principles and values.⁸⁷ This event helps break common general dichotomies such as “the West and the Rest”,⁸⁸ that hinder constructive international relations, and helps raise awareness about the PFTA and its activities.

Canaan Fair Trade

The PFTA has worked in close collaboration since the beginning with its sole exporting partner, Canaan Fair Trade. The company’s goal is the same as that of the unions’: empowering small Palestinian producers through fair trade and organic certification to give them access to profitable international markets, as it was created to support the PFTA’s work. Canaan Fair Trade carries fair trade and organic registration and certification, and also markets Palestinian (mainly PFTA) products. It buys, markets, and sells all PFTA products, mainly olive oil but also condiments and dried food, on fair trade and organic markets worldwide. Depending on the farmers’ practices or the cooperatives’ demands, the company can also process, package and brand their products, such as the Extra Virgin olive oil.⁸⁹ Canaan Fair Trade is located in the village of Burqin, in northern West Bank,⁹⁰ and is primarily owned by its founder, Nasser Abufarha.⁹¹

This partnership is particularly important to the PFTA, as:

- The company’s work complements those of the producers and of the union. On their land, farmers work professionally, meet certifications standards and produce high-quality products. Being specialized in branding, marketing and selling, the company ensures a profitable market for PFTA products because in such a competitive market as that of olive oil, these activities must be handled by professionals to be effective. Local farmers seldom have the time or specialization to analyze how to market to European and other international consumers for instance. International companies do business with Canaan Fair Trade because they know they are guaranteed professional services and high-quality products;⁹²
- Canaan Fair Trade is a private enterprise, but as it was created to support the union’s work by enabling its producers to sell, its goal is to be profitable, while allowing producers to be paid higher prices for their products.⁹³

Canaan Fair Trade primarily buys and exports PFTA products, but when the market allows it to export more than PFTA’s cooperatives have produced, it also buys from other FLO-certified Palestinian producers. These products are numerous because several NGOs in

86 Op. cit., N. Abufarha: “Insisting on Life. Organic Farming and Fair Trade in Palestine”, 2011.

87 *Olive Harvest Festival (Jarū’a)*, PFTA, 2010, http://www.palestinefairtrade.org/index.php?option=com_content&view=article&id=73&Itemid=84 (accessed 21 January 2013).

88 N. Abufarha, interview, 4 October 2012.

89 Op. cit., N. Abufarha, email correspondence, 18 February 2013.

90 Op. cit., C. Bruhn, 2012.

91 *About us*, Canaan Fair Trade, <http://www.canaanfairtrade.com/about-us.php> (accessed 21 January 2012).

92 N. Abufarha, interview, 4 October 2012.

93 Ibid.

the areas have created fair trade cooperatives or collectives of farmers, but often do not have the capacity to market, and profitably export, their products. Selling those non-PFTA products, approximately 5 per cent of its sales in 2011, respects the company's core goal as these other Palestinian producers are in a similar situation as that of union's members.⁹⁴

Other occasional collaborations

The PFTA also occasionally collaborates with local offices of the Palestinian Ministry of Agriculture. Typically, they ask for information about the farmers, their practices and productions to acquire a better knowledge of their current situation; and the union discusses specific agricultural issues with them, for instance concerning more effective production techniques, to support its members' work. Some of their officers are often invited to participate in the capacity building workshops at the cooperative level to disseminate their knowledge. They also sometimes directly train individual farmers or even members of the ICS team.⁹⁵

To increase awareness about its members' products at the international level, and thus potentially increase its buyers' base, the union has also been implicated in various external initiatives, such as Run Across Palestine (RAP), that it hosted in 2012. Initiated by the organization On the Ground which supports the local development of producing communities around the world, notably through the fair trade movement,⁹⁶ the RAP aimed at raising awareness about, and finding funds for, the fair trade olive Palestinian farmers by planting thousands of olive trees across the territory.⁹⁷

Challenges

Although the PFTA manages to support its numerous members, as well as other Palestinian producers, it still faces important challenges.

Its main current one concerns its ability to increase membership, while ensuring a sufficient market demand to allow absorbing the production of all PFTA farmers. Nasser Abufarha explains that without first expanding the market, the producer base of the union cannot be broadened, as it is committed to guarantee to all its producers the sales of all their products. Several strategies have been put in place to resolve this bottleneck: one of them is to increase international awareness about the PFTA through programmes such as the olive harvest festival.⁹⁸

The search for new markets remains a major area of work of Canaan Fair Trade. It is thus currently involved in a number of trade exhibitions around the world, where it showcases the PFTA's activities and products. For instance, the company is planning to participate in the Natural Health and Ingredients exhibition in Frankfurt in 2013, and Canaan Fair Trade has been invited to participate in exhibitions in Japan by the Japan External Trade Organization (JETRO), a government-related organization promoting mutual trade and investment between Japan and the rest of the world. As such networking efforts are

94 N. Abufarha, interview, 4 October 2012.

95 Ibid.

96 *About us*, On the Ground, <http://onthegroundglobal.org/about-us/> (accessed 12 February 2013).

