Smallholder Tea Producer Experiences of Voluntary Private Standards

A thesis submitted to the University of Manchester for the degree of Doctor of Philosophy
in the Faculty of Humanities

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Abstract

University of Manchester, Andrea Murray, for degree of Doctor of Philosophy

Smallholder Tea Producer Experiences of Voluntary Private Standards, 26th July 2013.

I analyse smallholder tea producer experiences of dual-certification to Fairtrade and Organic Voluntary Private Standards (VPSs). Dual-certification represented a ‘gold-standard’ in pro-development certifications, implying alignment between the standards and producer priorities. Yet certification required smallholders to implement two different and challenging standards simultaneously, and the smallholder category was heterogeneous. Gaps in knowledge persisted regarding smallholder implementation of dual-certification in South Indian tea. The main contribution of this research was empirical, investigating 1) reasons for the extension of dual-certification, 2) implications for export-market access and 3) conflicts of practice with norms among tea farmers. I adopted an agricultural marketing network scope to tether Global Value Chain analytical tools into producer contexts. This maintained the connection of producers with global tea buyers and global standards, contributing to understanding the exercises of power by institutions. This research examined the context of South Indian tea, identifying tea production and marketing networks of industry actors, local institutions, industry conventions and Fairtrade-Organic governance. The use of secondary data was complimented by qualitative techniques. I used a case study approach, recruiting one Fairtrade-Organic, dual-certified producer group and one non-certified producer group of smallholders. I sampled key power ‘nodes’ in networks to generate interview data with key agents including farmers, producer group managers, tea buyers, standard setters and background institution informants. I held 40 interviews with 60 participants during 7 months in South India and the UK.

Global Value Chain analysis represented the founding framework that considered standards as governing production and trade in certified commodities. GVC approaches analysed the distribution of benefits and market access between actors in GVCs. Powerful lead firms controlled chain coordination, shaped competition, market access and costs of compliance. The sociological redefinition of power led to standards theorised as legitimised conceptions of the ‘good’, the ‘fair’ and the ‘environmental’, with attention turning to producer accounts of governance and standards. The thesis contributes to a growing literature highlighting agency, governmentality, and powers of institutions, in GVCs. ‘Global’ standards were expressions of fragmented power in governmentality.

I analysed accounts of the extension of dual-certification, attendant changes to market access and performances of implementation, seeing through farmers’ eyes. I derived from data 3 empirical contributions. Firstly, producer institutions and gatekeepers exercised power by affecting smallholder certifications. Yet smallholders were purposeful agents who drove their certification statuses. Secondly, certification did not define market access; quality remained paramount. Fairtrade-Organic standards carried definitions of quality that were intangible, taking the ascertainment of leaf quality from the hands of farmers. Finally, smallholder agent behaviours were analysed as negotiations of Fairtrade-Organic and tea industry valuations of ‘good’ tea practices. Standards were not pre-defined, bringing compliance costs; rather, Fairtrade-Organic existed in, was constituted by, smallholder performances.

Attempts to enhance the legitimacy of FLO governance by aligning standards with producer priorities involved ‘producer’ regional forums. Alignment was skewed by FLO’s failure to distinguish smallholder from plantation priorities. This parallels a pro-market pragmatism about the future of Fairtrade.
Declaration

No portion of the work referred to in this thesis has been submitted in support of an application for another degree or qualification of this or any other university or institute of learning.

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Dedication

I dedicate this thesis to my mother, Dr Clare Marie Haggerty.
**List of Abbreviations**

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
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<tbody>
<tr>
<td>APEDA</td>
<td>Agricultural and processed Food Products Export Development Authority</td>
</tr>
<tr>
<td>ATO</td>
<td>Alternative Trade Organisation</td>
</tr>
<tr>
<td>BL</td>
<td>Bought Leaf</td>
</tr>
<tr>
<td>BLA</td>
<td>Bought Leaf Agent</td>
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<tr>
<td>BLF</td>
<td>Bought Leaf Factory</td>
</tr>
<tr>
<td>BLO</td>
<td>Bought Leaf Operations</td>
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<tr>
<td>CTC</td>
<td>Cut Tear Curl</td>
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<tr>
<td>CPE</td>
<td>Cultural Political Economy</td>
</tr>
<tr>
<td>DC</td>
<td>Dual-Certified</td>
</tr>
<tr>
<td>FAO (UN)</td>
<td>Food Agriculture Organisation (United Nations)</td>
</tr>
<tr>
<td>FGD</td>
<td>Focus Group Discussion</td>
</tr>
<tr>
<td>FLO</td>
<td>Fairtrade Labelling Organisation</td>
</tr>
<tr>
<td>FLO-Cert</td>
<td>Fairtrade Labelling Organisation-Certification</td>
</tr>
<tr>
<td>FLO-ev</td>
<td>Fairtrade Labelling Organisation- International Standard Setter</td>
</tr>
<tr>
<td>GCC</td>
<td>Global Commodity Chain</td>
</tr>
<tr>
<td>GI</td>
<td>Geographical Indication</td>
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<tr>
<td>GPN</td>
<td>Global Production Network</td>
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<tr>
<td>GVC</td>
<td>Global Value Chain</td>
</tr>
<tr>
<td>HVEM</td>
<td>High Value Export Market</td>
</tr>
<tr>
<td>IFOAM</td>
<td>International Federation of Organic Agriculture Movements</td>
</tr>
<tr>
<td>IIED</td>
<td>International Institute for Economic Development</td>
</tr>
<tr>
<td>ILO</td>
<td>International Labour Organisation</td>
</tr>
<tr>
<td>INR</td>
<td>Indian Rupees</td>
</tr>
<tr>
<td>IOAS</td>
<td>International Organic Accreditation Service</td>
</tr>
<tr>
<td>ISO</td>
<td>International Standards Organisation</td>
</tr>
<tr>
<td>kg</td>
<td>kilogrammes</td>
</tr>
<tr>
<td>MNC</td>
<td>Multi National Company</td>
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<tr>
<td>MRL</td>
<td>Maximum Residue Limit</td>
</tr>
<tr>
<td>NAP</td>
<td>Network of Asian Producers</td>
</tr>
<tr>
<td>Abbreviation</td>
<td>Description</td>
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<tr>
<td>-------------</td>
<td>-----------------------------------------</td>
</tr>
<tr>
<td>NC</td>
<td>Non-Certified</td>
</tr>
<tr>
<td>NGO</td>
<td>Non-Governmental Organisation</td>
</tr>
<tr>
<td>NPOP</td>
<td>National Programme for Organic Production</td>
</tr>
<tr>
<td>OP</td>
<td>Orange Pekoe</td>
</tr>
<tr>
<td>SG</td>
<td>Small Grower</td>
</tr>
<tr>
<td>SHG</td>
<td>Self Help Group</td>
</tr>
<tr>
<td>SPO</td>
<td>Small Producer Organisation</td>
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<tr>
<td>SSI</td>
<td>Semi-Structured Interview</td>
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<tr>
<td>STG</td>
<td>Small Tea Grower</td>
</tr>
<tr>
<td>TBI</td>
<td>Tea Board of India</td>
</tr>
<tr>
<td>UPASI</td>
<td>United Planters Association of South India</td>
</tr>
<tr>
<td>UPASI-KVK</td>
<td>United Planters Association of South India-Krishi Vigyan Kendra</td>
</tr>
<tr>
<td>USD</td>
<td>United States Dollars</td>
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<tr>
<td>VPS</td>
<td>Voluntary Private Standard</td>
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<td>WHO</td>
<td>World Health Organisation</td>
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1. Smallholder Producers and Dual-certification

This chapter introduces my dissertation, explains the research gap that motivated my research into South Indian tea and defines the contribution made by this research. I explain the research questions that structured my investigation, introduce concepts, clarify terminology, and indicate the structure of this thesis. I explain the definition of the individual small-plot holder producer, the formation in South India of producer groups by multiple smallholders, and I discuss smallholders producing commodities for high value export markets (HVEMs). I define Voluntary Private Standards (VPSs), Fairtrade and Organic.¹ Dual-certification to Fairtrade-Organic potentially created opportunities for smallholders to access HVEMs, with pro-development and pro-environment benefits. The main contribution of this research was empirical, aiming to address assumptions about the values of Fairtrade-Organic dual-certification by recording and discussing the accounts given by smallholder tea producers. Concepts of agency and governmentality enriched my analysis of standards in Global Value Chains. Research was necessary to understand experiences of smallholders of attracting and gaining dual-certification, of attendant changes to market access, and of selected implementation challenges. Consumers who purchase tea are presented with a seamless picture of unified values, drinking dual-certified tea and consuming marketing materials pertaining to the legitimacy of alternative-trade standards and the connections between producers and the standards. My empirical contribution here was broadly to probe the governance values of global VPSs relative to farmers, farm practices and tea institutions of South India.

¹ I refer throughout this dissertation to ‘Fairtrade’ to indicate formal, certified trade as distinct from the fair trade movement. Similarly, ‘Organic’ denotes certified trade or produce, compared to the organic movement.
The category ‘smallholder’, defined farmers producing on limited plots of land with reliance upon family labour, and exhibited heterogeneity. Smallholder experiences with standards could not be assumed by virtue of the scale of production. Experiences of smallholder tea producers could not be extrapolated from research with coffee smallholders because tea had particular farm-level, processing and trade characteristics. Smallholder input into debates about the consequences of multiple VPSs, particularly dual-certification to Fairtrade and Organic standards, was limited. Meanwhile smallholder implementation of two different standards involved profound changes to practices. Implementation involved agency on the part of producers and producer group managers, and negotiations between different values. Dual-certification therefore had implications for power, particularly as these were global VPSs, defined and designed by ‘experts’, distantly from producers, and expected to apply in a standardised fashion to several different contexts and products around the globe. In summary the heterogeneity of the smallholder category, the standardisation project of the global standard, and the marketing material depiction of unity between producers and the standard, formed a combination that suggested concealment of varied experiences, and suggested several questions.

Standards encoded certain legitimate concepts of governance or ‘good’ practice, but two different standards encoded distinct priorities. High environmental standards combined with high social / development standards represented the pinnacle of conscience trade. This was why dual-certification was particularly interesting in terms of ‘gold-standard’ certification to Fairtrade-Organic. Fairtrade was the most advanced social welfare and fair trading standard, the standard to speak meaningfully to smallholder producer needs regarding democratic organisation of producer groups, guaranteed prices, and long-term planning with buyers. Similarly, Organic certification (to various Organic standards) included highly reputable sets of pro-environmental requirements. The two standards in combination represented a best-chance combination of VPSs (see Jaffe, 2007). It suggested
a reference point against which other pro-development initiatives might be evaluated, combining realism about the necessary role of markets in sustainable development, with a responsible governance ethic. Particularly for coffee, Fairtrade-Organic achieved a seemingly recession-proof legitimacy for consumers and was the subject of substantial academic scrutiny (see Chapter 2). The experiences of tea smallholders could not necessarily be assumed, as tea had particular characteristics, organisations and norms. For tea, unlike coffee, the EU standard-setter institution for European Fairtrade standards, Fairtrade Labelling Organisation (FLO), introduced plantation standards. An empirical and theoretical exploration concerning the experiences of tea smallholders therefore carried policy implications in addition. If dual-certification for tea actually gained legitimacy currency from successes in coffee, where the standards were exclusively for smallholders, assumptions of unity between smallholder and FLO tea standards may be misplaced. It was essential to understand institutions, practices, values and power relations in certified tea.

One specific aim was to add to understandings of how tea smallholders came into dual-certification to the ‘gold-standard’, probing whether this was a picture of longevity, stability and compatibility. Secondly, I aimed to contribute to understanding rather than assuming market access changes associated with dual-certification. Finally, the major contribution was to analyse implementation experiences of smallholders attempting to change production to satisfy two disparate sets of requirements, one around fairness, and the other ecological. I sought to appreciate through farmers’ eyes the ways certification was performed. VPSs played out in unpredictable ways given producer-group agency, individual farmer agency, and the context of considerable definitional power of tea institutions. Issues of producer agency and the power of institutions in global value chains, are unpacked in Chapter 3, where I analyse standards as governmental.

Contexts for the implementation of VPSs shaped smallholder experiences and interpretations of VPSs largely through exercises of power by institutions. I explain my
means of accessing the unique environment of South Indian smallholder tea and selecting producer case study groups, and individual farmers, in Chapter 4. A considerable empirical gap in literature concerned the ways VPSs played out for producers in Asia, especially for smallholders in South Indian tea. Important research with tea smallholders in Kenya (Dolan, 2008) and in Tanzania (Loconto, 2010) contributed to knowledge of the tea industry, but India was historically central to the tea industry and South India remained an important producer in 2010. This was particularly clarified in Neilson and Pritchard’s (2009) research regarding the plantation portion of the South Indian tea industry, and the plantation sector was in many ways pioneering, containing the ‘first-movers’ in the certified tea industry. The plantation sector was the geographical and political location of the smallholder sector, and linked to institutions of the tea industry (Chapter 5).

The profile of certified teas increased in 2010 as this research commenced. Industry giants Unilever and Tetley committed to sourcing entirely from Rainforest Alliance certified producers by 2015 and Fairtrade Fortnight promoted tea in 2010 with the line, ‘Stirring up the Tea Trade’. This also promoted Fairtrade, and communicated Fairtrade’s unified alignment with tea producers, suggesting willingness and ability to challenge tea industry norms, implying producers were ready and consumers had only to join them via certified tea. My first research question asked; were smallholder tea producers in South India certified to Fairtrade and Organic VPSs, and if not, why not? I aimed to analyse why smallholders became dual-certified or were excluded from certification, whether actively or as a consequence of their particular place in production.

If smallholders were certified, it was unclear what happened to dual-certified output whilst producers awaited the unity of the ethical consumer. It was an assumption that some producers aligned to the Fairtrade-Organic vision, whilst other less ethical producers farmed non-certified tea. However, there were likely to be overlaps and market access potentially derived from non-certified sales when the certified consumer market was
underdeveloped. I asked two further research questions: What were the reasons for HVEM access for dual-certified and non-certified smallholder tea producer in South India? This had policy relevance because national governments, international institutions and charities sought market ‘interventions’ for the interests of smallholders (Bienabe et al., 2004). If dual-certification was unsubstantiated as a market access tool, government finance might be better directed.

VPSs proliferated during the 1990s and early 2000s (Auld, 2010) and this appeared confusing for consumers (Reed, 2009) but less was known about whether this was confusing for smallholders. Fairtrade-Organic smallholders simultaneously implemented two vastly different standards. For Kenyan tea, Dolan’s (2008) investigation probed the consequences of Fairtrade for tea smallholders and Loconto’s (2010) research compared differently certified producers in Tanzania. The implications of simultaneously implementing two sets of complex, perhaps esoteric, requirements for dual-certified smallholders had not been empirically explored from the perspectives of tea smallholders. My final research question asked: What conflicts and tensions arose between different standards and smallholder tea producers’ practices in South India? The competitive standard-setting industry was a domain where stakeholders and experts legitimately defined the contents of standards based on certain values, or notions of the ‘good’. Whether requirements of VPSs accorded with daily productive practices of tea smallholders in South Indian tea was unknown. Below I define smallholders in relation to markets.

1.1. Smallholder Producers

The category ‘smallholder producer’ was non-homogenous, and smallholders were defined by the small amount of land they farmed or their reliance upon family labour. Some smallholders had less than a hectare of land (Blowfield and Malins, 1999) and the Tea Board of India termed tea smallholders ‘Small Tea Growers’ (STGs), defined as
cultivating up to 10.12 hectares, 25 acres of tea (Tea Board of India, 2010-2011). Some smallholders worked plots of land informally, without registering with state authorities, often because they lacked land registration documents. STGs were therefore referred to by the Indian government as ‘growers’, rather than ‘holders’ of land. Smallholders relied upon family labour but some hired labour in busy periods because tea production was labour-intensive, particularly when tender shoots were ready for plucking. Appreciating the variety within the STG population just in South India suggested the unlikelihood of easy alignment between standards and farmers.

In South India, tea bushes were productive year-round and mechanised harvesting was rejected as productive of inferior quality leaves. South Indian tea production areas were prone to multiple pests that required management and tea bushes needed nutrients and fertilisers. Constant tea-plucking removed material from the tea bush whilst the bush absorbed nutrients from the land, potentially exhausting the soil. Tea producers therefore had to invest time and energy in the maintenance of land. Tea smallholders, like many smallholders worldwide, produced goods for consumption, domestic markets, or export (Blowfield and Malin, 1999) and commonly for combinations of these. Smallholders tended not to mono-crop and instead produced a variety of goods often including products they understood as high value and exportable, which they did not consume, including tea. Between 2001 and 2010 Small Tea Growers increased their contribution to Indian Tea Production from 11% – 26% of total tea production (Tea Board of India, 2010-11, p. 7). The image of the dedicated smallholder producer was potentially misleading, as dual-certified growers would face challenges of compatibility and implementation that concerned their entire farm and overall land-uses, rather than just in relation to tea.

Of particular interest were the roles of smallholders in supplying high value export markets (HVEMs). Smallholders produced traditional commodities; tea, coffee, cotton, cocoa and rubber, in areas of the global south for export to the global north since the last century.
This trend was changing, with smallholders producing exotic fruits and vegetables, speciality coffees and teas for export to HVEM, for which they potentially received premium prices. These ‘new export opportunities’ were expected to be advantageous for smallholders (Blowfield and Malin, 1999). Evidence suggested there was difficulty connecting smallholders to HVEMs in ways that were genuinely advantageous (Nelson et al., 2002). Because smallholders represented an enormous proportion of the world’s rural poor, their trade relationships became issues for development studies, practitioners and policy (Bienabe et al., 2004). It was in this context that the smallholder producer group, a collection of individual smallholder units, households operating small plots of land using household labour, united. The producer group represented an access point to sections of the rural poor in developing South India, and engaging whole producer groups in certification schemes could affect development and carry ramifications for the tea industry.

Producer groups comprised ‘marginal’ producers with little land as well as larger smallholders who hired limited amounts of labour at challenging harvest periods. Producer groupings existed in varying degrees of formality. A certified group operated relatively formally, with group managers, accounts managers, implementation or training managers and quality management systems. The implementation work to support dual-certification involved many such individuals. If the group owned a factory additional skills and expertise would be necessary to administer farmers and their outputs in ways that complemented the factory’s processing, quality and sales strategies. Over time, practices became instituted and power structures developed between farmers. In the case of non-certified groups, the organisation could be less formalised. The genesis of a group was unique to particular combinations of individuals. I depict the configuration of the case study groups that participated in this research in Chapter 5. In both the dual-certified case group (DC) and the non-certified case group (NC), formation and development was founded in the desires of smallholder farmers to resolve problems inherent in being small
individual producers in an industry where bulk-capable producers supplied bulk contracts of international buyers, and exacting quality standards were norms for high value markets.

1.2. Dual-certification as ‘Gold-Standard’ and Market Access

Literature assessing relationships between smallholders and HVEMs suggested smallholders struggled to access markets and a valuable aspect of dual-certification was market access links. For some theoretical perspectives, smallholders struggled to access commodity markets because the bulk norm worked to exclude the small unless they could achieve scale. Here, certification and specialisation was no meta-fix (Talbot, 2004). From other perspectives ethical trade represented a means of improvement (Vorley and Fox, 2004; Vorley et al., 2008). Smallholder market access could be managed for the benefit of smallholders (Robbins et al., 2004; Okello et al., 2008; Oxfam International, 2009; Hivos / IIED, 2011). Either private sector initiatives with government support (Bienabe et al., 2004) or ethical trade could generate beneficial inclusion of smallholders (Bedford et al., 2002; Blowfield and Malins, 2004; Phillips and Tallontire, 2007). Smallholder strategies and agency remained key determinants of HVEM access (Swinnen et al., 2010).

Part of the struggle for smallholders was the nature of produce. Farming green beans out-of-season or novel purple broccoli for European markets had particular issues (Blanc, 2009). The tea industry, its history, trading and production norms had characteristics that combined problematically for smallholders. Firstly, tea was traded in large quantities, whereas smallholders were constrained by the amount of land available. If smallholders only traded in small volumes they had limited bargaining power as individual farmers relative to local traders. International buyers were unlikely to be attracted because they faced higher transaction costs when trading with a large number of suppliers (Robbins et al., 2004). Further, smallholders did not tend to attract private, direct sales. They received unpredictable prices or lacked market access in the mainstream tea market. Smallholders accepted prices and quality standards dictated by local traders.
Tea smallholders did not take tea to auction but sold ‘green’ leaf to traders or the local factory. Tea leaves were then processed and became ‘black’. The processor took tea to auction centres or sold via direct sales (Van Der Wal, 2008), termed ‘ex-garden’. The theory that avaricious middlemen were responsible for keeping smallholders under-remunerated was a rationale for ethical and Fairtrade schemes that aimed to circumvent those middle-men (Blowfield and Malins, 1999). An underlying rationale for ethical trade movements such as fair trade movements (not necessarily synonymous with Fairtrade standards) was therefore to address the power disparities that characterised relationships between isolated commodity producers who did not add value to tea, compared with international buyers and local traders.

Isolation was a challenge for smallholders if they aimed to access HVEMs. Firstly, isolation meant smallholders had few local factories and therefore could not gage ‘market’ prices. Smallholders generally had only one truly ‘local’ factory as it was incumbent upon smallholders to deliver their green tea leaves to a buyer for processing before they spoiled, a mere 12 hours after plucking. Instead of a perfect market where several buyers met several sellers, the grower often had a single buyer and imperfect information about the quality and value of their leaf. Where smallholders were competing for buyers, this created incentives for self-exploitation, and use of un-priced family labour to reduce costs of production (Vorley and Fox, 2004). One uncontroversial suggestion was for small commodity producers to increase their knowledge of prices and quality in order to add value, increase their options, and therefore exercise greater power in relation to potential buyers. The challenge was how this could be accomplished by isolated smallholders.

Traditional commodities including tea were perishable and necessarily processed promptly. Where communications were limited or smallholders relied on traders to move their produce to processing factories, they were vulnerable to under-remuneration. Smallholders received politicised feedback from the market, for example about quality standards and
conventions, information from the subsequent link along the supply chain. This suggested that rather than one standard, communicated faithfully along the value chain from consumer values to producer practices, there was a process of mutation according to power dynamics. These refractions involved different interests, understandings and interpretations, vying to define. Smallholders did not know consumers’ willingness to pay for various quality attributes of tea. A plethora of local actors and relationships affected the potential for tea smallholders to understand and access HVEMs, and knowledge was intimately tied to power.

Neilson and Pritchard’s research with coffee and tea plantations in South India identified local relationships as the ‘horizontal’ dimension (2009) out of which linear tea value chains stretched vertically towards the consumer. With the severance in the smallholder value chain of the processing from the farming stage, there was added potential for mutation of standards. Further, unlike in-house expertise of large plantations, smallholders relied more heavily upon other actors for advice and insight; tea industry institutions with certain interests. The horizontal permeated the vertical to such a degree in the smallholder case that the distinction was an analytical tool rather than a description.

The tea value chain described the required processing stages that transformed the tea commodity from raw material to consumer product. Commodities required processing, such as sugar, which was refined and coffee beans, which were dried and roasted. Black tea began as raw ‘green leaf’ plucked as the top ‘two leaves and a bud’ from the bush. Leaf was dried, rehydrated, rolled and then shredded (for Cut-Tea-Curl processing) or twisted (Talbot, 2004) (termed ‘Orthodox’ processing). Processing, packing and branding were activities that added value. Smallholders with limited plots did not own factories for processing. For tea, factory machinery was large, complex and costly, designed for bulk use and made losses when not used to capacity. One potential solution for commodity producers was to add value and sell products that had undergone transformation towards a
consumable (Gibbon, 2001; 2003). Producers achieved this if they united to purchase processing equipment, which they could use to process group outputs, for example via a producer group. In Chapter 2, I consider standards as adding value, or values.

The challenge of investment for added value suggested the question of which interests would be inclined to dual-certification, how smallholders might make such investment and on the advice and authority of which actors. Smallholders often lacked surplus to make investments, even collectively. Smallholders were often unable to access credit because they had limited land or resources and did not possess collateral against which they could borrow (Robbins et al., 2004). Small growers may have been risk averse or heavily in debt. They also saw their poverty reproduced by the structures of trading relationships upon which they remained dependent (Ferraro, 1996; Lawson, 2007, p. 155). These factors rendered it an impressive achievement if any smallholder group gained dual-certification independently, which in turn suggested dual-certification was not on the initiative of the smallholder but other actors. I aimed to understand smallholder reasons for pursuing dual-certification, and how it was possible. Such smallholders invested in agricultural marketing, perhaps overcoming risk aversion or receiving assurances from other actors.

Supply of certified teas suggested some farmers were achieving dual-certification. Traditional commodity markets changed in recent decades and became two-tiered, with bulk markets and specialist markets.\(^2\) Traditional commodities were historically produced and traded in bulk (Gibbon, 2001) and this shaped two further problematic characteristics of tea for smallholders; blending and quality. Firstly, international buyers and large corporations dealt in *undifferentiated* bulk and required large quantities of commodities. Whilst dual-certification could provide smallholders with a way to attract buyers for a

\(^2\) Regarding tea in India there was a bulk market domestically and a large bulk export sector. The domestic specialist market did not (yet) include Fairtrade, though Organic had made some advances. HVEM meant for this research, EU and US export markets which contained large speciality market segments.
unique product, this depended on certification remaining niche. If dual-certification was widespread, the problem of how to differentiate returned.

The problem for individual smallholders was that their product compelled no loyalty because it was comparable to the same commodity produced by another. This summarised the effect of the ‘blend’ convention present in tea (Talbot, 2004). Blending meant international tea buyers sourced tea from numerous different globally dispersed suppliers on the basis of an international grading system. Tea buyers employed tasters who tasted samples from ‘lots’ (60-100kg) of tea to be auctioned. Buyers placed bids at auctions with the aim of satisfying a buyer’s overall blend criteria. Auction houses also employed tasters who assigned grades to the ‘lots’. Tasting prior to purchase represented an attempt to increase information about quality so that the price paid for tea could reflect quality.

In tea, grades communicated taste and quality, defined by conventions established over time by the tea industry. Grades were assigned on the basis of colour and appearance of processed leaf, aroma, and the brewed ‘liquor’ derived from the leaf. The highest grades were Orthodox processed, and the highest was ‘orange pekoe’ (OP) whereas the lowest Orthodox grades were ‘Dust’ and ‘Fannings’. The same grades of tea could be obtained from producers in various countries, for example Ceylon OP (from Sri Lanka) was revered in the tea industry.3 If one producer region experienced droughts that reduced harvests, the international buyer made up the desired quantity from other regions and remained relatively unaffected. Sri Lankan tea could be substituted using high-grown South Indian teas. ‘Nilgiri’ region high-grown tea from South India was of comparable flavour to Darjeeling tea from North India. Blending was the means for buyers (brand-owners) to lower their input costs. Flavour for the blend was created using higher grades, then ‘filler’

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3 This reflected the historical dominance of the UK market in the embryonic tea industry. At the time when the epicentre of tea sales was the now closed London Tea Auction, the UK consumer market preferred the Ceylonese OP, as a fragrant, light and bright morning tea.
teas of a lower quality constituted volume. Tanzanian tea was used as a filler tea by international buyers because it had a lower quality profile (Loconto, 2010).

This connected to a second problem of bulk commodity markets for smallholders: quality. Smallholders were heralded as producers of higher quality (Herath and Weersink, 2007) and lower quality produce (Blowfield and Malins, 1999). When smallholders produced ‘better quality tea’ this was partly because of the relative youth of their tea bushes. Smallholders in South India began tea production from mid-1980 to 1990s whereas plantations were established during the colonial era and contained hectares of aging tea bushes, which produced inferior leaf. Smallholders received policy attention to improve the quality of their produce, for example the initiatives of the Indian Tea Board to train smallholder tea producers as to leaf-plucking techniques (Neilson and Pritchard, 2006; 2009). However, quality of the raw leaf was only an element of overall quality, and subsequent processing shaped the taste of the final tea to a large degree.

Quality was defined in South Indian tea as both an issue of techno-scientific best-practice (including best farming practice and best processing practice). It further included subjective assessment defined by the preferences of consumer markets. In a tasting session attended in 2011 at the factory of a plantation company in South India, it was explained that Middle Eastern markets preferred lower and medium-elevation teas distinct from the high-grown, fragrant teas preferred in UK consumer markets. Indian domestic markets preferred dust grades and CTC-processed ‘powdered’ teas that produced a high ‘cuppage’, meaning a greater strength of tea per unit weight of the product, due to the greater surface area exposed in a finely ground compared to an intact leaf. This was popular in the Indian domestic market as the dust grade was used to make ‘chai’, a strong (dark-coloured and intensely flavoured) tea made by brewing the tea dust with milk, sugar and spices. To complicate matters for producers, consumer definitions were changeable. For example, a
mainstream Fairtrade tea market grew in the UK, and in Europe, a greater appreciation for Organic standard, ‘Demeter’.

Quality conventions did not end with characteristics of the tea or the region. For Bienabe et al. commodity markets ‘segmented’ and came to include new specialist segments such as for Fairtrade and Organic-certified goods (2004). This created opportunities for smallholder commodity producers to invest in marketing themselves according to these qualities to attract buyers and gain better prices by accessing HVEM and with value-added produce (Swinnen et al., 2010). Sustainable trade initiatives (Fairtrade and Organic-certified) potentially created opportunities for smallholders to gain better prices and advantageous market access on the basis of credence characteristics, or qualities of tea.

It was important to distinguish between the quality of fair-ness, fair practices, Fairtrade-certified produce, institutions involved in Fairtrade certification such as Fairtrade Labelling Organisation (FLO), and the founding traders in the fair trade movement, Alternative Trading Organisations (ATOs). Fair trade referred to a social movement. The movement crystallised its fair, social and trade practices, as performed by fair trade ATO buyers, into Fairtrade standards. In order to manage the construction and setting of standards, institutions were designed. Institutions responsible for writing standards, and those which awarded certification to producers and traders, separated for legitimacy. The informal fair trade movement thereby became FLO-Cert, responsible for certification, whilst FLO-ev was responsible for writing requirements of standards. In order to maintain proximity between the requirements of the standards and the priorities of producers, FLO instituted Regional Producer Networks, such as the Network of Asian Producers (NAP). Indian producers amongst others in Asia could meet at NAP and feedback to FLO-ev their experiences with Fairtrade certification and standards. The extent to which standards remained true children of or encoded the aims of their heritages was outside the scope of

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4 Credence goods were those whose qualities could not be observed and were intangible or unquantifiable.
this project, but discussion continues in Chapter 2, where I define Organic-certified, Organic standards, and organic movements.

Blowfield and Malins (1999) described ethical initiatives as ‘a key to enable [smallholders to compete]’ in HVEMs. Interest abounded in ‘interventions’ (Bienabe et al., 2004) that might be ‘making markets work for smallholders’ by engendering ‘pro-poor business’ (Hivos/ IIED, 2011), or ‘inclusive business’ (Vorley et al., 2008). For example using ‘collaboration and innovation’ (Oxfam International, 2009) or ‘producer marketing organisations’ (Okello et al., 2008). Actors from the World Bank to governments, NGOs and businesses became concerned to improve market access for smallholders (Raynolds, 2009; Riisgaard et al., 2009; Neilson and Pritchard, 2009). Dual-certification, particularly Fairtrade-Organic came to occupy a privileged place as a gold-standard for developing smallholders to use the market to lift themselves from poverty. Marketing material gave impressions of unity between standards and smallholders, but the definition of the heterogeneous category of smallholder suggested several questions that formed this empirical investigation. I avoided both naivety and cynicism by prioritising smallholder experiences. Standards provided means for companies to increase their information about their suppliers and manage supply and reputational risk (Auld, 2010). Certification standards could be seen in a governmentality light as a ‘single gaze to scan the greatest number of faces’ (Foucault, 1973, p. 74), the panoptical instrument of efficient control. Farmer agency was not however to be underestimated.

I unpack core analytical concepts in Chapter 3, using a Foucauldian light to interrogate questions around smallholder access to certification, subsequent access to markets and performances of implementing governance standards, to understand implementation of dual-standards through tea farmers’ eyes. I next briefly explain the structure of this thesis.
1.3. Research Questions and Thesis Structure

In chapter 2, I define Fairtrade and Organic standards, certification and trends, and explain potential struggles for tea smallholders. In Chapter 3, I unpack pre-analytic assumptions of various works that theorised VPS certification, answering the following question.

How did different approaches to standards explain relationships between smallholders and VPS certification?

In Chapter 3, I explain my analytical framework. I drew upon concepts of agency and governmentality to conceive of standards in the tea Global Value Chain, adding an agricultural marketing network scope. Key concepts of agency and governmentality enriched my GVC analysis by emphasising smallholder power, seeing standards as collations of values, and appreciating the power of institutions. The addition of an agricultural marketing scope allowed me to focus upon the producer-end of the broad tea GVC. Smallholders were located in institutional contexts, with marketing and quality norms, defined and shaped by local power relations. Webs of sales routes and changeable numbers of tea traders and tea processor options linked variously into strands of the larger tea GVC. Individual strands of the larger GVC led to different buyers, some of which were certified, and to different VPSs. Buyers in turn supplied different varieties of tea to different markets. Individual chains formed changeable links within the broader tea sector.

Global Value Chain research identified the need for more research on VPSs to engage with producer perspectives on VPSs (Tallontire, 2002; Arce, 2009) because GVC as historically formulated, focussed upon commercial rationales because of the sectors to which analysis was directed (Gereffi, 1994). I contribute to the GVC/Global Production Network debate regarding scope, in Chapter 3, by explaining that my inclusion of agricultural marketing mapping techniques of Harriss-White (1996), allowed me to see the local web of institutions, norms and interests from farmers’ perspectives, a use beyond that originally intended. The agricultural marketing map added a focussed tool for depicting the sales
options facing smallholders, and how those were shaped by the possibility of standards. Competition between producers was highlighted by the agricultural marketing maps, and mapping avoided the descriptiveness of a Global Production Network, which potentially included so much detail as to lose the parsimonious appeal of the GVC frame.

That said, several extra-chain factors were properly included in an investigation of smallholder experiences. For example, Neilson and Pritchard (2006; 2009) placed emphasis on the institutional context in which struggles with Fairtrade were shaped. Further, standards enjoyed legitimacy according to certain conventions or notions of the good farmer and of good governance. I contribute to literature in which the GVC was supplemented with a sociological analysis of standards, attention to power, defined as beyond economic strength, and emphases on producer agency. Foucauldian concepts used in rural sociology were analytical handles that I employed to analyse qualitative data.

I explain my research methodology in Chapter 4. I held 40 interviews with 60 participants during 7 months of field research in South India and the UK, following 3 months of reconnaissance to South India. Reconnaissance permitted collection of secondary data. I explain the rationale for selecting the producer groups that participated in my comparative case analysis design, and my further sampling strategy that allowed me to identify key agents and areas within the producer group and broader marketing network where understanding potential power disparities was central to the successful contribution of this research and data validity. I explain the nature of my interview techniques and assess limits to the validity of the data. I describe in Chapter 4 the location and organisation of the recruited producer groups, the relationships between the producer groups and the factory processors and international buyers, as well as introducing the individual farmers. I analyse the institutional and political context of South Indian tea production, assessing power relations between industry actors in Chapter 5, using primary and secondary data.
In Chapter 6 I examine extension of dual-certification drawing upon primary data. VPSs proliferated in tea (Van Der Wal, 2008), and there were many Fairtrade tea and coffee plantations in South India covered by 25 entries on the FLO Register of Fairtrade Producers (Neilson and Pritchard 2009; 2010). However, there were few certified smallholders in India, and one Fairtrade-Organic smallholder group in South India in 2012, despite the presence of many thousands of tea smallholders. I investigated explanations for the certification statuses of both case study producer groups.

**Were smallholder tea producers in South India certified to Fairtrade and Organic VPSs, if not, why not?**

Organic farmers in Europe were portrayed as rational actors, motivated by environmental concern, education or profit, to join Organic certification schemes (Lohr and Park, 1992, pp. 254). Standards were largely the preserve of the plantation sector in South Indian tea, whereas smallholders may have been unable to see the opportunity of standards from their positions in supply networks. However, networks were not flat and included power dynamics. Power redefined in sociological terms included knowledge, the ability to wield experts and claim legitimacy. In Foucauldian terms, institutions were central to issues of discipline and control of individuals. Producer norms of ‘good’ practices were identified by Burton (2004) as reasons for farmers refusing to adopt conservation schemes. Instituted norms, shaped by power relations, potentially explained smallholder non-certification.

This represented a different understanding to the analysis that standards such as Fairtrade and Organic were introduced by buyers wishing to manage reputational risks, or development-orientated buyers (fair trade or organic buyers). It rendered more complicated the relationship between certification and market access. Consequences of certification might simply include increased or secure market access. If the practices of global buyers fell short of standards, or standards had little effect on the practices of buyers, perhaps market access would not change for smallholders. Links between certification and HVEM
access were seen both ways; HVEM access could generate certification or certification could generate HVEM access. Once we problematise standards as codified collections of quality attributes and values, we begin to see through farmers’ eyes. Standards represented intangible or ‘mere marketing’ notions of quality that were anathema to, and removed from assessment by, farmers’ hands. In Chapter 7, I assess the extent of HVEM access attributable to dual-VPS certification, as compared to HVEM access for smallholders non-certified to formal standards, but engaged with quality grading, industry norms.

**What were the reasons for HVEM access for dual-certified and non-certified Smallholder tea producer in South India?**

Fairtrade was considered on balance to benefit producers, particularly through HVEM access (Jones and Bayley *et al.*, 2000; Le Mar, 2008; Nelson and Pound, 2009). Producers reportedly valued market access and marketing links from Fairtrade (Muradian and Pelupessy, 2005, p. 2031). In tea however, separate case studies of Fairtrade tea plantations showed 2% of output sold as Fairtrade (Riisgaard *et al.*, 2009). Impact analyses of Fairtrade might compare HVEM access benefits with costs of compliance or burdens of implementation, but those analyses were distinct from investigations of the meaning of standards to producers (Lyon, 2009).

Dual-certified status represented a gold-standard in terms of the attainment of the two highest profile ‘ethical’ of the VPSs, Fairtrade and Organic standards. Studies demonstrated that ‘double certified’ commodities commanded a higher price premium (Philpott, *et al.*, 2007, p. 976). Fairtrade addressed welfare whilst Organic controlled environmental pressures so the combination governed the ills of market participation (Raynolds, Murray and Heller, 2007). Kasterine and Bolwig concluded that in order to improve the benefits of Organic certification, producers should adopt Fairtrade or ‘Organic +’ certification (2008, p. 11). Fairtrade schemes propelled producers to develop Organic certification (Perezgroves and Cervantes summarised in Taylor *et al.*, 2005), and Organic-
certification signalled that high environmental standards had been met at the site of production. Fairtrade and Organic therefore represented a ‘gold standard’ according to certain definitions of ‘good’ governance or pro-producer development ideas; however the question remained whether in combination they represented the same to smallholder tea producers.

Fairtrade-Organic certification may have pressured a smallholder or the producer group as a collective, where smallholders represented both land and labour. Fairtrade was a certification held at the level of the producer group, yet Organic was a standard held by individual smallholder plots. In Chapter 8, I analyse implementation experiences of individual farmers comprising the dual-certified producer group.

**What clashes and tensions arose between different VPSs and smallholder tea producer practices?**

Standards had unpredictable effects and Arce (2009) demonstrated in his case study research with coffee smallholders in Guatemala that producers perceived Organic as limiting quality and many ceased Organic production. The combination of Fairtrade and Organic produced a ‘strict regime’ (*ibid*, p. 1038). The administrative processes of Organic certification for small coffee farmers in Mexico inadvertently brought gender-empowering effects (Tovar *et al.*, 2005). This concerned how the requirements of standards were interpreted, their meanings, for producers.

Divisions within a producer group constructed significance, shaping what Organic and Fairtrade meant to farmers. Between small marginal farmers who used only family labour and those with larger smallholdings, there were discrepant perceptions of the meaning of standards that increased labour input. Tea required plucking approximately fortnightly, varying seasonally. Larger smallholders harvested fresh shoots as soon as they were ready by hiring extra labour at busy periods. ‘Keeping up with the plucking rounds’, as this was
known in South India, produced a high quality crop of fresh green shoots. Marginal growers with only family labour experienced pressure to keep to the rounds and could not hire labour. Members of one Fairtrade, single-certified group of tea growers in Kenya had different amounts of time, which affected participation in Fairtrade management (Dolan, 2008). Beyond this were interactions with farmers’ valuations of being a ‘good’ farmer. Good farming as defined by global standard setting norms and codified into a gold standard of dual-certification, likely differed consequentially from good farming as defined within tea industry norms and institutions. Rather than assessing costs of compliance, a shift to governmentality meant seeing governance through farmers’ eyes (Burton, 2004; Gibbon and Ponte 2008). Farmers did not implement standards’ requirements verbatim, with mirrored exactitude, they negotiated amalgams of values, performing compliance by means of behaviours.

I next introduce the institutions, power relationships and norms of the South Indian tea industry and global VPSs, Fairtrade ad Organic.
2. Fairtrade and Organic Certification: Standards, Practices and Debates

I define voluntary private standards in this chapter and explain Fairtrade and Organic standards’ requirements. I discuss challenges facing smallholders implementing either Fairtrade or Organic, and the challenges of implementing both simultaneously under dual-certification. I summarise insights from existing research and particularly from case study approaches, to introduce the debates surrounding the changes within the fair trade movement and regarding Fairtrade standards. VPS certification to alternative standards was popular during the early 2000s and companies belonging to the conventional market began to seek out certified products in a process identified as the mainstreaming of alternative trade (Tallontire, 2002; Low and Davenport, 2005; Raynolds, 2009; Reed, 2009; Fisher, 2009; Hudson and Hudson, 2009). Although the focus here was on smallholder experiences of 1) the extension of dual-certification 2) HVEM access under dual-certification and 3) implementation of dual-standards, insights drawn from my data could contribute to debates about the direction of the fair trade movement. I introduce that context of policy debate in this chapter and return to the implication in Chapter 9.

Voluntary Private Standards

Henson and Humphrey (2008) clarified complexities of the standards landscape by defining different types of standard. They coined the term, ‘Voluntary Private Standards’ and defined the latter as standards set by private bodies, adopted and implemented by private firms and enforced by private auditors and certifiers, summarised in the left column of Table 1. The definition encapsulated Fairtrade, Rainforest Alliance, UTZ-Good Inside, Shade Grown, Bird Friendly, and Organic standards such as Demeter and Soil Association. Henson and Humphrey distinguished these VPSs from ‘regulations’, which were set and adopted by legislatures, implemented by firms and enforced by courts (2008, p. 4).
However, national and EU legislation also defined ‘Organic’ and in Table 1 Organic is present in both columns.

Table 1: Standards

<table>
<thead>
<tr>
<th>TYPE</th>
<th>Voluntary Private Standards</th>
<th>Regulations</th>
</tr>
</thead>
<tbody>
<tr>
<td>WRITTEN</td>
<td>Private Standard Setters</td>
<td>Legislatures</td>
</tr>
<tr>
<td>IMPLEMENTED</td>
<td>Private Firms</td>
<td>Governments and Firms</td>
</tr>
<tr>
<td>ENFORCED</td>
<td>Private Certifiers</td>
<td>Courts</td>
</tr>
<tr>
<td>EXAMPLES</td>
<td>Fairtrade, Rainforest Alliance, UTZ-Good Inside, Shade Grown, Bird Friendly, Organic VPSs</td>
<td>EU and Indian Organic legislation</td>
</tr>
</tbody>
</table>

Source: (Own Work using Henson and Humphrey, 2008, p. 4)

For a country to export Organic produce to an EU member state, the produce had to fulfil the EU definition of Organic. A national Organic programme for licensing certifiers and auditors allowed countries to gain ‘equivalence’ with EU Organic legislation. India based its National Programme for Organic Production closely upon the same document as the EU commission used for its Organic legislation, the International Federation of Organic Agriculture Movement (IFOAM) ‘Basics’. Indian produce was granted ‘equivalence’ and Indian-certified Organic goods could carry the EU Organic logo. Indian producers that wanted to export to for example German markets could go further than the Indian/EU/IFOAM Basics Organic practices and satisfy requirements of private standards. For example, Demeter requirements, popular in Germany were the highest Organic standards. Organic standards therefore spanned the two categories ‘VPS’ and ‘regulation’.

Within the classification ‘VPSs’ there were two broad varieties, technical standards which included International Standards Organisation (ISO) standards (Henson and Humphrey, 2008) and ‘alternative’ standards which included Fairtrade and Organic standards (Shreck, 2002; Mutersbaugh 2002; Renard, 2003; Getz and Shreck, 2006). The latter were the focus of this research and they carried a visible label that communicated to consumers that the
producers had met requirements of the standard and an independent third party had verified compliance. Technical standards were born out of regulatory vacuums left by state authorities when states hesitated to govern markets in the 1980-90s (Raynolds, Murray and Heller, 2007). However, ‘alternative’ standards had a specific lineage, more to do with smallholder, social or environmental benefits through providing an alternative market distinct from conventional or mainstream markets (Mutersbaugh, 2005).