97 *Project Palestine*, On the Ground, <http://onthegroundglobal.org/projects/run-across-palestine/> (accessed 12 February 2013).

98 N. Abufarha, interview, 4 October 2012.

not new, PFTA products are now, through Canaan Fair Trade's work, "in a very good position in the market, where buyers understand that there is a sound and scalable system in place that they can rely on".⁹⁹ This situation makes the union's founder confident that markets will continue growing, and will thus enable the PFTA to increase the number of its members, and thus to respond positively to the collectives who are asking to join.

Another issue the PFTA has been facing, which Nasser Abufarha considers to be the most challenging to overcome, is related to the confused expectations about projects being realized in the oPt. Due to the current political situation, many internationally funded NGOs have set up agricultural relief projects in the oPt. However, unlike the PFTA, which opens opportunities for farmers but expects a full work commitment from their part, these projects are mainly composed of hand-outs, which, although helpful for farmers in need of urgent support, do not promote a long-term culture of empowerment and self-reliance. Mr. Abufarha thus explains that it is much easier for the PFTA to work with farming villages that have not yet been influenced by these types of projects because they are ready to work hard in partnership with the union, and do not expect it to work for them.¹⁰⁰ An on-going impact evaluation study of Canaan Fair Trade observes that international NGO projects appear glamorous and, compared to the large influxes of money coming from them, the amount farmers receive from the fair trade social premium can seem disappointing. However, with the increasing success of the PFTA, its ethics and values have spread across the oPt, effectively countering the expectations of farmers and the culture of dependence.¹⁰¹

Another challenge for the PFTA also identified by the impact study of Canaan Fair Trade is related to marginalization within the communities it is working with. Even though its structure encourages the participation of all members of each community through elections at the multiple levels, no system in place currently ensures that all producers have an equal say in the decision-making processes at this level. One of the study's recommendations to the PFTA is to reach out to more members, and to continue emphasizing the benefits they can get from making their voices heard.¹⁰²

99 N. Abufarha, interview, 4 October 2012.

100 Ibid.

101 C. Bruhn, interview, 10 October 2012.

102 Ibid.

Section 3: Assessment of the Catalyst

3.1 Main achievements

- **Creating sustainable livelihoods** – Today, the company exports to 15 countries, mainly in North America, Europe and in particular the UK, and South-East Asia. Exports in 2011 totalled USD 4.8 million, with olive oil exports earning USD 4.3 million.¹⁰³ Through its partnership with Canaan Fair Trade, the union has been able to create a fair trade and organic producing and exporting system thus enabling its 1,700 members to gain self-reliance. Before joining the union, producers were struggling to make a living through traditional farming activities, and some even had to abandon farming as a result of competing Israeli subsidised products and control of Palestinian imports and exports, leaving Palestinian farmers little time and capacities to market their produce.

Farmers who sometimes had 2 or 3 jobs are now able to live well and sustain their families from their own land.¹⁰⁴ Guaranteeing the sale of their products through Canaan Fair Trade also enables farmers to invest in the future of their holdings, by planting new trees or buying new and better tools for instance, as they are guaranteed to be paid for their work in the long run. This insurance also improves their living conditions as it removes the stress they had before from not being sure to sell their products and thus provide for their families. Houses are also being renovated, and children sent to school and universities as producers now have a regular income;¹⁰⁵



103 Op. cit., C. Bruhn, 2012.

104 C. Bruhn, interview, 10 October 2012.

105 N. Abufarha, interview, 4 October 2012.

- **Job creation and improved working conditions** – Providing a safe and reliable avenue for farmers to sell their products has also increased employment opportunities in the oPt because PFTA members are now able to employ over 2,400 farm workers for a period of 3 months every year. For example, Adbelmuti Haydariyeh, who works with his brother on 8 acres and 1,300 olive trees, can hire between 5 to 10 workers during the olive harvest and ploughing periods, depending on the olive tree yields.¹⁰⁶ Furthermore, these seasonal workers are guaranteed to receive the minimum wage created by the PFTA, which is on average 60 per cent higher than usual, as well as fair working conditions. The ICS also ensures that men and women workers are paid the same amount;
- **Socio-economic development** – Another key benefit to farmers from being part of the PFTA is the social premium attached to the fair trade system. In addition to providing an income to the union, the sales of fair trade products contribute to local socio-economic development as this premium is most often invested by producers as well as cooperatives into collective projects in their villages, such as buying a freezer for the local health centre.¹⁰⁷ The management and allocation of this extra money by the cooperatives also encourage producer participation in local decision-making processes.