Social movements such as fair trade and organic had aimed to create different or ‘alternative’ markets (Bacon, 2011). In the fair trade market created by alternative trade organisations and alternative buyers for world shops and Christian organisations, smallholders would not be inevitably powerless because of their size and would instead form groups, democratic producers groups which became known as Small Producer Organisations (SPOs) (Tallontire, 2000; Renard, 2003). The ‘alternative’ market asked consumers to pay more in solidarity with producers (Guthman, 1998; 2004b).

At the same time as firms wanted ways to manage supply-chain reputational risks and began to use standards to do so, debate emerged between actors establishing the ‘alternative’ market (Varul, 2009). The founders of the alternative market revealed a willingness-to-pay on the part of some consumers, for less exploitative supply relationships. This revealed a marketing opportunity, a way in which firms could not just avoid criticism by managing suppliers, but a way they could benefit and even profit, making Fairtrade and Organic quality attributes of produce that derived their legitimacy through ‘broader narratives about quality that circulate within society more generally’ (Ponte and Gibbon, 2005, p. 1). This allowed a firm to govern and ‘drive’ the suppliers and supply chain in a ‘hands-off’ manner (ibid). Vice versa the use of standards as ways to manage reputational risks revealed an opportunity to some in alternative trade movements. Instead of creating small alternative markets, standard setters infiltrated existing markets
by introducing formal certification standards with views to benefitting more producers by controlling linear supply relationships between buyers and suppliers (Conroy, 2006).

Some Alternative Trade Organisations (ATOs) and campaigners wanted to introduce standards so that those outside of the ‘alternative’ market could source fairly from certified producers and advertise that they had made that ethical decision by displaying the Fairtrade logo. These convergences meant the ‘alternative’ market and the ‘HVEM’ increasingly overlapped. On the one hand, formal certification standards represented ‘governance’ and involved social accountability through traceability. On the other view, standards of production expressed solidarity and an understanding of consumption as a political act where the personal (consumption) was political (Guthman 2007). It was in this way that certification became an aspect of the quality of produce (Goodman, 2003). Purchasing ethically certified produce became an identity-affirming act for consumers. Critics argued that in fact the idea of revealing the conditions of production itself became commodified, with little understanding of what the standards behind the logos actually meant. In other words, defetishisation was itself fetishised (Fridell, 2007a).

Examining the different requirements of Fairtrade and Organic revealed that in combination those two standards shaped two factors of production: land and labour. For fair trade campaigners, capitalist, free-market competition provided incentives to exploit labour and pay minimum prices for commodities. For organic activists, markets provided incentives for companies to damage the environment, using un-priced environmental resources or polluting at no cost (Raynolds, Murray and Heller, 2007). To maximise returns to investments in land, producers might practice chemically intensive monocropping degrading soil, causing erosion and damaging biodiversity. In the alternative market consumers paid more on the basis that producers received a price premium in part to compensate producers for the additional costs of producing to higher social and environmental standards. This also recognised the lower yields and increased
labour time associated with production that complied with Organic standards’ requirements (Krystallis and Chryssonoids, 2005; Killian et al., 2006; Battle et al., 2007). Over time, fair trade\(^5\) and organic\(^6\) movements developed logos to communicate producers’ adherence to VPS. Standards differentiated certified produce but ironically they simultaneously standardised the processes and the producers involved in production (Hatanaka, Bain and Busch, 2005).

Certification requirements for the Fairtrade label differed according to product and production circumstances, but buyers agreed to the following; direct purchase, a price that covered the costs of production and a social premium to improve conditions, advanced payment to prevent small producers from falling into debt, contracts that allowed long-term production planning and sustainable production practices. The conditions for growers to gain certification were that small scale farmers could participate in a democratic organisations, plantation and factory workers could participate in trade union activities and have decent wages, housing and health and safety standards, there would be no forced or child labour and there would be programmes to improve environmental sustainability (FLO summarised in Renard, 2003, p. 90).

The idea of ‘fairness’ was not included in the Organic standards of the EU, the Indian government, nor many private certifiers, even though notions of fairness had abounded in the original movement. Organic standards explicitly minimised or prohibited pesticides and aimed to increase biodiversity. The concerns of the organic umbrella organisation IFOAM were ‘founded on principles of health, ecology, fairness, care for the environment

\(^5\) The fair trade movement developed into ‘Fairtrade’ certified produce (Parish et al., 2005, p. 180). The Fairtrade Labelling Organisation, FLO, coordinated certification standards, and the Fairtrade Foundation was the UK arm of the movement (Barrientos and Dolan, 2006, p. 9). FLO’s definition of Fairtrade was, ‘a trading partnership based on dialogue, transparency and respect, that seeks greater equity in international trade. It contributes to sustainable development by offering better trading conditions to, and securing the rights of, marginalized producers and workers – especially in the South. Fair Trade Organizations, backed by consumers, are engaged actively in supporting producers, awareness raising and in campaigning for changes in the rules and practice of conventional international trade’. (Fairtrade Labelling Organisation, 2009).

\(^6\) With organic trade, ‘organic’ referred to the movement, whilst ‘Organic’ referred to certified Organic produce. Organics also began as a social movement with ‘protest’ elements (Rigby and Cacares, 2001), but also included right-wing conservation interests (Rigby and Bown, 2007, p. 86), unlike fair trade. The IFOAM definition of Organic was; ‘Organic agriculture is a production system that sustains the health of soils, ecosystems and people. It relies on ecological processes, biodiversity and cycles adapted to local conditions, rather than the use of inputs with adverse effects. Organic agriculture combines tradition, innovation and science to benefit the shared environment and promote fair relationships and a good quality of life for all involved’ (IFOAM, 2009).
and care for the well-being of current and future generations’ (IFOAM, 2009). Organic-certified growers ideally received higher prices to reflect additional cost under Organic (Aldanondo-Ochoa and Almansa-Saez, 2009), however despite the founding principle of fairness, there were no trade, labour welfare nor minimum price requirements in either the EU or Indian Organic legislation. It was not the purpose of this research to address the loss of the fairness idea from Organic standards, but it was interesting that Organic standards came to occupy environmental priorities, distinct from economic and social development.

Taken together, Fairtrade and Organic VPS requirements potentially increased costs of production, or reduced productivity per head or per hectare.

2.1. Smallholders and Certification
The relationship of VPSs to smallholders was potentially one of intervention against (destructive) powers of markets (Auld, 2010). To improve quality of market access it mattered that standards remained high and protective (Guthman, 2004a; 2004b). Alternatively, any certification, seemed ‘good’ for smallholders if it generated market access (Bacon, 2011). In the former perspective, one standard might have been better than another for smallholders, protecting land or labour. In the second perspective, the difference between the standards seemed less important and the purpose was quality-oriented differentiation. Smallholders with more than one certification theoretically increased their appeal to a wider range of buyers and therefore improved their HVEM access. Fairtrade and Organic requirements in combination were equated with increased HVEM access, but increased costs of compliance. Smallholders owned land and labour, however, so standards that changed engagement with land and permanent crops such as tea bushes represented more profound interference in how a smallholder administered his/her time, family labour, water and manure and farm inputs.

Certification was seen as problematic for attempting to use northern codes to improve development and standardised northern definitions of development (Blowfield and Dolan,
Shiva rejected VPSs as western impositions rather than devices of pro-poor empowerment in India (2008). One interviewee claimed ‘certification+ [was] a type of ecological neocolonialism’ (quoted in Lyon et al., 2009 pp. 1181), rather than an aid to development. Similarly, Earnstman and Wals’ (2009) research critiqued Organic certification as presented as a meta-fix for sustainable development. They showed that Organic agriculture as defined by IFOAM was at odds with good agricultural practices of the Naga tribe of north-east India. Their research demonstrated that sustainable land use meant different things in different contexts. There were tensions between certification as transferable and recognised internationally as having applied the same standards to different producers, and the need for the requirements of standards to resonate with various unique producer groups and contexts. Global standards may simply not ‘fit’ with farm practices in all locations. We might analyse this is terms of the globalisation of notions of ‘good’ farm management or trade, but counter that smallholders would exercise agency in implementation of standards.

The tensions and conflicts around dual-standards would seem more likely and particularly unpalatable, if external parties to some extent imposed certified regimes on powerless producers. Dual-certification, rather than reducing the space for smallholder innovation in implementation theoretically created opportunities where smallholder agents instituted combinations of requirements in ways that did resonate with local practices and notions of ‘good’ farm practice. With two VPSs it might miss the point to argue that smallholder costs of compliance would be twice as burdensome.

Certification costs were however, potentially discouraging to small producers. License fees, audit costs, learning and training costs were basic requirements of switching to a dual-certified regime. Smallholders may have been excluded due to certification costs. Case study findings demonstrated problematic aspects of the costs of certification for small producers. Certification was associated with gradual increases in the size of certified
producer farms as smaller producers fell from production (Guthman, 2004b; Talbot, 2004; Mutersbaugh, 2005; Tovar et al., 2005; Lyon et al., 2009).

Smallholders were found to be excluded from certification incidentally, when they supplied low quality export markets that did not demand VPS-certified produce (Swinnen et al., 2007). This was termed the California Effect (Cao and Prakesh, 2011, p. 116), and Cao and Prakesh (ibid) used sector-wide quantitative analysis to show that the tendency was that producer firms with certain standards in place tended to trade with firms in destination markets where the same standards had developed and become popular initially. Producer accounts of change were more usefully generated using a narrower focus and a case study approach, to understand accounts of certification rather than find coincidence across a large number of firms.

Case study research suggested producers received certification rather than initiating it in many cases. Exporters or consumer-country buyers concerned with media image initiated and terminated certification (Hatanaka, 2009), rather than smallholders themselves. Kaplinsky (2001) argued that if a buyer chose the standards, the buyer would choose standards that maximised his benefits without necessarily choosing standards that benefitted producers. The argument was that the buyer had little reason to implement a VPS in a way that gave the producer unique specialism, rights or attracted rival buyers. If smallholders needed investment to support certification, they might need close relationships with buyers, or integrated relationships of supply.

Critics of Fairtrade certification decried the smallness of markets for Fairtrade-certified produce. If demand for Fairtrade was small the development impact would be modest. Certified producers were only able to sell a percentage of their produce as certified produce (Ruben et al., 2009, p. 782). It was only the certified produce that attracted the price premiums, so it was interesting that more and more producers were willing to bear the costs of certification and compliance, for often modest returns.
2.2. Debate and Mainstreaming

Global Fairtrade tea sales increased 112% during 2008 alone (The Fairtrade Foundation, 2009) and all major UK supermarkets introduced Fairtrade own-brand teas, many with Fairtrade-Organic own-brands. Whilst this represented prima facie an opportunity for producers, it would be challenging for isolated smallholders to understand quality requirements of HVEM buyers and for small producers to improve their output to make quality reliably high in the eyes of international buyers. With Fairtrade certification’s entrance into mainstream market segments such as supermarket own-brands, quality was increasingly important as these were consumers that may be more judgemental on grounds of quality and taste. With the success and raised profile of the fair trade movement, it attracted the attention of large agribusiness and multinational companies (Jaffee, 2009). Whilst some praised this move that would benefit more producers, others felt that Fairtrade standards would not restrain the practices of buyers and traders that were less inclined to trade in Fairtrade-goods for reasons other than positive publicity.

Similar processes of mainstreaming and increased popularity occurred with Organic certified produce. The global market for Organic products was valued at over $50bn USD in 2008 (Organic Monitor quoted by IFOAM, 2009). Sales of Organic produce by retailers contributed substantially (Raynolds, 2008, p. 161). As Organic supply increased, Organic price premiums were reportedly eroded (Killian et al., 2006). Strategies of standard setters therefore influenced the experiences of smallholders. FLO originally managed supply of Fairtrade-certified produce by refusing additional suppliers certification until an appropriate importer was identified (Mann, 2008). This limited the growth of the Fairtrade brand and in a concession to free-market norms FLO stopped managing supply in this manner. Oversupply of Fairtrade tea was one result.

Standards may have theoretically been able to govern relationships between actors in supply chains. Regarding Organic standards, researchers argued agribusiness actors had
different values than original small buyers (De Wit and Verhoog, 2007; Allen and Kovach, 2000). In literature regarding Fairtrade certification, corporate actors had different values to movement-buyers, meaning they practiced sourcing differently. Corporate actors were ‘fair washing’ or capturing niche markets (Talbot, 2004; Reed, 2009, p 14; Raynolds, 2009, p. 1088). They sourced Fairtrade produce as they would another product (Reed, 2009), implementing easier aspects of Fairtrade standards, neglecting complex elements such as the provision of the social premium and commitments to long-term sourcing (Murray and Raynolds, 2000, p. 71). If certification carried all the same costs of compliance for producers, was available to mainstream market buyers for marketing purposes and yet the standards did not govern the conduct of buyers by making buyers treat producers in a ‘fair’ manner then standards had left the logo but allowed the Fairtrade certified concept to be hollowed out, or stripped of the practices that made it ‘fair’.

The question that remained was whether, from producers’ perspectives there were qualitatively different experiences of ATO’s compared with commercial buyers’ practices. We might expect that tea producers would experience more secure HVEM access in relationships with ATO buyers. However, generalisations by actor-type in reference to an entire institution and over an extended time may be unhelpful, and greater precision could be achieved using narrative analysis of documents produced by the institution (Tallontire and Nelson, 2013). In Chapter 7, I argue there was less distinction than expected in the practices of one ATO tea buyer, signalling the limited applicability of the distinction between buyer types for generalising about how a certain type of buyer would practice fair trade buying.

These issues fed into policy debates about the efficacy of Fairtrade certification, or standard setting institutions such as FLO-ev, and access for producers to standard-setting forums and producer networks. Whilst this was not a primary project aim, data contributed to debates around the nature and directions for Fairtrade. The practice, in Organic standard
setting, at EU level was technocratic and scientific, largely excluding producers, whereas Soil Association held consultations online such as that concerning the proposed ban on Organic certification for air freighted produce. Consultation practices concerned legitimacy, (Bain, Ransom and Worosz, 2010); the ways standards claimed to be transparent, reliable, or rational in their approach.

Fair trade movement actors were divided as to whether markets, or institutions formalising representation for producer access, represented the optimum direction for Fairtrade (Tallontire and Nelson, 2013). In line with the latter narrative, momentum grew around the idea of the producer voice in policy debates (Sutton, 2013). The category ‘producer’ however potentially disguised rifts and extreme power differentials between smallholders and plantations. Both the contents of standards and the ways standard-setters revised standards reflected ‘values’, transferred onto final products and farm and trade processes (Tallontire et al., 2009). Failure to institutionalise representative consultation might signal the value of market norms, or minimal governance. On the other hand the inclusion of producer voices lent legitimacy, whilst the future legitimacy of Fairtrade as a brand might be threatened depending upon the aims of the producers that accessed forums.

One use of the term ‘mainstreaming’ suggested Fairtrade certification requirements were relaxed from the standards of behaviour of the movement, to accommodate non-alternative actors (Getz et al., 2008). Research suggested that the ‘mainstreaming of standards’ decreased producer welfare and perpetuated inequality between large and small producers (Mutersbaugh 2005a; Lyon et al., 2010; Tovar et al., 2005). However, it was difficult to accept so broad a conclusion as ‘the mainstreaming of standards’. For example, Fairtrade standards included product-specific, region-specific, quality-specific and producer type-specific requirements. Some objected to Fairtrade standards for plantations as opposed to smallholders as it took fair trade away from the core or original mission. When fair trade actors wanted to expand into mainstream markets, FLO-ev developed new standards for
workers, as opposed to smallholders, to enable fair trade to include tea and banana sector plantation workers (Smith and Barrientos, 2005, p. 194). Fairtrade introduced plantation standards for tea, bananas and sugar. In one sense, FLO did not relax standards because plantation standards had similar requirements. However, in another sense FLO did relax standards by changing the definition of a Fairtrade producer to no longer exclusively mean smallholder. Ultimately Fair Trade USA split from Fairtrade International, the umbrella Fairtrade institution over this issue of plantation certification for coffee (Tallontire and Nelson, 2013). Fairtrade needed to remain distinctively the best social VPS in the context of the proliferation of VPSs. Meanwhile tea plantations were producers to consult regarding tea VPSs.

Certification schemes and associated VPSs proliferated, particularly in the food and commodity sectors (Henson and Humphrey, 2008; Barrientos and Dolan, 2006, p. 13). Proliferation meant an increase in the number of different standards and facilitated dual and multi-certification of producer groups. Rainforest Alliance (RA) was created in 1996, Shade/Bird Friendly in 1997 and Utz Kapeh in 2002 (Raynolds, Murray and Heller, 2007, p. 152). Rainforest Alliance was explicitly a business-friendly alternative to Fairtrade certification (Murray and Raynolds, 2000, p.71). Literature expressed concern about the confusion this caused for consumers (Reed, 2009, p. 14) whilst the consequences for producers were under-researched in terms of case studies of tea smallholders in South India. Products increasingly became double certified (Willer and Kilcher, 2009) which meant there were dual-certified producers. However, the category of producers encompassed of professionalised plantation and marginal smallholders. Experiences for dual-certified smallholders, producers responding to the opportunities of dual-certification as a gold-standard means of pro-development HVEM access, were unknown as regarded South Indian tea.

7 However, the contribution of Nadvi (2008) did underscore the potential confusion for producers facing a plethora of standards.
2.3. Historical Materialist and Liberal Critiques

Particular analytical perspectives seemed to imply criticism of fair trade’s aims of an alternative market, and especially Fairtrade standards, as matters of principle. Ray Hudson argued from a Cultural Political Economy (CPE) perspective that advertising stimulated wants and desires in individuals in a manner that was non-conscious (2008). Hudson cautioned against the idea of the political consumer as autonomous and resistant (Hudson, 2008, p. 434). Because consumers were located in specific socio-spatial temporal structures, they had – and could only have - ‘imperfect and partial knowledge about commodities and markets’ (Hudson, 2008, p. 429). When labels suggested they were shortening a supply chain or making visible the conditions of production, it was that claim which was being sold in addition to the material commodity itself. This resonated with historical materialist positions on VPSs (Fridell, 2009).

Historical materialists criticised labels and particularly Fairtrade for providing only a symbolic challenge to the predominance of markets, perpetuating consumer capitalism (Klooster, 2005), indulging the conscience-assuaging purchasing patterns of westerners and still leaving Fairtrade-certified producers at the mercy of markets (Fridell, 2007a).

Markets affected Fairtrade producers. For example, FLO previously regulated supply in the Fairtrade certified niche market by only permitting producers into the network once they could identify an importer (Mann, 2008). Fairtrade abandoned this practice, which contributed to global over production of Fairtrade tea. Oversupply of Fairtrade tea resulted in producers only able to sell a small percentage of their produce as Fairtrade. That percentage was determined by quality and market access links.

Writers argued that quality was the biggest determinant of price, regardless of the marketing claims of promoters of VPSs (Daviron and Ponte, 2005; Mauridian and Pelupessey, 2005). These writers saw Fairtrade pricing as steeped in contradiction (Friedman and McNair, 2008), being at once of and against markets (Raynolds, Murray
and Wilkins, 2007, p. 223). FLO-ev prices were criticised for being set too low relative to costs of production and relative to prices producers could obtain without Fairtrade certification. This appeared to be true in South India for certified tea. FLO-ev set minimum prices for a product according to where and how it was produced, including whether or not it was Organic-certified.

For Fairtrade-Organic, CTC-processed black tea from South India there was no fixed price set until 2010, so for some, Fairtrade-certified tea represented no alternative. For Organic-certified, Orthodox-processed (higher quality) black tea, there remained no fixed minimum, known as a ‘Fairtrade price’, in 2013. The power of the producer lobby was important. Fairtrade were convinced by ‘producers’ who lobbied that they did not want a minimum price set for Fairtrade-Organic tea because a Fairtrade minimum sent the wrong signals about the quality of their tea and undermined them in negotiations where they wanted to be seen as purveyors of high quality tea in demand. Plantation producers were also influential at the stage when FLO were first writing standards, lobbying for estate standards using various arguments that discredited the quality and availability of tea from smallholders. This is further explained regarding market access, and in the conclusion.

Historical materialists argued labels did not fully reveal the conditions of production. They could not because they were labels, which allowed an isolated act of consumption, not genuine engagement. Logos and labels that claimed to reveal conditions of production represented a refashioned version of Marx’s ‘commodity fetishism’ (Fridell, 2007a; Lukas summarised in Allen and Kovach, 2000, p. 226; Friedman and McNair 2008). Lyon (2009) took this further by suggesting that the ‘producing other’ was romanticised as the traditional artisan. Lyon found in the course of her research in Guatemala, that producers were dressed in traditional dress. Producers borrowed items of clothing to pose for photographs that promoted their Fairtrade-Organic coffee. She argued that the ‘defetishised’ nature of certified produce had itself become fetishised (2009, p. 224).
Guthman (1998) suggested markets had structural tendencies and that standard setters were part of structures that rewarded the owners of capital at the expense of workers. The capitalist drive for growth and profit created incentives for the owners of capital (in this case large sourcing firms) to derive surplus value from labour, and use un-priced environmental resources for free (O’Connor, 1997). This produced contradictions of capitalism, whereby capitalism undermined the conditions for its own continuation. In this view the state should provide strong legislation to restrain market forces. Individual purchasing power would not deliver public goods like equality and environmental protection.

The contradictions of capitalism related to potential conflicts for producers with dual-certification to Fairtrade and Organic. These contradictions concerned the extraction of surplus from factors of production, land and labour. Capitalism under-remunerated labour, which undermined labour, whilst the extraction of surplus from labour was the basis for capitalism’s perpetuation, hence capitalism undermined its own conditions for existence. The second contradiction of capitalism was that capitalist production led to land degradation to the extent of undermining land, the second factor of production (O’Connor, 1997). Fairtrade rules could be interpreted as attempting to halt the exploitation of labour. Organic could be interpreted as halting the degradation of land. Protecting land from exploitation under Organic would potentially raise costs of production if farming was made less intensive. Small producers would therefore need to be compensated in order to continue.

Liberal economic perspectives might see this as an improvement in efficiency. For tea however this was complicated because an Organic smallholder was environmentally preferable to an Organic plantation because the latter tended to monocrop tea. Normatively, we may wish for producers to be ‘governed’ by Fairtrade-Organic rules, to cease exploitation of land and labour, as we imagine that limiting exploitation merely
reduced profit margins. However, some smallholders could not be equated with capitalist land-owners in which case Fairtrade-Organic would function as a pincer-like squeeze on family income rather than an attack on profit.

Historical materialist arguments captured the inequality and degradation of resources that characterised elements of the contemporary world economy. I do not adopt the approach however. Firstly, there were problems assigning interests or options \emph{a-priori} to groups or ‘classes’ on the basis of their economic assets. For example, the category ‘smallholder’ contained heterogeneity. Market dynamics could not logically be structural imperatives (implying the outcomes they created were inevitable) if social movement actors such as Fairtrade represented a genuine challenge to capitalism. Fridell admitted this point (2007a, p. 91; p 94), but argued Fairtrade was changing from a social movement to a weaker challenge against capitalism (Fridell, 2008). However, as the discussion on mainstreaming illustrated, what was important to determine was whether some specific buyers’ practices had changed, and whether farm practices had changed and how, from the perspectives of the parties implementing in the producer context, smallholder tea producers.

The state-market dichotomy implied in historical materialism was also unsustainable; Guthman herself showed that state regulators of Organic legislation in California were complicit in the conventionalisation (ceding to market imperatives) of Organic agriculture (1998). Tea plantations leased government land in South India on 99-year leases so were closely involved in any rural development initiatives or regulations upon the industry. The Tea Board was funded under a government ministry with public money, but provided funding for an industry body ‘UPASI’, which was funded by plantations. The state depended on foreign exchange earnings from the tea industry as well as regulating the industry. The blurring of the lines between private and state institutions was particularly interesting in terms of a governmentality understanding, which saw governance as fragmented across a new series of dispersed actors.
Private standards were problematic for liberal economists when they guaranteed a minimum price, such as the FLO minimum, which, they argued, prevented price signals from communicating to producers that supply was sufficient. For example, Adam Smith Institute research suggested Fairtrade disadvantaged producers by supporting inefficient production (Sidwell, 2008), misleading producers to continue when they should cease production and move elsewhere. Producers however, potentially had little choice about what they produced, knowledge about alternatives, or limited surplus to invest in changes. Further, low prices received by producers were not necessarily evidence of over-supply. Prices as experienced by tea producers reflected quality, determined by grading, and the collusion and buying-power of the few, large, companies who conspired to keep their costs low (Van Der Wal, 2008, p. 42; p. 24).

Liberal institutions such as the World Bank embraced VPSs as interventions that could assist with development challenges (Bienebe et al., 2004). Liberal analyses argued smallholders did access VPSs and HVEMs. A plethora of available standards was seen to enable rational smallholders to adopt the standards that optimised their resources and satisfied their market access strategies (Swinnen et al., 2010, p. 17). Standards represented opportunities for smallholders to access lucrative specialist, high-value export-markets and therefore promoted pro-poor growth (World Development Report quoted in *ibid*). The liberal’s advice to commodity producers historically centred on efficiency and growth, maximising returns on land, labour and capital.

The fragmentation and complex nature of power in modern economic or liberal governance was characterised by the rise in private legislators such as VPS setters. This leant itself to a governmentality understanding of standards (Foucault, 1978).
3. Global Standards, Agency and Governmentality

Nascent underlying assumptions shaped how adherents to different approaches defined standards and their purposes, which signalled the need for this chapter as dedicated to defining in analytical terms the purposes of global standards relative to smallholder agents located in institutionally rich contexts. In this chapter, I clarify that the scope of analysis was not the entire tea sector nor the entire Indian economy. Instead this research sought a ‘manageable slice’ of the producer base to ‘render visible the connection between governance demands and the responses these illicit[ed] downstream’ (Coe et al., 2008). I therefore refer firstly to issues of scope in deference to the ground-breaking early Global Value and Commodity Chain contributions, which directed investigation to trade relationships between firms that were located in different national economies. This was at that time a break with sector-wide trade data or analyses of national economies. In explaining the development of GCC/GVC, I emphasise the concept of ‘governance’.

I then introduce an area of debate, around the appropriate scope for investigation, between GVC and a related model of Global Production Networks. GPN scholars posited that factors external to chains were at least as important as those internal to chains in explaining development. I argue that the GPN scope was vast, potentially falling into descriptiveness unless limited, and that for my purposes the addition of Harriss-White’s (1996) agricultural marketing maps was essential. The marketing maps were predicated on a political economy particularly compatible with an institutionally sensitive GVC approach. It was particularly pertinent to this research to include the institutional environment in a study that sought to understand smallholder producer experiences of global VPSs. The resultant framework could be termed an ‘institutionally enriched GVC’ (following Neilson and Pritchard, 2006), combined with mapping of production/ local marketing networks at the
producer ends of the GVC. The distinction between GVC and GPN schools seemed more semantic than substantive once justice was done to the bodies of work and definitions of both approaches. I argue that producers were embedded in formal institutional settings, as well as ‘small-i’, informal institutional environments, comprising conventions and industry norms.

I next draw upon recent GVC (Gibbon and Ponte, 2008) and rural sociology in order to explain the key concept of governance and show how a governmentality approach has been used in GVC literature to explain how values are involved in governing interactions between parties to a GVC. Performativity analysis attends to ‘justifications’ and ‘enactments’ (Loconto, 2010, p. 195). Power relations perpetuating norms and narratives within institutions were fundamental to defining conventional definitions of quality, ‘good’, ‘professional’ farming, as well as providing the means of measuring the presence and degree of those attributes. Institutions, both standard setters and local tea institutions, claimed rational legitimacy for their pronouncements, by implying knowledge was created outside of the operation of power. Formalising definitions of ‘good’ or ‘quality’, distanced the farmer-implementer from those assessments, as the conventions became formally correct and disciplined, rather than intuited by an individual farmer.

The major advantage of Foucault’s treatment of power was that it underlined that opposition and resistance were part of the exercise of power. This created theoretical space for smallholder producer agency in pursuing certification, implementing and performing certification and using certification to redefine a place in a globalised industry. It also challenged the idea that more standards would automatically create burdensome or

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8 The orientation of this thesis was not towards theoretical exploration per se but rather the use of theory in terms of explaining small producer relationships with dual-certification to the ‘gold-standard’ combination of Fairtrade and Organic. Theory was assessed here with the purpose of interrogating research assumptions, producing logical methodological steps and to highlight core concepts to support analysis of primary and secondary data.
excessive governance; dual-certification could mean two standards could combine unexpectedly with potential for exercises of power and agency by small producers.

Through the concept of governmentality, which highlighted the fragmented and multifaceted nature of governance, possibilities for resistance and change were rendered visible. Standards were used to discipline interactions between human and nonhuman entities in GVCs (Loconto, 2010, p. 195). However, this does not preclude localised variety. Smallholder agency however localised could represent challenges in governmentality. Applying performativity to field data operationalises the concept of agency, and I use it to understand dynamics in the ‘relational governance’ (ibid), between smallholders and standards. This approach disaggregates smallholders’ compliance to understand ways that attempts from standards to govern smallholder performance are interrupted, mutated and transformed.

3.1. Governance in Global Commodity and Value Chains
The Global Value Chains framework originated with Hopkins and Wallerstein’s (summarised in Neilson and Prichard, 2006, p. 37) contributions to political economy. Chains represented the ‘warp and woof’ of capitalist world trade (Hopkins and Wallerstein quoted in Bair, 2009, p. 7), and described the exchange structures of commodities such as wheat, sugar, coal and cotton that underpinned trade that was fundamental for global development (Neilson and Pritchard, 2006, p. 37 – 8). In 1994 when a collected volume became the work that created GCC as a distinct field, it was a new approach to analysing cross-national trade broken down into the linear chain construct (Gereffi and Korzeniewicz, 1994, Introduction, p. 2-3). Commodity chains were conceived as ‘vehicles for the expansion of capitalism’ (Patel-Campillo, 2010, p. 83), incorporating new workers in new areas of the periphery.

The change from commodity chain to value chain was relatively unloaded, merely signalling a move away from exclusively investigating commodities (Neilson and Prichard,
Following Neilson and Pritchard this thesis defines GVC analysis therefore as a ‘strategy for understanding the operations of industry systems across the world’s geography, thereby providing an informed analysis of how capitalist processes generate opportunities and constraints to different people and places’ (ibid). Given the previous discussions of VPSs as providing potential opportunities for smallholder tea producers to access international markets, this was a particularly appropriate definition.

A pertinent aspect of GVC analysis for an investigation of the consequences of global VPSs for producers was the core concept of governance. Gereffi, the prolific theorist and researcher who finessed the GVC approach throughout the 1990s, defined a GVC as having key analytical dimensions, including an input-output structure (useful for analysing value addition at stages in production), a territorial dimension and a governance structure. Reference to this latter category meant Global Value Chains analyses could ‘throw light on the nature of the insertion of different producers into the global division of labour’ (Kaplinsky, 2001, p. 124). Standards were understood as tools for ‘governing’ chains (Gereffi et al., 2005).

A value chain map represented ‘the process by which technology [was] combined with material and labour input, and then processed inputs [were] assembled, marketed and distributed’ (Kogut quoted in Gereffi et al., 2005, p. 79). Standards governing these processes in a sector would therefore shape farm-level activities as well as relationships between trading parties, and ultimately govern the rules for use of the logo or certification mark that communicated to consumers that the standards had been complied with by every party involved in the value chain for that particular product. Governance was originally seen in GVC terms as the way that the economically powerful lead firms organised supply in buyer-driven chains, but in producer-driven chains, the producer firms might dictate the governance of the chain (Gereffi, 1994; Ponte, 2002). However, these stylised concepts were less predictions to be tested, and more concepts for theoretically exploring trends and
patterns. VPSs brought uniformity to produce, facilitating shipment and cross-cultural use of products (Konefal et al., in Friedman and McNair, 2008) and created highly controlled supply networks (Birch and Lawrence in Friedman and McNair, 2008).

Governance reflected ‘the concentration of power’, which parties were able to ‘allocate resources and coordinate or control benefits from trade in the chain’ (Phillips and Tallontire, 2007). Gereffi, Humphrey, and Sturgeon (2005) identified different types of governance structures. This was summarised in Gereffi et al.’s table (ibid, p. 87).

Table 2: Governance Types and Chain Characteristics

<table>
<thead>
<tr>
<th>Governance type</th>
<th>Complexity of transactions</th>
<th>Ability to codify transactions</th>
<th>Capabilities in the supply-base</th>
<th>Degree of explicit coordination and power asymmetry</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market</td>
<td>Low</td>
<td>High</td>
<td>High</td>
<td>Low</td>
</tr>
<tr>
<td>Modular</td>
<td>High</td>
<td>High</td>
<td>High</td>
<td>Medium</td>
</tr>
<tr>
<td>Relational</td>
<td>High</td>
<td>Low</td>
<td>High</td>
<td>Low</td>
</tr>
<tr>
<td>Captive</td>
<td>High</td>
<td>High</td>
<td>Low</td>
<td>Medium</td>
</tr>
<tr>
<td>Hierarchy</td>
<td>High</td>
<td>Low</td>
<td>Low</td>
<td>High</td>
</tr>
</tbody>
</table>

Source: (Gereffi et al., 2005, p. 87).

Table 2 includes characteristics of different chains by governance type, listed on the left of the table. Taking the middle row as an example, ‘relational’ governance was characterised by complex transactions that were difficult to codify, but producers were capable. Power asymmetry was classified as medium, between the high power asymmetry in a hierarchical (integrated) chain and the low power asymmetry in a market (non-integrated) chain. Gereffi et al. (2005) argued that classifying governance types illuminated how power operated in chains (p. 88). However, there were problems applying this typology to the tea industry where there were many capable, dispersed suppliers relative to few large buyers. That situation would be classified using the table above as ‘market’ (ibid, p. 88) but the power asymmetries were not ‘relatively low’ even though both parties worked with others.
Arguably, certified suppliers were ‘captive’, because standards allowed a large amount of the way production was done to be determined by ‘lead firms’, making trade more integrated. Others applied this typology to the analysis of certified value chains (Reed, 2009) and categorised Fairtrade chains as ‘relational’. For example, Fairtrade certification created a more integrated supply chain than purely market-based sales (Barrientos and Smith 2007, p. 110). However, instead of relying on trust, Fairtrade certified trade relied on standards, labels, traceability and certification (Raynolds, 2009). This disturbed categorisation of Fairtrade certified chains as ‘relational’ as defined here. Outcomes of standards for producers could not be assumed on the basis of these categories of governance. This categorisation lacked some explanatory power and was useful more in terms of theoretical development rather than designed for substantive ‘testing’.

3.2. Chains and Networks: Resolving Scope

Raikes, Jensen and Ponte (2000) raised the issue of scope, considering whether it would be more appropriate to conceive of one commodity chain for a given sector or whether each flow between different agents represented a separate chain (p. 10). Related questions remained regarding where chains started, where they finished and how they were divided up; whilst some considered that chains should include every transaction, others focussed on sections, so there was no one, conclusive definition ‘length-wise or laterally’ (ibid). Bair posited GVC theory examined relations between two firms (Bair, 2008, p. 359). Smallholders (because they supplied small volumes) tended to be part of larger supply bases with many other suppliers and several buyers in rural, informal and changeable relations. Linear ‘chains’ were not, on that reading, sufficient for depicting the smallholder tea production sector, which was characterised by multiple smallholders supplying fewer independent factories but also supplying horizontally to other producers in selling leaf to the factories of the plantation estate sectors.
I used the chain model to show the stages of tea production. The global dimension of the value chain was important for capturing standards, because certified produce was sold in consumer markets geographically distinct from producers, with global tea buyers, brand owners and processors also implementing standards throughout the chain’s length. I used an additional agricultural marketing mapping technique adapted from Barbara Harriss-White (1996, p. 111-116) to focus on the smallholder end of these chains which depicted network characteristics. Figure 1 shows Harriss-White’s technique for Coimbature District, Tamil Nadu, India, for local cotton production and marketing. Agricultural marketing maps included labourers, landowners, wholesalers, local traders, brokers and factories.

**Figure 1: Agricultural Marketing Map**

![Agricultural Marketing Map](image)

Source: (Harriss-White, 1996, p. 116).
Harriss-White’s work emphasised local monopolies and monopsonies, and that numbers of sales options mattered to smallholders. Appreciation of these local conditions was exactly that achieved by the marketing maps. Agricultural marketing maps were here admitted as models of the ‘upstream’ producer end of tea value chains, but in this thesis my aim is not to integrate the Harriss-White approach (leaving that to other, future research) at the level of economic theory.

I used the Harris-White technique as a practical method of organising some of the micro-level empirical data within the political economy field. As such, the terminology of the early chain theorists was alluded to. For example Harriss-White argued ‘the social relations unique to market exchange require a combination of ‘horizontal’, adversarial competition between populations of buyers (and populations of sellers) on the one hand, and a mass of ‘vertical’, exclusive, mutualistic, bilateral transactions between one buyer and one seller on the other’ (Harriss-White, 1996, p. 21). Harriss-White’s appreciation for the horizontal (policy) environment as counter point to the vertical trade arrangement could be equally compatible with a Production Network or a GVC, but the emphasis on institutions in the Harriss-White approach tends to align agricultural marketing research neatly with the parsimony found in GVC. Harriss-White discussed institutions in the micro-economic sense, as firms and contracts, and in the macro-economic sense of mechanisms to protect exchange and penalise rebels and finally, in a ‘sociological’ sense (Giddens in Harriss-White, 1996, p. 24). This encompassed how in households, ‘the way in which biological sex becomes social gender or norms of justice’ and ‘social rules [that] are developed and reproduced’, including in markets, and become institutionalised (ibid). Harriss-White discussed whether concepts were historical and cultural constructs; she approved deconstructive techniques; and she reflexively noted, ‘conceptual building blocks are the tools of interpretation just as they are the condition of socio-economic behaviour’, before going on to discuss the concept of efficiency in terms of an unexamined presumption
While drawing parallels between my current thesis and Harriss-White’s 1996 work, I have not attempted to tease out all possible contradictions which might arise. It is not possible in the space of this thesis to work out the many areas of overlap, synergy or contradiction of the theory offered by Harriss-White and the GVC and GPN theories.

3.3. Institutional Dimensions and Norms

Governance through standards was linked to the context of ‘narratives about quality’ that ‘circulated in society’ (Gibbon and Ponte, 2005, p. 3). Standards were shaped by ‘conventions’ that did more than just restrain rational agents by governing their conduct (Thevenot, 2001). Conventions defined quality and how it could be measured and these were codified in, and informed standards. Standard setters did not exist in social vacuums, and standards contained notions of ‘good’ farming (organic methods or non-intensive practices) as well as ‘fair’ trading or working practices. The convention origins of VPSs would not originate exclusively from within the chain construct and would require reference to extra-chain factors for explanation and analysis.

Tallontire et al. (2009) suggested some aspects of governance abounded ‘beyond’ the vertical. Executive governance was performed by actors within chains including when buyers introduced standards to their supply base, whereas judicial and legislative was performed by actors external to the chain, but crucially, values involved in governance were neither exclusively inside or outside the chain, which suggested that to understand governance required reference to values implied. Institutions communicated, through policy documents or through standards authored for the industry, narratives revealing associations between concepts, and values (Tallontire and Nelson, 2013). Assumptions about efficiency could for example be analysed in this light.

Neilson and Pritchard (2006) argued that the value chains paradigm itself contained an inseparable notion of the institutional dimension of value chains. If accepted, this made GVC suitable for use for geographically grounded studies of producer experiences as well
as for sociological analyses of the origins and meanings of standards. Neilson and Pritchard accomplished this move by contrasting their own view with Gereffi’s original understanding, that value chains were framed within institutional structures, and argued instead that;

‘the institutional dimension of chains is insinuated within their very core. The institutional environment is a predetermining characteristic of the governance structures which subsequently emerge within the chain and which, in turn, then act upon those arrangements in continual feedback. Thus we see an institutionally enriched GVC analysis as acknowledging that institutional arrangements and governance structures are co-produced and in a state of perpetual transformation’ (Neilson and Pritchard, 2006, p. 56).

The institutions which were included under this enriched formulation included both the formal ‘organisation’ institutions as well as what might be termed small-i, sociological institutions or conventions (ibid, p. 54-55). In a departure from the economic-power theme of original works in GCC/GVC by Gibbon, later work recognised the fragmented nature and sources of governance as a practice. Gibbon and Ponte (2008, p. 368) described using GVC, combined with a Foucauldian governmentality lens in addition to analysis of institutions. However, Foucault’s treatment of power already included emphasis on institutions, and his treatment of power was central to the philosophy of governmentality. Therefore, governmentality included the need to analyse the role, foundation, place and claims to rational legitimacy by and of institutions. Foucault emphasised the practices therein, so governmentality happened not only via the rules within standards, but via the norms, narratives, assumed linkages between objects, and conventions implied in processes and practices surrounding standards.

It might be objected that Global Value Chains, thus conceived and defined, came to encompass networks of producers plus standard-setter institutions as well as state institutions, norms, narratives and practices, and that surely there was a point at which this inclusivity placed a burden upon the term chain which it could no longer be reasonably expected to bear.
However, an alternative would be to adopt the far more inclusive framework of the Global Production Network, and if adopted without boundaries, that approach was inclusive to the point of descriptiveness and required explicit limiting. The attraction of analysis under a theoretical or guiding approach was parsimony. In other words, ‘tools [were] needed to block out some of the noise and allow us to focus’ (Sturgeon quoted in Neilson and Pritchard, 2006, p. 28). It was the overriding assertion of GPN writers that dynamics within GVC did not alone explain development outcomes. GPNs encompassed production and global marketing of a product, as well as local cultural norms, institutions, other related productive sectors, labour market trends, and geoclimatic as well as historical features. These myriad features were united in the ideas of societal, network and territorial embeddedness (Hess in Neilson and Pritchard, 2006, p. 54). Coe et al. (2004, p. 267) summarised the GPN approach;

‘GPN analysis combine[d] insights gained from GCC/GVC analysis with ideas derived from the actor-network theory (ANT) and varieties of capitalism/business systems literatures, and aim[ed] to reveal the multi-actor and multi-scalar characteristics of transnational production systems through intersecting notions of power, value and embeddedness. In particular, attempts [were] made to connect with understandings of sub-national regional development and clustering dynamics’

In general, ‘endogenous factors [found within the chain itself were] necessary but insufficient’ in explaining development (Coe et al., 2004, p. 468). GPN maps included so many extra-chain factors that shaped producer experiences (for example Henderson et al., 2002, p. 456) some of which were more important than others in different cases. However for the purposes of this study, GVC combined with Harriss-White’s (1996) producer-end agricultural marketing networks, combined global standards with the local marketing network of the production environment institutions. With enrichment of GVC to inherently include institutions, such as government agencies, NGOs, stakeholders and norms involved in standard setting, the scope was sufficient without reference to a potentially descriptive entire GPN. This could be termed a limited GPN or an expanded GVC, though the difference was then largely semantic.
A core concept of GPN was the idea that individuals were embedded in their institutional environments. If, however, producers were embedded, how then could producer agency be conceived? I refer to key contributions to GVC/GPN literatures which have developed definitions of producer agency and power. This in turn led to governmentality where I make the case that VPSs fulfilled a Foucauldian understanding of a fragmented, economic governance project.

3.4. Producer Agency and Power
The concept of the ‘commodity chain’ originated with World Systems Theory, itself a relative of Dependency Theory. Inherent in the approach was concern for the development implications for producers of phases of expansion and retraction in the world economy. For example, Raikes, Jensen and Ponto (2000, p. 3), explained the mechanisms thus; in ‘expansionary phases, chains [were] extended and [became] more vertically integrated, while monopolistic concentration... reduced’. In phases of contraction... competition weeded out ‘weaker firms and increase[d] concentration, while chains [were] vertically ‘dis-integrated’ into layers of contractual relations, to reduce labour costs, while preventing the growth of transaction costs’. The GVC frame emphasised input-output analysis, institutional dimensions of value chains, and, importantly for analysing power and agency, governance structures. Governance affected the barriers to entry and the degree of coordination at each stage in the chain (ibid, p. 4). I join others when I argue below, that this early conception of the importance of standards in global value chains was incomplete. It had three important implications for issues of power surrounding my research questions. Firstly, with reference to the interaction of the institutional framework and chain governance, GVC researchers sought to delineate when key agents, lead firms, incorporated subordinate agents using their control of market access and access to information (technical and market information) (ibid, p. 4). This implied that powerful firms could use standards as ways to exclude producers; if access to standards and
certification was denied, access to certain chains and markets was therefore also denied. Participation in a GCC seemed a condition for subordinate agents to upgrade (improve their position or value capture in chains). This implied that by denying access to standards and certification and by extension markets, lead firms could limit producers’ abilities to improve their own position, limiting their agency. Crucially, without accepting the membership conditions and the ‘discipline’, the subordinate agent could not learn from the more advanced firms (ibid, p. 4). Therefore, a producer firm that was granted access to standards and therefore markets also lacked agency because it was forced to accept terms of governance, of market access and potentially, internal discipline. My three-fold research focus on producer access to certification, subsequent access to markets and conflicts in terms of implementing standards therefore spoke to these original governance-related concerns in GVC.

Later contributions to GVC and rural sociology allowed me to interrogate the questions further, and analyse field data. Governmentality explained how values served as organising concepts, and governed interactions between parties in the GVC. Following Loconto, (2010b), I used the concept of governmentality to conceptualise actors’ performances of values, to analyse whether standards directly governed notions of for example the ‘good farmer’, how farmers’ concepts differed, adjusted or were disciplined into alignment. Further, I used the governmentality angle to disaggregate farmer behaviour and understand where formal certification could contain instances of non-compliance mixed with highly compliant behaviours. This revealed the discrepancies between standards and farmer values, and the local negotiations in progress. This spoke to reasons farmers might abandon certification or fail to make it economically viable for their plot. The governmentality angle combined with the emphasis on the defining power of institutions (as per Bain, Ransom and Worsz, 2010) in perpetuating norms went further, adding explanations for discrepant aspects of farmer behaviour. Insightfully, this revealed where
rather than governing, standards provided farmers an opportunity to resist local institutions’ governance agendas and attempts to discipline tea actors. This pertained to explanations for the extension of certification, even when economically dual-certification guaranteed few rewards or represented risk in terms of market access. In short the governmentality lens provided the understanding and analysis necessary for data analysis, to make sense of the information from farmers’ perspectives.

The concept of power in early GVC works led to seeing private standards as originating with powerful brand-owners, difficulty in understanding independent extension of certification, and limited, costs-of-compliance conclusions about dual-certification. Producers were seen as bearing costs when brand-owners introduced standards into buyer-driven chains. However, chains were not exclusively buyer as opposed to producer-driven9 (Raikes, Jensen and Ponto, 2000, p. 8). Power had to be more fluid and changeable, and was potentially different in agricultural sectors, than the producer-driven/buyer-driven dichotomy implied (ibid, p. 7-8). The inference from early GVC work was that multiple VPSs could burden producers, because if one global standard quashed producer practices, was expensive and complicated, dual-certification may threaten small producers and even cause producers to exit the supply base. Kaplinsky argued that rent accrued to brand owners rather than producers who attempted to enter supply chains for branded goods but faced competition and the costs of being governed (Kaplinsky, 2001, p. 134). Standards increased monitoring costs and buyers transferred costs of compliance down to producers (Gibbon, 2003, p. 8). Even smallholders that benefitted from market access were burdened by the costs of the different standards to which they complied in order to gain access. This compliance-costs focus, as well as a zero-sum conclusion regarding certification benefits, was linked to Gibbon’s early definition of power, and was distinct from his later work (Gibbon and Ponte, 2008). Redefining power led to seeing standards differently,

9 The producer versus buyer-driven chain concept was very stylised and centred on the idea that buyer-driven chains had low barriers to entry in production.
challenging the notion that standards would be ‘driven’. Defining power had implications for understanding the extension of certification.

Peter Gibbon’s early work argued that only well-placed and well-resourced producers were in positions to accede to certified regimes. Gibbon argued two dynamics resulted in certification of commodity producers. In the first, well-connected producers developed relationships with exporters for certification. This was ‘the California affect’, where adoption of standards in exporting countries was influenced by ISO adoption in the export destination markets (Cao and Prakesh, 2011, p. 116). Certification reinforced existing relationships, potentially hampering new market entrants (Herzfeld et al., 2011, p. 409). In the second version of Gibbon’s dynamic, well-resourced producers developed certification aimed at niche markets on the basis of their already-existing resources.

‘On the basis of strategic alliances with developed country traders or secondary processors or - in some cases - retailers, developing country producers are enabled to develop differentiated as opposed to traditional commodities. In many cases, as already indicated, this is linked to an obligatory process upgrading, for example to production processes conforming to developed country phytosanitary or pesticide residue requirements. Such types of process upgrading do not necessarily involve the adoption of capital intensive technologies such as irrigation, etc., but they may only be economic for developing country producers who already achieved certain economies of scale on the basis of some of these technologies’ (ibid p. 9).

These analyses led to expectations of smallholders lacking agency, of bearing costs of brand-owners’ certification strategies. This reading made non-certification of smallholders appear as simple as resource poverty and it struggled to explain why and how some smallholders could break the pattern and pursue and retain dual-certification to multiple, different international VPSs. Power so conceived created potential to infer historical materialist-style conclusions. However, as Raikes, Jensen and Ponte (2000) argued, ‘the issue of regulation (at either national or international levels) [was] not adequately incorporated into [the GVC] framework’ (p. 9) at that time. Recent decades witnessed ‘privatising regulation and shifting it from a politically negotiated system, where rules
provide the basis for inspection, administrative action or criminal court sanctions, to one in which rules provide the basis for civil court action and award of damages’ (ibid, p. 10). Actors not previously conceived as regulators became involved in setting a new form of regulation, private standards that required new understandings of power to explain the governmental functions of private actors.

The strategies of standard setters were industry and sector specific. Where no plantation producers existed in a given sector, plantation production standards would be needless. The plantation sector was large and well established in South Indian tea and reportedly organised itself as a strong and united pressure group when fair trade actors were initially looking to create Fairtrade standards for tea, which led to FLO plantation standards for tea10. This changed barriers to entry for the Fairtrade-certified tea market (see: Kaplinsky and Morris, 2000). If the requirement for meeting FLO standards was to be a smallholder, then smallholders would not have to compete with plantations. Where plantations were allowed to scale the entry barriers (by obtaining the Fairtrade certification), smallholders had to compete with them for supply-market share. Additional consideration needed to be given to the legitimacy and origins of new, private standards, and the meanings of their contents and requirements for producers who agreed to implement standards; why for example were plantations allowed to define the terms for the Fairtrade niche market by contributing to standards? The answer lay in the practices of institutions, including standard setters, in seeking legitimacy and an appearance of rationality.

Raikes, Jensen and Ponte turned to convention theory (and its employment in the French ‘filier’ or chain, approach) for conceptual tools appropriate to understanding governmental functions of standards such as Fairtrade (2000, p. 17). Thevenot’s work on conventions as incorporated into analyses of governance standards helped to conceptualise the

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10 Fair trade actors were convinced that there were no smallholder tea producers able to produce the quality of tea required for Western market tastes, in consultation with ‘producers’ (estates). German importers were buying Darjeeling estate-grown tea, popular with German consumers, so tea standards began with Darjeeling plantations and Fairtrade tea standards were available for estates since. However, there were Darjeeling small growers. Market growth for Fairtrade tea would have been slow without plantation standards.
consequences of standards for producers. Conventions allowed individuals to measure and understand one another’s behaviour (Thevenot, 2001). Standards included industrial and market conventions (Gibbon and Ponte 2005), amounting to a combination of specificity of attributes and flexibility of supply respectively (Thevenot, 2001). Whilst civic conventions concerning fairness and other credence aspects of goods were also included in Fairtrade standards (Raikes, Jensen and Ponte 2000, p. 17). This use of a governmental approach applied to other standard such as conventions of productivity, which policed the activities of tea farmers with industry-wide notions that for example a healthy field was one well-fed with chemical inputs. Compliant actors did not question the convention; rebels fastened to a contrary notion of the good. Governmentality rendered the behaviours of farmers understandable relative to power of institutions. Researchers drew upon discourse analysis and used content analysis to establish the internally coherent and perhaps taken for granted sets of assumptions contained in different standards. Contributions in rural sociology (Bain, Ransom and Worsz, 2010; Loconto, 2010b), demonstrated that power was usefully redefined in Foucauldian terms.

Developments in value chain and network approaches spoke to the persuasiveness of this conception. Firstly, ‘power as an outcome cannot and should not be ‘read off’ from a resource base, regardless of its size or scope... It [was]...a relational effect, not a property of someone or some ‘thing’’ (Allen 2003 quoted in Coe et al., 2004, p. 475). Hughes et al. (2008, p. 348) drew upon Polanyi, referring to ‘societal embeddedness’, when the ‘genetic code’ (Hess in ibid) of a firm was formed by the ‘social and institutional contexts from which they originate[d], or in which they are based’ (Hughes et al., 2008, p. 348). Hughes argued the very idea of voluntary standards was embedded in neo-liberal norms and verification via audits was embedded in corporate audit culture (Hughes, 2005, p. 1159).

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11 This methodology would be beyond the scope of my research, but see also Tallontire and Nelson’s (2013) use of narrative analysis to analyse politicising and pragmatic narratives in the fair trade movement by reference to documentation.
For agents embedded in pro-democratic discursive environments, notions of legitimacy of government derived from the separation of powers theory in constitutional law (Bain, Ransom and Worosz, 2010, p. 177). Consequentially, third party certification was more legitimate than if a company performed their own private ‘verification’, because the auditor was independent from the standard-setters and audited (ibid). Standards were otherwise ‘corrupt’ or illegitimate. The inclusion of stakeholders was a marker of legitimacy in governance-by-standards, as well as appeals to techno scientific expert findings (Gibbon and Ponte in ibid, p. 163).

Following Busch, governmental definitions of power revealed the role of institutions in perpetuating legitimate conventions of ‘good’ farming for example. Standard setting institutions could similarly legitimate the definition of a ‘good’ pro-development standard. A governmental analysis of power alongside data describing farmers’ accounts of negotiating behaviour between two institutionalised sets therefore highlighted the reach of different norms, their longevity, ways they were combined or one was used to reject the other. It suggested standards ‘discipline[d] not just things, but also markets, people and nature...standards not only define[d] “what (who) is good and what is bad,” but also discipline[d] those people and things that [did] not conform’ (Busch in ibid, p. 164). Standards generated and included tests and means of judging human and nonhuman entities (Bain, Ransom and Worosz, 2010, p. 164). In other words, ordering at the plot level, of farm priorities and deciding upon compliance and non-compliance.

This Latour-inspired approach treated nature as an equal actor in networks and disputes. Similarly, Callon (summarised in Kendall and Wickam, 2003, p. 103) argued for including scallops as actors equal to fishermen, abandoning distinctions between natural and social, introducing symmetry between the social and the natural into analyses. This opened the way to seeing standards as disciplining for example tea bushes and weeds, and judging those that did not conform.
In Bain, Ransom and Worosz, (2010)’s case studies, elimination of certain pests became by appeal to scientific arbitration the ‘morally right thing to do’ (ibid p. 169), and producers lost the ability to recognise and control their own pests over time (ibid). ‘Embedded in this perspective [was] the assumption that good safety standards [were] neutral in their political and economic consequences’, (ibid p. 171), whilst their effects were highly politicised. To reveal that a process that represented judgement was recast as power-neutral and merely administrative was a strength of the Foucauldian influence. It helped at the data analysis stage to eschew the compliance-based analysis and understand significances expressed by farmers.

The identity ‘tea grower’ in South India was defined by certain norms that identified membership of the group by appropriate behaviour. Identities were overlapping and multiple however, and changes conflicted with self-identity and were uncomfortable (Burke, 1991). Burton’s (2004) research with UK arable farmers showed that adoption of conservation schemes was limited because the schemes promoted practices that were at odds with farmers’ norms about good farming. For example, farmers saw themselves as producers (of food). It was therefore difficult for them to set aside their land for a conservation scheme even though they might have increased profit from their land. The voluntary scheme clashed with meaningful identity practices (Burton, 2004). If identity as a ‘good’ farmer was tethered to features of nature responding in certain ways, for example with high yield, then reducing use of those chemicals that encouraged yields could disturb farmers’ sense of identity as a ‘good’ farmer. The ways standards disciplined nature and changed feedback that nature gave to farmers was a significant feature of a marketing network. Power exerted by institutions (in both tea and standards) that disciplined nature and thereby a farmer’s sense of worth was profound.

The power exercised by standard setters was more profound than mere control of barriers to entry; ‘asserting its standard as scientific can justify the exclusion of farm workers from
... the process of determining what a ‘good’ standard for worker health and safety should look like’ (Bain, Ransom and Worosz, 2010, p. 181). Equally, a politicised appeal to what is ‘fair’, for example to cease Organic practices on the grounds Organic practices encouraged excessive pests, could present itself as a neutral or pro-development appeal. At the level of the producer group and in individual smallholder plots, exercises in innovation were possible that navigated between different regimes of justification and it is there that producer agency was appreciable, and where agency re-emerged from the idea of embeddedness. Agents negotiated and interpreted at every node within a value chain (Gibbon and Ponte, 2005). Standards setters, through discursive definition, shaped the values that informed the practices of trade and production in the value chain, even though they were not the trading parties (Tallontire et al., 2009). Standards were used to classify and establish the moral order and values in value chains, and meant ‘performing values’ (Loconto, 2010b, p. 198).

Loconto did not assume that sustainability standards created sameness across producers groups that implemented them, and asked how sustainability was performed, how it shaped, and was ‘shaped by the actors and standards involved’; ‘[were] all actors performing a story of sustainability that [held] together or [were] we actually observing multiple ‘sustainabilities’?’ (Loconto, 2010b, p. 200). The concepts of power and agency tied together implied seeing a multiplicity of social practices to be considered at a local level, rather than macroscopic relations of domination and submission. In Chapter 1, I defined smallholders as individual plot-holders, unifying into producer groups for tea-marketing purposes. Tallontire discussed opening up the producer group (2000), a point that carried not just methodological significance such as conducting interviews with individual farmers and plot-holders, but also implied the philosophical point that each plot represented potentially distinct performances of dual-certification. Here, the Foucauldian heritage of Loconto’s (2010b) governmental approach to standards in value chains
operationalised agency. Performance would differ between farm plots implementing seemingly global standards because each plot involved negotiation between value regimes attempting to order priorities. A key insight for data analysis was that these did not remain distinct; values of the pro-productivity tea industry framework (with consequential anti-Organic sentiment) could co-exist and be incorporated with the pro-Organic, dual-certification framework (with consequential rejection of quantity prioritisation), at the same farm and by the same individual to the extent a new, unique framework was forged.

Fairtrade and Organic dual-certification meant ‘that on the ground, concepts of sustainability [were] performed as the interaction of these two frameworks rather than each being discretely defined’ (Loconto, 2010b, p. 214). Participants in Loconto’s research included estate workers (ibid, p. 215). Relationships between the worker and the management shaped experiences of different disciplinary trajectories, whilst for the smallholder the disciplinary techniques differed. The key insight of the governmental approach was that conclusions could not be assumed on the basis of the ‘global’ standard nor the tea industry norm; performance of standards was a local negotiation and expression of agency. Loconto found multiple sustainabilitys performed. To what extent could standards be said therefore to pre-exist the behaviours that brought them into functioning being? Dual certification became Fairtrade-Organics, rather than distinct standards layered upon one another. This view of agency inverted the older notion of smallholders as powerless respondents burdened by excessive governance and allowed meaningful analysis of smallholder behaviours.

It remained impossible to generalise as to when standards were tolerated compared with changing local understandings or becoming embraced, or perhaps changed by, producer practices; Fairtrade-Organics were unique. Producer behaviours were not non-rational, but that which was rational was highly locally constructed. For example:
'If outcomes can be shown to be positive – in terms of improved incomes, employment, better working conditions and reduced vulnerabilities then it may become easier to accept the values and virtues implicit in specific labour standards. If outcomes are at best ambiguous and at worse negative, then it is more likely that the standard is seen as a necessary but external ‘evil’ that has to be responded to, but that does not necessarily change local social perceptions on the values implicit in the standard’ (Nadvi, 2008, p. 17).

In this case a standard aiming to govern the use of child labour raised the question of whether a development discourse (Khan in ibid) misaligned with discourses that valued the ‘transmission of skills from one generation to the next’ (Nadvi, 2008, p. 17). Plot-ownership was by meaningful agents, with the reflexivity to negotiate a performance strategy that accommodated the strictures of different standards combined with industry norms and quality pressures. Data analysis with this framework showed farmers choosing, designing performance strategies for their plot, and this appeared to evolve over time in response to the opportunity for resistance to industry norms that Organic-Fairtrade resembled to some agents.

I refer next to Foucault to show the appropriateness of a Foucauldian definition of power and governmentality for Voluntary Private Standards. I drew upon this original conception to enrich the GVC analysis I undertook, defining power between standards and agents.

A certified producer was an individual caught in relations of power, one ‘trained, corrected, supervised and controlled’ (Gordan, 1994, p. xvi), where the desire to mould, to instil self-awareness and identity were exercises of power relations, not pure domination. Throughout Foucault’s lecture series, *Truth and Juridical Forms*, the knowledge-power nexus was central, not because power used spurious knowledge, but in recognising the danger of complacent acceptance on grounds of scientific value. Knowledge was never external to power (Foucault, 1974, p. 32). Further, resistance power came from below, emphasising the ‘meanness of origins’ (Foucault, 1974, p. 7). Hierarchy and domination depended on ‘low-level capillary circuits’ of power relations (Gordan, 1994, p. xxv) and
resistance in turn generated innovative forms of social control in governmentality. Agency, its dispersed and unpredictable possible exercise, was therefore part of power.

3.5. **Governmentality**

I used Foucauldian governmentality to analyse smallholder behaviour, to interpret data exploring the extent of disciplining through dual-certification, the possibility for resistance against or through certification to VPSs, particularly dual-certification as locally performed. Did the multiple disciplinary roles at the producer group level represent successful employment of the producer group by the global standard, or refraction and fragmentation of the governing standards? I interrogated the role of knowledge encoded in VPSs as legitimating and facilitating the exercise of power, including the power to access markets and control access to markets. What evidence was there for local islands of smallholder agency, where the smallholder performed their own version of a complete and viable Fairtrade-Organic for the Keralan tea producer, compared with an image of standards as standardising people and processes, pushed by global buyers?

For Foucault, government was the ‘conduct of others’ conduct’ (Gordan, 1994, p. xxix). The tasks were to look to how modern government, here embodied by standards and tea institutions, claimed rationality and the crucial task was to look to the *practices* involved in governmental actions, including but beyond, formal institutions. This meant for example analysing buying practices in tea as distinct from the requirements of Fairtrade standards. Foucault alerted data analysis further to ‘multiple regime of governmentality’, a ‘range of modes of pluralisation of modern government which [made] relative the line between state and society’ (Gordon, 1991, p. 36). This underscored distinctions between experts, standard-setting institutions and their implications for power. Data analysis therefore would include assessments of farmers, or by advisory bodies, incentives, advice, alignments and rejected alliances: ‘The ensemble formed by the institutions, procedures, analyses and reflections, calculations and tactics that allow this very specific albeit
complex form of power, which has as its target population, as its principle form of knowledge, political economy’. Further, the analytical method required data regarding historical processes that transformed (Foucault, 1978, p. 219-220).

In Lecture V of the *Truth and Juridical Forms* series, Foucault discussed the Panoptic (1974, p. 70 – 2), an idea apt for conceiving of the role of VPSs in value chains and marketing networks. A standard represented a single ‘eye’, the set of grades formed to enable the surveillance of the maximum number of subjects simultaneously. Foucault introduced the ‘industrial panoticon’, an ‘employers dream’, and referred to the factory as an institution concerned with ‘guaranteeing production, or the producers in terms of a particular norm’ (1974, p. 78). Similarly, audit results were assembled for the easy inspection, comparison and judgement by the international buyer, summarised for final judgement by means of a sign presented to the consumer. Liberating for some producers who were keen to display their compliance, this was potentially oppressive and exclusive.

In chapters 6, 7 and 8, I analyse aspects of governmentality of standards; the ability of standards to discipline completely in terms of recruiting producers, to discipline the factory and competition for market access, and to discipline farm-level behaviour of dual-certified farmers. In chapter 6, I draw upon ideas of agency in an institutional environment and argue smallholders exercised agency in shaping certification statuses; Organic provided a resistance opportunity for farmers against industry norms. In chapter 7, I draw upon ideas of legitimacy and standardised expert contents of standards, to explain dual-certified producers’ reliance for market access upon a trader who was a VPS-specialist. In Chapter 8, I analyse data to understand performances of implementation through producer’s eyes. Farmers experienced distinct, and practiced different versions of, Fairtrade-Organic tea production.
4. Mixed Methods Research Design for Understanding Smallholder Experiences

This research design incorporated producer group case studies connected with agricultural marketing networks. Beyond the networks stretched Global Value Chains connecting tea producers to ranges of interlinked actors, including buyers and standard setters. Key nodes within the networks and chains represented islands of negotiation and performance, where agents exercised power and experienced the exercises of power by related agents. Agency and power were tied to context by practices, institutions and norms, and when actors exercised their agency they could reinforce, perpetuate or change norms and practices that in turn shaped and were shaped by global VPSs. In this chapter, I explain the rationale for my research design as enabling understanding smallholder experiences with VPSs. I emphasise the rationales for case study group selection, and end the chapter by discussing limitations to the validity of data and the research overall.

The non-homogenous nature of the population, in this case the smallholder sector of the South Indian tea production environment, recommended a small-n design. I used a mixed methods approach and I first explain this. Case sampling was purposive, designed to engage with the benefits of dual-certification, as a potential ‘gold-standard’ for producers, versus the benefits of quality improvements. I rejected multi-certified producers in order to focus on the core combination of two different, respected standards, Fairtrade and Organic. I sampled essential individuals within the producer groups, networks, value chains and surrounding institutional environment in a way that was theoretically informed and targeted ‘nodes’, places of power asymmetries and knowledge hubs. I list participants, including the farmer-members of the case groups, producer group managers, buyers, standard setters and background informants. I held semi-structured group and key
informant interviews during field research, and tape recorded discussions. Primary data was the qualitative accounts of participants, my observations during interviews, interactions amongst interviewees and visual tours of tea gardens, tea districts and factories. I addressed issues that threatened data validity by means of sampling design, interview discussion guides and using practical solutions in the field. I discuss limitations of the data in the final third of this chapter.

My data analysis method was qualitative, and I used Nvivo to make analysis methodical and prevent anecdotal conclusions for the findings chapters. Chapter 6 analyses reasons for smallholder certification statuses, with emphasis on producer agency. Chapter 7 explains smallholder HVEM access with particular emphasis on knowledge and power. Chapter 8 details conflicts between different standards, tea practices and norms operating amongst farmers, with particular significance for institutions, change and performance of dual-certification. I first explain my mixed methods approach.

4.1. Mixed Methods
I adopted a mixed methods approach, combining sociology, political economy and human geography. The following quotation explains the mixture of methods.

‘the complex actions and interactions of a variety of institutions and interest groups— economic, political, social, cultural—which operate at multi-scalar levels and territorialities and through dynamic and asymmetrical power relationships to produce specific geographical outcomes: the material world in which people struggle to make their lives. At the same time, it has to be recognized that such material economic processes are themselves part of ‘nature’ as well as of the ‘lifeworld’, the ‘identities, discourses, work cultures and the social and cultural embedding of economic activity’, the subject of what Sayer terms a critical cultural political economy (Sayer, 2001, p. 688. See also Hudson, this issue)’ (Coe, Dickens and Hess, 2008).

To introduce focus to this potentially encompassing scope, I used the guiding structures of the global value chain and the agricultural marketing network, located at the producer-end of global value chains (see Chapter 3). The focus of this study was on the producer end of
chains, to understand producer experiences, but relative to global VPSs, so sampling necessarily included 5 sets of participants. Data included interview texts, descriptions of visual aspects of tea farming and some numerical information. I next explain my sampling strategy.

4.2. Sampling for Case Selection: Isolating the Gold standard

I selected the ‘producer group’ as the unit of analysis because farmers organised into groups to sell tea and because Fairtrade certification was held at producer-group level. A case study approach was appropriate for examining in depth, a small number of units that were naturally occurring in the setting (Hammersley summarised in Blaikie 2010, p. 189). Producer groups represented cases, configurations of features, facts, histories that I compared in a non-standardised way.

The primary aim for case group selection was to include a dual-certified group holding Fairtrade and Organic certification because these two standards were different to one another; one aiming at environmental improvement, the other social and trade-related improvements. Further, each of the two represented the pinnacle of standards in its own field, compared to say Rainforest Alliance, which aimed to accomplish environmental and social improvement but in a less onerous or more business-friendly manner (Chapter 1).

I adopted a comparative design to have confidence in effects dual-certification exerted. This meant selecting one dual-certified and one non-certified producer group. The certified group facilitated exploration of the interaction of VPSs both in terms of access to dual-certification, market access following certification, and implementation strategies for smallholders aiming to satisfy the audits for different standards. The dual-certified group, DC also needed to contain some in-conversion farmers in order that participants could describe the effects of one standard compared to the other. Cases were not designed to be ‘representative’, but rather the dual-certification ‘Fairtrade + Organic’ was reasoned to particularly assist small producers as Fairtrade could be used to subsidise Organic which
would otherwise be expensive for resource-poor farmers. I avoided a ‘straw man’ comparison by choosing groups that were comparable in a fair manner. A straw man comparison would have been one which made one set of conclusions likely from the outset by skewing data in favour of dual-certification.

Some smallholder farmers were members of more than one producer group and the groups varied in nature, ranging from those cooperatively managing a factory, ‘INDCO’ factories, to those holding certification to VPSs. I excluded INDCO factories because they had specific characteristics. As opposed to case group DC, where the factory was sold to the trader company in 2009, INDCO farmers had cooperative ownership of their factories and were examined elsewhere (Devi, 2007). Both of my case study groups required the same ownership structure as one another; the farmers did not own the local factory to which they historically sent the bulk of their tea leaves for processing into made ‘black’ tea.

To compare a dual-certified group to a disorganised, non-certified group that had not accessed any markets, received no state support and produced in a low elevation, poor quality region would have made data appear to support dual-certification. I reasoned that a dual-certified group in a medium elevation, medium quality region could be compared to a non-certified group that was organised, accessed state support, markets and produced in a high quality region. This pitted the benefits of VPSs in terms of HVEM access against the benefits of smallholders producing high quality tea.

The non-certified group NC that produced quality tea complied with quality demands of HVEMs. They could theoretically have accessed certification according to quality requirements, and the argument that only those producers already supplying high quality commodity produce to HVEMs would be certified to standards because only they would receive demand for certified goods (Chapter 2). Since they accorded with quality standards, NC accounts of those standards could be compared to DC accounts of Fairtrade and Organic standards. These were non-standardised comparisons but avoided making one
conclusion inevitable. Prior to field research I reviewed 6 candidate groups including the final 2. The other 4 were excluded as follows. Firstly, one was multi-certified and included a plantation within the supply base. These factors combined with location in a high-elevation growing region in Sri Lanka meant the group accessed the highest quality market segments and the effects of ‘Ceylon’ quality tea and multi-certification to several of the highest VPSs (for example Demeter and Biodynamique) made it difficult to disentangle the impacts of VPSs from quality and other local issues. A further group in Sri Lanka was disqualified upon my discovery of a series of intersecting projects all aiming at the same non-certified group that might have been used as comparison for the multi-certified group. Apart from producing research fatigue for producers, it was difficult to separate the relative importance of the group’s involvement in a forest corridors project from their tea production, a link to a major UK retailer and a local export agency. Both of the Sri Lanka groups had links to the South Indian tea trade via exporters, ATOs and certifiers, and the gender norms of the Sri Lankan tea industry were in stark contrast to the aims of Fairtrade in terms of reducing gender discrimination. Comparison with the South India groups would have made a fascinating extension of the research, but it was beyond the present scope to attempt to delineate the consequences of certification from all other factors in each case group.

Alternative groups in South India for the non-certified case existed. Firstly was the non-certified group in Guadalur, Tamil Nadu, ‘Just Change’, a non-certified initiative. The group’s history was complicated by the presence of a UK NGO that purchased the (previously plantation) land on behalf of the growers and held it on trust for the growers to avoid reclamation by the Indian state. The NGO and some farmers operated the tea production collectively as a plantation. The group reportedly rejected Fairtrade certification, but management (NGO) personnel were reluctant to allow me to meet farmers to discover why, which would have represented a very interesting perspective on
Fairtrade certification. The group sold only to world shops, such as Eighth Day and Unicorn Groceries, due to the niche nature of the non-certified yet fairly-trade market segment since the formalisation of the main fair trade movement into the Fairtrade certified market. A further candidate group in South India was single-certified to ‘Utz Good Inside’, which was largely efficiency and quality-focused though did contain some limited labour and environmental management requirements. The group was located in North Kerala, where a flurry of Utz certification, to meet Sara Lee’s drive for Utz-certified coffee, had spread amongst coffee plantations on the border with Karnataka. The aim to supply Sara Lee was a factor in their pursuit of Utz, but there appeared to be other reasons around the over subscription to Fairtrade by plantations in Kerala which discouraged them from Fairtrade. They considered gaining an additional standard, ‘Organic’, but even had they done so they would not have held the Gold-standard combination of Fairtrade and Organic at which I was aiming my investigation. The group would have made a fascinating case study, partly because their location in rural Northern Kerala was essentially in untouched jungle and their remoteness from global standards, yet certification was intriguing.

The comparative case study design allowed for two producer groups only. The binary inclusion criteria are summarised as follows;

- A dual-certified group to ask how they became dual-certified
- A non-certified group to ask how they became non-certified
- A dual-certified group to ask how market access changed as a result of dual-certification
- A non-certified group to ask how market access changed without certification
- A dual-certified group (with single certified members) to ask about conflicts between different VPSs and practices
- A non-certified, but organised group producing quality tea, to ask about conflicts with quality standards

Two additional considerations led to the selection of the included groups. First was to conduct research during a time of change. The case study approach allowed detailed understandings of instances of change, even suggesting causal mechanisms (Connelly summarised in Blaikie 2010, p. 196). Participant accounts of a time when certification was nearly lost or gained were useful and could be more readily recalled if the event was recent. Groups with tumultuous relationships to certification or which were experiencing changes in market access were therefore attractive.

A final consideration was geo-climatic. Claims abounded in the South Indian tea industry that tea grown in certain areas was superior quality. Tea grown in the Nilgiri region was supposedly the tea of quality, exported to the EU. According to the quality argument, the group DC was not a likely candidate for certification. It was particularly appealing to find a case study group that eschewed this simplicity; a certified group outside of the ‘high quality’ region. This made the dual-certified producer group a ‘crucial case’, one ‘designed to challenge an existing theory. If a theory survived a test that was loaded against it, confidence in it would increase (Blaikie, 2010, p. 195). If dual-certification to VPSs could stimulate market access for smallholders in a lower quality growing region there would be support for dual-certification to Fairtrade-Organic as a tool for smallholder tea producers. This would represent a counter-point to historical materialist analyses of VPSs.

Case selection settled upon the dual-certified (Fairtrade-Organic) producer group DC in the lower-quality region of Central Travencore. Recently issues had concerned the Organic certification status of several members, which reached a critical threshold that threatened to undermine the status of the group as Organic at all. The producer group had experienced difficulty retaining all the farmers. Group DC had lost a UK buyer and the factory was under new management. The non-certified group NC was located in the high-quality
growing region, the Nilgiri, and organised for assistance from the United Planters Association of South India (UPASI), a semi-private institution that received funding from the Tea Board of India under the Food and Agriculture Ministry of the Indian State.

Both groups DC and NC therefore satisfied the criteria regarding change as well as representing the best two groups for a fair comparison and to access the smallholder tea production sector and understand dual-certification to Fairtrade and Organic.

4.3. Participants at Power Nodes

At nodes throughout the networks, negotiation occurred because actors exercised agency and engaged with global VPSs. Negotiation involved the power to define implementation, measurement for definitions of quality, or the meaning of a particular aspect of production. I prioritised small farmer perspectives; however, other actors mattered for understanding small grower experiences. Snowballing recruitment supplemented purposive sampling. Important nodes are shown in Figure 2, a simplified representation of relationships between participants describing 5 groups of participants; 1) farmers 2) producer-group management 3) tea buyers 4) standard setters and 5) background/ context informants.

Figure 2: Participant Groups

Source: (Own work)

I applied the Figure 2 construct, which was theoretical and stylised to the actual producer groups NC and DC. I mapped sales routes and the organisation of each group presented in
Figures 3 and 4. The Figures 3 and 4 illustrate how the producer groups connected to their respective marketing networks.

Figure 3 shows sales options for group NC, the marketing network, including the option of sales to leaf agents and to local factories (BLFs), representing distinct supply routes within the overall tea value chain. Figure 3 shows ‘individual farmers’, at the bottom left indicating that farmers acted as individuals when they sold to a local leaf agent, but many of them came together to form the SHG and they gained the leaf sorting facility marked to the right. The chain for selling leaf to the local leaf agent is marked on the left of Figure 3 with a hashed line because the farmers changed that in 2012. The ‘UPASI- assisted’ route, marked to the left of centre, represents how UPASI established a specialist White Tea sales chain for NC. The right of centre sales chain shows the destination of the farmers’ best quality leaf, going via their local factory, BLF for Cut-Tear-Curl (CTC) processing. The two destinations on the right of Figure 3, low value markets and domestic markets, show that lower quality output moved via auction centres to Russian or UAE markets, or was consumed in India’s large domestic market. These individual chains coalescing at the group NC form the group’s options, or their agricultural marketing network.
The tea value chain had an ‘anchor’, the processing stage (Loconto, 2010) when green leaf was sold to a local BLF. There was generally only one BLF available to a community of multiple smallholders and the factory therefore did not have to bargain for smallholders’ leaf or compete for quality leaf or attempt to outbid a neighbouring factory. Competition was limited at that stage of tea production and the maps of networks illustrated this more aptly than did the value chain, Figure 8, Chapter 3. NC had three sales option, as Figure 3 shows. In contrast case DC had only one sales option, the certified factory-processor.

Figure 4 describes the marketing network for DC in terms of their engagement with various buyers. This was strategic engagement with different actors within the overall tea value chain, with some buyers representing dual-certified chains that valued Organic and led to EU markets, and others representing single-certified chains. The Trader company
exported DC farmers’ tea through private sales to Germany (for example to buyer GEPA) and to the UK. The DC factory sold Fairtrade-Organic tea internationally however their Organic-in-conversion grade tea was sold locally because in-conversion was not desirable in export markets. I show this in Figure 4 with a heavier-weighted black line. The development project that began case DC had relied on that lowest value sales route. This led to the factory’s 2009 financial collapse, at which point the factory lay dormant for a year before purchase by the processor-trader company. During dormancy, farmers sold to local non-certified BLFs and received low prices. In 2010 the Trader company re-organised the factory such that lower quality tea and in-conversion grade tea was taken for CTC processing whilst higher quality Organic tea was for Orthodox processing and export. Quality (and compliance with Organic) was checked by field inspectors at DC. The producer group managers were referred to as the Consortium or the Commission. They advised farmers on record-keeping, Organic rules and methods, botanical pesticides, bio control agents, disease surveillance, manure application and harvesting. They were farmers themselves and members of the community. The farmers of the project were mostly marginal smallholders. They grew yam, tapioca, pepper and coffee on small plots as well as fruits and vegetables for family consumption and some kept cows.
Inclusion of these comparable case groups contributed to data validity because it allowed me to reason the differences that dual-certification compared to quality meant for smallholders in NC and DC. I recruited similarly placed individuals within the groups in order to compare interview data.

**Sampling Individuals**

Having depicted the networks of sales relationships in which the groups were located, I determined which ‘key’ nodes to sample with reference to the discussion in the last chapter of power, agency, and institutions which together gave an account of standards as governance devices created, maintained and revised in a process of fragmented governance, or governmentality. Given my commitment to producer agency, farmers were central, but I also emphasised power, which brought in producers relative to buyers, and to producer group managers who liaised between the two, developed implementation strategies and negotiated on the part of the producer group. For example, governance
could provoke consensus or imposition. Burdens and benefits from governance were rarely evenly distributed. Farmers and producer group managers were essential participants to understand experiences of complying with standards’ requirements, to understand whether farmers felt benefits from HVEM access and whether farmers were complicit in joining certification or pursuing sales strategies of managers.

Farmers occupied administrative positions at the producer group level in addition to working their own land so in practice there was overlap between the categories, ‘farmer’ and ‘group manager’. Using Tables 3 and 4, I list farmer members of each group and show which farmers were occupying administrative posts. Table 3 gives the participant pseudonym, then to the right it lists the amount of land and relationships within the group including any interview in which the individual participated. There were in practice informal conversations, for example the 5 farmers who arrived to deposit leaf on one interview afternoon stopped to engage with the activities. They spoke informally after the Group Interview 58, so they crowded around to ask questions and relate stories. In the final column I describe the social class of the participant if they mentioned this. Usually farmers introduced themselves by means of their land and their family, often referring to what work ‘their people’ had historically done or what occupation status their family held.

Where participants described themselves or ‘their people’ as ‘mudaliya’ agricultural peoples they were asserting the dignity of farmer status for their family. Other participants were proud to say they were bettering their family tradition, such as the leaf agent for group NC who had originated from an agricultural background but saw himself as a pioneer agricultural business person. Occupation was a powerful factor in self-identity.
Table 3: Farmer Members of NC

<table>
<thead>
<tr>
<th>Name</th>
<th>Land</th>
<th>Place in group</th>
<th>Relationships &amp; Interview Reference</th>
<th>Community</th>
<th>Household</th>
<th>Other Income</th>
<th>Sales to Leaf Agent Mr S</th>
<th>Social Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr V</td>
<td>3 acres</td>
<td>Farmer</td>
<td>Interview 56 &amp; 57</td>
<td>Burgher, Hindu</td>
<td>No</td>
<td>Yes &amp; BLF</td>
<td></td>
<td>Farmer</td>
</tr>
<tr>
<td>Ms V</td>
<td></td>
<td>Farmer</td>
<td>Group Interview 58</td>
<td>Burgher, Hindu</td>
<td>6 children</td>
<td>Call centre</td>
<td></td>
<td>Farmer</td>
</tr>
<tr>
<td>Mr B</td>
<td>3 acres</td>
<td>Farmer</td>
<td>Group Interview 56</td>
<td>Burgher, Hindu</td>
<td></td>
<td></td>
<td></td>
<td>Farmer</td>
</tr>
<tr>
<td>Mr K</td>
<td>5 acres</td>
<td>Farmer</td>
<td>Brother of Ms V Group Interview 56</td>
<td>Burgher, Hindu</td>
<td>Yes</td>
<td>Yes</td>
<td></td>
<td>Farmer</td>
</tr>
<tr>
<td>Mr KK</td>
<td>3 acres</td>
<td>Farmer</td>
<td>Gave tour of area</td>
<td>Burgher, Hindu</td>
<td>No</td>
<td>Yes &amp; to Promise</td>
<td>Mudaliya (agriculture)</td>
<td></td>
</tr>
<tr>
<td>Ms KK</td>
<td></td>
<td>Farmer</td>
<td>(informal conversant)</td>
<td>Burgher, Hindu</td>
<td>4 children</td>
<td>No</td>
<td></td>
<td>Mudaliya (agriculture)</td>
</tr>
<tr>
<td>Mr G</td>
<td>3 acres</td>
<td>Farmer</td>
<td>Friend of Mr V (informal conversant)</td>
<td>Burgher, Hindu</td>
<td>No</td>
<td>Yes</td>
<td>(white-collar worker)</td>
<td></td>
</tr>
<tr>
<td>Ms G</td>
<td></td>
<td>(help)</td>
<td>Non-verbal participant Group Interview 58</td>
<td>Burgher, Hindu</td>
<td>4 children</td>
<td>Cotton</td>
<td></td>
<td>Father was ‘in business’</td>
</tr>
<tr>
<td>Ms S</td>
<td>2 acres</td>
<td>Founder</td>
<td>Group Interview 58 participant</td>
<td>Burgher, Hindu</td>
<td>husband &amp; children</td>
<td>50 INR/day Leaf Shed</td>
<td>Previously, yes</td>
<td>Farmer</td>
</tr>
<tr>
<td>Ms X</td>
<td>2 acres</td>
<td>Founder</td>
<td>Group Interview 58 participant</td>
<td>Burgher, Hindu</td>
<td>husband &amp; children</td>
<td>50 INR/day Leaf shed</td>
<td>No - BLF</td>
<td>Farmer</td>
</tr>
<tr>
<td>Ms Y</td>
<td>2 acres</td>
<td>Founder</td>
<td>Group Interview 58</td>
<td>Burgher, Hindu</td>
<td>husband &amp; children</td>
<td>50 INR/day Leaf shed</td>
<td>Previously</td>
<td>Farmer</td>
</tr>
<tr>
<td>Mr A</td>
<td>1 acre</td>
<td>Farmer</td>
<td>(deposited leaf)</td>
<td>Burgher, Hindu</td>
<td>No</td>
<td>Yes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Name</td>
<td>Acres</td>
<td>Role</td>
<td>Land Use</td>
<td>Identity</td>
<td>Relationship</td>
<td>Influence</td>
<td>Microcredit</td>
<td>Employment</td>
</tr>
<tr>
<td>--------------</td>
<td>-------</td>
<td>---------------</td>
<td>---------------------------</td>
<td>----------</td>
<td>--------------</td>
<td>-----------</td>
<td>-------------</td>
<td>------------</td>
</tr>
<tr>
<td>Mr AA</td>
<td>0.5</td>
<td>Farmer</td>
<td>(deposited leaf)</td>
<td>Burgher, Hindu</td>
<td>wife</td>
<td>No</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Mr AAA</td>
<td>0.5</td>
<td>Farmer</td>
<td>(deposited leaf)</td>
<td>Burgher, Hindu</td>
<td>wife</td>
<td>No</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>Mr AAAA</td>
<td>3</td>
<td>Farmer</td>
<td>(deposited leaf)</td>
<td>Burgher, Hindu</td>
<td>wife</td>
<td>No</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Mr AAAAA</td>
<td>3.5</td>
<td>Farmer</td>
<td>(deposited leaf)</td>
<td>Burgher, Hindu</td>
<td>wife &amp; children</td>
<td>Call centre</td>
<td>Other Agent</td>
<td></td>
</tr>
<tr>
<td>Mr (reading1)</td>
<td>2</td>
<td>Farmer</td>
<td>'joining' SHG</td>
<td>Informal conversant</td>
<td>Christian</td>
<td>wife &amp; 6 children</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Mr (reading2)</td>
<td>4</td>
<td>Farmer</td>
<td>Informal conversant</td>
<td>Hindu</td>
<td>wife &amp; 5 children</td>
<td>No</td>
<td>Yes</td>
<td>Mudaliya (agriculture)</td>
</tr>
<tr>
<td>Unknown W1</td>
<td>1</td>
<td>Farmer</td>
<td>(Interview 58)</td>
<td>Burgher, Hindu</td>
<td>husband &amp; children</td>
<td>Leaf sorting</td>
<td>Yes</td>
<td>Mudaliya (agriculture)</td>
</tr>
<tr>
<td>Unknown W2</td>
<td>1</td>
<td>Farmer</td>
<td>(Interview 58)</td>
<td>Burgher, Hindu</td>
<td>husband &amp; children</td>
<td>Leaf sorting</td>
<td>Yes</td>
<td>Mudaliya (agriculture)</td>
</tr>
<tr>
<td>Unknown W3</td>
<td>1</td>
<td>Farmer</td>
<td>(Interview 58)</td>
<td>Burgher, Hindu</td>
<td>husband &amp; children</td>
<td>Leaf sorting</td>
<td>No</td>
<td>Mudaliya (agriculture)</td>
</tr>
<tr>
<td>Mr Ed</td>
<td>0.5</td>
<td>Farmer</td>
<td>(Interview 58)</td>
<td>Christian</td>
<td>children</td>
<td>Security 100INR/day</td>
<td>Yes</td>
<td>Family converted to Christianity</td>
</tr>
</tbody>
</table>

Unknown W1, W2, W3 are Mudaliya (agriculture)
For case group NC, summarised in Table 3 I interviewed the leaf agent (Mr S) who took their leaf to the plantation buyer company. The agent was excluded from the table because he owned substantially more land and was therefore classed as a medium grower, but his brother, Mr V was included. Mr S the leaf agent held 20-30 acres of dispersed land and had previously co-owned a BLF. Mr S defined ‘his people’ as distinct from 'vaishyas' (traders) which you ‘were’ in order to import-export tea. This was however the sole explicit mention of caste by any participant.