Also, Palestinian producers who were suffering from a dire economic and social situation are now self-reliant again. They get involved in the union, and are motivated to build a strong economic system giving them hope for the future, dignity, and affirming their identity, as the PFTA promotes productions that the Palestinian people are historically and culturally attached to.¹⁰⁸ Further, the fair trade and organic networks are channels through which cultural and political exchanges are promoted. Buying these products often implies customers' interest in the producers, and activities such as the Olive Harvest Festival encourage their meeting and sharing,¹⁰⁹
- **Women's empowerment** – Through their own cooperatives, women producers have the opportunity to actively participate in production processes and in planning activities, from holding meetings at the collective level, to travelling to the annual General Assembly meetings as women cooperative's representatives, and even becoming part of the PFTA Managing Board. PFTA women members also get the opportunity to merge their traditional knowledge with that of a more professional and industrial level of production. "Women thus generate an income to do something that they traditionally did for their family, and the value of that contribution to the family has been elevated to the community and even to the global level".¹¹⁰ Not only do PFTA women members gain an economic advantage when they join the union, but they also acquire important social capital by becoming important bread-winners in their families, and socio-economic development actors in their village. Through their economic and social achievements, women members increase their self-esteem, to the benefit of all PFTA members.

106 A.Haydariyeh, interview, 9 October 2012.

107 Ibid.

108 C. Bruhn, interview, 10 October 2012.

109 N. Abufarha, interview, 4 October 2012.

110 C. Bruhn, interview, 10 October 2012.



3.2 Future

Considering the steady and far-reaching achievements of the PFTA, its main goals for the future are to expand its activities to new crops and villages, and to reach and empower as many Palestinians as possible:

- Already in 2010, almond production was included into PFTA's fair trade system at members' request. The union searched for market opportunities, organized interested farmers, and in 2012, approximately 40 to 50 tons of fair trade certified almonds were produced for the European market;¹¹¹
- Another area of great potential for the PFTA is the export of organic honey to Europe. Canaan Fair Trade already exports honey to the United States and Japan, but for Europe, it requires accreditation by the European Union (EU) of the Palestinian Ministry of Agriculture. As Europe is experiencing a shortage of honey, PFTA farmers are already positioning themselves to meet market demand once the EU grants accreditation.¹¹²

Further, the PFTA wants to expand its activities to new sectors in the Palestinian territory:

- The union would like to spread its "spirit" to the educational system. It would like to work with schools to make students understand the idea of self-reliance through local production; as well as the benefits of unionization, of the fair trade system, of organic farming, and of working towards the social and economic empowerment of individuals.¹¹³

111 N. Abufarha, interview, 4 October 2012.

112 Op. cit., C. Bruhn, 2012.

113 N. Abufarha, interview, 4 October 2012.



The PFTA is also working on the development of a variety of new projects:

- The union is currently setting up an organic research training programme, aimed at engaging Palestinian farmers in research on organic farming practices based on their own lands and on their natural environment. John Sabella, a researcher from North Carolina State University who visited PFTA productions, has conducted initial assessments and groundwork to create a research agenda with farmers. He will supervise the producers willing to participate to help them apply the existing bulk of organic knowledge to their specific needs. For instance, this applied research programme will seek to address Peacock Eye, a fungus that attacks the leaves of the olive trees causing them to fall, therefore reducing yields;¹¹⁴
- Another project being developed is the Green Track Palestine programme, aimed at converting some of the PFTA farmers' tractors to make them run on oil.¹¹⁵ The PFTA is in the process of raising funds to purchase oil conversion kits from a German company.¹¹⁶

Foreseen challenges

The PFTA still faces the important challenge of matching Palestinian offers with market demands. A number of producers would like to join the PFTA, but the union cannot include them if Canaan Fair Trade cannot secure sufficient market openings. Member farmers are becoming more productive, and thus willing to produce more, creating a surplus for which Canaan Fair Trade cannot however currently provide a market. Increasing international awareness about Canaan Fair Trade products to find new buyers as well as supporters for the PFTA's projects is therefore crucial if the union wants to meet its aspirations for growth.¹¹⁷

114 N. Abufarha, email correspondence, 22 November 2012.

115 Op. cit., N. Abufarha: "Insisting on Life. Organic Farming and Fair Trade in Palestine", 2011.

116 N. Abufarha, email correspondence, 22 November 2012.

117 N. Abufarha, interview, 4 October 2012.

3.3 Lessons learned

The experience of the PFTA provides precious lessons on how to economically and socially empower producers and their broader communities.