Table 4 gives details of farmer members of group DC, indicating which farmers occupied administrative positions. There were administrative positions in group DC equivalents to which did not exist at NC because they were specific to compliance with VPSs, such as the Training and Compliance manager.
<table>
<thead>
<tr>
<th>Name</th>
<th>Land (acres)</th>
<th>Place in group</th>
<th>Relationships &amp; Interview</th>
<th>Community</th>
<th>Household</th>
<th>Other Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>P</td>
<td>5</td>
<td>Head of Fairtrade Consortium</td>
<td>Local farmer Interview 59</td>
<td>Christian</td>
<td>Wife &amp; 3 children 'grown up'</td>
<td>-</td>
</tr>
<tr>
<td>W</td>
<td>4</td>
<td>Quality Manager</td>
<td>Local farmer Interview 59</td>
<td>Christian</td>
<td>Wife &amp; 2 children 'grown up'</td>
<td>-</td>
</tr>
<tr>
<td>S</td>
<td>6</td>
<td>Accounts Manager</td>
<td>Husband of D Interview 64</td>
<td>Catholic</td>
<td>2 children</td>
<td>-</td>
</tr>
<tr>
<td>D</td>
<td></td>
<td>Compliance &amp; Training Manager</td>
<td>Wife of S Interview 60</td>
<td>Catholic</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>JV</td>
<td>2</td>
<td>Farmer</td>
<td>Interview 61</td>
<td>Catholic</td>
<td>Wife, sister, 2 children 'grown up'</td>
<td>Mixed cropping</td>
</tr>
<tr>
<td>WV</td>
<td>2</td>
<td>Farmer</td>
<td>Brother of JV Interview 61</td>
<td>Catholic</td>
<td>wife &amp; children</td>
<td>Mixed cropping</td>
</tr>
<tr>
<td>LW</td>
<td>2</td>
<td>Farmer</td>
<td>Friend of JV Interview 61</td>
<td>Catholic</td>
<td>Wife &amp; children</td>
<td>Mixed cropping</td>
</tr>
<tr>
<td>MD</td>
<td>1</td>
<td>Farmer</td>
<td>Friend of JV Interview 61</td>
<td>Catholic</td>
<td>Wife &amp; children</td>
<td>Mixed cropping</td>
</tr>
<tr>
<td>M</td>
<td>1</td>
<td>Farmer</td>
<td>Friend of JV Interview 62</td>
<td>Catholic</td>
<td>Wife &amp; children</td>
<td>Mixed cropping</td>
</tr>
<tr>
<td>CD</td>
<td>5.5</td>
<td>Farmer</td>
<td>Friends with D Interview 62</td>
<td>Catholic</td>
<td>Husband &amp; 3 children</td>
<td>A cow</td>
</tr>
<tr>
<td>Lizzy</td>
<td>2</td>
<td>Farmer</td>
<td>Interview 62</td>
<td>Catholic</td>
<td>Husband &amp; 3 children</td>
<td>Mixed cropping &amp; a cow</td>
</tr>
<tr>
<td>TS</td>
<td>0.5</td>
<td>Farmer</td>
<td>Interview 62</td>
<td>Catholic</td>
<td>Husband</td>
<td>Tea-stand</td>
</tr>
<tr>
<td>Mrs L</td>
<td>0.5</td>
<td>Farmer</td>
<td>Interview 63</td>
<td>Catholic</td>
<td>Husband</td>
<td>Mixed cropping</td>
</tr>
<tr>
<td>Mrs M</td>
<td>1</td>
<td>Farmer</td>
<td>Interview 63</td>
<td>Catholic</td>
<td>Sister, husband, children</td>
<td>Mixed cropping</td>
</tr>
<tr>
<td>Mrs D</td>
<td>1</td>
<td>Farmer</td>
<td>Interview 63</td>
<td>Catholic</td>
<td>Husband, 1 child</td>
<td></td>
</tr>
<tr>
<td>Ms 1</td>
<td>2.5 in-conversion</td>
<td>Farmer</td>
<td>Interview 65</td>
<td>Catholic</td>
<td>Sister</td>
<td>Mixed-cropping &amp; cow</td>
</tr>
<tr>
<td>Ms 2</td>
<td></td>
<td>Farmer</td>
<td>Interview 65</td>
<td>Catholic</td>
<td>Sister</td>
<td></td>
</tr>
<tr>
<td>Ms 3</td>
<td></td>
<td>Farmer</td>
<td>Interview 65</td>
<td>Catholic</td>
<td>Sister</td>
<td></td>
</tr>
<tr>
<td>FS</td>
<td>10 (5 in-conversion)</td>
<td>Farmer</td>
<td>Interview 66</td>
<td>Catholic</td>
<td>Father</td>
<td>Dairy Farm</td>
</tr>
<tr>
<td>B</td>
<td>1 in-conversion</td>
<td>Farmer</td>
<td>Interview 66</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>S</td>
<td>0.5 in-conversion</td>
<td>Farmer</td>
<td>Interview 66</td>
<td>Hindu</td>
<td>Wife &amp; 3 girls</td>
<td></td>
</tr>
</tbody>
</table>
Theoretical approaches underscored the importance of interviewing buyers. Producer-buyer links comprised important portions of the Global Commodity Chain (GCC). Relationships between buyers and suppliers could be exploitative or conflict-ridden (Coe and Hess, 2011). For Fairtrade certification, buyers or external project funders often initiated certification processes and funded training and implementation (Nichols and Opal, 2005; and Raynolds, Murray and Wilkins, 2007). Buyers triangulated data and contextualised farmer perspectives. I confirmed information from producer group managers regarding sales practices and HVEM access, with reference to data from buyers. Power discrepancies were potentially extreme between buyers and farmers, operating alongside and with certification. I recruited the buyer participants included in Table 5, where I show the case with which buyers were associated in the left column.

Table 5: Buyer Participants

<table>
<thead>
<tr>
<th>Case Association</th>
<th>Company/ Relevance</th>
</tr>
</thead>
<tbody>
<tr>
<td>NC</td>
<td>Executive of the Plantation which bought NC tea via the Leaf Agent</td>
</tr>
<tr>
<td>NC</td>
<td>Certification Manager of the Plantation which bought NC tea</td>
</tr>
<tr>
<td>NC</td>
<td>Bought Leaf Operations Manager of the Plantation which bought NC tea</td>
</tr>
<tr>
<td>DC</td>
<td>Sourcing Director, UK Buyer 1</td>
</tr>
<tr>
<td>DC</td>
<td>Sourcing Director, UK Buyer 2</td>
</tr>
<tr>
<td>DC</td>
<td>Executive of trader that bought DC’s factory</td>
</tr>
<tr>
<td>DC</td>
<td>Liaison point (&amp; accountant) between trader and DC</td>
</tr>
<tr>
<td>DC</td>
<td>Factory Manager, DC trader</td>
</tr>
</tbody>
</table>
Producer experiences were shaped by state apparatus and institutional contexts (Coe Dickens and Hess, 2008). A global value chain was inseparable from the formal institutional context and the informal context of ‘norms’ that operated around and within the value chain functions (see Chapter 3). Context affected ability and opportunity to gain certification and the local configuration of networks created opportunities for market access and shaped investment resources. I therefore recruited institution-informants such as development personnel and members of UPASI. In Table 6, I list these background informants.

<table>
<thead>
<tr>
<th>Table 6: Background Informant Participants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Development worker with an NGO based in South India</td>
</tr>
<tr>
<td>Development worker with a UK NGO arm of UK Fairtrade company (previously called an Alternative Trade Organisation) based in South India</td>
</tr>
<tr>
<td>Fairtrade Alliance Kerala based in Calicut, Kerala</td>
</tr>
<tr>
<td>Ex-Chairman of the Network of Asian Producers, the regional representation body for Fairtrade Producers</td>
</tr>
<tr>
<td>United Planters Association of South India – Regional Office Manager, Kumily</td>
</tr>
<tr>
<td>United Planters Association of South India – KVK Quality Specialist, Coimbatore</td>
</tr>
<tr>
<td>Executive of a large estate company – competitor in Bought Leaf purchasing with the company that bought NC leaf</td>
</tr>
<tr>
<td>Certification Manager at a renowned (pioneer) Organic estate well respected in Kerala</td>
</tr>
<tr>
<td>Sourcing director for small family-run Fairtrade-Organic UK tea company</td>
</tr>
</tbody>
</table>

Standard setters created requirements of VPSs, defining barriers to entry for certified tea, creating provisions that might control HVEM access and shaping the implementation
work and changes to practices that certified producers undertook. Standard setters did so from their position in the network and their vantage point within the certification industry\textsuperscript{12}. They exercised power in a remote manner and technical assessments involved experts and gained legitimacy due to being grounded in stakeholder or ‘producer’ consultations. Table 7 shows the participants that were included from the group ‘standard setters’. Their unique positions were such that they could give information regarding background and context and insights into buyers and markets. Table 7 therefore lists participants’ relevance for other participant groups on the right side of the table.

<table>
<thead>
<tr>
<th>Interviewee position</th>
<th>Other Relevance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fairtrade UK Product Manager</td>
<td>Buyers</td>
</tr>
<tr>
<td>Fairtrade UK Tea Standards and Product</td>
<td>Buyers</td>
</tr>
<tr>
<td>Ex-FLO Board &amp; Fairtrade UK Executive</td>
<td>Buyers</td>
</tr>
<tr>
<td>Network of Asian Producers, Chairman</td>
<td>Background</td>
</tr>
<tr>
<td>Fairtrade Liaison Officer, All-India All-products remit</td>
<td>Background, buyers</td>
</tr>
<tr>
<td>EX FLO Standards Committee, Sourcing Director at UK Fairtrade Trading Company</td>
<td>Buyer</td>
</tr>
<tr>
<td>Director, Fairtrade Alliance Kerala, Calicut</td>
<td>Background</td>
</tr>
<tr>
<td>UTZ Asia Specialist</td>
<td>Background</td>
</tr>
<tr>
<td>‘IFOAM’ consultant active in EU Organic Standard Body</td>
<td>Background</td>
</tr>
<tr>
<td>UK Organic Standards Company/ certifier</td>
<td>Background</td>
</tr>
</tbody>
</table>

I supplemented purposive theoretical sampling with snowballing recruitment in the field to recruit farmers for group interviews, small ‘focus group discussions’. I designed to hold 2 focus groups and at minimum 1 key informant interview with farmers from each case group, to open the producer group units. In practice, for NC this became 2 group

\textsuperscript{12} Relations were highly strategic, for example there was a ‘memorandum of understanding’ between Fairtrade and Rainforest Alliance, stating that they would not compete for licensees’ fees (Personal Communication with a representative of ISEAL, 32)
discussions and 2 key informant interviews and for DC it became 4 group discussions and 4 key informant interviews. I next describe the processes of recruitment before and during field research.

4.4. Discussions and Recruitment

My method of primary data collection was a 7-month field research period in South India and the UK during 2012. I generated data in 33 key interviews and 7 background interviews. This followed a scoping visit of 3.5 months to South India during 2011 to make contacts and gather background information. I obtained University of Manchester Ethical Clearance for field research and School of Environment and Development Ethical Clearance for the scoping period. Under Ethical Clearance associated with Qualitative Research Methods training, I conducted one pilot interview in the UK with a Beverages-Category Buyer from a Manchester-based Ethical Supermarket to explore the implications of semi-structured interviewing. The most important insights concerned the importance of discussion guides, analysis whilst interviews were in progress, and the challenge of understanding norms and assumptions through interviewing.

I organised certain meetings and interviews by telephone in advance of arriving in South India for field research. Initial interviews were with producer group managers, traders and buyers. This allowed me to deliver Participant Information Sheets in English, Malayalam and Tamil. I requested that initial participants publicise my research, ask for volunteers amongst farmers and assist me in retuning the subsequent week for meetings with other group members. Discussions I held next were with managers and organisers, then with farmers. This was important in order that farmers did not fear I was reporting their sentiments to managers. I returned a week later in each case and found limited numbers of volunteers, which then snowballed when my translator and I explained the project personally and verbally. We built rapport with farmers until we had reached the maximum number of volunteers who were interested.
**Tape recording**

I used a Dictaphone to record all group interviews and key informant interviews with farmers, as well as interviews at the producer group level. This was to manage languages. Farmers spoke English and Hindi, and those from Tamil Nadu spoke Tamil (NC) and those in Kerala spoke Malyalam (DC). I was therefore accompanied by my translator for the majority of the field research period and scheduled all interviews with farmers for when she was present. During interviews I asked questions in English and she translated. Participants replied and she then translated the response to me so that I might ask further questions. Often participants understood large amounts of this translation process because they understood degrees of English. My questions were responsive to participants’ replies and I was able to use background knowledge to analyse responses participants gave during interviews and ask for clarification, confirmation and further details. I analysed assertions with reference to secondary data and discussion guides, which enriched data and helped mitigate potential problems.

My translator was female, was brought up in Kerala where she studied English literature and had lived in Tamil Nadu. She was fluent in Tamil, Malayalam, Hindi and English. Her father inherited a small amount of tea land that he had sold. She was therefore polite in the customary manner for South India and unthreatening to male farmers. We were able to establish rapport with women farmers and she had no conflict of interest with tea but understood industry terminology. The translator and I discussed the project at length before interviews so that she understood the objectives of my discussion guides (Appendix 3). We transcribed verbatim from recordings after every interview, translating into English, pausing to clarify meanings and recall non-verbal details. We used my field laptop to replay MP3 files recorded during group interviews and transcribed by hand and into notebooks. I later typed these into full transcripts.
Snowballing recruitment

I initially contacted the ‘buyers’ group of participants. Contact with buyers (including the South Indian plantation company buyer for group NC as well UK Buyers 1 and 2 for group DC) came via professional contacts at Harrison Malayalam Estates (HML) South India, as well as via contacts at the University of Manchester, at a Manchester-based Organic cooperative and from the Centre for Development Studies, Trivandrum, Kerala. I initially contacted standard setters through professional contacts at the University of Manchester Sustainable Consumption Institute.

For group DC I spoke with UK buyers 1 and 2 then the Trader that bought the DC factory in 2009, before arrival in South India. UK buyers put me in contact with the Catholic diocese that managed DC until the financial collapse in 2009. The Diocese was unable to assist with contacting farmers because they emphasised that DC tea farmers were managed by the Trader. I therefore went via the Trader. The Trader representative asked on my behalf if members of DC’s Fairtrade managerial structure would describe my research to farmers. During field research, I met Fairtrade managers at the DC factory, held group manager interviews and arranged to return to meet farmers later in their own houses near the factory. There was usually a ringleader amongst the volunteers who offered their house. On walks to houses, people were lost from groups and others joined onto groups. Some participants hung back or undertook parallel activities contributing only nodding or laughing, offering moral support to their fellow farmers more than fully engaging in the discussion. Volunteers from both groups rang fellow farmers at points and additional people were invited, some of whom came, others of whom were busy with local events. This fluidity and lack of a coercive atmosphere reassured me that I was not merely meeting ‘volunteers’ who had been instructed to meet me by the management or the Trader.
In the case of group NC, my contacts snowballed as follows. First contact was with the plantation company buyer for NC tea, with an executive who was subsequently promoted. The company agreed to be part of the study from that high level and the executive provided contact with the company’s Certification Manager and the Bought Leaf Procurement Manager responsible for procuring green tea leaf from smallholders. The latter individual put me in touch with the external Leaf Agency from whom the plantation company bought the largest proportion of green leaf. The Agency in turn put me in contact with the regional leaf collection agent for the Nilgiri, Mr S. The agent was happy to speak to me in interview form, but less dedicated to recruiting farmers from his supply base. He introduced his brother who welcomed me to the meet other farmers who supplied the agent. Those farmers had recently formed a Self Help Group and expanded their market access opportunities beyond their local BLF. I described the project and held a group discussion with the Leaf Agent’s brother and other farmers. I later returned for group discussions with additional farmers at the (NC) leaf collection facility and in farmers’ houses.

I recruited participants in the group, ‘institutional context/background’ by means of snowballing contacts. The NGO campaigner and director of Elements Organic traders, as well as one development professional interviewed, were found via contacts at Centre for Development Studies, Trivandrum, Kerala and via UK Buyer 2 for group DC’s tea. I initially contacted UPASI via the HML estates professional contact. UPASI members put me in touch with the KVK subsection, the smallholder specialists. Fairtrade and UTZ participants, ISEAL, Soil Association and Organic standard setters were responsive to cold calling once I explained my field research with farmers in South India. Contacts at the Sustainable Consumption Institute assisted with UTZ, but Fairtrade UK responded initially to a web enquiry I made impersonally. Other industry players (such as importers and buyers) ignored my twice-repeated attempts at cold calling. With all standard setters,
snowballing led me to interview the most appropriate personnel possible, such as area specialists, members of standard setting committees for tea, tea product standard managers and credibility directors (see Appendix 4).

4.5. Primary Interview Data: Analysis, Validity and Limits

The reality of the interview was co-created at that time and was made during the interview between participants (Miller and Glassner, 2004; Holstein and Gubrium, 2004). However, we would not want to ‘discount entirely the possibility of learning about the social world beyond the interview in our analyses of interview data’ (Miller and Glassner 2004, p. 126). This had implications for assessing the validity of interview data. For example, ‘when the interview [was] viewed as a dynamic, meaning-making occasion...different criteria apply... the validity of answers derives...from their ability to convey situated experiential realities in terms that are locally comprehensible' (Holstein and Gubrium, 2004, p. 145). Assessing validity of interview data was a major issue and I discuss this below in terms of problems that threatened and limited validity. I briefly describe the two different types of interviews I conducted then discuss triangulation and sensitivity to power.

I held key informant interviews with participants because of their expertise, or because they volunteered to add further information following a group interview. Triangulation of information was a motive for recruitment. For example, I asked the DC factory manager to confirm prices that farmers reported receiving from the DC factory. I also used key informant interviews to explore how far into the certified producer group DC knowledge of sales and market access went. For example, the Trader described the high prices and the factory manager described the Fairtrade minimum prices but producer group managers and farmers did not know about Fairtrade minimum prices. This was because the incentive system in place at the producer group level meant the farmers only received premium prices if they supplied high quality leaf. Further because Fairtrade minimums
did not cover the sale of leaf from farmer to factory processor. Key informants could also comment on one another’s practices, casting light on what practices meant in context and how participants understood one another relative to one another on the basis of behaviours. This was particularly revealing when a participant pointed to a visual feature of their environment and described its significance.

Group interviews were small focus group discussions, used so that farmers could speak naturally. Groups were an effective way of allowing people to speak in units such as families, neighbours, and friends, in which they felt confident and relaxed. During interviews I actively attempted to address issues of power (Elmsky, 2005), reducing participant feelings of vulnerability and nervousness so that all participants were empowered to question research assumptions. Some interviews were small group interviews and revealed interactions between participants, norms and power relations. Groups focussed on a particular topic and participants ‘[challenged, misunderstand, elucidated and extracted]’ from one another as in focus groups (Kitzinger 1994).

There were instances where one or two participants dominated a small group interview. For example, when I interviewed DC farmers regarding differences that Fairtrade standards made compared to Organic, one farmer had agreed to speak alone but it appeared a friend wanted to join in. The original participant was happy with this but the friend then led and corrected regarding Fairtrade. The original farmer knew very little of Fairtrade and it was emerging that farmers’ engagement with Fairtrade was minimal. The second participant wanted to reverse the impression that farmers did not engage with Fairtrade and she created pressure to know about Fairtrade. This was however, the exception and in other group interviews farmers helped one another remember names, laughed together when I asked things that surprised them (which helped me to see that what I was asking was unusual for them) and set one another at ease. This proved an efficient and effective way to understand the meanings of social practices because
misunderstandings, assumptions and uses of humour in groups meant I could access how farmers understood one another on the basis of one another’s practices. This interaction data was not so apparent from individual interviews and provided unparalleled access to norms operating amongst farmers.

The group discussions were semi-structured by discussion guides (see Appendix 3) but discussions were dynamic. I designed prompts and questions directly from analytical approaches I examined in Chapter 2 and used sensitising concepts from literature to build discussion guides. I discuss the importance of these guides below regarding validity.

My sampling strategy supported data validity. Case sampling engendered comparisons between data from similarly placed members of groups. This formed a basis for analysing the reasons farmers gave for certification, or for market access, and the meanings they attributed to their practices and those of others in the tea industry. My sampling strategy for individual interviewees also contributed to validity by allowing me to triangulate information but further, to understand power relations between participants and discrepancies between participants’ perspectives. These data cannot be used for generalisations. They contribute specific insights and inform theoretical debates.

Research practice literature emphasised the need to remain reflexive about the role of the researcher, identity and translator identity, in shaping interview contexts and data (Blaikie, 2009, p. 107; Charmaz, 2010, p. 28). I used an ‘interview memo’ technique in which the translator and I reflected on our language, misunderstandings, misconceptions and relationships including rapport between participants and ourselves. We discussed whether and why participants were cagey, shy or talkative. I summarise the problems and my solutions to potential issues regarding the validity of interview data, using Table 8, which presents problems on the left then solutions at the design stage followed by
examples of when the problem materialised and subsequent mitigation measures on the right.

Table 8: Issues for Validity of Data

<table>
<thead>
<tr>
<th>Problem</th>
<th>Solution</th>
<th>Example</th>
<th>Mitigation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Power discrepancies</td>
<td>Interview scheduling</td>
<td>Small farmers suggested factories caused lower prices, yet explicitly stated that it was not the factory’s fault</td>
<td>Caution – catch contradictions in data analysis stage</td>
</tr>
<tr>
<td>Power discrepancies</td>
<td>Trust, rapport, multiple visits</td>
<td>A UPASI participant asked my translator if I had taken soil samples. A Greenpeace report on pesticides was coming out and they feared I was affiliated</td>
<td>Information sheets deposited. I returned when the participant had verified my contacts</td>
</tr>
<tr>
<td>Power discrepancies</td>
<td>In-interview translation</td>
<td>The DC quality manager stated only hand-weeding (no weedicide) was permitted under Organic. The translator initially translated this back as no hand-weeding. I hesitated and asked for clarification as I knew the Organic standards. The translator corrected herself and the participant understood this misunderstanding.</td>
<td>Background data for my taxonomy of VPS requirements</td>
</tr>
<tr>
<td>My knowledge and the translator</td>
<td>Recording discussions</td>
<td>When female farmers in an NC group interview were laughing amongst themselves about pesticides and different pests, the translator was able to indicate to me that we could record that and that she could give names and details later. It did not need to stop the flow of the main group discussion.</td>
<td>After-interview transcription of recorded discussions</td>
</tr>
</tbody>
</table>

Limitations to this Study

One limitation concerned the question of caste. A farmer from NC stated that tea traders were from North India and said informally that to export, one belonged to a ‘trader caste’. In contrast, for DC in Kerala, tea traders were also from North India but no participants emphasised caste or gave caste as a reason for the group’s dependency upon the trader company for trade. Instead, DC participants, the Leader of the Fairtrade Consortium and the Quality Manager emphasised that certification expertise was found
in North India and that was the reason for the importance of their processor-trader. Caste appeared less significant in Kerala than in Tamil Nadu so this may have explained the mention of caste in case NC. As well as caste, there was a North-South divide with North India seen as more affluent, modern and Western facing; potentially more exposed to certification and standards. To detangle the relative effects of caste from North Indian identity or connections to North India for market access an anthropological method and field research in North India would be necessary. This represents a limit to my data and one potential future extension from this project.

In instances where participants contradicted themselves, I called data points into question with reference to power, who was present and what might be at stake. For example, some DC farmers wanted their whole village to be Organic certified and emphasised that all local people were on-board with the Organic certification project. Meanwhile however they described the exodus of some farmers from Organic certification. Organic status raised the profile of the group in the tea industry, indeed industry reports mentioned the group for its pioneer status conferred by Organic (Kadavil, no year). Participants in distant UPASI offices independently described group DC during discussions about Organic tea. However, the exodus of farmers from the group reflected that some farmers had problems with Organic or with the group. I could not definitively assess the reasons for departure of absent farmers. This would require different sampling design. My data described difficulties that some Organic and in-conversion farmers experienced with Organic (see Chapter 8). This represented a further potential extension from this research. An additional extension might look at gender, which was a limitation of this study; gender-focussed studies have been illuminating about the role of Fairtrade in tea producer groups, for example Dolan’s (2008) research in Kenya. Because I did not explicitly design sampling and interviews around questions of gender, my data was limited and unable to speak specifically to gender issues in South Indian tea.
Power structures shaped farmer behaviour within the DC producer group. For example, participants said they did vote for Fairtrade committee members but they did not know details about elections and friends tried to help them sound knowledgeable. These were still valid data but they were data regarding power dynamics between participants. Further, I was interviewing farmers just as a Fairtrade auditor might have, so even though we explained the project and emphasised our independence at the beginning of all discussions, it is possible farmers associated my identity with Fairtrade auditors. An ‘extractive’ understanding of interviews would take data as meaning that which was stated, whereas the meaning of data required interpretation sensitive to power, a particular strength of qualitative analysis. I also took special interest in misunderstandings, humour and references to visual aspects of tea farming, because those data tended to reflect norms, assumption and social or tea production ‘rules’.

I next briefly explain my data analysis methods then conclude.

Data Analysis

Using software programmes to organise data by case group and thematically, and to store data by codes brought considerable advantage compared to ‘hand-coding’ (Blaikie, 2009, p. 202). I used NVivo 9 software, which helped to organise data by providing ‘nodes’ – places to which sections of text could be tethered. It allowed a single example of text to be coded to several different nodes. This latter task would be difficult to accomplish coding by hand. I created codes about interpersonal dynamics in interviews (Kitzinger 1994, p. 114) as well as thematic codes. The key aim for coding was to developed explanatory handles on data without characterising it (see Charmaz, 2010, p. 45), which required an iterative method.

A code tree depicted relationships between codes and an example of my own is included in the bullet points below. A code tree began with ‘root nodes’ (Gibb, 2002), in my case
‘Reasons for Certification’ and ‘Reasons for non-certification’. These root nodes were parents to the next level of thematic nodes, for example under ‘Reasons for Certification’ there were nodes such as ‘External’, to denote that some external influence was associated with certification. In the course of setting up the tree, I was describing the themes I would find but also the relationships between the themes. I then used the tree for data coding.

- Reasons for Certification
  - External
    - Local development initiative

I then saw which data had a certain coding, assessed the strength of the quotes, how emphatically and carefully the examples were explained, who the participant was and who else was present.

In summary, my research design was small-n and used 2 case groups as access points into the smallholder subsector of South Indian tea. These decisions were in response to heterogeneity in the small grower sector. Small growers could not be accessed by any means other than field research, and the importance of building rapport with participants and the potentially complex power dynamics between participants meant that quantitative research might have yielded misleading or invalid data. I explained the process and design of my research, emphasising the value of background secondary data for mapping which producers were trading to which buyers, which provided initial information for sampling. Together with my agricultural marketing network/GVC frame, background data allowed me to design field research, case selection, sampling and discussion guides.

In the next chapter, I explain the place of smallholder tea producers in the South Indian tea production environment. I particularly highlight the formal institutions and the norms that abounded, defining good practice and tea quality and distinguishing the
professionalised plantation from the smallholder sector. I draw upon Neilson and Pritchard’s (2006; 2009) research into the South Indian tea and coffee plantation sectors. Their data derived from lengthy field research periods (spanning several years). I took a different angle by focusing on the smallholder sector and hoped to contribute to, and in many cases have confirmed parts of, the body of knowledge that those researchers established regarding the plantation sector’s dominance of South Indian tea.
5. Institutional Context: Smallholders in South Indian Tea

In this chapter, I describe the classic tea global value chain as linked into the South Indian tea production context by agricultural marketing networks including smallholder producers. Conceiving of marketing networks was useful for analysing export-market access because networks highlighted the number of buyers and sellers (options) available to an actor. Mapping suggested suppliers of substitute goods would be competitors across the broader agricultural marketing network. Standards and global buyers were linked to producers via the stretch of the global value chain. Meanwhile global institutions and standard setters wrote standards, defining rules that might discipline tea producers and tea bushes. Local formal institutions helped or hindered producer certification, exercising power derived from legitimacy, and interpreting the meaning of global standards’ requirements. They perpetuated informal institutions, or norms amongst industry participants. They were therefore powerful shapers of the meanings standards had for producers and the implementation strategies that agents might employ to negotiate conflicts with standards but they therefore also played roles in creating conflicts between producer practices and VPS requirements.

I provide contextual information using primary and secondary data to describe the tea industry and South Indian tea production. I explain smallholder tea producers in South India and show how smallholders related to the state and other tea actors. Confidence about total population figures for smallholders in South India was impossible due to the pervasive informality of the sub-sector. The Tea Board of India provided various support to growers forming Self Help Groups but few initiatives were consistently implemented even though smallholders contributed significantly to the tea industry. I took a case study approach using producer groups of smallholders because they were naturally occurring
units. I introduce South India and tea smallholders, then describe the case study groups, the non-certified group NC and the dual-certified group DC with maps showing their locations. I compare their respective locations in Tamil Nadu and Kerala, but since they were both located in the tea producing, mountainous border region of the Western Ghats, I argue that it was more important to note features of their shared position as smallholders, informal producers in South Indian tea. Smallholders shared industry norms and industry institutions with plantations, but the plantations formed the core legitimate stakeholders in industry governance and standards consultations.

I also locate VPS certification in the South Indian tea production environment. I present data under my research questions, firstly regarding extension of certifications, secondly regarding the consequences of certification for High Value Export Market access and thirdly regarding conflicts between different standards and tea practices. First, I investigated whether smallholders were certified and to which VPS by using standard setter and NGO resources. Second, I mapped producer-buyer links in the certified tea market. I analysed industry norms and the longevity or changeability in tea buying relationships. Next, I deciphered with reference to the provisions of VPSs and procedures, the sorts of tensions growers may have experienced when implementing dual-VPSs.

5.1. The Tea Industry

Tea, *Camellia sinensis*, grew in tropical climates and was therefore grown predominantly in developing countries. Global trade in black tea was historically administered by colonial powers in tropical countries as a plantation crop. India was the largest exporter of tea until 1990 when it was overtaken by Sri Lanka (Asopa, 2011, p.13). Indian companies took over the large, geographically isolated, tracts of monoculture tea plantations known as plantation estates at the end of British colonial control. An example
was TATA, which controlled hectares of tea land until it began a process of divesture in 2007. The company sold its plantation assets to a South Indian company because plantations were becoming a low value-added stage in tea production. Unit value realization declined for Indian tea during the 1990s, and India had to export increasing volumes of tea to make the same foreign exchange earnings (Asopa, 2011, p. 15).

India was the largest producer and consumer of tea for many years, and the UK its primary export destination. After the termination of colonial regimes, tea traders and new companies began to look for new production sites and tea production began to increase in African states. Kenyan production increased 44% and Tanzanian, 58% between 1986 and 1995 (TMBS, 2002, p. 5; Neilson and Pritchard, 2009, p. 82). Prices eventually fell to the lows of the 1990s (TMBS, 2002, p. 6). Following independence, India and the second largest producer Sri Lanka attempted to administer a global cartel of tea producing countries to restrict supply and control prices. This collapsed as the number of producing states burgeoned out of their control. There were innovations during this time, such as the tea bag, an invention that meant tea leaves inside bags could be an inferior quality but blended to produce a certain taste profile. Tea was previously processed mainly by Orthodox processing, where the leaves were dried and withered and sold loose for use in teapots that diffused the fine flavour produced by single-estate teas. Value was accrued by the reputation of a region of production and a particular estate would be a reputed example of a region’s quality. Tea bags in contrast contained mixed teas, and teas processed using ‘cut-tear-curl’ (CTC) to mince the leaves, which produced strong teas that brewed quickly.

The practice of ‘blending’ brought various teas together in a blend owned by a brand. Companies created a trademark flavour, a mixture of teas designed to match target
consumers’ preferences. This introduced brand identity as a source of value. This had a deleterious effect on the quality of leaves in tea bags and the tea in major UK brands was relatively low quality. The lowest quality tea in the industry-wide grading system was ‘dust grade’ sold in the Indian domestic market. The second-lowest grade, ‘fannings’ was commonly included in UK tea bags. The highest grade ‘orange pekoe’ was not found in tea bags and was specialist tea sold by purveyors of highest quality loose-leaf teas such as Whittards in the UK market.

By 2012, India consumed as much tea as it exported and imported tea. Kenya usurped India’s position as the world’s major tea producer and exporter in terms of volume. In 2006 Sri Lanka was the leading exporter in terms of tea value (Van Der Wal, 2007, p. 21). Sri Lankan production was predominantly of the higher value Orthodox tea, roughly 95% of production, which produced high quality tea popular in niche UK markets, EU and US markets (Van Der Wal, 2007, p. 20). In contrast, in India 90% of production was Cut-Tear-Curl and the latter produced lower grade teas, for example for tea bags (Van Der Wal, 2007. p. 70). Major sources of value addition in tea in 2012 were brand identity, blending and packing. Figure 5 illustrates this because it shows the UK, which owned no plantation land, was the leader in terms of $/tonne exporter of tea indicating that UK companies were blending and packing teas. Tetley was a major UK brand bought by TATA as part of TATA’s strategy to occupy the stages of tea production that added value.

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13 For example, Yorkshire Tea was a blend created for compatibility with the water in the north of England.
The few global companies that dominated tea were suspected of colluding at auction centres. Collusion was suspected during the 1970s when doctorate research in economics concluded the global tea market was monopsonistic (Dayananda, 1977). Global tea was still held to be characterised by anti-competitive practices during the 1990s and early 2000s, when multinational brand-owners were suspected of forming a cartel (TMBS, 2002; Van Der Wal 2007). Tea buyers were rumoured to know in advance of one another’s bidding limits; hence they did not compete in a manner that would raise the price for a lot (60-100kg) of tea. Further, lots could be split at auction so a desirable lot could be shared which limited the effect of competition on tea prices. The Tea Board of India introduced e-bidding during 2009 to mitigate collusion. However, participants for this research in 2012 regarded e-bidding as unlikely to dissolve the cartel because brokers and traders would know the identities of each other, even under e-bidding. Approximately 90% of western tea trade was controlled by seven multinationals. Four companies controlled the trade globally: Unilever (Brooke Bonds, Lipton, UTC); Van Rees (deli Universal, packers and traders); James Finlay; Tata Tetley (Van Der Wal, 2002; Van Der Wal 2007).
Other companies important at national levels included packers and blenders: Unilever; Tetley; R Twinnings (Associated British Foods); Ajeeapay Group (Typhoo Tea); OTG; Teekanne; Sara Lee International (Pickwicks). The emphasis of these companies was on bulk supply of low quality teas for blends. They sourced flexibly (Van Der Wal, 2007, p. 26), obtaining teas of the grade they desired from various production contexts via auctions across the tea producing world.

Fairtrade and Organic teas tended not to be sold via auctions and instead moved by private sales known as ‘ex-garden’ in South India (Neilson and Pritchard, 2006). In theory, certified trade might have offered an alternative to cartel-dominated auction trade.

5.2. South India and Institutions

The map in Figure 6 indicates the location of the South Indian states of Kerala and Tamil Nadu. South India was a monsoon region with seasonal rains from June to October but droughts the remainder of the year. It was famous for nature-tourism and Ayurveda, a traditional and alternative form of medical treatment. The low-lying western coast was known for backwater coconut lagoons, in physical contrast to the high mountains of the Western Ghats that ran North-South through the centre of the peninsula. Kerala, the western of the two southernmost states, was tourism-orientated and exported spices and tea. It had a democratically elected communist government and development indicators showed lowest inequality and highest female literacy in South India. Tamil Nadu, the Eastern of the southernmost states was agriculture-orientated and inequality was pronounced. The two states Kerala and Tamil Nadu disputed rights to rainwater that fell over the Western Ghats on the border between their states as both relied on Hydro Electric Power. The two states mismanaged water and experienced power-outages daily. Border areas became militarised in December 2011 when tensions over a controversial river dam developed into hostility. Tea plantations were professionally irrigated, whilst
local populations suffered interruptions to the running water and electricity in their homes.

**Figure 6: Map to show the location of Kerala and Tamil Nadu states in India**

Source: (Harriss-White, 1996, p. 18).

Approximately 24% of India’s tea was produced in the South in the states of Kerala and Tamil Nadu (Van Der Wal, 2007, p. 70). In South India tea yields were slightly higher than in North India (Kadavil, no year, p. 22). This was partly because tea could be plucked year-round in South India as opposed to distinct seasons in North India, but it was also due to quality issues. For example in Darjeeling, pickers took only the top growth from the bush which led yield measured in Kilograms to appear lower than if it were measured in value. Southern tea production fluctuated with the monsoon seasons. Figure 7 shows the seasonality of tea production in South India. When the rainfall
increased in April, there was a rush to harvest the new growth and drought from November lowered the growth rates of tea bushes.

Figure 7: Seasonal Tea Production in South India
Southern production made up approximately 60% of all tea exported by India (Neilson and Pritchard, 2010, p. 1844). South Indian tea was cheaper than North Indian; in 2006 the average price at North Indian auctions was 71.62 INRs/kg whereas in the South it was 50.79INRs/kg (Van Der Wal, 2007, p. 72). Partly this was because the North contained the high quality regions recognised with Geographical Indicator (GI) status, of Darjeeling and Assam, whereas the Southern region of the ‘Nilgiri Hills’ was recognised as producing the highest quality tea in the South but still was not recognised with GI. Nilgiri tea was used by Darjeeling exporters as a ‘filler tea’ in Darjeeling blends so official estimates may have underestimated South India’s contribution to tea exports.

Nilgiri tea was referred to as the Darjeeling of the South for its similar taste. This was because of the high altitude of 2,000 metres above sea level of the Nilgiri region the peaks of which were amongst the highest of the Western Ghats shaded in Figure 5, the map of production districts. Figure 8 shows tea production areas known as Plantation districts. Figure 8 includes the Nilgiri, Central Travencore notable for recent estate closures and Munnar between the two a relatively high quality region dominated by plantations.

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14 Figure 7 is included as a simple illustration of seasonal tendencies rather than presentation of precise data.

15 80 Indian Rupees (INR) equated to approximately £1 British Pound (GBP) or $1.30 US Dollars (USD). The Fairtrade (non-Organic) minimum price for South India was $1.40USD/kg, roughly 75INR (see Appendix 2).
Plantation estates operated in all South Indian plantation districts. They included on-site factories, worker accommodation and facilities. These regions were separate from the rest of the states of Kerala and Tamil Nadu geographically and culturally, as tea community areas where smallholder areas neighboured estate lands. Tea plantations were ‘enclaves, alien and inward-looking, cut off from the rest of the world’ (Chattopadhayay quoted in Neilson and Pritchard, 2006, p. 142), not only geographically but culturally and to an extent linguistically, as the tea industry language remained English. Child labour was historically endemic on tea plantations in South India, and plantation labourers were given accommodation on the estate until their retirement for their entire family. Location on the plantation meant the owners provided hospitals, schools and shops within the plantation lands (Neilson and Pritchard, 2006, p. 144). There was a strong incentive for
younger family members to take employment at the plantation in order for the family to keep the house.

Workers were generally all unionised, but union politics was unreliable for workers (Van Der Wal, 2006; Neilson and Pritchard, 2006), partly because unions were firmly affiliated to political parties and issues far larger than representing members’ interests against plantations. The gulf between the plantation management and the labourers in terms of classes and status was ‘a veritable universe’ (Neilson and Pritchard, 2006, p. 145). The Plantation Labour Act (PLA) required minimal welfare standards to be upheld and imposed minimum wages. The Plantations Inspector was supposed to visit each plantation every 4 months to verify compliance, and my primary data confirmed Neilson and Pritchard’s detection of ‘a range of views on the effectiveness of this system’ (ibid, p. 145). Given that the North Indian plantations were reputed to implement far lower and fewer welfare requirements, the issue of the competitiveness of South India’s tea industry was frequently asserted to be hampered by the PLA. As per Neilson and Pritchard’s findings, plantation owners advanced several arguments as to why the Act was unnecessary, excessively costly, or irrationally burdensome (ibid, p. 146). International competitiveness was damaged by the implementation of the act when, it was felt by several estate managers, competitors in Sri Lanka paid wages a fraction of those in South India and treated workers terribly.

A process of divesture was the response of several of the large plantation-owning multinationals, suggesting the veracity of the expense of South Indian tea plantation production. Key South Indian production companies included Kanan Devan Hills Plantation Company, KDHPCo. (the employee-owned company that bought divested plantation assets from TATA). McLeod Russell and Harrisons Malayalam were competitors that purchased plantations from Unilever when the latter divested South Indian plantation assets. AVT, owned by PT Thomas, part of the AVT Group of
companies was a further plantation operating company as was Bombay Burma Trading Company (BBTC), chair of the Fairtrade regional producer network, NAP, in 2012. Several plantation companies closed estates (Neilson and Pritchard, 2006, p. 150), and my primary data suggest that plantations increasingly bought leaf from smallholder producers near to the estates, which represented a source of leaf without the costs of PLA compliance, worker accommodation or minimum wage.

Companies that purchased plantation assets from divesting companies tended to hold bulk export contracts with those companies, for example Kanan Devan supplied the Tetley brand and were gaining Rainforest Alliance certification to retain supply contracts with Unilever because Unilever had committed to sourcing from Rainforest Alliance sources by 2015. Direct sales were known as ‘Ex-Garden’ sales of tea. These were limited by the Tea Marketing Control Order introduced in 1984. It committed producers to sell a minimum of 75% of their output through the auction system in order to control prices due to supply shortages. Direct sales increased for speciality, certified teas so to facilitate value added tea contracts during the 1990s the Tea Board eventually relaxed marketing control in 2001 (Asopa, 2011, p. 102-4).

Tea exports from South India were healthy during the 1980s when lower grade teas were exported to the USSR (Asopa, 2011, p. 107). It was during the price booms of the 1980s that small growers emerged in South India with the largest concentration of small growers in the Nilgiri region in Tamil Nadu, marked in Figure 8. Encouraged by the Tea Board of India with loans and subsidies, multi-cropping smallholders began producing tea as a cash crop, and output increased. Tea smallholders were those farming less than 10.12 hectares (25 acres) according to the Tea Board of India, and those farming 1-2 hectares were classed as ‘small’ whilst those with 0.5-1 hectares were classed as ‘marginal’ growers. The Tea Board of India adopted a vestige of the colonial era to implement initiatives in South India, the United Planters Association of South India
(UPASI) established in 1893. This was a confederation of British planters, adopted as a vehicle to share technical information and undertake scientific research. It was funded partially by the Tea Board of India, for example to pay the wages of employees, and partially by contributions from industry, the large plantation companies. It was a semi-privatised development actor, as well as a semi-nationalised tea industry actor. It had a Tea Research Foundation division (TRF) as well as a smallholders division, Krishi Vigyan Kendra, known as UPASI-KVK. The latter was located in the Nilgiri, shown on the map in Figure 8. The colonial history of South Indian tea production (Neilson and Pritchard, 2006, p. 107 – 114), and the dense organisational-institutional environment, including UPASI and regional ‘planters associations’ (ibid, p. 116) led to tea having a ‘particular resonance in the Indian psyche’ (ibid, p. 117). This did not guarantee implementation of formally instituted policies, but it did make the tea industry replete with norms of best practice, hierarchy, custom and quality. UPASI, and the Tea Board’s office in the South, were the pinnacles of formal tea institutions (ibid, p. 118 – 9). The Head Quarters of each of these parastatal organisations were located in the bustling, rural Nilgiri mountain town of Coonoor in Tamil Nadu. UPASI Offices were particularly impressive colonial-era bungalows in extravagant and manicured gardens, worlds apart from the dusty chaos of the town outside the gates. The formal institutions of UPASI and Tea Board offices had contradictory interests and remits (see also ibid, p. 119), at once state and private industry actors, with obligations towards politicians, plantations and foreign exchange earnings, and pressures from forestry lobbyists, petro-chemical lobbyists, trade unionists and for UPASI-KVK, responsibility towards smallholders.

Tea production in the Southern plantation sectors was considered to be in crisis in 2012 (also see Neilson and Pritchard, 2006, p. 150-6; Asopa, 2011, p.127). Costs of Production (COP) were described as equal to tea prices at certain times of year. COP included the costs of cultivation and the costs of processing. Cultivation meant farming and picking
‘green’, raw, unprocessed leaf. This had to be transported to a factory within 6 – 8 hours for processing lest it ferment and deteriorate in quality. For this reason, colonial-era estates had factories on site for immediate processing that resulted in high quality tea. Approximately 4.5kg of raw green leaf made 1kg of processed tea. India reportedly had the highest average COP compared to Sri Lanka and Kenya (India Tea Association 2005 (in Hannan, 2007a, p. 7)). Table 9 illustrates the costs of production in Indian Rupees (INR) for an example estate producer (Presented in Asopa, 2011, p. 127). The costs for growing and processing tea on the estate totalled 55INR because the estate had to maintain living quarters and extensive grounds. During field research in 2012, a ‘good’ ex-garden price was approximately 70INR/kg.

Table 9: Costs of Production for an Estate producer

<table>
<thead>
<tr>
<th>Stage of Production</th>
<th>Cost Per kg (INR)</th>
<th>Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Garden Costs</td>
<td>42</td>
<td>Plucking, cultivation, welfare, maintenance</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>13</td>
<td>Processing costs, factory maintenance</td>
</tr>
<tr>
<td>Transport</td>
<td>0.7</td>
<td></td>
</tr>
<tr>
<td>Warehouse Charges</td>
<td>0.5</td>
<td>Various; for example 12.25 per lot per 4 weeks with an additional charge of 1.50 per package per additional week</td>
</tr>
<tr>
<td>Auction</td>
<td>1</td>
<td>(approximate)</td>
</tr>
<tr>
<td>Head Office</td>
<td>20</td>
<td>Managerial staff, experts, tea tasters</td>
</tr>
<tr>
<td>TOTAL:</td>
<td>77.2</td>
<td></td>
</tr>
</tbody>
</table>


Hannan’s research concluded that labour accounted for 40% of COP (Hannan, 2007a, p.7), but chemicals such as pesticides, fungicides, weedicides and fertilisers represented the next largest costs because tea bushes received substantial inputs to manage pests and
disease. Table 5 shows an extract from the guide to cultivation of tea in South India from the industry body, UPASI. Table 10 is an excerpt from a larger table that listed chemicals used for pest control. Table 10 therefore illustrates the range of pests and the large numbers of chemicals encountered in tea cultivation in South India.

Table 10: Tea Pests and Chemical Controls

<table>
<thead>
<tr>
<th>Chemical</th>
<th>Target Pest</th>
<th>Dosage / ha</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>New Clearing 1 year fields</td>
</tr>
<tr>
<td></td>
<td></td>
<td>180 ml (PS 5 ml)</td>
</tr>
<tr>
<td>Cypermethrin 25 EC</td>
<td>Caterpillars, Shot hole borer</td>
<td>120 ml (HS 4 ml)</td>
</tr>
<tr>
<td>Cypermethrin 10 EC</td>
<td>&quot;</td>
<td>250 ml (HS 6.6 ml)</td>
</tr>
<tr>
<td>Deltamethrin 2.8 EC</td>
<td>&quot;</td>
<td>180 ml (HS 4.4 ml)</td>
</tr>
<tr>
<td>Lambdaacyhalothrin 5EC</td>
<td>Caterpillars, Shot hole borer, Thrips</td>
<td>250 ml (HS 6.6 ml)</td>
</tr>
<tr>
<td>Fenpropathrin</td>
<td>Mites</td>
<td>200 ml (HS 5 ml)</td>
</tr>
<tr>
<td>Neem Formulations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5% Azadirachtin</td>
<td>Flashworm, Pink and Purple mites</td>
<td>100 ml (HS 4.4 ml)</td>
</tr>
<tr>
<td>0.03–0.15%</td>
<td></td>
<td>750 ml (HS 22 ml)</td>
</tr>
<tr>
<td>Azadirachtin</td>
<td></td>
<td>200 ml (HS 8.8 ml)</td>
</tr>
</tbody>
</table>

Source: (Muraleedharan et al., 2007, p. 137).

Manure was applied three times annually to provide nutrients for optimal tea production. Nutrients were adjusted to address the PH of the soil: Ammonium sulphate; Muriate of potash; Magnesium sulphate, Urea, Broadcast Rock phosphate (Muraleedharan et al., p. 44). Zinc was applied by frequent spraying (ibid, p. 112), plant-growth promoters were recommended (ibid, p. 116), pests were chemically managed (ibid, p. 121), diseases were chemically managed (ibid, p. 158) and weeds were chemically managed (ibid, p. 178). A two-page section in the UPASI publication Guidelines on Tea Culture in South India (ibid, p. 194-22) was dedicated to ‘Spraying equipment and Spraying techniques’ (ibid). A common ‘blight’ that reduced yield and was a scourge of the industry was ‘blister blight’. In non-Organic tea farming it was treated with a collection of chemicals as Table 11 describes.
Table 11: Blister Blight disease and chemical control

<table>
<thead>
<tr>
<th>Schedule</th>
<th>Dosage/ha</th>
<th>Spray interval (days)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>April/ May pruned fields</td>
<td>July/ August pruned fields</td>
</tr>
<tr>
<td>Hexaconazole</td>
<td>200 ml + 210 g</td>
<td>100 ml + 210 g</td>
</tr>
<tr>
<td>Contaf + COC</td>
<td>125 ml + 210 g</td>
<td>100 ml + 210 g</td>
</tr>
<tr>
<td>Propiconazole</td>
<td>100 ml + 90 ml</td>
<td>100 ml + 90 ml</td>
</tr>
<tr>
<td>Tilt + COC</td>
<td>75 ml + 90 ml</td>
<td>75 ml + 90 ml</td>
</tr>
<tr>
<td>Hexaconazole + Tridemorph</td>
<td>100 ml + 90 ml</td>
<td>100 ml + 90 ml</td>
</tr>
<tr>
<td>Propiconazole + Tridemorph</td>
<td>75 ml + 90 ml</td>
<td>75 ml + 90 ml</td>
</tr>
</tbody>
</table>

Spray Volume
- Power sprayer: 70 to 90 l/ha using Nozzle II
  Cover 2 rows on either side
- Knapsack sprayer: 175 to 250 l/ha with NMD Nozzle
  Cover 1 row on either side

Source: (Muraleedharan et al., 2007, p. 172).

These chemicals were not permitted under Organic rules and at case group DC smallholders used sunflower seeds in oil and cow’s urine to combat blister blight. Tea cultivation extracted nutrients from the soils that were replaced to maintain tea quality and yield. Under Organic production, yields fell compared with the chemically intensive yields of conventional tea production. If planters were unwilling to sacrifice yield they found Organic inputs to provide bushes with the equivalents to chemically intensive fertilisers and sprays. Even under Organic, Table 12 shows the intensity of the inputs schedule to maintain the same yield as conventional tea. In Table 12 I include the yield which the input schedule was supposed to achieve. Smallholders achieved far lower yields, and only plantations experienced yields above 2000kg/hectare.
Table 12: Inputs for maintaining yield under Organic production

In addition to large doses of nutrients, yield was maximised by planting the maximum density on tea slopes that the land could accommodate. Figure 9 depicts a calculation that UPASI recommended for efficient tea planting. The ‘double hedge planting’ was designed to derive maximum tea yields from the land.
Figure 9: Designs for efficient planting

**CALCULATION OF PLANT POPULATION IN HEDGE PLANTING**

Vertical Distance (VD) = side (S) x 0.866
Plant population = \( \frac{a \times U \times \text{All Area}}{x \times (Y + Z)} \)

- \( x \) = number of hedges
- \( x \) = distance between plants in the row
- \( Y \) = distance between the hedges
- \( Z \) = vertical distance between plants in the hedge

**ADVANTAGES OF DOUBLE HEDGE PLANTING**

- More number of plants per unit area
- Early high yield
- Better soil conservation
- Less weed growth in the hedge
- Efficient cultural practices
- Better supervision

Source: (Muraleedharan et al., 2007, p. 40).

Tea Board of India and UPASI research was dedicated to these calculations, as well as professionally managing irrigation, drainage and soil health for maximum tea yield and consistent quality. Along with the management of soil and nutrients, the efficient planning and planting of tea bushes was designed to maximise the efficiency of labour. Tea was a labour intensive crop and the most labour-intensive stage was at plucking periods. Almost all pickers were female in South India. It was perfectly acceptable for industry publications to discuss ways of maximising the efficiency, harvest measured in kg/hectare, of female pickers in particular; ‘Plucking productivity improved with the health status particularly body weight of pickers which was optimum between 40 and 50kg. Obese pickers who were heavier than 50kg recorded a lower efficiency of plucking’ (Industry Research Papers summarised in Asopa, 2011, p. 100). Tea bushes were maintained at calf-height with a flat top a table for plucking, to maximise the efficiency of pickers, paid a daily wage plus additional piece-rate bonuses per extra kg of leaf plucked. Even the layout of the land was designed to allow pickers to walk between bushes, but maximise the number of bushes on a given slope. Figure 10 illustrates the scale of professional planning and investment in the plantings of formal estates.
Smallholders did not undertake the measures illustrated in Figure 10 and their lands did not appear as uniform or regular as estate lands.

Figure 10: Efficient Design for Tea Plantations

![Schematic Sketch Showing the Layout of Field with Proper Soil and Water Conservation Measures](image)

Source: (Muraleedharan et al., 2007, p. 37).

Smallholders in the tea industry were undoubtedly impacted by these norms and perhaps even emulated or admired their efficient estate counterparts, but data suggested smallholders were less effective at efficiency maximisation. Costs of production for smallholders were estimated to be a fraction of estate COP. This was partly because smallholders did not apply chemicals with the same systematic frequency or in the same quantities as estates. Yield per hectare was estimated to average 2004 kg/hectare/Year in South India’s estates, (Kadavil, no year, p. 20), whilst smallholder yield was estimated to be 60% of this (ibid, p. 20). Smallholders practiced less intensive tea production than estates, with a ‘low’ concentration of bushes per unit area. Approximately 12,500 bushes were commonly grown on a single hectare on estates, whereas smallholders planted less than 5,000 on average per hectare (Asopa, 2011, p. 97). Smallholders were not held to prepare land before planting, insert drains, calculate the slopes or design spacing of plants.
Smallholder costs of production did not include the costs of processing because smallholders generally did not own factories. Smallholders generally sold leaf to privately owned factories known as Bought Leaf Factories (BLFs) or to Bought Leaf Agents (BLAs) who took leaf to plantation estate factories. Smallholder costs were estimated, as they did not include labour effort, at INR5.33/kg in Tamil Nadu and INR6.31/kg in Kerala and rising 2011-12. The price paid for green leaf was INR8/kg in the summer months, April to July in Kerala and Tamil Nadu, which was close to the costs of production (Hannan 2007a, p. 22). Not owning processing factories saved processing costs but meant smallholders were dependent upon actors with processing equipment.

In the smallholder sector processing was separate from growing. Processing was the ‘anchor’ point in the tea value chain (Loconto, 2010). In South India, smallholders had to transport leaf to the nearest factory before it spoilt which limited their choice of factories to local BLFs. There was little competition at that link in the value chain. Figure 11 depicts a highly stylised ‘value chain’ to illustrate the stages of tea production. The downwards arrow shows the direction in which tea moved.

Figure 11: The Tea Value Chain
Smallholders experienced low and seasonally variable prices. Smallholders selling leaf to local BLFs as individual households received around INR 4 – 6/kg and perhaps INR8-9 in the dry winter months with lower supply. For comparison, smallholders selling leaf to a BLF via a self-help group (SHG) may have received INR10 – 15/kg (Johnson, 2009, p. 25). Premium teas such as Organic sold for up to INR24/kg. ‘Made’ teas (after factory processing) sold for between INR40/kg for domestic consumption ‘dust’ grade teas, to 145/kg for single estate or premium teas. Mapping producer options gave a better sense of their position. Competition to supply a single buyer-processor may reduce prices paid for leaf. Figure 12 shows a stylised production map, inspired by the agricultural marketing maps in Harris-White’s (1996, p. 114-6) work on agricultural production and marketing in industries in India. Figure 12 shows the narrow ‘waist’ of the network, where multiple smallholders competed to supply their local factory processor.
Smallholders could also sell leaf to leaf agents who supplied leaf to plantation estate factories. Estates processed green leaf in the estate factory and bore only processing costs (plus the price of the green leaf). The estate benefitted compared to cultivating their own leaf. This was an emerging pattern (see Appendix 5). Estates were particularly taking leaf from the Nilgiri region because it was popular for producing the ‘Darjeeling of the South’. Bought Leaf Agents represented a source of competition for green leaf, hence expanding the number of options for small growers at the narrowest ‘waist’ part of the production network. Figure 13 shows the addition of options at the ‘waist’ of the network as shaded boxes representing leaf agent sales to plantation estates on the right, and
potential export opportunities via UPASI on the left of the figure. In theory this improved prices smallholders would receive for their green leaf.

**Figure 13: Tea Marketing Network Depicting Optional links to Global Value Chains**

My approach was to take producer groups as case studies, access points into the heterogeneous tea smallholder population. My non-certified group (NC) was located in the Nilgiri region marked in Figure 8. The other case group, which was dual-certified was named DC and was in Central Travencore, the Southernmost production region in Figure 8.

I next provide information about state support available to smallholders from the UPASI-KVK located in the Nilgiri. The character of the smallholder sector necessitated field research methods, partly because it was not possible to access the smallholders through any method other than in-person field research because farmers were not home or commercial internet users. Forums via which one might contact smallholders such as
factories, estates or UPASI-KVK were characterised by power discrepancies that would affect farmers’ responses to questionnaire-type methods and it was necessary to build trust and rapport with participants over time and during interviews.

5.3. The Smallholder Sector

Green leaf tea pricing was non-transparent in the smallholder sector. The factory owner weighed sacks, but assessed the quality of the leaf by eye, determining the freshness of the leaf and the percentage of the sack that was unusable ‘coarse’ material or ‘Banji’. He then stated the price to the grower (Interview 55, NC Bought Leaf Agent; Interview 57; NC Farmer). If there were few factories located nearby, growers had little choice but to accept the price as illustrated by Figure 12. The Tea Board of India devised a Price Sharing formula, which was designed to commit BLFs to sharing onward sales prices in certain ratios with growers and required them to report to the Tea Board quantities bought and prices paid in ‘Form E submissions’. In practice this was not consistently enforced or implemented (Hannan, 2007a, p. 16; p. 20). Enforcing this legislation would represent a step towards addressing informality by gaining knowledge of the small grower areas and providing some price protection.

Cooperative ownership of factories was one response of small growers to low, arbitrary prices and there were 17 such projects known as INDCOs in the Nilgiri. However, only one succeeded due to its loyalty and quality management scheme (Hannan, 2007a, p. 12). Cooperatives were troubled by politics, for example if the directors of the factory or a person of social standing who held an administrative post delivered poor quality leaf the growers or factory workers would not refuse it because they could not refuse to take the leaf of their social superior. It was not the place of workers and agricultural labourers to question the quality of the leaf of certain others.
The state and Tea Board lacked clear knowledge of the small grower sector. There was an absence of reliable data regarding even the number of small tea growers. Table 8 shows that the Tea Board registered a total of 71,676 small growers in 2005, but association records showed 126,256 in 2005 (Devi, 2007, p. 4). Association records may have been inaccurate if small growers were members of multiple groups or if they suspended membership or tea production temporarily. The total figure for the smallholder tea producer population for Kerala in Table 13 shows a huge discrepancy. Without reliable population totals quantitative research would have been misleading. The best way to access small grower experiences was to take groups as case studies, obtaining data directly from growers.

Table 13: Small Grower Population Estimates

<table>
<thead>
<tr>
<th>State</th>
<th>Number of tea smallholders registered with Tea Board</th>
<th>Smallholders reported by smallholder associations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assam</td>
<td>1,852</td>
<td>42,492</td>
</tr>
<tr>
<td>West Bengal</td>
<td>479</td>
<td>8,398</td>
</tr>
<tr>
<td>Tamil Nadu</td>
<td>59,111</td>
<td>61,985</td>
</tr>
<tr>
<td>Kerala</td>
<td>2,648</td>
<td>5,999</td>
</tr>
<tr>
<td>Other</td>
<td>7,586</td>
<td>7,382</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>71,676</strong></td>
<td><strong>126,256</strong></td>
</tr>
</tbody>
</table>

Source: (Devi, 2007, p. 4).

To register with the Tea Board of India smallholders needed documentation, including land deeds or possession certificates which many did not have (Hannan, 2007b, p. 5). The Tea Board introduced assistance for smallholders if they formed Self Help Groups (SHGs). Growers could apply for leaf transport vehicle subsidies, sorting sheds, leaf collection bags, weighing machines, crates and pruning machines (Hannan, 2007b, p. 8). However, without registration documents growers could not access these schemes. The potential variety of small grower experiences recommended a small-n case approach.
rather than an attempt at representativeness. The experiences of an individual smallholder unable to register and receive any Tea Board support would be incomparable to that of a certified grower in an organised, certified group. I located smallholders registered with the Tea Board and in Self Help Groups to design a fair comparison with certified small growers (see Chapter 4).

I selected two case groups of growers as access points into the smallholder sector. Firstly, I chose the case group DC, located at the more southerly point marked on Figure 8, because this research required a dual-certified group of smallholders. Secondly, I chose the case group NC, found at the more northerly point marked in Figure 8, located in the area that was the highest concentration of small growers in South India, the Nilgiri. NC had formed a Self Help Group and accessed export markets. Case NC therefore allowed me an entrance point to smallholders that were following Tea Board advice by registering with the Board and banding together. I next describe the groups, firstly the non-certified group NC, then the dual-certified group DC.

5.4. Location and Organisation of Case Study Groups

Figure 14 shows the locations of the two case study producer groups, over 100KM apart. Case group NC is marked with the northerly cross at the location of ‘Coimbatore’, the heart of the Nilgiri production region. Case group DC is the southerly cross near the town of Kumily in the heart of the Central Travencore (‘Idukki’) District. Figure 14 also shows the location of Munnar, a plantation district where a company was located that bought green leaf from the NC growers.
Figure 14: Map showing Case Group Locations

Case Group NC: The Nilgiri Region, Tamil Nadu

There were approximately 70,000 smallholder tea producers in the Nilgiri region of Tamil Nadu of which at least 20,000 were small (possessing 1-2 hectares of land) or marginal (possessing 0.5-1 hectare of land). The administrative centre of the South Indian tea industry was in the Nilgiri region in Coimbatore, the Head Quarters for UPASI, and the site of the latter’s small grower sub-division, UPASI-KVK offices. Case group NC was a group of non-certified smallholders whose lands were located in the hills around Coimbatore.

The farmers formed a Self Help Group during 2009, naming it after a Hindu god. The group had 55 members, predominantly of the Burgher community, Hindus who claimed distant European ethnic ties and who prioritised family and heritage, passing lands from one generation to the next. They practised close, communal-style living and a diet of strict vegetarianism. They described their status as farmers rather than workers, asserting...
the dignity of being distinct from the labourer class, and could be identified as OBC (Other Backwards Caste).

After they formed the group, NC farmers accessed state support and received government subsidy via UPASI-KVK. Funding allowed them to purchase a truck to transport leaf to their local factory, a leaf-sorting shed where farmers graded and bagged leaf, scales and carrying equipment. They received advice and quality training from UPASI-KVK. This included avoiding mechanised plucking, how to time the pruning of members’ fields such that quality leaves developed in rotation and how to pluck for ‘silver tip’, which commanded a premium price as White Tea. UPASI provided them with cost-price clones of the tea bush, which provided approximately three times the average yield. UPASI found an export market link for the White Tea and demonstrated how to process it using drying fans. In this sense, group NC availed itself of much of the government help available, increasing yield and quality and manipulating their supply in accordance with the green leaf grading system (A-grade leaf compared to B-Grade) which fed into the industry wide tea quality grading system.

The impetus was from farmers who began to understand that if they took their leaf to factories together they received better prices. They formed a group of 30, increasing their number in order to access UPASI assistance. Prior to this the group attained low prices of INR4-5/kg, selling unsorted leaf to the factory individually. In April 2012 they received INR20.25/kg for A-grade leaf and INR16.50 for B-grade. The white tip sold processed at the Coonnoor Auction centre for INR9, 000/kg. The group took jobs on rotation and paid themselves an extra INR50/day for leaf sorting. They divided group earnings at the end of every month.

Case Group DC: Idukki District, Kerala
Figure 15 shows the location of case group DC factory and farmers between the towns of Pirmed and Kumili, in the Central Travencore region in Kerala.

Figure 15: Map showing Central Travencore

Source: (Open Access, MapsOfIndia.com, no year).

This dual-certified group began as a development initiative with EU funding that was organised by a local NGO Development Society. This group was unique as the only Organic and Fairtrade-certified small grower group in South India in 2012. The tea project of the Development Society began in 1998 and was organised under an initiative named here as the Local NGO’s Tea Project. The project organised as a ‘Consortium’ of farmers who began an Organic tea factory that opened in 2003. The factory operated until 2009 when the factory and tea project collapsed financially. The local NGO sold the factory to a tea processor-trader company from North India with a high profile in the Fairtrade regional producers’ organisation Network of Asian Producers (NAP). The latter managed other Fairtrade-Organic development projects in North India and owned plantation assets in North India. The project at DC lay dormant for a year before the processor-trader reopened the factory in 2010. In 2012, the processor-trader organisation paid for Organic and Fairtrade certification, audits and training for Organic farmers. The Bishop, head of the local NGO believed the profile and character of the trader company
would allow the project to continue as a development-oriented project to help smallholders.

The Local NGO Tea Project mission statement communicated an intention of resistance within the Organic tea project and showed how the group understood its position in South Indian tea; 'The Society's initiative in Organic farming may be also seen as a counter movement against degenerative and unaffordable chemical applications and the neo-colonialisation trait set in by the multinationals in rural agriculture' (Peermade Development Society Brochure, no year, no pagination). The Tea Project was only one initiative of the NGO. There was also a Spice project and an ayurvedic hospital, treatment centre and accommodation. Further there was the Women's Development Programme administered by local Catholic Sisters. The Head Quarters for the NGO operations was in Pirmed, a Hill Station at 1,500m above sea level. DC Tea project areas included 1) an isolated tribal colony Vanchivayal, unreachable without a specialist driver and jeep, 2) the Tea Factory Area Valanjamkanam, Kuttikkanam, where I conducted field research, and 3) Valloor, a neighbouring town where the majority of group members had let Organic practices lapse.

To begin the tea project, the Development Society gained financial support from the EU Commission, Naturland (German NGO), Equal Exchange (UK ATO), Verein Familien Partner Kerala (Austrian NGO) and support from Traidcraft (UK ATO). This finance purchased the Organic factory including state-of-the-art processing machinery. This project was development-oriented and was not intended to make profit but to give the farmers a sales route as the local Central Travencore/ Idukki area was dominated by plantations.

The Development Society NGO project was originally headed by a Catholic Bishop and 90% of the members were Christians. The idea of converting to Organic farming and
building their own Organic factory was born out of participatory discussions hosted by the Development NGO with farmers about the problems of tea small scale tea farming. The NGO conducted a survey and the idea was popular. The project originally included around 1200 farmer members or 800 hectares (FAO.ORG no date). In practice there were roughly 700 active member growers (Devi 2007).

The group received no support or advice from the UPASI or Tea Board of India and even though they were in a different area to group NC, there was a regional UPASI office and Tea Board Support was available across the region through UPASI. When the factory collapsed in 2009, members let Organic practices lapse because they could only sell to local BLFs for non-Organic sales prices. They received low prices around INR4/kg – approximately the same as those received by group NC before NC’s quality improvements. Some farmers had returned to DC in 2012 when there were 195 members across all 3 areas.

The reasons for the collapse of the development project were low sales and low quality tea. The factory was under supplied with Organic leaf because farmers struggled with Organic requirements. The factory ran at under capacity, which was financially inefficient and reduced the quality of the final tea. The Catholic Diocese was inexperienced at tea processing and knew few buyers therefore sales suffered. Organic tea needed to fetch a price premium because it was expensive for farmers to produce, yet the quality was poor. The farmers sold little of their tea as Fairtrade and received no price support because there was no Fairtrade minimum price set by Fairtrade for Organic-Fairtrade CTC-processed tea in 2009. Fairtrade certification was held at the producer group level, not by individual farmers, whereas Organic certification corresponded to the individual farmer plots. The farmers implemented Organic rules and requirements but it was for group managers to actively promote Fairtrade and disperse benefits, such as any social premium money, throughout the group.
5.5. **Certification and Standards in South Indian tea**

Having introduced and situated the case study groups, I will introduce certification and standards in South Indian tea. I present secondary data under the research question themes of; extension of dual-certification, reasons for HVEM access, and conflicts and tensions between dual-VPSs and norms and practices among tea farmers.

Of 13 producers on the Fairtrade register for South India, 12 were estates and 1 was a smallholder group (confirming Neilson and Pritchard, 2006). The smallholders and 10 out of the 12 estates all held another certification in addition to Fairtrade. Literature reviewed in Chapter 1 suggested certification was unaffordable for the smallest and poorest producers. The 12 estates were specialist estates producers selling grades such as Orange Pekoe, owned by multinational companies selling tea for tea bags in bulk supply contracts with major UK, EU and US companies. They were all located in high elevation, high quality growing regions, except the small grower group. This is visible from Figure 16, where the majority of Fairtrade producers were clustered in the high quality regions, the Nilgiri Hills and Munnar and only the small growers were in the medium elevation area of Central Travencore.
Figure 16: Fairtrade producers


Group DC was the only dual-certified small grower group in South India. There was only one other certified group and they were UTZ single-certified. The overwhelming majority of certified producers being estates suggested smallholders could not afford certification. Smallholders were also potentially unable to access certification, were unaware of certification opportunities or were disinterested. I explored the idea that certification was related to quality, with smallholders perhaps producing inferior quality tea and therefore unable to access the buyers that might encourage certification. When my findings suggested smallholders were supplying leaf to plantations and this leaf was reaching HVEMs, the idea that smallholders were producers of inferior quality leaf became doubtful. Bought Leaf Factories with out-dated machinery reduced leaf quality but because this output was seen to be ‘small grower tea’ it was assumed the leaf was poor when often it was the factory machinery. When estates bought smallholder leaf and
processed it themselves in modern factories, the combination created teas acceptable for export to UK tea bags.

The high number of estates that were Fairtrade-certified may have discouraged smallholders. It disappointed the Fair Trade Alliance Kerala (FTAK) and other development workers who suggested smallholders needed genuine development solutions not Fairtrade, which was perceived as concerned with its own brand and marketing (Interview 50. Fairtrade advocacy NGO, Kerala). An UTZ group of small growers had chosen UTZ over Fairtrade in collaboration with an NGO ostensibly promoting Fairtrade and aware of the large number of Fairtrade estates. However, the case group NC had not heard of Fairtrade (Interview 56. NC Farmers; Interview 57. NC Farmer). Interestingly the estate company that bought NC tea for processing and export did have Fairtrade-certified estate land. Had Fairtrade not created standards for plantation estates, that plantation would have had to certify smallholders in order to supply Fairtrade orders. Field research was necessary to ask dual-certified small growers why and how they had become dual-certified and NC producers why they were non-certified. I explain my conclusions in Chapter 5.

**High Value Export Market Access**

I determined which companies were trading with which producers using secondary data and collated this in stylised production networks. I used online resources of certified companies, combined with lists of certified registered producers provided online by standard setters. UK tea bags commonly contained tea from around 40 different suppliers, from African small growers to Sri Lankan plantations. This affected the market access prospects for certified producers. Some cheap teas were used by blenders to lower costs. This was balanced by inclusion of high quality teas to raise the taste profile of the blend.
Blending was often outsourced to specialists such as ‘Ringtons’, a UK importer who employed tea tasters, which bought tea from different sources in response to the fluctuating prices, weather and conditions in different auction centres around the world to maintain the overall taste within certain parameters for the buyer company’s specifications. Figure 14 shows a stylised GPN, which indicates that certified producers in Sri Lanka affected certified producers in South India. I asked producers what percentage of tea sales went to different buyers and how this changed over time. I knew to ask buyers what sources of tea they had and how the percentages procured from each had changed over time and why. Secondary data informed my discussion guides, included in Appendix 3.

Figure 17 represents the blending convention with reference to a slice of the certified tea sector. Dashed lines indicate where it was unclear exactly where tea buyers sourced tea. A Fairtrade brand could contain tea from Fairtrade plantations and from smallholders from across the world. The first two brands at the top of the figure, Good Earth and Tetley, were both owned by TATA-Tetley. Tea for the former came from the Fairtrade-Organic estate of KDHP Co., whereas tea for the latter came predominantly from KDHP Co.’s Bought Leaf Operations (BLO), meaning the raw leaf was from smallholders but it was processed in KDHP Co. factories. This revealed 2 findings, firstly that non-certified smallholders were selling leaf to a plantation estate and this was reaching export markets such as the UK tea bag market and therefore the smallholder sector and the estate sector were not totally distinct. Further, there was not a problem with smallholder leaf, but it was the processing by the local BLFs that reduced quality. Secondly, of 12 estate producers on the Fairtrade register for South India, 10 had non-certified Bought Leaf Operations. Therefore the non-certified and the certified were not indistinct, with many actors operating both certified and non-certified GCCs linked in GPNs. Plantation estates
were certifying their own plantation lands, but not certifying BLO growers, instead keeping the latter relationships informal and non-certified.

The next company down in Figure 17, EE, marketed a Fairtrade-Organic blend. They aimed to source from small growers, but at times, blending being responsive to changes, they included Fairtrade-Organic plantation tea. This is shown with a dashed line connecting plantation sectors in Sri Lanka and India into the company’s stream of tea. Like TATA, EE bought directly from producers, controlling supply chains by performing their own sourcing instead of outsourcing to Ringtons. The next company down was Fairtrade-Organic and bought mostly from Sri Lanka, buying South Indian tea during shortfalls. This was for quality and taste preferences. Their premium quality black tea was mainly from smallholders and mainly via private sales but in a shortfall, they purchased via the largest UK importer of Fairtrade tea, which serviced several UK companies, Ringtons. When they did so, they were likely to be buying plantation Fairtrade-Organic teas. The next company was one of the original companies involved with the fair trade movement. They had begun to outsource blending to the UK importer company Ringtons and bought Fairtrade (non-Organic) tea. They gave the blender Ringtons parameters such as price, taste and other objectives such as to mainly buy from African producers or aim to support Fairtrade smallholders. When companies sourced Fairtrade tea via Ringtons, this did not make supply more integrated. Sourcing via Ringtons put an additional party and more distance between the producer and consumer and represented a less integrated and less personal supply chain.

Kenya was a popular source for Fairtrade single-certified tea for UK markets because Kenyan Fairtrade-certified smallholders were organised under a state-based umbrella organisation and achieved quality output. Tesco teas were of African origin. African and South Indian teas were cheaper than Sri Lankan or North Indian, including in Fairtrade minimum prices (see Chapter 8). African teas tended to have an ‘earthy’ taste whereas
Sri Lankan teas for the UK market tended to be more delicate and fragrant (Sri Lanka’s lower grown teas were less fragrant but went to other markets). Most Fairtrade tea for the UK market was single-certified Fairtrade tea; dual-certified Fairtrade-Organic tea represented a higher value market segment. One effect of the interaction between these two standards was to ratchet up the quality expectations: Buyers for Fairtrade-Organic tea paid more but expected premium quality tea.

Figure 17: Creating blends in International Tea Sourcing

Source: (Own work)

Conflicts and tensions for farmers with dual-standards

I investigated detailed requirements of VPSs to analyse whether the requirements of standards should control industry norms such as the blend convention. I built a taxonomy
to compare requirements of standards including Fairtrade, Organic, Rainforest Alliance, UTZ Good Inside, as well as the Ethical Tea Partnership guidelines for ethical sourcing in tea (key points are summarised below and in Chapter 9, and further detail is given in Appendix 2). These data showed that an element of Fairtrade was that buyers should share long-term sourcing plans with suppliers. This requirement was potentially in conflict with the propensity for blenders to change the contents of their blend to account for droughts and other interruptions to supply. Given this background data, I designed discussion guides to ask DC participants about the long-term sourcing plans which Fairtrade standards required buyers to share (see Appendix 3), then analysed the interaction between Fairtrade certification and HVEM access.

I summarise key points from my investigation of standards’ requirements for tea in South India in four groupings; organisational requirements, environmental requirements, trade requirements and price requirements. First, organisational requirements of standards were broadly similar with all standards sharing the structure of International Standards Organisation (ISO) management systems documents, and sharing the language of ‘due diligence’ such that auditors could determine that management had taken steps to achieve objectives. Fairtrade standards allowed the definition of a Fairtrade Producer to include estates by creating Hired Labour standards for tea (prohibited for coffee). The Hired Labour Standards were the same in terms of content except the implication of allowing plantations into the Fairtrade supply market was increased competition and supply.

Fairtrade Small Producer Organisation standards required Producer Organisations to be democratically managed (see Appendix 2) and the clash I predicted with South India was social, where norms about class, respect and family may have created organisational patterns at odds with Fairtrade requirements’ democratisation project for the producer group unit. The quality manager for a group inspected farmers’ leaf and decided what price farmers would receive. It was unlikely that a quality manager would reject or
reduce pay for the leaf of a social superior. The quality of leaf the group attempted to sell may suffer and farmers who diligently brought good quality leaf would grow frustrated. The manager may face being voted out however he behaved. Alternatively, that individual, along with other farmers with knowledge of the standards’ requirements were essential to the farmers, potentially clashing with pre-existing hierarchies.

There were potential issues around interactions of Fairtrade smallholder tea standards, with Organic standards. Fairtrade controlled exploitation of labour whilst Organic protected environmental resources. Poor farmers may find their margins reduced to unacceptably low levels. Organic forbade the use of chemicals that were common and established in tea farming in South India as labour-saving devices. If Fairtrade standards reduced labour availability by taking time for participation in decision-making, farmers may not be able to prioritise Organic requirements such as hand weeding.

The individual farmer owned his plot and gained Organic certification. If he wanted to risk his certification by applying an input forbidden by Organic, the likelihood that his actions would contaminate his neighbours’ lands was high when plots were small and proximate. It seemed possible that a Fairtrade group would struggle with the strain of neighbours accusing one another of applying chemicals. A further clash could concern the conversion period of 3 years between beginning Organic practices and gaining certification. This would represent risk and loss of income for poor farmers.

FLO only prohibited use of the well-known ‘Dirty Dozen’ chemicals (see Appendix 2), but Organic prohibited almost. This could be interpreted by smallholders as confusing and contradictory, or as meaning that aiming somewhere between the two standards would be acceptable. Thirdly, concerning trade requirements, Fairtrade standards required traders and buyers to share long-term sourcing plans with producers and develop
close relationships to allow small producer to predict and plan their finances (see Appendix 2), yet how this worked with the blend convention was unclear.

Finally, regarding price, FLO rules required Fairtrade-certified buyers and operators to pay minimum prices or market prices if the latter was higher, only after factory processing. This meant the factory owner was the beneficiary of Fairtrade governance of trade. Relations between smallholders and the factory were not covered by minimum pricing (Table 22, Appendix 2). This might be confusing for producers given Fairtrade standards suggested guaranteed prices (see Table 21, Appendix 2). Moreover, FLO set different prices for different produce from different regions and different producers. In the case of Organic Black Tea from South Indian Small Tea Growers, in 2009 there was no fixed price whether the tea was processed by CTC (poorer quality) or by Orthodox (higher quality) methods (Table 23, shaded area, Appendix 2). Producers (defined in tea as including estates) did not want a minimum price because Organic was a premium product and they lobbied that a minimum price sent the wrong signals about the quality of their tea and would undermine them in negotiations (71. Interview Fairtrade London; 74. Interview FLO-ev ex-executive).

Only at the 2010 Price Revision did the standard setting FLO-ev introduce a minimum for Organic Black Tea from South India, but only for the CTC processed, not for the Orthodox processed (see Tables 24 and 25 Appendix 2). CTC Organic tea was $1.80/kg whereas CTC non-Organic tea was $1.40/kg and both carried a social premium of $0.50/kg. Orthodox tea, whether Organic or non-Organic had no minimum price, but carried a social premium of $1.10/kg. The absence of a minimum price combined with the existence of Hired Labour plantation standards to disadvantage smallholders. Where there was no minimum price, producers could undercut one another’s prices to compete, making savings due to their scale of (bulk) production that were not an option for smallholders. Costs of certification (licensee and audit fees) were unresponsive to size, so
bulk producers could absorb costs whereas smallholders struggled (74. Interview FLO-ev ex-executive).

To summarise this chapter, I referred to secondary background data and primary data to describe the context of South Indian tea production in which the two case groups were ‘embedded’ in formal institutional and legislative environment as well as a tea sector with quality norms and professional practices. The two groups were geographically separate but in the same informal sector of the same industry, received roughly the same low prices when they had sold to BLFs and were theoretically entitled to the same Tea Board support via UPASI. I described the tea industry, including how quality had changed from single-estate orthodox processed tea to include blending, brand identity and cut-tear-curl processed teas for tea bags. I described South India’s place as a supplier of CTC-processed and convenience teas to multinationals, but with an estate sector in crisis and buying unprocessed green leaf increasingly frequently from smallholders in Bought Leaf Operations. I questioned the strict separation between the formal estate sector and the smallholder sector. I also questioned the politicised use of the concept of quality.

I depicted the locations of the non-certified group NC and the dual-certified group DC. NC was located in the high elevation, quality growing region of the Nilgiri whereas DC was in the lower elevation medium quality region in Kerala. NC had formed a Self Help Group and availed themselves of the state support that the Tea Board provided via UPASI-KVK. In contrast, DC’s Organic tea project began as a development project but collapsed in 2009 and was taken over by a trader-processor company from North India, which bought their Organic factory and managed certification and training. Collapse was due to poor sales and low quality, but the trader reformed and reemphasised quality management. DC membership had shrunk from a far larger population than NC but was recovering, whereas NC’s membership had grown around one village community.
For certified producers there might be considerable competition within the Fairtrade-Organic niche market, as they faced competition with plantations. FLO had not fixed a minimum price for Organic. FLO was defining estates and small growers as producers, yet there were potentially different concerns for the two groups, including for example when high quality estate producers lobbied FLO not to set a minimum price on the grounds it might undermine their negotiating power. This claim was based on the high profile and access enjoyed by the estates relative to FLO, and grounded in a politically neutral use of the term ‘quality’. Smallholders not only competed with certified plantations to sell tea, but also to define the fair element of Fairtrade standards. This was unlike other sectors where FLO governance applied to and consulted with smallholders only as ‘the producers’.
6. Smallholder Agency in Dual-certification and Non-certification

In this chapter, I explain the paths that led to dual-certification and non-certification of smallholder tea producers in South India. Of particular interest was why small growers became dual-certified in South India where there was scant tea smallholder certification. Only two groups held certification to any VPS in South Indian tea in 2012, and only one of these groups held dual-certification. I carried out field research with the dual-certified group and with one non-certified group, generating qualitative primary data through semi-structured key informant and group interviews. Data was analysed in terms of theoretical debates about the extension of certification. Original GVC approaches saw standards in terms of lead firms shaping market access for smaller producer firms, however in Chapter 3 I argued for an expanded understanding of power that left more space for producer agency and reconceived of standards under the concept of governmentality rather than merely governance. This emphasised the agency of intermediary processor and trader agency, and underlined that negotiation and power were exercised at several of these key nodes in local agricultural marketing networks, as producers, producer group managers, traders and factories engaged strategically with the various strands of the tea global value chain, and with the contents of standards.

I argue that farmers and members of the producer group DC valued Organic certification independently of any buyer demanding Organic certification. They pursued and retained Organic certification even despite the preferences of buyers. One buyer encouraged dropping Organic and criticised the group regarding quality, the buyer commissioned an ‘independent’ assessment by a third party to surround their rejection of Organic
certification in pro-development terms, to shore-up the legitimacy of the report. I argue this was a clear instance of an attempt to imply a separation of knowledge from power to present an assertion as politically neutral, which speaks to Bain, Ransom and Worosz’s (2010) analyses regarding legitimacy claims by global standards. The group retained Organic however, which displayed DC’s agency against the discursive construction of an actor, a buyer, traditionally considered to exercise power relative to the farmers. The instigation of group DC certification, first to Organic then to Fairtrade certification reflected the resistance agenda of group DC and the effective, even instrumental use of the fair trade social network to gain Organic certification. The group’s retention of certification could be explored because the certified tea project almost collapsed in 2009 when the factory was bought by an intermediary trader company from North India. It was the role of the intermediary trader company that meant the group retained Organic. The trader managed internal elements of standards by disciplining compliance with Organic. The trader also matched the potential benefits of Fairtrade standards to farmers’ priorities. The trader simultaneously managed external relations by matching certification to buyers. Strategic and inventive, the trader used global standards to enact their own, locally workable version of dual-certification to Fairtrade and Organic standards.

In the second half of this chapter, I argue NC tea was reaching those same HVEMs markets as DC tea. It was not therefore from lack of connection to high quality consumer markets that NC remained non-certified. There was a growing trade between small growers, in the high quality growing region of the Nilgiri and plantation estates that bought their leaf via Leaf Agents and processed it in estate factories. Paradoxically, and unbeknownst to NC farmers, this fuelled NC smallholders non-certified strategy. Small growers could imagine a multitude of local buyers for non-certified tea. Certification
appeared unnecessary, even outlandish, to NC growers. Non-certification steered by the small growers’ image of multiple, potential buyers for high quality, but non-certified, tea.

There was however an additional reason for non-certification of group NC. They sold tea via a Leaf Agent to a large plantation company. The plantation company was growing, manufacturing and exporting certified tea, including Fairtrade-Organic certified tea from their Fairtrade-Organic estate. Had FLO governance remained exclusively for smallholders, the estate would have had to assist smallholders to gain certification, rather than certifying their estate. Since Fairtrade estate standards did exist, it was easier to certify the estate. This rendered the plantation processor the gatekeeper at the South Indian portion of the GVC. By co-opting the status of FLO-legitimate-stakeholder from the smallholder, the estate producer was able to shape access to certification. Using governmentality, estate producers became visible as contributing to governance by private standards.

In 2012, the same plantation company considered extending Rainforest Alliance certification to smallholders but only those in Kerala not in Tamil Nadu. NC non-certification was therefore intermediary or processor-steered. Smallholders were able to leave plantation estates sales arrangement but when NC did, they remained non-certified because UPASI advice inclined them towards prioritising specific quality improvements, reflecting the definitional and norm-forming power of institutional practice relative to these producers. I conclude this chapter by discussing agency and power in marketing networks.

**Overview of Data**

I sampled key individuals within groups DC and NC and surrounding networks. I list key participants in Table 14, which shows key participants from group DC on the left and
those from NC on the right. It also lists participants who provided data relevant to both groups below across both columns.

Table 14: Participants sampled to understand certification

<table>
<thead>
<tr>
<th>GROUP DC</th>
<th>GROUP NC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Head of the local development NGO project</td>
<td>Heads of the self-help group</td>
</tr>
<tr>
<td>Producer group ‘committee’ members - quality manager, compliance manager, accounts manager, factory manager</td>
<td>UPASI</td>
</tr>
<tr>
<td>Intermediary trader company – Trader Co.</td>
<td>Intermediary trader - Leaf Agent</td>
</tr>
<tr>
<td>UK Buyer 1; UK Buyer 2</td>
<td>Buyer (intermediary) - Plantation Estate Bought Leaf Operations Manager</td>
</tr>
<tr>
<td>Project funder</td>
<td>Plantation Estate - Certification Manager</td>
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<tr>
<td>Farmers</td>
<td>Farmers</td>
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<td>Organic campaigner and Fairtrade promotion NGO</td>
<td></td>
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<tr>
<td>Development workers</td>
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<tr>
<td>Standard setters (Fairtrade, Organic and UTZ)</td>
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</tbody>
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Qualitative analysis entailed examining the coded data and assessing how they diverged from theoretical constructs. Although coded as ‘buyer-driven’, data from NC actually indicated where intermediary processors (plantation estates) and intermediary traders (UPASI) had steered the growers towards other arrangements that precluded certification. They did not drive non-certification actively though it was an outcome of their roles in the NC production network. As per Raikes, Jensen and Ponte (2000, p. 7 -8), value chain governance was never expected to be purely producer or buyer driven, but beginning data analysis in these binary terms highlighted the agency of the other ‘nodes’ in the networks.

6.1. Paths to Dual-certification: Group DC

Farmers and members of the producer group DC valued Organic certification. In four separate interviews with farmers from DC (Interviews with farmers 61; 62; 65; 66)
participants praised aspects of Organic standards. Organic requirements complimented
the way farmers farmed other staple, non-export crops.

(So why do it – the Organic way?)

JV – this is mixed cropping village, coffee, pepper, Yam, Tapyoka, we do not use
chemicals for those things so why should we for the tea? Chemicals and fertilisers
are not used for anything here. Some tea is there in the middle, in with the other
crops. We use all for our own consumption and we do not want chemicals on
those things so if we used it for the tea our own consumption would be affected as
well. Diseases come from using the chemicals.

M – People in the village are healthier. In the middle of their crops they have tea,
just a little tea. This is not for profit, not for money, there is no profit from this.
The labour affects the quality and without the labour there is no quality. (61. Interview DC farmers).

Participants wanted to communicate that it was not solely for prices or tea sales.

JV – but it is not those price things for me. Even if you gave me the weedicides I
would not use them. Or chemicals, I will not do. If it were free and given I would
not do it.

(principles?) Yes, [laughing] M - he is a man of principles. JV – Many people use
chemicals for weeds and flavour and yield. (61. Interview DC farmers)

Farmers emphasised ‘healthy living’ as the motive for Organic tea and other crops.

I – Organic tea is healthier though and we are pleased for ourselves. The land is
healthier. Fields are healthier. All this (waving outside) chemicals are making
plucking harder – making it worse. (65. Interview DC farmers in conversion)

The factory role in paying higher prices was also mentioned however.