- **Have vision and determination** – Although he had learned about the positive impact of fair trade certification on producers in Africa, Asia, and South America, Nasser Abufahra did not know that an international fair trade certification for olive oil did not exist. When he first decided to build a fair trade certification system in the Palestinian territories, he did not give up when the FLO informed him that they did not have the time and money to develop this standard. Olive oil was the main agricultural product of the West Bank, and Mr. Abufahra saw a potential market for it in Europe. Together with Palestinian farmers, he thus developed locally-relevant fair trade standards for olive oil respecting the general FLO guidelines, made PFTA producers familiar with these rules and practices. As the union marketed their production internationally, the FLO, seeing the considerable market for fair trade olive oil, ultimately developed official standards;¹¹⁸
- **Ensure local relevance and long-term sustainability** – PFTA's success and uniqueness stem from its ability to be more than an agricultural empowerment project; it is closely linked to the local culture, history, and traditions.¹¹⁹ Adding quality and value to the traditional production of olive oil through fair trade trainings and certification, and thus gaining access to international markets, has enabled the PFTA to appeal to many Palestinian farmers. Adding the organic certification has also been a means to reach many marginalized producers as their traditional practices were already close to the organic standards. Further, creating women's cooperatives to give market value to, and formalize, goods traditionally produced and processed by women has enabled the union to empower a social group to profitably sell its already high-quality production. These close links with local agricultural practices also ensure the union's long-term sustainability as the products it supports fall within the local history and culture. Also through the PFTA, Palestinians are enjoying an international appreciation for the results of their work, which helps them regain a sense of pride and willingness to work harder than many had lost since their means of self-reliance and entrepreneurship has been seriously limited;
- **Aim at long-term socio-economic development** – The benefits of the fair trade and organic certification system are economically and socially profitable for PFTA members, as well as for the wider Palestinian communities. Economically, union members can sell their products at a decent price on international markets, which enables them to hire additional workers during the harvest season, thus reducing the very high unemployment rates in the area. Also, the social premium that PFTA members and their cooperatives receive is often invested in community health or education projects that build the basis of development. Moreover, the organic practices promoted by the union ensure healthier working conditions for producers, as well as their production base for the future;

118 L. Oppenheim: "The TH Interview: Nasser Abufarha of Canaan Fair Trade and the Palestinian Fair Trade Association", in *Tree Hugger*, 7 May 2007, <http://www.treehugger.com/culture/the-th-interview-nasser-abufarha-of-canaan-fair-trade-and-the-palestinian-fair-trade-association.html> (accessed 12 February 2013).

119 C. Bruhn, interview, 10 October 2012.

- **Promote members' implication and local leadership** – While the union provides its members with the means to get organized through cooperatives, to become more productive through trainings, and to sell on international markets through its exporting partner, members are responsible for the high quality of their products. The PFTA is entirely owned and run by its members, who not only produce, but also actively participate in the decision-making processes of their cooperative and their union. This system is empowering, in particular for women, as it gives producers a voice and leadership skills to speak for themselves and for their communities. Such a participatory structure ensures that farmers are not taken advantage of by third parties or buyers (although inevitably some producers have more influence than others) so that their interests are taken into account in the local development;
- **Establish partnership** – A key to the PFTA's achievement is its close partnership with its exporting partner Canaan Fair Trade that is based on identical ethical values, and shares the same goals. This leads to high levels of transparency from the company, and significant trust from producers. Furthermore, the level of professionalism of Canaan Fair Trade offers a reliable and scalable base for buyers, usually only found at an industrial level that the union would not have been able to achieve;
- **Network** – A final crucial element of PFTA's success is its extensive networking. Canaan Fair Trade is working on increasing the number of international markets on which PFTA products are sold by raising international awareness about Palestinian olive farmers and other producers. To achieve this objective, Canaan Fair Trade and the union not only participate in several food exhibitions to make PFTA products more widely known, but also engage in a number of external awareness raising projects, such as the Run Across Palestine, and develop their own events such as the olive harvest festival.