(why be Organic – what is the best thing?) Lizzy – healthy living and quality tea
(and the worst thing?) Lizzy – quantity, the less yield, it is frustrating (how much
less yield is there?) There is a 30% reduction and so the factory must pay this
30% more, and this is only if there is good quality also so it is hard to keep the
both things going (62. Interview DC farmers)

In a further group interview farmers stated, ‘if it’s here, it’s Organic’, that all the village
did the same, and was working ‘with nature’. One farmer expressed concern about
cancer, stating that there had been poor health in the area and that it was due to the
historical application of pesticides (Interview 66. DC farmers in-conversion). Organic
was something that set the DC group apart in the South Indian tea industry, and various
research participants from UPASI as well as NGOs were familiar with the DC group. This political motive had been an original concern for the development NGO local to DC that had initiated the Organic farming project. For example the Local NGO Tea Project mission statement communicated the intention of resistance at the heart of the Organic tea project and showed how the group understood its position in South Indian tea: 'The Society's initiative in Organic farming may be also seen as a counter movement against degenerative and unaffordable chemical applications and the neo-colonialisation trait set in by the multinationals in rural agriculture' (Peermade Development Society Brochure, no year, no pagination).

DC farmers described how Organic certification began first then Fairtrade certification followed. Although there was consensus and evident will to practice organically, some farmers found Organic standards difficult in practice, particularly before Fairtrade was added.

(Did they start at the same time? Which was first?) M- Organic was first then after 4 years came Fairtrade as well.

JV – Organic began in 2001, and 2004 or so there was Fairtrade as well. Until the Fairtrade started as well the training was not given to the farmers.

M – Before Fairtrade started they were giving training to the farmers about how to do the Organic tea, planting materials etcetera, but not all the details and helps, then Fairtrade started.

D – then the Organic factory started

(whose idea was it?) M - They did a survey

JV – Under [local NGO] they started a survey and they asked all the farmers which of the farmers had tea and wanted to join. Short-listed the farmers and began that way. The factory belongs to [local NGO] actually. They had a crisis in 2009 and now it is not [local NGO] any longer, though it may be their factory still I do not know.

M – tea production stopped at the factory. So the farmers left because they could not sell the tea to the factory.

JV - people less interested left.

M – [local NGO] asked [trader company] to help
JV – gradually they are coming back but sadly this year the crop is very less in time. So there are still some problems

(there is a low crop?) JV – there is a low crop this year yes and when yield is low people, their patience is stretched with the Organic. There are still some problems. (61. Interview DC farmers)

The local NGO conducted a survey of local farmers to begin the project. The NGO then managed the local Organic factory as a development initiative before the factory’s financial collapse of 2009. When the factory stopped purchasing tea, ‘people less interested left’, but almost 100 (out of approximately 200) farmers continued practicing Organic despite the fact that when the factory was inoperative farmers had to sell their organic16 leaf to non-Organic local BLFs where they received only a local market price for their tea and no recognition that it was grown organically. UK buyers for DC’s tea confirmed that members of DC were attached to organic ideals. UK Buyer 1 expressed that Organic certification was not a priority for the buyer company but that DC producers valued it. I asked the respondent whether his buyer company had ever requested that the DC producer group adopt any VPS certifications.

Not really the case that standards were imposed externally, though their implementation determined market access to varying degrees. For example some were compulsory such as MRLs and others just conditional on market segment strategy, such as Fairtrade and others were independently valued such as Organic. Whether this was misguided or based on misunderstanding of the degree to which Organic would add a price premium onto the Fairtrade certification is up for discussion. Organic contentious but valued by some in the producer organisation. Given the strategy required Organic sales to keep the internal controls in place these collapsed too. (46. Interview, DC UK Buyer 1)

The other UK buyer company, UK Buyer 2, wanted DC to drop Organic certification. The participant found Organic a cause for concern. The participant referred to a report produced by the blender to which UK Buyer 2 had outsourced their sourcing, which stated that there were health and safety concerns with Organic standards. UK Buyer 2 was concerned that Organic rules affected the quality of tea adversely and ultimately pushed the price above that appropriate for the quality of the tea produced by DC.

16 Organically-farmed as distinct from Organic certified.
Organic practices, and certification status, led the smallholders to price themselves out of UK Buyer 2’s Fairtrade, but non-Organic certified tea blend.

We work with local tea packers here, one of the largest importers of Fairtrade tea to the UK have own supplier audits, sometimes we collaborate, same vision of Fairtrade as [us] [...] They did an audit of [local NGO ] from their own social criteria and concluded this organisation should immediately withdraw from Organic certification – particularly as concerns Health and Safety issues, major concerns, six or seven years ago.

Health and Safety of farmers and workers was being compromised by using Organic methods, pesticides, type and application, leeches prevalent, couldn’t rid them because Organic rules but ruinous for the lives of the workers. Practically speaking – why Organic? why is it important? They don’t have to be Organic to be sustainable – if it costs social and welfare of farmers then they shouldn’t do it. It made it a more expensive tea because they wanted a price premium for it – no market [with us] for it. We were trying to squeeze it into a conventional blend. (36. Interview DC UK Buyer 2)

Below the same participant explained more about the way DC tea did not ‘fit’ into Buyer 2’s blend. They bought DC tea to support the development of the producer group. However the participant explained this as a ‘subjective’ motive that had given way to more commercial ‘objective’ sourcing decisions.

[DC] were the only Indian supplier in our East African blend so it didn’t make any sense – [DC] were outside our normal circumstance – it was irrational for us to work with one supplier. [...] Subjective decision making made us do it, it was just not sensible in objective terms. It wasn’t compatible with what we were trying to do – not commercially sensible. It was a non-Organic blend and we were trying to force the [DC] Organic tea into a blend it didn’t fit well into, for developmental reason but no more. We regret developing the relationship as we did.

[Trader Company] came, committed to quality and factory management – they said quality would improve and management – reliability and compatibility may have increased – compatibility with the aims of the packer (35. Interview DC UK Buyer 2)

Old Fairtrade ATO-buyers were not the reasons for DC’s ability to retain Organic certification. UK Buyers 1 and 2 were not buying from DC in 2012 though Buyer 1
reported an Autumn 2012 order. Fairtrade certification of DC was linked to fair trade actors external to the producer group. ATO-NGO finance plus a loan from a local bank achieved by the local NGO purchased the Organic factory in 2001 (FAO.ORG, no year, no pagination). UK Buyer 2 described the way DC became Fairtrade certified through the fair trade movement.

We wanted all-smallholder blend originally. Historically though one UK brand took on the German model of plantations sourcing, Tea Direct took opposite, smallholder perspective and located smallholders and helped them to get certified, in the mid-1990s this was how [DC] came in. But Fairtrade tea would never have succeeded if not pro-commercial logic, nor [UK Buyer 2] – there was no decent smallholder tea available because Kenya had not yet opened up. There was room to be developmental then yet, now people have smallholder blends because Kenyan smallholder tea is decent. South Indian smallholder tea is not decent quality, Assam was all plantations (35. Interview DC UK Buyer 2)

Fairtrade certification resulted from development-oriented relationships that helped to build the Organic certified factory. It was Organic certification that was the DC’s group local NGO’s focus. From farmers’ perspectives, Fairtrade certification was unrelated to how tea was sold, but was instead in place to provide subsidy to support Organic compliance. Fairtrade certification appeared intermediary-driven, not ATO-driven. DC farmers only understood ‘Fairtrade’ in terms of the ‘farmers’ consortium’, or by the name of the local NGO. Farmers rarely recognised the term ‘Fairtrade’ to mean certification.

(And is it all Fairtrade as well this tea you grow?) All - erm... Lizzy - yes ... TS – [consortium?] Lizzy – yea... TS – both, yes. CD – I don’t know! [Laughing] TS – the [consortium] runs the Fairtrade, what used to be [local NGO]. All – Aah [local NGO]! Yes Yes (62. Interview DC farmers)

Fairtrade social premium money was spent on manure, an input that improved the yield and quality of tea produced organically. Farmers expressed the importance of what they saw as ‘manure from [local NGO]’ underscoring the way farmers valued Fairtrade certification because of the social premium’s role in helping with aspects of Organic tea production.

17 Farmers from group DC were present in this buyer’s online resources in 2013 under a section regarding meeting the producers.
D – it is possible to be Organic just alone, but L – you need Fairtrade too! D – With Fairtrade is preferable because they go hand in hand. Fairtrade gives a subsidy with, which makes the yield so much better, it makes the Organic yield, which is otherwise poor and exhausts the land, so much better. (How?) Because they work the same way. (How?) Organic yields are so low except with very expensive manure, now we have, we get the manure from the Fairtrade premium. (And you would not otherwise buy the manure?) L – the problem is one of where people are and how they know what they know because the work is different D - so we want the manure but we do not say, a family is a whole and there are different things, they want this and these people want this and unless you are there you do not know what there is to, what is important for the work to be the best (63. Interview DC farmers)

Participant D argued that the tea bushes needed manure but manure was expensive and it was not always possible to make the manure at the right time. Traditionally male farmers and male members of households undertook the heavy lifting functions in tea production including making manure. Fairtrade social premium money was spent on ready-made manure18 dispersed by the factory to the farmers. Therefore, any gender of farmer could use the manure as required, to improve the quality and the price for their Organic tea.

(And Fairtrade – does that help women or men more?) Women - The Fairtrade helps women because of the manure. The manure goes straight to the women, it does not have to be bought with money first it arrives as manure so there is a straight into the quality of the tea and the women would otherwise have to make the manure or ask for the heavy work of the manure to be made by their husband if he can, if he has that time to do he will do, but manure and compost goes straight into the home and the tea to help the women. (60. Interview DC Compliance and Training manager)

DC had to improve quality in order to sell tea into EU Organic HVEMs (see Chapter 7). Single-certified Fairtrade tea represented the ‘mainstream’ of the Fairtrade market, whereas Organic-Fairtrade tea represented a ‘higher quality market segment’ (70. Interview Fairtrade UK). Use of Fairtrade social premium money for manure assisted farmers to produce high quality leaf. To relieve quality pressure, DC farmers could have dropped Organic certification and relied on Fairtrade minimum prices. Here data

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18 The trader that managed the factory and producer group bought some manure on behalf of the group and dispersed it according to the amount of land a farmer owned. The trader also held manure-making workshops and group training sessions in which farmers were encouraged to make their own manure for which they could receive subsidy.
revealed the example of a buyer wanting less certification; UK Buyer 2 wanted DC to abandon Organic to improve quality and reduce price.

One buyer encouraged dropping Organic and criticised the group regarding quality, the buyer commissioned an ‘independent’ assessment by a third party to surround their rejection of Organic certification in pro-development terms, to shore-up the legitimacy of the report. This was an instance of an attempt to imply a separation of knowledge from power to present an assertion as politically neutral, which speaks to Bain, Ransom and Worosz’s (2010) analyses regarding legitimacy. The group retained Organic however, which displayed DC’s agency against the discursive construction of an actor, a buyer, considered in a position of power relative to the farmers. The buyer exercised agency but the results were not the inevitable abandonment of the Organic certification project by the DC farmers.

There were difficulties for DC farmers with Organic standards and tea processing and the factory collapsed in 2009. Only after the trader bought the factory in 2009 could Organic processing and sales recommence at the factory. DC farmers benefited from the sale of the factory to the trader company because it recreated a sales channel for DC farmers. Members of the DC producer group management structure described the collapse of the factory and the exodus and de-certification of the majority of the farmers. Before the collapse over 1,000 farmers were involved in the Organic project; approximately 200 were involved in the project at the time of the collapse but only approximately 100 remained Organic throughout the factory’s dormant period in 2009. Farmers were reportedly returning in 2012 by going through the ‘in-conversion’ period required by Organic certification. The following data show the trader invested in tea quality improvements and introduced internal management of quality. Even though Fairtrade standards required Producer Groups to be democratically managed, the trader encouraged the individuals holding the posts of ‘Head’ or Leader of the Consortium (P) and the
Consortium Quality Manager (W) to take those positions because of their experience with professional quality management in the plantation sector. They were local farmers but were recruited by the trader company to join the Fairtrade democratic producer body. This move allowed the trader’s quality improvement initiatives to reach the individual farmers’ farm practices, borrowing legitimacy from those individuals’ status as members of the farmer community. Participant P described the trader’s role in maintaining dual-certification.

P - The factory was [local NGO ] and [local NGO ] brought the money from Europe and from the UK, some UK sponsors were there. I was in the plantation sector that is where my experience is there. They wanted us to join because of our experiences, me and W. We know what the quality is, we know where the leaf is from straight away when we see it. Years of experience in the tea management sector. (Who is they?) P - [trader company]

(so [local NGO ] is Fairtrade?) P - The [consortium] is the Fairtrade part and the farmers are Organic under the [consortium]. [Local NGO] does many things, the Ayurvedic hospital is there and other Organic things, spices they export (And you are the head of the [consortium]?) P - Elected yes, and W is the Quality Manager, elected.

(And does the [consortium] pay for the audits?) P - No, [trader] ([trader]?) P - [trader] (and who pays for the certification?) P - [trader], they pay for everything.

(Is there a fixed price for the tea?) P - No, no it depends on the quality. (Is there a minimum price for the tea?) P - No, madam the only thing is the quality.

(Do you have a system for checking the quality then?) P – Yes.

(Is it hard to make sure the tea is of good quality?) P - It is hard to get the farmers to do what you want. We are trying to tell them and we give them so much training.

(Is it hard to get the farmers to follow the Organic rules?) P - Yes! Very hard! Even though we give the training all the time and explain all about the rules. (Who pays for the training?) P - [trader].

(so do they fail the audits?) P - No, we check first. But they would. Our quality system checks first. (So you prepare for the audit?) P - We must yes or it would be disastrous if a farmer tests were bad. (59. Interview DC Consortium Leader & Quality Manager)

Organic certification depended upon discipline and dedication, which the trader encouraged by managing compliance with Organic and quality improvements.
Before the audit the ICS staff are coming around and they will find it before the audit. (ICS?) Internal Control System – quality control. They are checking on the farmers all the time. D checks, They are going once per month and any complaints are made to the ICS staff. Me myself I am also going. (And will people complain about one another, their neighbours?) Oh yes because they must – they are too close – they themselves will be affected as the land is close and steep. All is shared!

(Is it common that the farmers use something naughty?) P -Yes. Reports come to the committee then they will see further procedures.

W - Last time 8 members were removed for using some chemicals.

(Out of how many farmers is that?)

W - Now we have 195 – last year 8 were removed for this. At the project start we had over 400 farmers, gradually they left because it is hard. This is why we are giving training to explain how it is that it cannot be so hard, and also why to, why it is important to stay with the rules. (59. Interview DC Consortium Leader & Quality Manager)

The trader initiated the quality control system, the ‘ICS’ and asked the staff of the Fairtrade consortium to take positions in the ICS for monitoring and compliance. However, pressure to comply with Organic was also of a social nature. The idea that a farmer might want to leave Organic was uncomfortable to farmers and farmers responded with shock that anyone might determinedly go against the tide in that manner. Organic-compliant tea farming required a ‘way of mind’ that some farmers had become used to.

(What would happen if you didn’t want to be Organic anymore?) All – no no! TS – no one has thought about that (But what if?) TS – [pensive pause] then we’d avoid that farmer. We’d fence with hibiscus which absorbs the chemicals and fertilisers of the neighbours, we would plant those and dig trenches to stop the chemicals coming in. See there [pointing] this is an Organic field – see the distances and the gaps between the field and the roads and pathways? (Yes) TS - See also all the weeds.

(So have farmers defaulted from Organic here?) TS - Oh yes! (What happened to them?) TS - The neighbours constructed the hibiscus fence and they lost the Organic price premium. The farmer used weedicides. (But not your neighbours?) TS – No, that is in another village, a little way out of here. The problem there is that they grow a lot of cardamom. To grow it requires many chemicals, serious chemicals, nasty ones, where there is cardamom and or there is not a lot of interest in Organic then those farmers will not keep to the Organic tea (why?) TS - because it is not the way of mind they are used to. (62. Interview DC farmers)

When asked about enforcement, farmers responded that ‘people know one another’. The factory manager added:
There is no cheating locally. The farmers, the consortium members, are all very honest. They understand what is Organic. They do it. What is required. So we also try to get the further afield for more leaf but those farmers farther away they do not do it. Further ones no, outside of this small community, no. (68. Interview DC Factory Manager)

The intermediary incentivised farmers via pricing and managed quality through a grading system based on the percentage of coarse leaf in a 100g sample of the farmers’ leaf. If farmers gave 5 per cent coarse material leaf the highest price was paid, whereas if they gave 40 per cent coarse material the lowest price was given, as W the quality manager described.

(So how is quality, have there been any problems maintaining quality?) W – The quality was but now it is so much better here now. (If a farmer has some quality problems what do you do?) W - We reduce the price and eventually we reject the leaf and they will sell it outside. After that they will come back. We reduce the price. (Why do you reject the leaf?) W - If the quality is poor, if it is 40% coarse leaf, we give only 9INR/kg so they want to sell it outside then they get a low price. It will affect our onwards reputation if we take the poor leaf. We do not want to get a name for making bad leaf. Then they will want to come back in again, then we can say if they want to come back in they can give good leaf and they can get 21INR/kg. (59. Interview DC Consortium Leader and Quality Manager)

With a formal Internal Control System (ICS), the trader introduced a transparent pricing scale according to the percentage of coarse waste material in farmers’ tea leaves. The trader paid prices that reflected the Organic certification status of leaf. This was designed to assist farmers with aspects of Organic (see Chapter 8).

The market price is 10INR/kg and we give them 20 or 23 which we recover from the Fairtrade premium. We also pay to give them compost and training. (68. Interview DC Factory Manager)

The intermediary was responsible for growth of the project by supporting farmers to join Organic internally, and by attracting buyers externally. This facilitated group DC retention of Organic certification because the factory needed sales to break even and the project would not continue if the factory lost money. Factory machinery was designed for bulk operation and when it was used under-capacity, it was financially inefficient. Using
bulk machinery for small volumes of tea burnt the leaf, degrading quality. The Organic project depended on a minimum number of farmers supplying leaf.

(So here are two streams of tea – is it difficult to keep them separate?)

Yes there is the fully Organic, then some farmers want to come in and we can say yes but they must do the 3 year conversion period. Different prices, years 1, 2 and 3. There are different buyers for Organic and In-Conversion grades. None of the tea goes to auction, all is private sales. The parent company [trader] in [North India], we send tea to them and then tea goes directly to the buyers because at auction you don’t get any price. Auctions do not do Organic, very few people are doing Organic so they do not do. Organic is specialist actually. [Trader] has 10-12 estates and began 25 years ago and they are Organic pioneers in India.

They therefore know the Fairtrade buyers very well from Germany (Are they reliable buyers?) Yes. (And UK buyers?) Yes, now again, before they were coming and, they went and now they are back again, recently somebody came. (68. Interview DC Factory Manager)

The intermediary was able to look outside of the UK buyer connection and attracted new buyers from Germany, where the combination of Organic and Fairtrade certifications was in demand. To supply those markets DC had to improve quality, so the trader addressed factory processing. This enabled the recovery of the project and farmers’ retention of Organic certification.

Last 2 years [trader] before that Diocese was in control here, but could not run a factory. Lack of know-how, lack of knowledge. They could not run it. Could not do the manufacturing but you have to find the markets and you must to run it like a business. This is a totally different subject.

The bishop has now entrusted to [trader] to come and help otherwise these small farmers will be cheated by the multinationals. Okay. So one, they do not give proper prices then they will not take it at all. Then the farmers will take lower prices and they offer the lower price. Here they get a good price for tea and spices and nobody can exploit them. It will take more time but...

(What problems were there before [trader]?)

Manufacturing problems, how to run and process in the factory. Running the administration was a mess. Quality administration, taste. Site problems, export problems. We know all from the start to the end plucking, manufacturing, marketing.

(Were there quality issues?) This blister must be managed! (68. Interview DC Factory Manager)
The DC trader’s knowledge of markets, processing and quality was crucial to retention of certification. To conclude this section, the reason for DC’s Organic certification initially was the importance of organic values to the producer group members, organised under the development NGO of the local Catholic diocese as a farmers’ consortium. The local development initiative used social network resources and fair trade movement ATOs to gather external funding for the Organic factory. Securing funding for the essential investments in processing equipment for Organic certification linked the development NGO to the fair trade movement. Organic status set the group apart in the tea industry and to the NGO leaders of the group, Organic certification represented local resistance to multinationals and to the informal and anonymous role of the smallholder subsector in the South Indian tea industry. Even though farmers were quick to emphasise that conversion to Organic was not acquisitively motivated, there was an assumption of some form of Organic-certified tea sales.

Fairtrade certification grew from the relationships that helped the group install the DC Organic factory, Fairtrade certification was not a familiar term to farmers and Fairtrade certification benefits essentially supported Organic certification. It was the trader who put a quality management system in place for leaf and encouraged farmers to grow a better quality of leaf.

Social movement actors such as UK Buyer 2 typified the ATO, ethical-buyers that founded the fair trade alternative market (Reed, 2009). Yet UK Buyer 2 outsourced tea sourcing to a specialist Fairtrade importer Ringtons. This added to the number of actors between the producer and the consumer, rather than making trade more personal, tea-buying was outsourced. This represented a change in practices, potentially reflecting the altering dedication to development outcomes of some social movement actors, but underscored the need to look to practices rather than assume practices on the basis of a type of institution.
Inception and retention of certification depended on the use of the social network by active agents, DC’s local NGO, then DC’s trader. In the next chapter I argue the trader found a way to access markets on the basis of Organic more than Fairtrade certification.

In the second half of this chapter, I argue NC tea was reaching HVEMs via the factory processing facilities of a plantation estate gatekeeper. One company in particular included NC tea in a major UK brand. Bought Leaf Operations were widespread in South India (see Appendix 5) so NC farmers could imagine a multitude of non-certified buyers and Organic appeared eccentric and risky. Again, smallholder agency was primary in shaping certification status. NC growers were able to leave the plantation estates sales arrangement. When they did, they remained non-certified because of the advice given by industry body, UPASI. Estates were legitimate stakeholders able to define the fair of Fairtrade standards, and local tea institutions defined tea industry norms and perpetuated scientific notions of quality.

6.2. Paths to Non-certification: Group NC
One explanation for smallholder non-certification was that smallholder tea was too low in quality to reach HVEMs where there was demand for VPS-certified tea (see Chapter 2). A participant from the smallholder unit UPASI-KVK, described multiple quality problems that plagued the smallholder sector. Of particular importance was the fact that green leaf quality alone did not determine quality, factory processing was an equally large factor in tea quality.

There are three different types of factory, corporate factories, BLF private factories often from Small Growers and Cooperative factories (INDCOs, 17 of those) now, those factories will be different capabilities for making quality leaf and the best quality leaf comes from the corporate factories. Now partly this is due to this. If one is inherited or totally owned, one is part owned with a loan from a bank and the third is shared owned with a large loan from the bank then which do you think will be able to have the operating capital to generate the best quality. Yes, the wholly owned or inherited one, now this is a big problem because of the running costs and the costs of servicing loans. The one where there
are more loans from more sources will produce or at least struggle with the quality problem most.

(So the quality of tea has less to do with the quality of the green leaf in the first place, the raw materials?)

The leaf in the first place is also important. And there we come to the next of your questions about, number 2, training. Now, we give training to SGs about the two things that most affect the quality of their raw material green leaf 1) plucking and 2) pruning – these things are directly related to quality. We give demonstrations on these things and workshops we also give exposure visits which means taking one society to another successful society in order to learn the techniques. We are holding seminars and workshops with growers, buyers, manufacturers, brokers to create awareness about quality. The tea industry is a big cycle so unless you make everyone aware then it will not improve. If we teach the whole industry, then the good price can be given to the STGs (53. Interview Quality specialist UPASI-KVK).

If BLFs reduced leaf quality and were the only market access points available to smallholders, smallholder leaf would go to low value markets and the California Theory would be supported; low quality producers would be non-certified due to low quality supply to low value market segments. However, the UPASI-KVK representative reported that tea from the Nilgiri region was known throughout the industry as the Darjeeling of the South, Darjeeling being the Champagne of teas. He explained that the best quality smallholder output, which he equated with twenty per cent of the smallholder green leaf from the Nilgiri was taken for processing in estate factories (53. Interview Quality specialist UPASI-KVK). Given smallholder output was in such demand, the quality argument seem doubtful. In support of the UPASI-KVK data, non-certified growers and the Leaf Agent that collected leaf from group NC described how Nilgiri tea was sourced by Darjeeling exporters to use as ‘filler teas’. Being a trader himself, the Leaf Agent was well placed to observe that ‘substantial leaf [was] leaving these hills’ to Darjeeling plantation estates and exporters (56. Interview NC farmers).

Interview data from the plantation estate buyer that purchased NC growers’ leaf indicated that there were problems with smallholder leaf quality but that overall the company had quality standards that ensured their export of tea to EU markets. Therefore smallholder
leaf that was accepted was sufficient quality to be traded in HVEMs where VPS certification had become popular.

(And what about quality, are there ever any problems there with receiving a poor quality leaf?)

Yes there are big problems there and we cannot accept leaf that is below a minimum quality in nature. There are always such problems and we are trying to address those. For example in the drought periods we are trying with education, to educate the Small Grower about techniques that they can use to manage and maintain quality and production output. For example there is the shade growing, the creation and maintenance of shade trees as well as mulching well and heavily, these things both assist in the management of the drought conditions.

(So how do you implement this advice?)

We offer training sessions and actually we have a three-pronged technique. One, the Science Officer advises about the techniques for pruning, harvesting, manure application and type, diseases and pest management. Two, we provide inputs and materials at cost price because we can have the leverage and the bulk scale of purchasing from the suppliers to make this happen so we pass on those savings. This includes potassium, nitrogen, fungicides and micro-nutrients and we also provide credit so we can later take the payment from the price, so that we do not take the payment before the harvest. (And there was a third prong?) Yes, three, we build a rapport, we build a healthy workforce by investing in the communities and investing in the health of the workforce as well. We care about the families as well, in addition to the farmer we invest in the family and community by such things as sending our medical officer to hold clinics in locations, we send a medical team to hold camp and one team can see as many as maybe 200 farmers. (69. Interview NC Plantation Buyer Co., Manager of Bought Leaf Operations)

The highest quality leaf from NC farmers and from the Plantation buyers’ own estate land was sorted into grades and was exported to certain HVEMs, including the ‘dust’ and ‘fannings’ grades from Orthodox processing and CTC higher grades which were exported to the UK for inclusion in the tea bags of at least one major UK brand.

Tea from Small Growers can be exported as well, we do it, UK orders (45. Interview NC Plantation Buyer Co., Certification Manager)

To meet export requirements for the EU the company verified that all their BLO suppliers met minimum standards. Leaf Agent suppliers had to ensure their leaf deliveries complied with Minimum Residue Levels (MRLs) for EU markets. Which areas
in the network implemented which standards was decided by the plantation estate as the processor in the network.

(And MRLs, must Small Grower suppliers comply with those standards?)

Yes, I was just about to move onto that you took the question straight from my mind. Yes, they must it is very important. The Bought Leaf Agents, any suppliers they must make sure that the eventual tea can be in accordance with the export standards yes. And this means in practice that if they spray then they must not pluck for, when they pluck after spraying then it must be a minimum number of days that they do not pluck for after the spraying. There are things that we advise that they use instead of other things but the main thing is the length of time between the spraying and the plucking. We have to pull people up on this because these are strict norms and must be satisfied. This is improving on a yearly basis every year. (How do you check and enforce these rules?) We may reject the leaf if we suspect it will not make the inspection and we ask people to carefully follow and make sure of the guidelines we issue to them. We are very clear. (Do you test the tea for compliance yourself?) It is tested, we get it tested, a company called...I cannot recall but also the University of Kerala, departments there do some testing for us and UPASI also, we send all grades for testing.

(And what happens if there is non-compliance?)

We export to Tetley and Hinustan Unilever, this is an indicator of the importance of this issue to us but also it speaks to the level of compliance we are able to manage, these are huge export contracts. (69. Interview NC Plantation Buyer Co., Manager of Bought Leaf Operations)

Large plantation estates historically supplied HVEMs in which VPS certification became popular so they were the suppliers to respond with certified tea when the demand arose in the US, EU and UK (TMBS, 2002; Van Der Wal, 2008). Tea buyers were regarded as certifying existing tea estate suppliers, rather than reaching out to change their sourcing (71 – Interview Fairtrade UK Sourcing Director and Tea Product Manager; 72 – Interview UTZ Asia Manager; 74 – Interview FLO ex-executive of the Board; 76 – Communication with Fairtrade Liaison Officer). Had FLO written only smallholder standards, estates that were well connected to HVEM packers, blenders and importers (and held export contracts with major brand-owner companies) would have had to develop certification with smallholders. NC data indicated that it was a choice by the plantation buyer company to certify their estate assets as Fairtrade and Organic though
data do not show they actively wanted to exclude small growers from certification. The NC plantation buyer company would have needed a ‘whole separate certification’ to cover the small growers and it would have meant different standards and great difficulty. It was easier to certify one plantation and one factory asset.

We have Bought Leaf Operations as well, all over the state we buy leaf as well as in Tamil Nadu. We could not ask those Small Growers to come under the certification because we would need a whole separate certification for that to encompass them. This would mean a whole additional certification. The smallholder tea cannot be sold as certified because of traceability requirements. It is kept totally separate as a distinct stream from the certified tea. Traceability is required with Fairtrade and Organic and is taken very seriously. (45. Interview NC Plantation Buyer Co., Certification Manager)

Data confirmed the plantation buyer considered certifying small grower elements of the marketing network. The participant explained the company intended to bring some local and compliant smallholders into a (less onerous) Rainforest Alliance scheme that the estate company was introducing to retain orders with a major tea company and UK brand owner that committed to sourcing all its tea from Rainforest Alliance sources by 2015. The tea supplied by NC was the appropriate quality to be exported or certified, but the plantations, as intermediary buyers decided which areas of their supply network to certify, not final brand-owner buyers.

Also, related, we are now going for RA certification and this will therefore bring them into line with our system of compliance whereby auditors in Kerala will physically verify their compliance with the standards and requirements.

(The smallholders are going to be brought under RA certification?) Yes. (Will that be difficult?) In Kerala it will be okay, Kerala is very Organic and very few people do indiscriminate application or spraying. However in the other... further afield, well there must be education about MRLS and they will have to come in line with the requirements and be audited against those. (Will this be easy to audit dispersed smallholders?) There are on-going problems and it is not ideal yet by any means but within 2 years it will be resolved and we will get there. Auditing Small Growers, yes, Small Growers are spread around and also another problem is that some Small Growers are captive to local relationships. That is some Small Growers are involved with unscrupulous suppliers who have bad leaf and these people will not comply, they simply will not come in line and this affects those Small Growers that are supplying into them. (69. Interview NC Plantation Buyer CO., Bought Leaf Operations Manager)
If leaf agents failed to pass on to smallholders the compliance and quality requirements, the smallholders would be excluded along with the leaf agent.

Smallholders could imagine a multitude of non-certified buyers, including leaf agents and BLFs. This made Organic certification seem an unnecessary risk to NC growers. NC farmers were surprised when I asked about Organic certification, and organic practices appeared to represent an eccentric means of tea production to farmers.

(And would you do other speciality teas, such as Organic?)

Ms S – Organic? Oh No No. (Why?) Because there is a 3 year conversion period, you know? (yes that is so) and also there is crop loss, huge crop loss. (How do you means loss?) For years there is crop loss, when the conversion period is in progress you have a lower yield maybe ten then dropping twenty per cent lower yield and yet you still have to wait and wait to call it Organic. Also unless every neighbour is also doing then it is no good, not worth it. All the contamination comes from those fields nearby and when it is steep, you have no choice but share the contamination. Pest also, you would have all the pests in your field while everyone else waves!

Unknown - surface roots and erosion, all that digging about for the weeds! [laughter] Unknown - as though to spend all that time for weeds! [laughter]

(And Fair Trade?) [Head shaking – blanks]

Ms S - But there is no need here [looking around], there is no harsh or cruel treatment here or unfairness about the labouring times spent in the fields or this shed. What is the point of this thing?

(Different things different places I suppose. Maybe for some it helps protect the environment too)

Ms S – also we do not destroy the forest areas, there is no destruction of the environment. (58. Interview NC farmers)

NC farmers regarded as normal the itches and smells that accompanied their uses of various chemicals for weeds, pests and increasing yields. Ms S exclaimed; ‘we are in a tea producing region, we are in the Nilgiri!’ when I asked if the itches and smells were bothersome (58. Interview NC farmers). The farmers knew about the Organic conversion process, however to them Organic represented an investment risk with little guaranteed reward, unintelligible when there were buyers for conventional quality tea. The farmers had been discussing the price of inputs when I asked about manure.
(Is it just cow dung?)

K - No no that is Organic Ma’am. That is for the Organic. We are not into Organic Ma’am. It is very difficult for tea. S - For other vegetables that is good, carrots, beans, manure is good. Not for tea. Cannot get so vast Organic eating cannot do this everywhere and in our area it is not the case

K - In the past we used to, every 5 years we do the pruning and when we did that pruning then we would dig the trenches and apply the cow dung but now it is using chemicals instead. That was a very expensive business and if we don’t get the labours on time then it does not happen ...

S - and the price is not attractive enough. (56. Interview NC farmers)

Organic conversion represented a risk to NC growers, including the Bought Leaf Agent for group NC, who was also a medium-sized farmer.

(Have you considered to go Organic?) There is no yield at all their madam! No, that is not our thing at all. The yield suffers and how it works I do not know, how can you survive if you have half the yield?! (Is that what it goes down to?) Yes madam! It reduces by 30% madam and I cannot afford that (But do you not hear that the price is 30% greater that you get for it?) Only if you know if you have somewhere to take it! No factories around here are doing, except those very large... and they are as far as Munnar because the road winds even more that way. No no and because of the conversion factor then the risk is far far too great. And what about the pests, they would have a field day madam they would be going crazy and happy madam! (55. Interview NC Bought Leaf Agent)

Smallholders could leave plantation supply relationships and look for ways to add value by forming groups and accessing UPASI-KVK support. Group NC did exactly this, exercising agency, and looked for ways to improve the prices they received. At this juncture was a further opportunity for the group to encounter VPS certification as a means to specialise and add value. However, the NC growers went for advice to UPASI, and UPASI did not prioritise VPS certification as a solution.

One participant from UPASI-KVK considered Fairtrade certification to be the preserve of estates, and Organic was a challenging form of ‘speciality’ tea (48. Interview UPASI Kumily Regional Office). A further representative, from the UPASI-KVK office that advised group NC farmers regarding quality, stated that Organic was not really for smallholders, that it was specialist and difficult and delivered no yield at all (53. Interview UPASI-KVK Quality specialist). This rationale against Organic was similar to
the one expressed by NC small growers. UPASI as an organisation did not appear to prioritise VPSs for smallholders. For example, in the UPASI-KVK library a UPASI publication, *Guidelines on Tea Cultivation in South India* extended over 100 pages, and Organic was addressed last in the final 2 pages only (Muraleedharan et al., 2007). In UPASI promotional material entitled *Fields of Green and Gold*, Organic was described in one sentence as a response to the export market. Further, Tea Board support programmes that offered loans to support conversion of farms to ‘added value’ types of tea, which included Organic conversion, stated in the small print that applicants below a certain size should not apply because they would not be prioritised because smaller applications unnecessarily burdened the administrative structures of the programme (Tea Board of India, 2007).

Because estates were first movers in Fairtrade certification and because estates were large producers there were limited HVEM access guarantees from Fairtrade certification (see Chapter 7). This led various development workers and NGO representatives to the opinion that VPSs could not realistically guarantee benefits for smallholder tea growers. This was connected to the UPASI’s opinion that Fairtrade was not aimed at smallholders but estates. The participant from the Fairtrade advocacy NGO Kerala stated that he was convinced Fairtrade could do nothing for smallholder tea producers. The participant and another NGO had advised a group of tea producers in Kerala that wanted to gain a single certification, to consider a less over-subscribed VPS than Fairtrade, such as UTZ (50. Interview Fairtrade advocacy NGO Kerala, Director)

In conclusion, I argued that data from both NC and DC indicated the agency of smallholders, in gaining certification. Further agency was exercised by processors and traders, who represented gatekeepers of the local agricultural marketing network, located at the threshold between the local agricultural marketing network, and the individual strands of the tea global value chain. In line with expectations of governmentality,
plantations were agents that shaped the governance by standards, directly by lobbying FLO and via NAP, as well as indirectly via interactions in the institutions of UPASI, where standards came to be associated with estates.

Group DC linked, in the local agricultural marketing network, to an intermediary who was both processor and trader. Group NC had UPASI and Leaf Agents as traders and Plantation Estates as processors. Even the non-certified BLF represented an intermediary processor and traded tea with auctions. Distinguishing between different actors’ roles usefully highlighted when they used one position of power to develop another role. UPASI was in a position of legitimacy by virtue of its status as a Tea Board affiliate and therefore a state institution. NC sought UPASI advice on the basis of legitimacy and authority regarding how to add value in tea. In the next chapter I add that UPASI capitalised by teaching the growers how to produce tea that UPASI could export. Similarly, UK Buyer 2 for group DC was acting as an advisory-body ‘intermediary’ advising DC about quality and farmer welfare, yet they were a buyer. UK Buyer 2 referred to a report by their blender company construed as an independent audit report. It advised against DC’s Organic certification in terms of producer welfare and development. This lent legitimacy to the advice, because it otherwise exemplified a buyer’s preference for cheaper tea. The producer group maintained their Organic status, demonstrating smallholder exercise of power which united under the rubric of the DC producer group, came to be expressed as a strategy to sell the factory to the trader and let that expert agent dictate a quality agenda internally and a sales strategy externally, as I explain further in the next chapter.

DC’s resources to pursue certification were not financial and instead they had links to fair trade social movement actors. During the 1990s fair trade actors helped the DC producers to gain EU and NGO funding to build an Organic factory, without which there could have been no Organic certified tea. Links between fair trade producers, Alternative
Trade Organisations (ATOs) and the world shops that sold fairly traded produce were historically through Christian churches and this was the case with DC. By distinguishing the *inception* of certification from later *retention* of certification my findings contributed to debates about the ‘mainstreaming’ of Fairtrade standards or the fair trade movement. It would be over generalised from these data to assert that an entire social movement had ‘gone mainstream’, but by looking at case groups it was possible to explore this.

Practices of UK Buyer 2 had apparently become more commercially oriented. However, UK Buyer 1 had not outsourced their sourcing or dropped DC permanently. Debates about changes to fair trade could benefit from investigating how practices changed over time to give concrete examples of ‘mainstreaming’.

In the case of NC, representatives of UPASI did not see Fairtrade or Organic as relevant to the smallholder sector. NC growers echoed negative sentiments about Organic certification that UPASI participants expressed. NC farmers produced high quality tea and it reached HVEMs via the plantation buyer. NC tea was processed at the estate factory and exported under bulk sales contracts to the UK market. These BLOs were widespread and accessed via Leaf Agents, so small growers could imagine several buyers for non-certified tea.

NC farmers were surprised that I enquired about whether they had considered Organic certification in the context of impressive quality-improvement measures. Organic practices seemed risky and eccentric. The estate buyer for NC tea certified their plantation land to Fairtrade-Organic. Had Fairtrade standards only existed for smallholders, the estate may have helped certify some smallholder suppliers to Fairtrade in order to supply Fairtrade tea internationally. Further, smallholders would have retained a monopoly on the legitimate producer-stakeholder status, with the power to define the fair in Fairtrade standards.
7. Market Access and Smallholder Knowledge of Qualities

In this chapter, I explain reasons for smallholder tea producers’ high value export market (HVEM) access. I defined the GVC to include a local agricultural network that depicted how smallholder choices of local sales strategies interacted with links to global chains. Competition and the number of options available to smallholders in local networks shaped HVEM access. The processing stage of tea production networks had potential to be uncompetitive as several smallholder suppliers aspired to supply a single BLF processor in their local area. I give marketing network diagrams to explain that the number of options available to NC at the processing stage of the production network was a crucial factor in HVEM access. NC made several improvements to the absolute quality of their leaf, but increasing their processing options led to higher prices from their local BLF and high prices from a new HVEM sales route. By fragmenting their output into different qualities, they created potentially three-fold HVEM access. Firstly, they created one high value route, exporting White Tea via UPASI. Secondly, they forged a high value route from their existing BLF relationship because their knowledge of grading meant the BLF paid the highest prices for NC’s green leaf. Thirdly, the group had the option of sales to leaf agents. Manipulation of leaf using quality standards was undertaken by farmers by eye, using tangible differences between leaf that was meaningful in the industry. The farmers knew and applied these semi-formalised quality standards. The combination of multiple options and corresponding knowledge created streams of different qualities of leaf, which was the key to NC’s HVEM access.

I next compare the HVEM access experiences of NC to those of DC. I employ the same network construct to show that whereas NC increased their processing options via quality
improvements, DC limited their processing options via dual-certification. DC farmers could only sell to one factory processor, the DC Organic factory. Fairtrade-Organic dual-certification specialism meant reliance upon one processor. The dual-certified processor could be seen as specialist, as could the requirements of the standards, but the DC farmers had to defer to the knowledge of the trader in terms of quality and agricultural marketing network sales strategy. This resonated with the findings of Bain, Ransom and Worosz (2010), that with standardisation came ‘specialists’, and producers lost the ability to know for themselves various aspects of production (see Chapter 3). HVEM access required dual-certification, but dual-certification at case DC depended upon the trader-processor’s role.

The 2009 DC factory collapse was caused partially by lack of processing skill, according to the quality preferences of the dual-certified EU tea market the VPS-specialist trader was aiming to sell tea into. The trader had processor and quality knowledge to complement the market strategy aim; the firm knew how to operate the factory to maximise final tea quality according to the preferences of that new market. Quality was subjective and defined with references to consumer market preferences. It was also crucial for HVEM segments because Fairtrade-Organic buyers paid higher prices and expected premium produce. Group DC needed certification to export, but also needed quality produce. The processor knew how to invest in farm practices and invested in training farmers in order to improve green-leaf quality. In addition to quality, the processor knew how to export tea to EU Organic buyers rather than UK Fairtrade buyers. DC farmers lacked knowledge of prices and export arrangements. Price negotiations and marketing were conducted off-site by the trader’s Head Office in North India, so farmers could not learn from the processor-trader. This lack of knowledge indicated the likely continuation of the DC farmers’ dependency upon the trader to manage HVEM access under Fairtrade and Organic certification. Importantly for the distinction in Chapter 3.
between early and more recent GVC contributions, DC factory monopsony, the narrow waste of the agricultural marketing network for DC farmers was the result of knowledge-as-power, rather than exercises of power in terms of raw economic might.

I argue that in several ways Fairtrade standards were part of the exercise of power that distanced knowledge of quality and market access away from farmers. I suggest that plantation estate producers played considerable roles in defining the contents of Fairtrade and the normal practices of Fairtrade in tea. In conclusion, I argue NC growers were better able to know the aspects of quality for their tea because those criteria were less codified and formalised. DC in contrast operated tea farming, processing and trade according to definitions of quality that they could not know in the sense owning and rendering manageable (cf Foucauldian knowledge). The credence aspects of goods such as fairly traded or environmentally friendly were qualities that were not tangible or amenable to manipulation by farmers, and instead were requirements implemented by the specialist trader as the trader knew how to make manageable the standards’ various and simultaneous requirements to achieve compliance. By contrast the farmer could not lift a handful of tea leaves and know ‘fair’, or conclude that were weeded by hand.

**Price Data**

Pricing data were compiled with the assistance of farmers, factory personnel and producer group managers, as well as a liaison manager from the DC processor-trader firm. These data lacked cost-data and therefore were useful for contextual knowledge only.

The manager explained that the group received better prices through private sales but that the venture was not profitable;

They get double the market price when selling through the private channels but however production comes down with Organic. (Is the yield half that of conventional?)
No not half but it comes down a lot, maybe by 1/3 . . . . we have to sell for twice the price of inorganic tea (44. Interview DC Trader Liaison Manager)

Producing a lower volume for twice the price exemplified Bienable’s et al.’s (2004) idea of the benefit of Fairtrade for small producers, to escape bulk-supply competition and compete instead on speciality. However, farmers did not receive any form of fixed or guaranteed Fairtrade price. Fairtrade standards did not cover the relationship between the factory processor and the DC farmers. This underscored the importance of opening the producer group unit in the consortium management, factory, and farmers. The factory paid a price that supported farmers to continue with Organic and encouraged new farmers to convert to Organic.

P - For Organic there is a 30% price premium and once certified Organic they can get this premium... In the first year it is 10% and in the second year it is 20% and the third year onwards it is 30% price premium. (The first year after certification?) No in conversion to Organic first year beginning conversion we give the premium to make it possible!

W - If the quality is poor, if it is 40% coarse leaf, we give only 9INR/ kg so they want to sell it outside then they get a low price. [...] Then they will want to come back in again – then we can say if they want to come back in they can give good leaf and they can get 21INR/kg (59. Interview DC Consortium Leader and Quality Manager)

DC farmers received higher prices from the DC factory for higher quality leaf and a premium price to make it possible to produce Organically, given the lower yields, but they received no Fairtrade minimum price. Farmers confirmed they received premium prices if they supplied quality Organic leaf to the factory.

JV - This is the price. 21INR/kg for the 5% coarse leaf. This is quality. 5% wastage only. This is a very good percentage. ..

(So 21R, this price, reflects the fact it is Organic tea? ) JV - Yes that includes the premium. That was 2012 price, now it is more no?

M – 21.50 now... the price now is really 23.50 but we lose 2R for the transport charges, that is taken by the consortium members.

(So if it was not Organic, the price is 30% less?) JV - Yes, but they won’t give any price then, they only take Organic at the factory and here. (61. Interview DC farmers)
When the Organic factory collapsed in 2009, the farmers had nowhere else to take their Organic leaf so some farmers let Organic certification and practices lapse and sold to non-certified BLFs of which there was one that farmers considered accessible. The DC factory (the intermediary processor and the intermediary trader that owned the factory) therefore occupied a monopsony position. The DC farmers had HVEM access and the prices they received depended upon the quality of the leaf they provided to the factory.

In Table 15, I present prices for each stage in the value chain as far as was known. Assuming top-quality green leaf, the farmers received a price of 21.50INR/kg (after transport deductions by consortium staff). The factory manager and the processor-trader did not wish to reveal their onward sales prices. UK buyers would not reveal the prices at which they bought Fairtrade-Organic tea, however background informants estimated 100-107INR/kg (37. Interview with development practitioner affiliated to UK Buyer 1; 50. Interview with Fairtrade Advocacy NGO).

This was reasonable given a high auction price for non-certified tea was 70INR/kg (51. Interview with estate manager). The Fairtrade minimum price for Organic-Fairtrade tea CTC-processed was $1.80USD/kg, or approximately 90INR/kg. A UK tea company that had on occasion bought from group DC had a premium brand of Fairtrade-Organic tea that was £5.50/125g. Therefore per kilo,\(^\text{19}\) using the conversion rate of 80 Indian Rupees to 1 British Pound, the consumer price in Rupees was 3,520INR/kg. The farmers received 0.6% of the consumer price. This is summarised in Table 15 but is for background insight rather than to inform conclusions as data exclude costs.

\(^\text{19}\) Data obtained during meeting 30. Background meeting with spices and teas importer company. I used the company’s public, online resources to locate the price for their Fairtrade-Organic black tea blend. This Fairtrade-Organic blend was sold in a metal caddy rather than a cardboard box.
Table 15: Distribution of Final Price in DC chain

<table>
<thead>
<tr>
<th>PRODUCTION STAGE</th>
<th>PRICE (INR/kg)</th>
<th>PERCENTAGE OF FINAL PRICE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growing</td>
<td>21.5</td>
<td>0.6</td>
</tr>
<tr>
<td>Factory Processing&lt;sup&gt;20&lt;/sup&gt;</td>
<td>107</td>
<td>2.4</td>
</tr>
<tr>
<td>Blending, packing, retailing</td>
<td>3,520</td>
<td>97</td>
</tr>
</tbody>
</table>

Source: (Own work)

In the next section, I compare this to the non-certified group.

NC market access comprised 3 routes. Firstly the plantation estates sales via the leaf agent, secondly the UPASI-assisted route selling White Tea for a premium directly to Australian buyers and thirdly, sales of three grades of tea to the local BLF. NC growers received the highest prices from the direct UPASI assisted route, second highest for the A-grade sales to the local factory and third highest for the plantation estate sales via the leaf agent. The plantation estate buyer for NC tea revealed prices they paid for tea from their bought leaf Operations (BLO);

> We pay 14INR/kg for closer gardens and 16INR for those growers furthest away. It goes up to 17INR for the SG and has dropped to as low as 10INR/kg (69. Interview NC Plantation Buyer Co., Bought Leaf Operations Manager)

The leaf agent that transported the leaf from his collection centre to the plantation company confirmed these prices.

> (What prices do they [co.] give?) December to March, 16INR/kg and that is the best in the drought period – lowest is around 10INR/kg. After March [co.] cannot sell their tea so they give a lower price – they give 10R but that is still better than the Cotigiri local price of 7INR/kg. (55. Interview NC Bought Leaf Agent)

NC growers reported paying variable rates to the leaf agent around 0.25INR/kg – 0.5INR/kg depending upon the amount they supplied, which varied between seasons because they were able to supply more in the wet season and less in the drought season.

This fee was deducted from the price the plantations paid for the leaf, so NC growers

<sup>20</sup> The factory sold tea at this price but it took roughly 4kg of green leaf to make 1kg of made tea so the factory would have a smaller margin than this calculation suggests
received 9.5INR – 16 INR/kg for their best leaf sold to the leaf agent. However, at the time when NC farmers sold to the leaf agent they were producing lower quality leaf.

NC farmers improved prices by implementing quality improvements under UPASI guidance and engaging with the generic quality grading system used in the South Indian tea industry. In doing so, they learnt to extract a white bud from the highest grade, A grade leaf, and sold this bud separately as ‘white tip’, white tea. NC farmers processed the white tips themselves and UPASI assisted the farmers to export it. A farmer from group NC described the price of the direct UPASI-assisted sales route;

Normally a top quality price is 25R/kg, nobody pays more, but this [silver tip] is 30, even 33Rupees/kg it is a special thing, a new thing (57. Interview NC farmer)

NC farmers understood that their other grades were also exported when they sold to their local factory.

(so are the other grades exported?) Ms S - No only the white tip is

Ms X – yes, yes they are because they go to auction and they are exported. (Even the B-Grade?)

Ms S – Oh yes, Ms X – yes, yes definitely the B Grade, not to where you are from though, not to Europe. (58. Interview NC farmers)

The prices for these other graders were displayed on the wall of the leaf sorting shed. Data was collected in the transition between seasons during May, when the drought period was ending, the monsoon was about to begin meaning these were the last of the higher prices: A Grade: 20.25INR and B + Grade: 16.50INR.

In Table 16, I omit the leaf agent stage because in Table 15 I excluded transport by using the price to the growers after transport charges so I repeat that in Table 16. The table shows that farmers retained 2% of the consumer price. These data must however be treated with considerable caution as they do not contain costs. They are therefore for context rather than conclusion and cannot suggest added value. Although there were
estimates in this data this represented three-times more than DC farmers captured in their HVEM arrangement. The processor in this value chain was the estate factory who gave price estimates and ranges for their onward sales as 60 – 100 INR/kg depending on a plethora of factors including buyer, quality grade, volume, and the nature of private contract compared with the auction prices (45. Interview with manager from NC estate buyer company).

Table 16: Distribution of Final Price in NC chain

<table>
<thead>
<tr>
<th>PRODUCTION STAGE</th>
<th>PRICE PAID (INR/kg)</th>
<th>PERCENTAGE OF FINAL PRICE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growing</td>
<td>16</td>
<td>2.0</td>
</tr>
<tr>
<td>Factory Processing21</td>
<td>70</td>
<td>6.8</td>
</tr>
<tr>
<td>Blending, packing, retailing</td>
<td>796.8</td>
<td>91.2</td>
</tr>
</tbody>
</table>

Source: (Own work. Price paid after Factory Processing was derived from a range given during interview with the factory processor. The price after ‘Blending, packing, retailing’ was derived from the online resources for the UK brand that the Processor company interviewee said purchased the tea. The tea was sold in the UK in 250g packages and I applied a conversion rate of 80INR to 1GBP).

Table 17 reflected one value chain into which NC sold leaf. The producer group also had other options for processing their leaf and in total faced three-times the HVEM access options available to DC. In one of NC’s HVEM options, the prices they received were higher than the 16INR/kg in Table 17, at 20.3INR/kg, reflecting the high quality of their leaf but also the competition between processors for such leaf. I next discuss the reasons for HVEM access of group NC.

7.1. Explaining Market Access: Group NC

I argue that where smallholders knew quality requirements, they could make leaf quality manageable and exercise agency, engendering market access. This shaped and was shaped by competition issues in the local agricultural marketing network.

21 The factory sold tea at this price but it took roughly 4kg of green leaf to make 1kg of made tea so the factory would have a smaller margin than this calculation suggests.
A small grower described how local competition for leaf had increased due to leaf agents supplying Plantation Estates’ Bough Leaf Operations. Leaf Agents took approximately 20% of smallholder leaf out of the Nilgiri region and out of the local Bought Leaf Factories sector, into the plantation sector (see Appendix 5).

S- In the past twenty years ago there were only few factories and they were dictating the terms to the farmers. What price they gave to us we would have to take it from them but nowadays things have changed there are lots of government factories, plenty of factories have come up, government has provided loans to build factories so plenty of factories have come up and now there is competition between themselves. If there are just 100 leaves and twenty factories then they have to share it. They cannot hide their price now, they have to share it to us. Before there were only a few factories only a few gave good prices the rest gave us rotten prices. Now the same price is being given all over the Nilgiri.

K- And they are facing competition from these people who are sending leaf elsewhere. (57. Interview NC farmers)

When S reported that factories had to ‘share their prices’ he was referring to the Price Sharing Legislation that the Tea Board of India introduced to govern relations between BLF and smallholder suppliers. This was to target the uncompetitive stage in tea production where several growers supplied only one BLF. Growers had little choice about which BLF because of their location and the need to process green leaf into black tea within hours of plucking. I depicted this narrow waist of the tea production network in Chapter 4.

In Figure 18, I show potential additional processing actors, highlighted by a black outline. This could include other Bought Leaf Factories, Plantation Estate Factories supplied via Leaf Agents, and Private Exporters. The Price Sharing Legislation applied between the BLF and smallholder and it should have applied between the estate factory and the smallholder but the role of the leaf agent and large scale non-compliance with the legislation meant it was not strictly enforced. Private exporter links with smallholders were not covered by legislation that obliged the exporter to pay any particular price to the smallholder.
Figure 18: Agricultural Marketing Network with Additional Options

Source: (Own work).

The smallholder group NC developed a relationship akin to a private exporter link with the state/tea industry actor, UPASI. NC received quality orientated support from UPASI’s, small farmer division UPASI-Krishi Vigyan Kendra (KVK). A key informant interview with an NC farmer revealed the detail of the quality advice and infrastructural help.

[...] I am connected to the self-help group. Previously and in all other cases they fail. [Laughter] There is squabbling, but this community is different and people have thought for themselves what to do. (With UPASI help?) Yes with their assistance and guidance and of course the benefit from the raw materials being so good. (What is this group you mention?) Those small growers who sell leaf to the leaf agents also have another way. The leaf agent has another way, so the small farmer, he has to have another way. This is the formation of the group. At first it was the women. All the women, no, no about 30 or 33 of the women in this village got together and started to sort the leaf. They said and at first we did not listen that if we sorted it into the grade first and all sold it at the same time it would work better. (How do you mean work better?) We would get a better price from the factory. The local BLF here bought leaf, they take it now in sacks that describe the grade as the women they know how to grade so why should they
have someone else sort it for them and tell them the price? No they decided to sort it and it takes time. But they came together into about 30 of them and heard that if a few more joined then there was a funding stream for it. (Government funding?) Tea Board yes. Now 20 or so of males joined the females and now we are 55 in the group – that was the number needed for membership to qualify for the group funding. (Was it a loan?) No, no – we got this sorting shed once we told what was happening. We got this shed and that library (57. Interview NC farmer)

State assistance to small growers who formed Self Help Groups was channelled via UPASI-KVK. It gave grants for NC to build a leaf-sorting shed and a library as well as sacks and weighing machines for grading leaf and taking it to the BLF. UPASI-KVK assistance included providing genetically different varieties ‘clones’ of the tea bush, species that produced higher yields.

(So what is this yield difference?) I get maybe 400kg or 500kg/hectare but here on this land my brother-in-law he gets 1100kg/hectare, that is almost 3 times my yield! And all because his bushes are younger, given from UPASI. Tea should grow more slowly at this height but still his yield! (57. Interview NC farmer)

UPASI-KVK also gave advice regarding ways smallholders could improve the quality of their green leaf in general and more specifically how to produce a specialist variety, White Tea.

(So there was no outside advice about quality?) Oh yes UPASI came and they trained about changes to the plucking schedule and not to use mechanised sheers – when those are used when you need to collect in the crop – or if only men are there they use the sheers – this is no good because the next harvest is ruined – some material is not ready enough yet. Sheering collects poor quality and too much leaf. . .They [UPASI] told us in a seminar about the new Silver Tip (what is that?) it is, you know you have heard that there is two leaf and a bud rule for quality – well if the pruning cycle is right then at the very top comes a pale bud that if all are separated fetches the highest price. Normally a top quality price is 25R/kg – nobody pays more – but this is 30 – even 33 it is a special thing, a new thing. And only if you treat the plant right and only if you prune right (57. Interview NC farmer)

UPASI advice revolutionised NC market access by allowing NC farmers to manage leaf quality grading rather than accepting the quality measurement given at the factory. NC sold to the same factory but received 5-times higher prices that reflected their leaf reached HVEMs, as the factory was sharing their high auction price with the NC growers.
Ms S - ... We did not know not to use shears – nobody had told us this was bad. We used sheers and sickles to harvest and it was making a very poor coarse leaf. We got only 4 or 5 Rupees /kg at that time. We did not sort the leaf we just sent it to the factory and received a very bad price. That was when we first started tea
(encourages friend)

Ms X - Now we have this facility, this sorting shed, it was provided free to us for our group (And you get a better price for the leaf now because of this sorting?)

Ms S - Yes because before we were selling unsorted leaf to the factory and now we can sort it under a roof.

Ms X - and when it rains like today, that is so pleasing! And that is most of the year up here. (And it is all from government money?).

Ms S - Yes, it is this shelter, the library and a vehicle for transporting the leaf as well. That vehicle is for the silver tip operations though and those are new. [Big smiles, everyone very proud of the silver tip innovations].

Ms Y – we also got training from UPASI about how to pick, not to use the sickles any more but to use hands only. This takes longer but it means the harvest is better next time because you can be selective, you take only that which is ready to come this time and leave the others for the next round, if you take it now you waste it because it will be better next time. (58. Interview NC farmers)

UPASI advice therefore improved the quality of the leaf in absolute terms, and improved farmer knowledge and control over quality, which improved their prices. These moves attacked the negative consequences of monopsony at the processing ‘waist’ of the tea production network. In addition, UPASI also opened a direct market access route for White Tea sales. By advising about quality, UPASI enabled White Tea production and trade;

Ms S – UPASI told us about this white tea

Ms X – the silver tip

Ms S – yes, using only the bud from the tip of the A grade from inside the bud this is the silver tip. This is fetching a premium price. But it can only be plucked from a bush which has been pruned, bushes must be pruned every 5 years or they will produce no buds of this kind at all. Because we are in a society we can take it in turns how to prune the bushes, they therefore produce the buds we can take

Ms X – we can organise through our grouping to prune in the way of a cycle, this means some buds are always there, do you see?

Ms S – Yes we make it so that the buds are produced in rotations, his field then his field then his field you see? (Yes.) And we can pluck and sell silver tip continuously.
Ms X – We sort that too, we take the bud out from the A Grade leaf. (And there was training for this technique?)

All - Oh yes! Ms S - Yes it must be done carefully, not rushed. Not to damage the white bud with the finger nail. Show the technique [demonstration] (yes I see)

Ms S – damage makes it go black and then it is no good. It needs to be white that is the measure of its quality. UPASI-KVK trained us and spread the word of this technique. (So where does the white tip go after here?)

Ms S – The white tips we process ourselves [pride], drying inside with the fan, then we package it and it goes directly to export. (Great! Where to?)

Ms S – Some private exporters wanted to take it but the contact number they gave us it stopped working after a while, it was unreliable so now we export it via UPASI, they help, it goes to Australia.... (58. Interview NC farmers)

UPASI and Tea Board opportunities were only available to groups. By creating a group the farmers could (follow UPASI’s advice and) rotate the production of buds and therefore make their HVEM access constant and reliable. The farmers paid the same fee to UPASI as they had to the leaf agent but since the prices were higher for the White Tip the arrangement was popular with the farmers. UPASI also represented legitimate authority for the farmers and they respected UPASI. The group benefitted just by the presence of UPASI in their network and experienced the genuine functioning of the 2004 Price Sharing Legislation that was otherwise unevenly implemented (see Chapter 4). Because the group sorted their leaf, they knew the quantity of which quality (grade) of leaf they were supplying to the BLF and therefore negotiated the price they would receive. At these prices, the factory was selling to HVEM buyers via the auction system (56. Interview NC farmers).

Ms S – this is the price for this week. [written on the wall of the sorting shed is: A Grade: 20.25 and B + Grade: 16.50] (You have agreed it in advance?)

Ms S – No this we know, this is the price they are paying for the different grades for this week. They are obliged to give the prices and they do and so that is how we know what they are. (And will you actually get those prices?)

Ms S – Yes oh yes, before no [laughing] but now, yes we will. The factory is good it is called [P]. (And other factories are not so good?)

Ms S – only if you send them bad leaf, we used to get ripped off because we sent it separately and unsorted. Now they know it is good leaf from us and they want us to send it and send it again. Now it is sorted and we know that it is all of the
grade A or B or whatever so we know what to expect and *he knows that we know!* (58. Interview NC farmers, original emphases)

Owning quality information under advice from UPASI increased the power of the small growers relative to the BLF. The NC farmers felt they were treated with increased respect since implementing UPASI measures that were aligned with industry best practice because ‘this is how the big companies do’, therefore ‘the vehicle waits til we are ready!’ (58. Interview NC farmers original emphases). Prestige attached to an ability to manipulate and mange leaf quality.

Interview data demonstrated that NC smallholders were cautious not to appear to be speaking badly of factories. For example in Interview 58 where the participant described leaf rather than factories as bad. Although ownership of the quality information increased the options and power of the small growers relative to factory this was circumscribed by other exercises of power. Farmers needed BLFs because green leaf had to be processed as soon after plucking as possible but also because he was a member of the local community and there seemed genuine recognition that factories faced pressures of their own.

The price sharing formulae didn’t work and not working now, research has shown – it was good on paper but not in practice, prices are so dependent on the auction prices and those in turn are manipulated by the big players, so for tiny BLFs at 50% capacity this is damaging. (37. Interview DC UK Buyer 2, Development Practitioner)

NC farmers were reluctant to blame members of their own local community such as BLFs and tended instead to blame multinationals, collusion at auction and the few auction buyers that represented multiple companies each.

(The Tea Board Price sharing formula – did this help?)

S - Between the 65-35 hmm; K - We still have no chance of knowing how much the factory sold the tea on for, they do put up on the notice board but you have to have a constant interaction with the factory, constant, and they still they have different grades and all and they can work out some price. Actually I don’t think the factory is to be blamed for this situation. (56. Interview NC farmers)
Beyond the factory, small growers faced an industry replete with actors with industry knowledge and buying options.

(I thought Nilgiri tea was recognised as good quality tea and good tasting?)

It is, but then they say small grower tea is poor quality. And Nilgiri is virtually all small growers. Big companies do not want smallholders to get GI. The Nilgiri GI application was stalled – as on border, it is the same with teas from Nepal, fear of import, Bihar, will not allow small growers to apply – at the Tea Board level the plantation companies are very powerful. Small growers they do not have an identity – the big industry is really very well organised, so powerful plantations that... small growers have only been around the last 15 years or so –

This is because the focus of the government level is on foreign exchange earning – massive land owned by plantations – they are often government leases, 99 years etcetera, so the big plantations are not really privately owned but are state assets. (37. Interview DC UK Buyer 2, Development Practitioner)

Power discrepancies beyond the factory also affected the HVEM access for NC growers. Plantations could collude at auction which reduced prices to the BLFs and therefore to smallholders. This meant that even when smallholder tea reached HVEMs the prices given by BLF to grower might not reflect that.

If plantations could define quality by determining whether Nilgiri leaf might be given GI status they would prevent smallholders from becoming specialist GI producers. Thevenot’s (2001) work made quality conventions sound a-political, but here they appeared elite-defined and entwined with power, following governmentality. Specialist GI status may have increased prices for Nilgiri, NC leaf, meaning increased input costs for plantations processing smallholder leaf and selling it out to HVEMs.

Nilgiri Tea is referred to as the Southern Darjeeling because it is of comparable quality and taste. (53. Interview UPASI-KVK Quality specialist)

As a result of the flavour of Nilgiri tea but its non-specialist nature and predominant smallholder make-up, Nilgiri tea was used to supplement the blends of plantation companies, particularly in North India.

K - 10/ 20% of tea is exported. The rest is domestic consumption. The people from North India they prefer our tea and when they come, they come in large
numbers the North Indian traders, here the price is improved. S - If there is drought there then we get a better price.

K - Darjeeling and exporters, it is the traders, not the growers or the factory owners who are the exporter. The traders in North India, what they do is they buy teas from all over India and they use to make a blend, and they use the Nilgiri tea as filler tea, it is a filler tea to them, what is branded as Darjeeling tea, it is not actually all the Darjeeling tea it is filled with the Nilgiri tea, they use it to fill it out because Darjeeling is very expensive and Nilgiri is cheaper. Maybe 20% of Nilgiri tea is there.

S - Nilgiri applied for GI status ...

V – didn’t get it I think. S- If the brand is recognised world-wide then that is good. Under what brand name do you see Nilgiri tea in the UK? (56. Interview NC farmers)

UK consumers were not exposed to a brand name that advertised Nilgiri origin tea, yet there was a major UK brand that contained Nilgiri tea. The plantation company benefited from supplying a high quality product because they bought the raw leaf at prices that did not account for the region or quality of the leaf and added value through processing. The NC growers were embedded in a network characterised by a vast difference in options and relative power, but they engendered real improvements in their own HVEM access reflecting their agency, tied up with knowledge about qualities.

S - TATA buy our tea from the auction centre and they pack it. They are concentrating on the branding and the packaging. It is not just the estate teas alone that are going over there. TATA, Hindutan Unilever and all these traders the big companies buy our tea and they every Thursday Friday is the auctions in Coonnoor they come and purchase our teas from there. They take it outside where they have warehouses and all and there they do the blending process goes on. Then they package the teas. They are not able to sell directly so they sell it on from there. Cochin teas Valparay all the teas goes out from here. Coimbature, Connoor, Cochin is better for the dust grade. The factory owners compare the prices, they ask the auction centres where the better prices for the different grades. Then they send that grade to there. Leafier and bolder varieties better in Connoor. Also a balance. The same auction people are there in all the centres, same people, only 4/5 brokerage firms – the same Katanode, J Thomas, Phobes, Contemporary, very few auction firms, they have warehouses in Cochin. The factory people sell teas to the warehouses then the auction brokers take it over from there. They do the marketing part. Then if you are a buyer, they’ll have to impress you from the quality, they give you samples. You just taste it and ... So the buyers fix the price.... (56. Interviews NC farmers)

Auction centres developed certain quality profiles through factories taking certain leaf varieties there over time. Buyers knew where to go for their desired leaf flavour.
Plantation estates had several sources of supply for green leaf. The plantation that bought NC leaf procured from several different leaf agents as well as having their own plantation estates. Compared to the alternative for estates, which was buying BLF-processed leaf from auction centres when their own plantation crops were low, BLOs allowed the estate buyer to leapfrog BLF processing, avoid the auction centre competition and conduct negotiations in private with leaf agents. They also thereby avoided transport costs and risks because the leaf agent bore those by delivering raw green leaf to the estate factory doors. BLOs therefore potentially squeezed BLFs whilst providing alternative HVEM access for NC growers and a role for the leaf agent.

The whole industry has BLO operations – every estate company – it is very profitable for us indeed – fixed costs of production are lower (45. Interview NC Plantation Buyer Certification Manager)

A manager from a competitor plantation estate company confirmed this. He also explained how BLOs provided a way for estates to drive up the quality of their made tea outputs.

(Bought Leaf Operations – are they common?) Everyone, everyone does this yes. We have an extensive programme as well yes. (Is this the future of the industry if there is a squeeze, if it makes the COP lower?) In a sense no fixed COP means yes, it is very profitable, and the whole industry will do it. The other thing is quality as well you can control; you cannot reject your own leaf on the grounds of quality but you can with the Bought Leaf you can say it is no good, take it away, or negotiate the price. (51. Manager - Estate Company Manager)

Leaf agents were relatively powerless when supplying estates, particularly when they had already sent their vehicle with raw green leaf to a distant area. A journey to another estate would spoil the leaf so the agent negotiated on price if the estate queried quality. NC’s plantation buyer dropped the intermediary leaf agent due to persistent quality issues. The leaf agent mixed (‘adulterated’) green leaf and the plantation buyer’s impression of the leaf was therefore down to the leaf agent’s management. (69. Interview NC Plantation Buyer Bought Leaf Operations Manager).

(So how long are the agreements with companies like [co.]?) [co.] is good
madam they are one of the best and they do tell you and they are reliable so far, up until this year. Officially this is a week by week business but they depend on the leaf of the SG so at certain times they want your loyalty and they will do anything to get it to make sure you send the leaf their way at the dry time of the year – this means in effect that they support you in the lean period – the wet season of high cropping then you support them in the dry season of low cropping, But there is no contract nothing is written. And the next quarter you can be pretty sure of that the quantities will be about the same - even six months because the seasons become predictable to you – at one time of year they want nothing and at the other, when they have low leaf they want everything you have. Others of my kind are sending leaf to them and we talk. And we have to send to other places to keep our options open, you know it is a business and we must keep ourselves open to all the places (55. Interview NC Bought Leaf Agent)

When there were problems with the quality or timing of leaf from the agent, the plantation terminated the supply arrangement. In the case of the NC leaf agent, the plantation buyer ended the purchasing arrangement in 2012.

In fact right now this year so far I have not sent to [NC Plantation buyer co.] – I think there is some problem there or other I do not know what is there ... Local factories are there, AVT is there, big, huge company madam. (55. Interview NC Bought Leaf Agent)

The agent lost his supply route because he adulterated leaf in creating his consignments.

Meeting requirements of a continuous market were the crucial aims of tea production for the plantation buyer.

Tea from Small Growers can be exported as well, we do it, UK orders. That is fine but not as Fairtrade. For the Small Growers though it does not matter from their point of view whether it is Fairtrade or not – it makes no difference for them they would not know about Fairtrade, the company manages this and accords with the requirements of the Fairtrade. If you have a market you are safe – the Small Growers of the BLO have a continuous source for their supply to go into so they are okay. Whether Fairtrade or supplying through BLO, it boils down to the same thing, having a secure, continuous market and meeting the requirement, if you can meet the market with a continuous supply then you are okay. (45. Interview, NC Plantation Buyer Certification Manager)

The role of the leaf agent’s adulteration of leaf intervened in this security of access for the small grower. The requirements of the plantation changed as did their expectations of small growers. Some smallholder suppliers would be brought under the plantation buyers’ evolving Rainforest Alliance certification initiative, but others would be excluded.
(And what happens if there is non-compliance [with MRLs, by small grower suppliers]?)

We export to Tetley and Hindustan Unilever, this is an indicator of the importance of this issue to us but also it speaks to the level of compliance we are able to manage, these are huge export contracts. Also, related, we are now going for Rainforest Alliance certification and this will therefore bring them into line with our system of compliance whereby auditors in Kerala will physically verify their compliance with the standards and requirements. (The Small Growers are going to be brought under Rainforest Alliance certification?) Yes. (Will that be difficult?) In Kerala it will be okay, Kerala is very organic and very few people do indiscriminate application or spraying. However, in the other... further afield, well there must be education about MRLS and they will have to come in line with the requirements and be audited against those.

(69. Interview NC Plantation Buyer Bought Leaf Operations Manager)

HVEM access of group NC was three-fold. The highest value access was for ‘silver tip’ via UPASI. NC’s second highest value market access was sales of A-grade tea to the local BLF, which was also shaped and enabled by UPASI’s advice regarding quality. Estate sales represented an opportunity for smallholders and were the third HVEM route but they were conditional upon the adulteration of leaf by the agent. NC leaf had been exported to UK markets in a major mainstream non-certified UK brand so it was of acceptable quality for HVEMs. The plantation buyer was acting as an intermediary buyer for international brand-owners and benefitted from the informality of leaf agent sales. Generic quality grading provided HVEM access and increased processor options and prices for NC growers: the smallholders owned quality information, the grades were tangibly different and physical so the farmers could hold the leaf and tell the difference and sort it themselves, exercising their agency and improving their relative position in the network. In GVC terminology, ‘upgrading’ was not via global standards but by locally owned knowledge of quality grading that NC growers owned and made work, in a good example of smallholder agency, and power as knowledge.

Plantation estates and UPASI defined quality, in a good example of governmentality.
7.2. Explaining Market Access: Group DC

Dual-certification exacerbated the narrow waist of the tea production network for DC. Dual-certification restricted smallholder processor options, eliminating the local BLFs as well as UPASI assistance. Dual-certification formalised and made complex that nature and demands of quality, therefore distancing quality from farmers and taking the ability to analyse quality out of the hands of farmers.

Group DC’s Organic factory was the only Organic factory in Kerala and the Western Ghats aside from Organic plantations. Certified plantation factories did not take certified green leaf from certified growers and there were therefore no certified BLOs available to DC to increase their processor options. The presence of an Organic factory was the major barrier to entry for the Organic market and this shaped NC smallholder HVEM access. The local NGO invested in the DC Organic factory by exercising their social resources through the alternative trade network (see Chapter 6). A member of the Fairtrade social network, an ATO and Fairtrade buyer expressed frustration that the DC farmers had been forced to sell the factory to the North Indian trader company given the international investment in the autonomy of DC.

The sheer quantity of Tea Board, EU Commission and NGO funding that has been set aside to modernise the factory and on training regarding quality standards, monitoring and methods for monitoring (46. Interview DC UK Buyer 1)

The state was absent in terms of training the farmers, advice or investment. UPASI appeared disinclined towards Organic and Fairtrade standards for smallholders. In two separate group interviews, NC farmers confirmed that UPASI had no role in their project.

Does UPASI ever give any training? NO! [All – laughing] UPASI No! M – UPASI are into other things, production mainly! (61. Interview DC farmers)

Additional interview data confirmed this.

(And the consortium gives training to you?) Lizzy – Yes, regarding the field and how to keep it, the inputs that are good and may be used, and the quality
TS – the ICS and the consortium gives some regarding how to do plucking also, not using the sheers

(any from UPASI?) Lizzy - No, instead of them is the Kurringly Farm from Tamil Nadu. They come via Consortium request I think. The factory people pay [Trader] (62. Interview DC farmers)

DC stood apart in the tea industry as the only smallholder group pursuing Organic in South India. Differentiation was theoretically advantageous, but also had the effect of removing the UPASI option that group NC experienced. Replacing UPASI, the processor-trader invested in and trained DC farmers. The trader company paid for certification, audits and training.

(And does the [local NGO] pay for the audits?) No, [trader promoter] (and who pays for the certification?) [trader company], they pay for everything.... (59. Interview DC Consortium Leader and the Quality Manager)

The processor-trader undertook considerable and ongoing investment in DC. However, the trader was the only buyer to which DC could sell their tea. Certified estates could not take certified Bought Leaf because of the traceability requirements in the Organic and Fairtrade standards. Under Fairtrade, the DC growers would have to be certified under other, specific Outgrower/Contractor standards, containing similar requirements to Fairtrade SPO standards (Appendix 2) and Hired Labour Standards (for estates), but aimed at situations where local smallholders supplied an estate. The largest South Indian Organic estate producer and Organic pioneer POABS reported that they operated no BLO whatsoever (73 – email communication, POABS). The DC trader therefore gained a specialist and dedicated supplier.

The trader was the sole source of advice and information about quality requirements for the DC farmers. Contra Gibbon’s (2003) GCC perspective that certification would enable market access by representing differentiation, the existence of monopsony limited this. Monopsony was in turn caused by the complexity of standards that meant distancing between farmers and quality/standards requirements, and therefore created reliance. DC
had HVEM only via the Trader and on the Trader’s terms. Certification did not make farmers specialist in the sense of increasing demand for their limited produce, because their buyer had other sources of supply of Organic tea in North India. Neither did it increase HVEM options due to the presence of multiple buyers, allowing DC to extract better terms from processors. Instead, it made the trader specialist whilst the farmers were limited to one buyer.

The Trader’s Liaison Manager described the importance of the certification for DC’s HVEM access. This strongly implied the necessity of the trader for DC’s HVEM access;

If the tea is not Organic and Fairtrade the small growers wouldn’t have a chance of exporting particularly to Europe, certification is a prerequisite for market access. Fairtrade and Organic essential for the Netherlands, Organic is essential for Germany market access and UK some Fairtrade is there

(What percentage of sales are Fairtrade?) Once 3 right down now to maybe 0.3 per cent. And attached to Organic. (What percentage are Organic?) We sell all Organic, nothing is Fairtrade solo. But they need, this was not always the situation there. They used to try to do Fairtrade alone but were looking at the thing the wrong way around.

The farmers also really need the expertise of the professionals in [North India], they cannot manage the factory you must know about certain things, how to run a business of this sort, how to run a factory. One thing is quality but other things are important.

Last year, year before last sales resumed to the UK after a long time [...] The Organic certification had a wobble, the factory therefore too, then the farmers had nowhere to go, so they left Organic. We are rebuilding this with the expertise needed in [North India] (44. Interview DC Trader Liaison Manager)

The trader brought a strategy that utilised Organic certification for market access more than Fairtrade certification. UK Buyer 1 confirmed that the local NGO that managed the factory before 2009 managed the factory inadequately, producing poor quality leaf, failing to export to HVEMs and making financial losses (46. Interview DC UK Buyer 1).

Beyond certification, tea quality was crucial for HVEM access and HVEM sales were necessary to recover costs and continue the farming and processing in sufficient volumes and to quality standards. If DC were to hold certification, they needed expertise. This three-fold expertise included how to export Organic tea for optimum HVEM access and
prices, knowledge of how to farm Organic tea whilst meeting quality standards, and knowledge of how to process Organic tea at small volumes and maximum, appropriate qualities. I first discuss sales expertise of the trader, then later the processor expertise.

Participants repeated that the NGO asked the trader-processor to take over the project and factory, because without an Organic trader-processor the project would have no future.

The bishop has now entrusted to [Trader] to come and help otherwise these small farmers will be cheated by the multinationals [...] (What problems were there before [Trader]?) Manufacturing problems – how to run and process in the factory, running the administration was a mess, quality, administration – taste, site problems, export problems. We know all from the start to the end [trader] plucking, manufacturing, marketing. (68. Interview DC Factory Manager)

Data suggested the dependency of the farmers and the producer group on the trader’s management of sales. Interviewees did not know the destinations for their group’s tea, including the elected managers of the producer group’s Fairtrade consortium. In the following data I probed the producer group managers as to why the trader was essential.

(What does [Liaison Manager] do?) P - We have contact with him about prices but he does all of that. The factory manager deals with [Liaison Manager] about sales, marketing and exporting, all that sorts of things. The accounts manager also sometimes.

(Do you know where [Liaison Manager] sells the tea to?) P - Leaves go to [North India], then to auction there. We have an agreement with [trader] and [local NGO]. W - They sell it to Germany. There are some old distributors locally the organisation has had for some time, so some leaf goes to them, locally. Some is exported. (Are there regular customers from Germany and UK as well?) P - Yes but I do not know their names. .. (Is there a baseline price for the tea?) P - No it changes depending on demand sometimes if it is in demand then the price goes up and if the demand for CTC is up then the price goes up. There is no fixed price or fixed rate, there is no safety net, there is no way of knowing these things only experience. It varies. (Is all the tea always sold?) P - Yes. There is maybe 5% wastage but that is all, left out, sometimes 2% different times of the year. (If the UK and the Germany buyers go away, will the 21INR/kg price remain?) P - There will not be much problem, there is still demand for Organic tea in India. And there is an agreement each year and it is renewed. Only time there was a problem was when the factory collapsed. (What’s in the yearly agreement? – Price.. Quantity?) P - Not the price, never the price, sometimes it is high, sometimes it is low, quality dictates this. No fixed price, but fixed quantity that is there. W - We know their order and what quantity they will want from us that they tell us and they renew this each year.
[Liaison Manager] lives in [North India] and comes here infrequently. There is [trader] up there and they have estates and an exporting agency. (What does [Liaison Manager] do?) P - For 10.5 days he is here to manage. His parent house is here but he settled up in [North India]. [Trader] HQ and finance is there, finance for the [trader] project once per month he is here for two weeks or 5 days.

(Why is he needed – that is, could you export without him?) P - [Trader] come here once per year, they discuss things then they go. [Liaison Manager] is involved with the project. At the factory you can ask about [Liaison Manager]. [Liaison Manager] knows about Organic and he knows the right people who also know about Organic. We are all retired from plantations, we all know certain things, we have the experience to identify teas, any tea, from China, Assam, we are retired hands.

(Can you export without [trader]?) P - Finance and marketing they do, [trader]. They do all of that and that way we can sell it out. That way only can we sell it out.

[…] (So do you know the [UK Buyer 1] people?) P - Foreign exchange? (No, [UK Buyer 1]?) P - He is maybe a UK buyer, he came here, [name]?! (So, why not just sell directly to him if you know him already?) P - There is also Mr B from Germany, do you know him too? (No) a broker, he has a role there with the broker company. I do not know the company name, ask [Liaison Manager]. (So why not just export to these guys?) P - You need certification and only then may you be able to be exporting and the [trader] facilitate the certification, it is not only the tea that is an issue there. (59. Interview DC Consortium Leader and the Quality Manager)

Because the trader managed certification they controlled HVEM access. The trader knew the Organic market and how to obtain higher prices for Organic-Fairtrade, dual-certified tea in European markets. HVEM access for DC was not due to the ATO Fairtrade buyer loyalty but to the trader’s Organic sales strategy. For the UK, the ‘mainstream’ of the Fairtrade tea market was single-certified Fairtrade whereas Organic added a specialist element and represented a higher quality market segment in EU markets (71. Interview Fairtrade UK). The factory manager explained the importance of the trader knowing the right buyers, the speciality of Organic and the interaction between the two certifications.

[Trader] has 10-12 estates and began 25 years ago and they are Organic pioneers in India. They therefore know the Fairtrade buyers very well from Germany … [G] … [N] as well buy from us (Are they reliable buyers?) yes (and UK buyers?) yes, now again – before they were coming and, they went and now they are back again – recently somebody came. We have a certificate, so good Organic tea you can get from here, nowhere else. Because to practice Organic is very difficult thing. Your production goes down to 1/3 so the farmer does not want to suffer such losses. With chemical fertilisers the crop would be much greater. We compensate them by giving 2 times the price they would get in the market. The
market price is 10INR/kg and we give them 20 or 23 which we recover from the Fairtrade premium. We also pay to give them compost and training.

(and do you manage to sell all the tea?) Yes we have orders but little quantity – demand is large and we have little. We have more orders but we cannot supply – we cannot meet all the demand we get!

(is there a minimum price for Fairtrade tea?) Yes, the prices are done in [North Indian trader HQ] actually. (So there is a Fairtrade price but you do not know it?) yes. Our duty is just to manufacture the tea and send it to them there. They handle the marketing Prices I do not know because it is not done from here... The only problem is that we need more – we need to get more leaf so we can do more...

(68. Interview DC Factory Manager)

The DC farmers could not hope to learn from the trader as marketing was managed off-site in North India. The trader managed certification for HVEM access externally, and managed standards internally to support their sales strategy. This was where the trader’s processing expertise was essential. Fairtrade standards allowed the trader to support the farmers in-conversion and therefore increase their supply by allowing the factory to ‘recover’ the cost of paying the farmers a supportive prices for their tea, from Fairtrade social premium money. Additionally, compost provided through the Fairtrade social premium money improved the quality of the tea, which again facilitated access to HVEMs.

Lizzy – they give advice about making the compost and training – women have no alternative incomes, only those internal to the house, field, family. So when the help comes directly to the women then it will definitely get used for the house.

CD – directly to the quality (62. Interview DC farmers)

The trader used Fairtrade social premium money to improve the quality of Organic leaf. This in turn created HVEM access for DC farmers. From farmers’ perspectives, the security of knowing they could sell their tea was paramount.

(And what are the advantages and disadvantages of Organic farming?) CD – the best thing for me is the price and the quality and selling it I am happy to know we will be selling it! (62. Interview DC farmers)

Farmers tended not to know the term Fairtrade, only the name of the development NGO, the trader company and the producer group management (see Chapter 7). It was not
surprising that the term Fairtrade did not resonate with farmers given the FLO pricing rules did not cover trade between the farmers and the factory. This narrow ‘waist’ of the tea production network was exacerbated by the specialism of Fairtrade-Organic standards yet Fairtrade contained no provision to manage that uncompetitive area of the tea production network. Given that research with Fairtrade tea producers in Tanzania also identified the same processing stage as the ‘anchor’ (of the tea value chain) that was problematic and lacked competition (Loconto, 2010), it was disappointing that Fairtrade standards failed to address it. However, it was the specialism of the dual-certification standards, and the intangible nature of the quality standards they encoded, that caused the reliance on the trader.

The quality of ‘fair’ that Fairtrade tea was marketed on the basis of, was supposed to be enacted via provision of the Fairtrade certification standard that controlled behaviours and make trading practices ‘fair’. The following data suggest that the fairness attribute became in tea merely a belief with little tangible substance. Fairtrade standards were posited to include certain requirements that were designed to secure HVEM access for producers (see chapter 2). Firstly, there was the Fairtrade requirement that buyers share sourcing plans with producers. Secondly, were Fairtrade minimum prices, designed to help producers in negotiations to control the value they experienced from HVEM access. Critics suggested standards were co-opted by the interests of capital (Guthman, 2004a; 2004b), eventually leading to small producers exiting the certified market (Mutersbaugh, 2002). In governmentality, it was not the interests of capital, nor certain types of firms or actors that necessarily aimed to shape standards, but rather agents with the power of legitimacy to define or contribute as stakeholders, to narratives of governance (see Chapter 3).

I examined whether long-term sourcing requirement of Fairtrade standards assisted DC HVEM access. I asked what notice UK Buyer 1 had to give to the group DC that they
would cease to buy their tea. The UK Buyer 1 representative explained that the Fairtrade requirement that buyers should share long term, quarterly sourcing plans with their suppliers was a softer requirement of Fairtrade that it was not really possible in tea.

... Long-term commitments is the idealistic concept but in practice we review our suppliers periodically – a particular model of Fairtrade seen differently – in practice there’s no long-termness in tea sourcing (35. Interview DC UK Buyer 1).

The blend convention for tea undermined the sourcing requirement of Fairtrade and flexible sourcing prevailed. This interacted with the increase in the number of Fairtrade suppliers.

There are a lot of Fairtrade producers to shop around with these days. The big buyers in tea haven’t changed the way they buy tea – even with Fairtrade – Fairtrade changed nothing about this... Long-term commitment is a fallacy – not worth being optimistic about that – long term sourcing plans and communication not really likely - blend is king – tea procurement has certain norms... (35. Interview DC UK Buyer 1).

Over-subscription to the Fairtrade certification standard (and oversupply in a specialist niche market) compounded this flexibility convention in tea sourcing. FLO-ev created plantation standards for tea, whereas if they had only allowed smallholder standards (as with coffee), smallholders would be specialist suppliers. The creation of plantation standards was an instance where FLO involved plantations as produce stakeholders, for FLO’s own legitimacy. The Fairtrade brand and institutions potentially took precedence over the long-term benefits to smallholders. FLO failed to maintain entry barriers that protected smallholders against the onset of competition. An ex-executive of FLO clarified why the admission of plantations into FLO certification limited the HVEM access from Fairtrade for small producers.

There has been growth accidentally as a by-product of interacting with the mainstream market segments, instead of trying to be an alternative to those markets, again in the name of publicity and awareness and growth by consumer demand. But that by product in tea works as follows; I for example helped [UK retail giant] to develop their Fairtrade tea – their volumes could have been met, satisfied by certifying 7 or 8 plantations but because of the blending, you know, a blend must be invulnerable to droughts, floods, disasters, strikes and the taste
outcome to remain the same to the consumer, that meant they actually arranged to certify 40 plantations. Now those plantations are all some of the best-tasting highest quality tea producing plantations in the world and [UK retail giant] only accounts for a small percentage of their capability so suddenly there is a huge quantity of the best quality tea that is also Fairtrade. They had 40 certified so that if there was any problem with any 1, then there would be no difference to the overall taste of the blend. The market was then flooded with certified tea- the plantations can sell their entire crop as Fairtrade (74. FLO-ev Ex-Executive of the Board)

FLO once controlled entrance to Fairtrade markets, but ceased to do so for tea.

(So is there an oversupply of Fairtrade tea now. Does this upset those smaller players?)

We used to control it, with the issuing of the mark yes but also through the requirement that you had to have a market before you could come to the mark. This was to avoid raising expectations and people spending money to comply and apply and inspections, then find it was not able to self-sustain in the long run. Now they’ve scrapped it, they didn’t want so many rules, so much management – but that’s what made it different to the rest of the market in the first place!

(So what happened before, how did it differ?)

Before the small grower or whoever applied went wrote to FLO cert equivalent as it was then, then the latter considered and assessed their capacity to export, checked there was a market, usually by identifying a specific buyer, it was subjective, now, if you can pay they want you!

Now a small grower would struggle with that ... now small growers cannot sell their tea because plantations of a high quality exist and people buy from them instead because they can pay less (74. Interview FLO-ev Ex-Executive of the Board)

Oversupply of tea by inclusion of bulk suppliers would not have been so significant if Fairtrade prices had protected smaller, non-bulk suppliers from price competition.

Fairtrade failed to set a minimum price for CTC-processed Organic tea until 2010, which meant DC farmers were competing against Organic and Fairtrade-certified bulk suppliers who could undercut them on price. Fairtrade had still not fixed a minimum for Orthodox-processed Organic tea in 2013. The price for CTC Organic had not been revised since 2010 when it was introduced and was too low to meaningfully combat price competition (74. Interview FLO Ex-Executive of the Board). The Director of the DC Trader company asked rhetorically how he was supposed to compete against the biggest plantation
companies in South India for Fairtrade sales (77. Personal Communication, DC Trader Co., Director).

South India’s plantation estates convinced FLO consultations prior to the establishment of the Fairtrade price for Organic, that a minimum price was not in producers’ interests as it would ‘undermine them in negotiations’ by painting their product as poor quality (71. Interview with Fairtrade UK representatives). Stakeholder negotiation as a mainstay in the legitimacy of private regulation undermined a major tangible element of the notion of ‘fair’. Producers, attracted to the power to define and able to partake of stakeholder negotiation and engagement events, were able to redefine fair, exercising their agency and power upon a global VPS.

The South India Fairtrade minimum price for Organic (CTC-processed only) was $1.80USD to reflect higher costs-of-production with Organic methods. Bulk Organic plantations may however have been able to sell Organic at lower prices to gain supply contracts prior to 2010. It was possible that Fairtrade estate producers did not want a minimum price if it would inhibit undercutting.

In 2013, the DC factory manager described that the factory sold all DC’s Organic tea output. However, data from the Fairtrade advocate NGO representative indicated this was a recent change. The NGO representative knew that when the DC factory was managed by the local development NGO before 2009 it was ‘sitting on’ huge amounts of Fairtrade tea that it could not sell due to competition with Fairtrade plantations and oversupply. The DC NGO did not know Organic buyers in order to sell tea any way other than through Fairtrade buyers and the participant felt Fairtrade had let DC down by allowing oversupply (50. Interview Fairtrade Advocacy NGO, Kerala, Director). HVEM access in tea was personable and knowledge-based and even the largest Fairtrade plantation in South India experienced only 1% of sales as Fairtrade sales suggesting oversupply (75.
Personal Communication with largest Fairtrade plantation in South India and previous Chair of Network of Asian Producers).

Actually it is private sales all with Fairtrade – as a producer you get to know a buyer and they say actually I want a tea a bit like this and you go away and you work on it and you create something and they go the whole hog together then – so you get to know the subtleties – (it is relationship based?) – exactly. Yes. (75. Personal Communication with largest Fairtrade plantation in South India and previous Chair of Network of Asian Producers).

Fairtrade tea importer Ringtons was a specialist for Fairtrade sourcing and UK supermarkets outsourced Fairtrade purchasing to Ringtons. Ringtons preferred to source from bulk-capable plantations with which the company was already familiar. Ringtons bought where it had personal relationships. The DC trader lost contracts when UK companies outsourced their buying to Ringtons (77. Personal Communication, DC Trader Co., Director). Smallholder producers were not able to control their own HVEM access when access depended upon such ‘complex operations of power’ as characterised this governmentality involving dual certification. The new actors were able to define intangible aspects of quality, and governance requirements operated in name that in practice were not being implemented.

In summary, with reference to governmentality, agency was dispersed, and private actors sought to contribute to governance norms and narratives. The agenda of institutions to claim rational legitimacy for themselves fed into and permitted this process. Comparative conclusions rested upon the designed sampling strategy. NC had increased their HVEM access channels by increasing their processing options by gaining knowledge of different qualities. Because those qualities had tangible aspects, ways that they could be known and physically handled, the farmers could act upon this knowledge and use it to generate market access. NC farmers sorted their own leaf, the factory knew that they knew, and they felt they had improved their place in the tea industry by improving professionalism, again a consequence of managing their own tea quality
streams. For DC farmers, dual-certification narrowed their processing options. DC was dependent upon the trader, which was a monopsonist buyer as there were no alternative processors for Organic-Fairtrade leaf. DC farmers needed a processor-buyer because they could not process their tea in ways that met the taste requirements of the new target market, as evidenced by the collapse of the project under NGO management. Fairtrade and Organic specialism reduced processor options, as it reduced the ability of smallholders to know quality, and therefore to control their own market access.

Occupying areas of the network reinforced the power of certain actors relative to others based on legitimacy to advise and ability to define. UPASI had the power to advise relative to NC, so they did so in a manner that allowed them to capitalise. UPASI’s quality advice complimented the BLO practices of potential plantation buyers, by whom UPASI was partially funded.

Market access followed knowledge of quality and NC growers were better able to know the aspects of quality for their tea because those criteria were less codified and formalised, whereas DC in contrast operated tea farming, processing and trade according to definitions of quality that they could not know in the sense of to own and render manageable. This analysis benefitted from the insight of Bain, Ransom and Worosz (2010), that standards took initiative away from producers. The credence aspects of goods such as fairly traded or environmentally friendliness were qualities that were not tangible or amenable to manipulation by farmers, and instead were requirements implemented by the specialist trader and their tangible manifestation at that point in the network was compliance; the trader knew how to achieve compliance. In contrast to NC farmers, the DC farmer could not lift a handful of tea leaves and know that they were fair or came from bushes that were weeded by hand.
8. Tensions and Conflicts between Dual-Standards and Farmer Practices

In this chapter, I draw upon primary interview data from smallholder members of the dual-certified producer group (DC) and compare it with non-certificated participant data. I contribute to debates about the consequences of implementing Fairtrade and Organic in one producer group of farmers. Simultaneous implementation of Fairtrade and Organic standards was a source of tension for many farmers because elements of each standard conflicted with tea producer practices, and because requirements of different standards conflicted for smallholders. Organic practices confronted tea farming practices and increased the labour input for tea farming. In non-certified tea production, chemical inputs formed labour-saving devices but were banned under Organic. Steep inclines, labour-heavy plucking schedules and pest-management were features of South Indian tea production that were more difficult under Organic for DC farmers. The need for additional labour time under Organic methods was an uncontroversial point (Parrott et al., 2006). However, my further argument was that changes to practices were at odds with farmers’ understandings of tea practices that represented ‘good’ tea farming. Lyon (2009) distinguished between identity and impact assessments of Fairtrade certification, and argued there were fewer identity studies, and even fewer that investigated Organic.

I use the lens of governmentality (Gibbon and Ponte, 2008) to analyse smallholder compliance behaviour. Governmentality emphasised that standards represented the fragmented power to define in value-laden ways (Bain, Ransom and Worosz, 2010), attributes of tea production. This definitional power operated relative to smallholder agency to implement dual-standards by unique performances of values (Loconto, 2010b). The concept of performativity highlighted the agency exercised by smallholders in
performing unique conglomerations of different value schemas. This disturbed the assumption that a global standard created uniformity between smallholder plots. Local tea institutions perpetuated frameworks of values that translated into tea practices, and behaviours performing that framework remained operational. On other plots, unique, local, embryonic, Organic-Fairtrade frameworks were signalled by certain smallholder behaviours. The tea industry frame and the Organic-Fairtrade frame were in reality, interwoven uniquely, such that the two frameworks were inseparable where farmers negotiated performance (Loconto, 2010b). It was inaccurate to describe a clash between whole, monolithic value frameworks; rather farmers negotiated and co-created Organic-Fairtrade certified tea. Standards’ requirements existed through the behaviours that implemented them.

I mobilised the governmentality lens by focusing on instances of humour, misunderstandings and examples of participants reflecting upon their own and others’ practices in data. Farmers referred to visual aspects of their landscapes, so I argue these data were particularly communicative. Organic clashed with ‘good’ tea farming practices when Organic practices created visual cues that were at odds with established visual signs of good tea farming. Organic practices meant decreased yields and increased weed coverage. Poor yield in particular amounted to negative feedback from the tea bush that clashed with farmers’ understanding of good tea farmers. Farming tea of high quality was an industry symbol of professional diligence, a marker distinguishing professional from non-professional. Producing high quality tea was dependent upon labour availability yet at DC, labour requirements increased under Organic practices for smallholders.

Elements of Fairtrade standards were implemented by the DC trader in a manner designed to improve relationships between tea smallholders and these consequences of Organic practices; an example of trader innovation and agency relative to standards. The factory used the Fairtrade social premium money for manure, distributed to farmers to
improve quality in the absence of chemical fertilisers. The factory also paid premium prices in order that prices compensated farmers for lower yields. The DC factory and producer group management intended that quality should compensate for low yields. However, quality depended upon available labour to ‘keep to the plucking rounds’. Larger smallholders hired labour at busy periods but marginal growers relied upon help from one another and needed the labour of their entire families. Here, Fairtrade standards clashed with Organic practices. Fairtrade standards delegitimised uses of families’ children’s labour, for some a staple element of family labour and essential to quality.

Farmers involved with producer group management through the Fairtrade consortium represented the quality elite, with the Fairtrade-Organic clash around labour and quality reinforcing divisions within the producer group. Much as this indicated the limited success of the Fairtrade requirements in terms of democracy and participation, using the governmentality lens, the presence of an elite assisted performance of a narrative of ‘good, Organic’ tea farming, providing a source of prestige and public revere attached to high quality, Organic tea. In interactions between the two VPSs governmental frameworks, and tea industry norms, smallholder agents negotiated unique paths, performances of Fairtrade-Organic quality tea production.

Understanding conflicts and tensions between standards and practices meant ‘seeing the farm system through farmers’ eyes’ (Parrott et al., 2006). The links between standards, practices and identity was made by Burton (2004), a project enhanced by theorising the governmental function of value-laden standards relative to unique performances by agents (Loconto, 2010b). Burton’s (2004) research with farmers in a developed country context demonstrated that farmer communities had symbolic practices that signified a ‘good farmer’, including visual signs. When voluntary schemes asked farmers to change farm practices in ways that contradicted symbolic practices and challenged identity, farmers rejected the schemes (ibid). My data contributed by employing Burton’s
approach with developing country tea producers who had agreed to dual-VPSs. Farmers did not implement faithfully and exactly one monolithic value frame and reject others, but developed behaviours that negotiated and mixed aspects of each. Some behaviours by agents (smallholders and producers group managers) worked against the definitional powers of local institutions, or global narratives within Fairtrade (Tallontire and Nelson 2013). Farmers performed aspects of Organic standards as means of resistance to tea institution frameworks. However, not all behaviours of one agent performed the same frame. Following the discussion in Chapter 3, governmentality and performativity concepts helped to disaggregate overall compliance into agents’ multiple behaviours. Some Organic ‘good’ farm practices clashed with local good tea practices, and new, locally negotiated Fairtrade-Organics were performed.

**Data**

I refer to feedback from the tea bush to indicate that as discussed in Chapter 3, VPSs disciplined the human and the non-human alike. In Table 17, I summarise requirements explained in Chapter 2, of Fairtrade and Organic for smallholders in South India. For Organic I refer to the IFOAM Basics Standard (IFOAM, 2005), the basis for the Indian Government’s Agricultural and Processed Foods Export Development Authority (APEDA)’s National Programme for Organic Production (NPOP) standards (APEDA, 2005).
Table 17: Fairtrade and Organic Requirements

<table>
<thead>
<tr>
<th>Fairtrade Requirements (from Fairtrade Labelling Organisation, FLO) for Small Producer Organisations</th>
<th>Organic Requirements (from Government of India National Programme for Organic Production, NPOP)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fairtrade Minimum Prices – paid for processed tea, from buyers to factory owners</td>
<td>A three-year ‘conversion period’ to convert inorganic land to Organic</td>
</tr>
<tr>
<td>Organic CTC-processed tea &amp; fannings/ dust from Orthodox processing - $1.8USD/kg</td>
<td></td>
</tr>
<tr>
<td>Organic Orthodox-processed tea – Market Price</td>
<td></td>
</tr>
<tr>
<td>Social Premium Monies</td>
<td>No Genetically Modified Organisms – including seeds</td>
</tr>
<tr>
<td>1) Organic CTC-processed tea &amp; fannings/ dust from Orthodox processing – $0.5USD/kg</td>
<td></td>
</tr>
<tr>
<td>Organic Orthodox-processed tea - $1.1USD/kg</td>
<td></td>
</tr>
<tr>
<td>The Use of the Fairtrade Premium was ‘restricted to investment in the producers’ business, livelihood and community...Its specific use [was to be] democratically decided by the producers’</td>
<td>Multi-cropping, nutrient recycling and waste minimisation recommended</td>
</tr>
<tr>
<td>The ‘producer Organisation’ could be certified Fairtrade if it was ‘democratically controlled’.</td>
<td>Individual Farmer plots certified Organic and soil, unprocessed leaf and final processed tea were laboratory-tested for chemical residues annually</td>
</tr>
<tr>
<td>Clause 1.3 of the Generic Standard for Small Producer Organisations stipulated ‘Democracy, Participation and Transparency’</td>
<td></td>
</tr>
<tr>
<td>No forced or child labour (ILO Labour norms). Any hired labour must not exceed that set by the FLO-CERT Small Producer Indicator Policy (Not Specified for tea) (FLO-CERT, 2011).</td>
<td>The processing factory was certified Organic, Organic tea was kept separate from any inorganic or in conversion tea and traceability was ensured</td>
</tr>
<tr>
<td>Various chemicals listed as prohibited or restricted under Section 3 of Generic Fairtrade Standard. These amounted to those considered most carcinogenic, bio accumulative, volatile and toxic by the United Nations, known as the ‘Dirty Dozen’ plus others later banned or restricted by the UN, the ‘Nasty Nine’</td>
<td>Only Organic-verified inputs (most chemical inputs such as weedicides, pesticides, insecticides, fungicides, herbicides and fertilisers were banned)</td>
</tr>
<tr>
<td>Producer Groups should ‘work towards Organic’</td>
<td></td>
</tr>
<tr>
<td>Fairtrade Trade Standard clause 4.1 recommended long term ‘Sourcing Plans’ to help producers plan</td>
<td>IFOAM norm of local interpretation; Indian Organic legislation</td>
</tr>
</tbody>
</table>

Source: (Own work using APEDA, 2005; IFOAM, 2005; Fairtrade International, 2011)

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22 A SPO was defined as having at least 50% of membership as a Small Producers. A Small Producer was defined as not structurally dependent upon permanent hired labour and producers managing their farm mainly with their own and their family’s labour (Fairtrade Labelling Organisation-CERT, 2011).
In addition to the requirements in Table 17, dual-certified farmers had to meet quality requirements. In Chapter 6 I explained how the DC producer group management enforced a raised quality standard on behalf of the DC factory because the trader-processor was aiming to sell DC tea into the market segment for Organic or dual-certified teas rather than to mainstream Fairtrade buyers. The major potential sources of conflict and tension between these standards appeared to be around labour protection by Fairtrade and labour increases under Organic practices. On the left of Table 17, the Fairtrade Small Producer Organisation standard stipulated a limit to hired labour and banned child labour whilst on the right of the table, Organic rules prohibited use of chemicals that were employed in the South Indian tea industry to save labour time, keep costs low and maximise returns to land and labour effort (see Chapter 3). I argued in Chapter 5 that productivity was depicted in several Tea Board, UPASI and Tea Research Foundation publications in terms of returns to land in terms of maximising yield (kg of tea) rather than improving returns by increasing the value per unit of output (dollar price per kg).

**Interview Data**

I examined expressive interview data, including misunderstandings, humour, contradictions, reflections on practices and descriptions about the practices of others. I refer in this chapter to a narrower selection of interview texts. From group DC I referred to interviews 59 – 66, which included group interviews with farmers in-conversion to Organic, established Organic farmers, and producer group managers including the elected head, the quality manager, the compliance manager and the accounts manager. I referred to non-certified informant interviews 51 and 55 – 58 to understand participants’ interpretations of what Organic meant to them and behaviours among tea farmers. During conversations with non-certified participants I also asked about the meaning of Fairtrade to participants, but not one member of the non-certified (NC) case group nor the key
informant in interview 51 had heard of Fairtrade certification. Many of these participants took some offence that tea labour practices would need to be verified as ‘fair’.

8.1. Organic Rules and Increased Labour Effort
Chemicals were used extensively in South Indian tea production for pest control, adding nutrients to the soil, increasing yields, controlling weeds and controlling infection and disease. Farmers in DC were forbidden from applying chemicals. Spray fertilisers were used in non-Organic tea, but manure, organic compost, neem cakes and mulch were placed at the roots of tea bushes as the equivalent Organic practices. When land was steep it was a physically easier, less time consuming practice to load a chemical solution into a spray backpack and walk the steep tea fields spraying the bushes.

(And some of the land, see up this way over there some of the tea land is steep in the older fashion than the small grower plots now, this is why it is so hard to make it Organic, because it is too steep to mechanise or use any inputs of a certain sort, it is too steep to walk between the buses and much too steep to take anything up into the area, so how will you take manure up there to lay between the bushes? It is easy to apply liquids in some quantities and methods and easier to spray but hand weeding is virtually impossible at this incline. No tractor can get up there. It is simply not amenable, not designed with this time in mind. (66. Interview DC farmers in conversion)

Where labour particularly replaced chemical application was with weeding. Weeds were controlled by a variety of sprays under non-Organic tea production, all of which were banned under Organic. Only hand weeding was permitted, and at an incline in a tropical climate this was arduous work added to which at the medium elevation site of DC weeds grew rapidly as it was warmer than the high-altitude locations of most other VPS-certified plantations in South India (see chapter 5).

(Why do people break the rules – what is it they find so hard?)

Weeds. Weeds is the greatest problem that they face. It is the biggest problem all farmers here face. It is hard to pluck tea leaves in the field because of the weeds. It is hard even to walk between the tea bushes because the weeds are so thick and strong. Then there are the labour problems, there is not the labour to do the weeding. The Organic rules mean you cannot use chemicals to stop the weeds, so you must use hand-weeding, but there is not the labour. You can use cutters or
hands, this is why people are doing it inorganically (59. Interview elected head and quality manager)

Established Organic farmers emphasised that weeds represented the biggest struggles with Organic rules.

(is it hard work to be Organic?) JV – the difficulty is the weeds.
M- weeds many people complain about the weeds
WV – Weeds big problem
JV – This village is all just Organic. They do all Organic farming. They do not have much problem. But it is very difficult to cut weeds, difficult to pluck leaves. You cut weeds all the time, 4 or 5 times a year and more. A natural fertiliser can be formed of the weeds though, put the weeds between the plants and once it has dried it is absorbed once again by the soil. (61 Interview DC farmers)

The compliance manager explained in Interview 60 that DC tea also suffered with a disease known as Blister Blight which was a result of the multi-cropping typical of small plots where other crops overhung tea bushes. Moisture fell from trees and vines causing a blister to appear on the tea leaves, ruining them. Non-Organic and plantations used a plethora of chemicals to combat this as it reduced yield (see Chapter 5). The DC compliance manager explained that most farmers used cow urine mixed with sunflower seeds rather than buy the expensive oil treatment, permitted under Organic, from a specialist organic farm inputs supplier in Tamil Nadu. Although the oil could be purchased at a subsidised rate for the farmers through the DC ‘consortium’ producer group management, farmers preferred to spend the time themselves rather than pay.

TS - And the chemicals saved our time, pests, pests were controlled but now we cannot have that. Some we must remove by hand now (physically remove them from the bush?) Yes in the wet time there are leeches in this area and in drier times there are many red mites. Some spray can be made, or you can buy but we cannot buy! So we make our own and then more and more things must be done in the day (62. Interview DC farmers)

All DC farmers in one way or another explained increased time or physical effort under Organic. This was expected and uncontroversial as a general point, and confirmed Parrott et al.’s (2006) review of evidence regarding costs and benefits of Organic farming in
developing countries. Exactly how Organic played out in tea in South India was unique. Loconto (2010) found that in Tanzania there were few pests so conversion to Organic did not require significant changes to practices for farmers.

8.2. Organic Conflicted with ‘good’ Tea Farmer and visual Norms

A non-Organic estate manager described his interpretation of Organic tea.

(What about Organic?) An Organic estate feel totally different to a normal estate – it doesn’t even feel like tea anymore! I think they are trying to achieve something completely other and completely different in addition to the tea. POABS is the most impressive, really beautiful, like they are trying to do some conservation work there or something! [laughing] Or restore it to a rainforest! (51. Interview Plantation Estate Manager)

The language of the non-Organic informant suggested a distinction between tea production and Organic for him, with the latter more aligned to conservation. These data supported Burton’s (2004) study with UK farmers where visual cues signalled to farmers things that non-farmers may not perceive as meaningful. In tea estates the uniformity of the tea bushes was striking, all bushes were calf-height and shaped to fan out and shade the ground below to prevent weeds. The height of bushes and the fan-shape were features stipulated as industry guidelines for maximum plucking efficiency, to create a ‘table’ for maximum yield (Asopa, 2011, p100, discussed in Chapter 5). The planting patterns distinguished efficient estates implementing modern, productive planting patterns from smallholder lands, which were non-uniform and informal. Weeds were a symbol of old, incorrect or unprofessional plantings. During a driving tour of Keralan tea plantations, the estate manager pointed to visual symbols of identity in tea.

do you see there - right? This is the difference I was telling about can you tell this is the small grower? See look there up the right side to compare. Here we have it is overgrown like I don’t know like anything, weeds are there right? He has this and that cow is there and small, small but all is different variable heights of the bush and all. This means, and all, that time is not so pressured for these guys (is it an easier life you mean?) No! It keeps you sharp, alive, you do all yourself, figures, numbers, these old guys are sharp, quick! But the lands, aa, it is an unordered thing! Up there compare, nice and smooth and one colour fresh green, new growth is coming. Here things are all ways, all directions and all things! (51. Interview Plantation Estate Manager)
DC small growers practiced multi-cropping, with overgrown plots, large weeds and non-uniform tea planting. Small growers were regarded as failing to plant the maximum number of tea bushes possible on their land and thereby failing to use their land efficiently for maximum yield (Asopa, 2011). A DC farmer was aware of his plantings compared to plantations.

Look up to there. See those gaps. Where there are gaps, weeds will grow. No, now planting is done in a scientific way, then weeds will not grow, there are patterns you can see on the shapes made on the newer planted plantation lands, all scientifically worked out. But we have not got it that way. It all depends on the area. Where the gaps are it is very hard as weeds grow and inputs are too spread (66. Interview DC farmers in conversion)

Visual Signs and Norms

During interviews participants commonly pointed to visual aspects of land. Tea land without weeds was ‘clean’ and associated with producing good tea.

S - Now this is better because there are farmers who keep the land very clean and they are taking very good leaf (56. Interview NC farmers)

For NC farmers, the idea of attempting to farm tea Organically, which meant weeding by hand rather than using chemicals was eccentric and participants laughed at hand weeding as ‘digging about’.

(And would you do other speciality teas, such as Organic?) Ms S – Organic? Oh No. No. (Why?) Because there is a 3 year conversion period, you know [incredulous]? (Yes that is so) and also there is crop loss, huge crop loss (how do you means loss?) For years there is crop loss, when the conversion period is in progress you have a lower yield maybe ten then dropping twenty percent lower yield and yet you still have to wait and wait to call it Organic. Also unless every neighbour is also doing then it is no good, not worth it. All the contamination comes from those fields nearby and when it is steep, you have no choice but share the contamination. Pest also, you would have all the pests in your field while everyone else waves!

Unknown - all that digging about for the weeds! [laughter] As though to spend all that time for weeds! [laughter] (58. Interview NC farmers)
The fear that everybody else would ‘wave’ communicated a sense that the participant thought the practice ridiculous. Fear of being ostracised echoed a hint in Parrott et al.’s (2006) review that described ‘social ridicule’ as a threat to Organic agriculture. Data above also suggested the primary aim for good tea farming, and one that was also indicated by Burton’s (2004) study, was a productivity concept. This formed the initial reason the participant Ms S gave for not converting to Organic, ‘crop loss’, reduced yield. I challenged NC participants on the issue of defining productivity in terms of yield rather than price per kg of tea.

(Have you considered to go Organic?) There is no yield at all their madam! No, that is not our thing at all. The yield suffers and how it works I do not know – how can you survive if you have half the yield?! (Is that what it goes down to?) Yes madam! It reduces by 30% madam and I cannot afford that (But do you not hear that the price is 30% greater that you get for it?) Only if you know if you have somewhere to take it! No factories around here are doing, except those very large... and they are as far as Munnar because the road winds even more that way. No no and because of the conversion factor then the risk is far, far too great (55. Interview NC Bought Leaf Agent)

Increasing unit value of output rather than yield was undermined by the insecurity of market access under Organic, and the participant was correct that BLFs were not converting to Organic processing; only estates were engaged in Organic except for DC’s factory. Yield was discussed frequently as symbolic of a successful tea farmer, with farmers comparing their yields to those of others.

I get maybe 400kg or 500kg/hectare but here on this land my brother-in-law he gets 1,100kg/hectare – that is almost 3 times my yield! And all because his bushes are younger. Tea should grow more slowly at this height but still his yield! (57. Interview NC farmer)

DC farmers referred between themselves to the difficulties the farmers were having that year because yields were particularly low and farmers were blaming low yields on Organic-certified practices.

(There is a low crop?) JV – there is a low crop this year yes and when yield is low people, their patience is stretched with the Organic. There are still some problems. (61. Interview DC farmers)
It was an uncontroversial assumption that Organic farming lowered yields until an important review of evidence found mixed results including some impressive increases in yields after conversion to Organic: The starting point of the farming system was highly significant for comparing yields (Pretty et al., quoted in Parrott et al., 2006). An advisor from the small grower division of UPASI appeared to assume that Organic would always reduce tea yields. When he described that tea farming was difficult simply because it went against nature I asked whether Organic production might lead to improvements. His reason for rejection of Organic was on the grounds of yield loss and it seemed this was grounds for rejection even if Organic could deliver relief of other tea production difficulties.

...we are against nature that is really the problem.

(so what about Organic?) There is no yield at all with Organic, no. (54. Interview UPASI-KVK Quality specialist)

Yield symbolised the purpose and success of tea farming, and represented a norm confronting research participants. NC farmers received help and advice from UPASI-KVK. The first aspect of this advice and one that farmers emphasised repeatedly was that UPASI-KVK had researched and distributed high yielding versions of the tea bush. Genetically modified plants were not permitted under Organic production.

There are newer varieties here because they were planted more recently when the scientists knew more and better and had brought in these newer clones. (They are genetically different tea bushes?) Yes they have been created to make the greatest yield, bred in a laboratory. (Who does this?) UPASI. (57. Interview NC farmer)

UPASI advice meant advice about yields to farmers, and that was understood as UPASI’s place in the tea industry. DC farmers received no help from UPASI. Organic was at odds with the institutionalised industry value of prioritising yield.

(Does UPASI ever give any training?) NO! All – laughing - UPASI, No! M – UPASI are into other things! Production mainly! (61. Interview DC farmers)
Organic reduced yields for DC farmers substantially. This was a challenge to farmer self-understanding and value as a good, successful tea farmer.

M - It is hard, as though you have done starved your plantings of those needs, you have let it starve and it is your fault that and you have seen the same area the same tea bush is there for a life. Sometimes it was the tea bush of your father’s and so on, to see it growing out so slow so little, its decline and so unhealthy… and it is your watch and it happened under your care (62. Interview DC farmers)

Because a tea bush was productive for almost 50 years a small farmer was familiar with all his plants and knew what to expect from his plot including yield. There was a sense that farmers felt they had failed their plants. During the interview, established Organic farmers described working hard to regain their yields, to re-stimulate the responsiveness of the tea bush.

TS - In the past we were using weedicides but we had better yields, now we have good yields once again but they took time to recover. In fact the yield is almost back to what it was [looks around at the other two] okay, it is not there yet but it is not a full 30% less, it has recovered somewhat since then, it was that at first. But we work hard with the cow dung and apply that, we have one cow and that makes a big difference because we can apply that dung directly. (62. Interview DC farmers)

Farmers felt the ‘feedback’ from the tea bush changed. When participants stopped using weedicides and chemical fertilisers, productivity declined and yield fell. To continue to value Organic and understand themselves as successful tea producers, farmers had to work hard to nurture the bush back into a level of productivity that they had come to interpret as meaning they were good tea farmers. Organic confronted the tea institution’s value of yield. Organic rules precluded the practices that farmers were accustomed to performing to achieve good yields. Organic rules were changing behaviours (including the behaviour of the tea bush) and this was clashing with the tea industry norm of productivity defined as yield. The Callon-inspired move (linked in Chapter 3 to Bain, Ransom and Worosz, 2010) to including the tea bush as a feature of the network, with equal status to the tea farmer, helped to understand the sense of loss of order that farmers
felt when confronted by standards that changed their relationship to nature and their means of survival so profoundly.

(Is it common that the farmers use something naughty?) P - Yes. Reports come to the committee then they will see further procedures.

W - Last time 8 members were removed for using some chemicals. (Out of how many farmers is that?)

W - Now we have 195 – last year 8 were removed for this. At the project start we had over 400 farmers, gradually they left because it is hard (59. Interview with DC Consortium Leader and Consortium Quality Manager)

Organic precipitated other clashes of norms that challenged self-valuation as a successful tea producer and several members of the group were suspended in 2011 for using chemical inputs. Burton explained yield as a constructed status-symbol amongst large farmers, on the grounds that land could have made more revenue for farmers had it been set aside for conservation schemes. At DC, yield was valued by some farmers as symbolic of their survival; they needed it ‘to live’.

(and what chemicals are applied?) Zinc is for the yield (and this is applied to all the tea fields then?) yes that is used everywhere for we need the yield to live! (57. Interview with NC farmer)

Where yield meant the ability ‘to live’, Organic represented a significant risk. The productive tea bush was associated with a healthy tea bush, and the land was understood to need the chemical inputs to retain its future health. On this understanding, the inputs used in tea production created healthy land rather than the inputs producing unnaturally high yields and over-saturated land.

(Have you considered to go Organic?) There is no yield at all their madam! No, that is not our thing at all. The yield suffers and how it works I do not know – how can you survive if you have half the yield?! (Is that what it goes down to?) Yes madam! It reduces by 30% madam and I cannot afford that […] No, no and because of the conversion factor then the risk is far, far too great. And what about the pests – they would have a field day madam they would be going crazy and happy madam! (What is the conversion factor?) It takes 4kg of leaf to make one of tea so with Organic you are putting all your eggs into one basket - it will be affected for years and you have not put the nutrients back into the soil that it needs so your yield will be bad for years madam. (55. Interview NC Bought Leaf Agent)
The absence of chemical inputs reduced yield but so too did the presence of weeds that Organic caused by disallowing use of weedicide. Farmers had to weed by hand which took more time. Weeds were therefore a source of double expense to farmers. DC farmers emphasised that weeds damaged their incomes, even in the case of FS speaking in Interview 66, where they could afford to hire labourers for weeding.

(Have there been any negative changes to make from Inorganic to Organic?) Weeds are the major problem. We can almost not afford the weeds! Applying weedicide is easy, but 12 to 15 employees across the 5 acres – 10 acres here of tea altogether, you see the difference. (So 5 acres remains inorganic?) Yes: Weedicide is cheap. (66. Interview DC farmers in Conversion)

Meanwhile labour was essential for leaf quality, yet weed-coverage impeded labour.

Speaker 1 – for the women, and those other farmers, we do the main works in our fields, men do only the pruning, and it is the plucking rounds which make the quality, you must get round in time, and the quality makes the price so you must get round. The fields must be neat so that you can get around in time, if the weeds are thick you cannot even get around. See on the estates, they show you for tourism, they keep the passages between the bushes clean, clean and nothing grows there, here it is a jungle. (65. Interview DC farmers in Conversion)

Loss of yield caused farmers to fear that they would face financial struggle. However, smallholders performed different vale combinations illustrating farmer agency. The following data suggested some farmers found it beneficial to practice Organic tea production, as they had negotiated performances of dual-certification that engendered positive valuations of Organic. Yield was valued in terms of success and survival but this was a construct rather than an immutable fact. It rested on what I argue was an industry norm involving prioritisation of returns to land in terms of quantity of output rather than unit value of output. Participant JV explained that if farmers struggled with ‘meeting the rounds’ when yields were maximised under non-Organic production they would be better practicing Organic, with reduced yields, so they could keep up with ‘the rounds’. When left to grow the top bud of the tea bush became coarse and poor quality, and attracted a lower price. If farmers accepted the change, that yield was not the sole determinant of survival, Organic could be advantageous. The farmer JV’s practices represented a new
valuation in tea practices; he was performing the value combination *good, Organic, tea grower.*

(If there are all these good things, why do people cheat, why risk it?) M- [shocked pause] for production! JV – to increase the yield [laughing]. People are trying to make more money! We want them to understand!

M – doing Organic production lowers the yield you can get. [kindly, patiently]

(Is that what the higher price compensates for?) M – yes but... not completely it does not cover completely, just maybe if quality...

JV – but it is not those price things for me – even if you gave me the weedicides I would not use them. Or chemicals, I will not do. If it were free and given I would not do it.

(principles?) JV - Yes [laughing]. M - He is a man of principles. JV – Many people use chemicals for weeds and flavour and yield. But if people have trouble meeting the rounds for Organic they definitely would with inorganic! So many farmers, especially in the Vallavod area, they went to inorganic to increase their yields but now they are coming back. They get a good price and they are happy. *(61. Interview DC farmers)*

Recovering revenue lost through reduced yield meant improving prices received per kg by producing higher quality leaf. Organic however also tended to reduce quality.

S - Organic tea is tougher, harder to pluck B – how do you know? FS – No, I don’t think so, if the pruning is done then they can pick it fine because it will grow soft and be fine, good quality. S – Yes, the Organic stems are tougher, harder to tear from the bush. FS – if you use the right inputs then it can be made soft and the difference is very small and it can be made good. But this is hard. S – If you do nothing, if you just leave it to nature then it goes tough and it is much harder to take from the bush. FS – Look at the land, no wonder, it is already tough! (So Organic does not mean do nothing then?) [laughing] All – no! *(66. Interview DC farmers in conversion)*

Organic did not mean ‘do nothing’; farmers worked hard to improve leaf quality.

**Quality and Professionalism**

Tea was labour-intensive, particularly hand plucking of leaves. Leaf was picked at the correct intervals to minimise the inclusion of coarser, waste material and to prevent the tea shoots from going into a dormant state where they produced little or coarse growth. Undesirable growth was known as banji or bandy and picking it produced a state of banji in the bush.
Worse then you do not have your tea picked at the correct time and it goes to bandy (to what?) bandy bandy the large waste, the stalk madam. Leaf should be just two leaves and a bud that is quality, if you leave it more it grows more and there is more stalk in there with the same leaf – this waste is hard and coarse and this is ‘bandy’. (55. Interview NC Bought Leaf Agent)

NC farmers improved quality under a quality grading system (see Chapter 7). This was a source of pride for farmers because it symbolised professionalism, that they had improved their position in the tea sector.

Ms X - All the members bring their leaf here and we sort it. Then the factory sends its vehicle here and takes the leaf bagged already into the grade.

Ms Y - The vehicle waits ‘til we are ready! All – [laughing] (58. Interview NC farmers, original emphasis)

Minimising waste leaf by producing high quality, 5 per cent coarse material green leaf symbolised professionalisation because it aligned with efficient practices of estate producers. Improving and managing quality allowed NC farmers to identify themselves as having improved their professional position in the tea hierarchy.

Ms Y – Yield and quality are the best they can be. This means we can do different levels of quality which is the grades you see here – [pointing to piles]. This means that where there may be wastes there is no. This is how companies do, big estates [laughing]. (58. Interview NC farmers)

When farmers could not ‘meet the rounds’ in time to produce high quality leaf they were sensitive about this because it could be interpreted as meaning they were the opposite of diligent, a lazy tea farmer. Below TS was anxious for CD to explain that they relied only on their own labour to justify why they did not always make the rounds hence exempting them from the charge of laziness.

(And what are the advantages and disadvantages of Organic farming?) CD – the best thing for me is the price and the quality and selling it, I am happy to know we will be selling it! But at certain times we cannot pluck it in time and...

TS – you have to tell the reasons for that

CD – yes because we ourselves work in the fields then we cannot always make it around and then a lesser price is given. Then we feel bad, we feel frustrated. We do a lot then and see no good price! Then it feels expensive, such hard work, but no rewards are coming. (62. Interview DC farmers)
Quality meant plucking on time, which meant labour. This in turn meant time or paying labourers.

FS - We hire at plucking time, many females, because this we must do to get the quality... and the higher price (66. Interview DC farmers in conversion)

8.3. Fairtrade, Quality and Group Tension
Fairtrade sales generated social premium money that the DC factory-owner/trader channelled into money for manure to improve the quality of Organic tea. The factory also paid more to farmers for higher quality leaf to encourage and compensate farmers for yield losses. By these means, Fairtrade eased conflicts between the Organic standard’s value framework and tea industry values, for some farmers. Fairtrade social premium money provided an opportunity for farmers to make a transition from understanding yield as defining good tea farming, to understanding reduced yield with higher quality as signifying good tea farming. Fairtrade rules brought limited changes to production practices of their own, but did have implications for labour time and group dynamics.

(Does Fairtrade have rules like Organic?) JV - Some rules are there that we have to follow but I think it is just the Organic ones (61. Interview DC farmers)
Fairtrade sales delivered Social Premium money for purchasing manure that fed the tea bush and improved quality and yield.

D – Fairtrade gives a subsidy with, which makes the yield so much better, it makes the Organic yield, which is otherwise poor and exhausts the land, so much better (how?) Because they work the same way (How?) Organic yields are so low except with very expensive manure, now we have, we get the manure from the Fairtrade premium (63. Interview DC farmers)
In addition, the factory paid a premium price for higher quality tea, recovered from Fairtrade premiums. FLO rules did not stipulate a ‘fair’ or minimum price that the factory had to pay the farmers, the Fairtrade minimum only applied after processing. The factory paid a premium to encourage farmers to remain Organic.
Your production goes down to 1/3 so the farmer does not want to suffer such losses. With chemical fertilisers the crop would be much greater. We compensate them by giving 2 times the price they would get in the market. The market price is 10INR/kg and we give them 20 or 23 which we recover from the Fairtrade premium. We also pay to give them compost and training. (68. Interview DC Factory Manager)

Farmers confirmed that they received a better price and that this compensated them for lost yields.

(So does that 30% make up for the extra costs involved?) M- No.

JV – Yield, that is for the yield. (So the yield is 30% less with Organic?) Yes approximately though you can do a little better but then you need to keep weeds down and replace nutrients into the soils. When you grow tea, especially here where it grows quickly at times of the year, then you are taking and taking from the ground, plucking and plucking, each time is taking material out from the earth. And it is nearly a constant thing with tea. So if you can give back some things to the soil then you can get a little better but not much better. It depends on the time of year.

...We also get a subsidy from the factory, from the Fairtrade (social premium money) to make our own compost as well... (So is there more work in farming this Organic way?) All – yes [nodding] JV – time and skills (61. Interview DC farmers)

However, compensation for yields depended upon farming a minimum quality of leaf.

(how much less yield is there?) Lizzy –There is a 30% reduction and so the factory must pay this 30% more – and this is only if there is good quality also so it is hard to keep the both things going. (62. Interview DC farmers)

JV’s farm diary showed a yield of 169kg for his 1 acre of land in 2011. Using these data revealed whether Organic price compensated for lower Organic yield. Organic yields were held to be 30% less than normal yields. Therefore, Organic yield (y) was 70% of normal yield (n);

\[
\begin{align*}
70\% \quad n &= y \\
1\% \quad n &= 169/70 \\
&= 2.414 \times 100 \\
&= 241.4kg
\end{align*}
\]

Normal yield was 241.4kg/acre/year. If the normal price (np) was 10INR/kg as stated by the factor manager in Interview 68;

\[
n \times np = 2,414INR
\]
JV would have received a total of 2,414INR under non-Organic. Under Organic, he produced 169kg and received the highest price for his leaf of 21.50. This generated a total of 3,633.5INR. JV was compensated for yield and was benefitting under Organic because he sold his green leaf for the highest price. This was possible because his leaf contained only 5% coarse material.

If JV had sold his leaf for a lower price that reflected a higher percentage coarse leaf23, he may not have been compensated for his lower yield. For example, a price of 14INR/kg with JV’s yield generated a total of 2,366INR, which would not compensate for the reduction in yield. A minimum price of 15INR/kg was needed to compensate for JV’s Organic yield. This meant producing leaf of at worst, a maximum of 20% coarse leaf. This calculation was based upon comparison with the farmer doing nothing in place of Organic. The farmer could have attempted to follow yield and quality improvement such as undertaken by NC farmers. Figure 19 sketches a comparison of participant JV of group DC to participant Mr V of NC. JV’s Organic yield of 169kg/acre in 2011 was lower than Mr V’s yield of approximately 500kg/hectare which equated to 200kg/acre. I used the mid-point of the prices range that NC farmers gave (16.5 – 20.3INR/kg) which was 18.4INR/kg and compared income to that of participant JV from case DC who received the top price of 21.5INR/kg.

Figure 19: NC and DC yields and prices compared

<table>
<thead>
<tr>
<th></th>
<th>Participant JV of DC</th>
<th>Participant Mr V of NC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yield in kg/acre/year</td>
<td>169</td>
<td>200</td>
</tr>
<tr>
<td></td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Price in Rupees/kg</td>
<td>21.5</td>
<td>18.4</td>
</tr>
<tr>
<td></td>
<td>=</td>
<td></td>
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<td></td>
<td>3,633.5</td>
<td>3,680</td>
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</tbody>
</table>

Source: (Own work)

23 The factory paid per kg 21.50INR for 5% coarse leaf, 18INR for 10% coarse leaf, 15INR for 20% coarse leaf, 12INR for 30% coarse leaf and 9INR for 40% coarse leaf (Interview 59).
Organic produced a slightly lower revenue/acre than NC quality improvements. This used a mid-point between NC’s prices, whereas the distribution of prices across the range would shape the comparison. Further, NC participant Mr V was not using the higher yield UPASI variety of the tea bush whereas his brother was. The brother saw yields of 1,100kg/hectare. NC higher yields would have meant the comparison favoured the NC strategy in purely monetary terms.

The way in which Fairtrade was implemented or performed by the DC processor-trader was designed to assist and compensate farmers for difficulties and costs under the Organic regime. The Consortium Head explained that he had been recruited for the head of the Fairtrade Consortium as had the Quality Manager. He was later elected by the farmers and lived and farmed locally, but it had been the DC trader who had introduced him to the DC group for the purpose of managing the group in the way the trader thought advantageous for quality and the project. The idea of using the Fairtrade social premium for manure came from factory management employees of the trader company and was then approved by the management and farmers. The innovative performance at the factory and producer group level was responsible for managing conflicts with Organic. Fairtrade was the instrument they employed for this purpose rather than a fixed and governmental force.

In Arce’s (2009) case study with coffee smallholders in Guatemala over half the group dropped Organic in favour of Fairtrade single-certification because Organic practices damaged quality. Loconto (2010) argued tea producers in Tanzania prioritised tea quality and means of managing tea quality, whilst the VPSs (Fairtrade, Organic and Rainforest Alliance) contained no specific advice about tea quality. DC data suggested the relationship between Organic and quality was not absolute but may be managed and in the case of DC was managed by the factory.
Lyon’s (2009) case study research with coffee smallholders in Guatemala showed farmers came to equate Organic with higher quality coffee. There were suggestions of a similar development at DC. As the trader-processor reconstructed quality as inclusive of Organic, only some farmers, and to differing degrees, reinterpreted tea quality as part of Organicness. Some producers re-evaluated quality and it became conflated with Organic. This challenged that idea of tea industry ‘versus’ Organic-Fairtrade governance and pointed to some agents performing a conflation. Participant JV, producer of the highest quality leaf, 5% coarse leaf, emphasised that there was ‘time and skill’ involved in Organic with pride.

Some farmers enacted a novel Organic-quality norm, replacing yield as the valuation of success, and negotiating a way to comfortably be dual-certified. Quality was assessed by the accounts manager who owned the leaf collection vehicle, collected from points in the village and delivered to the factory. When he collected leaf he assessed quality ‘by eye’, in his position of power as able to understand quality, and wrote bills for farmers stating the percentage coarse leaf and the price. Once at the factory, the quality manager verified the quality. The factory manager then confirmed the quality and the price. The farmer received the money the following week. This system provided a chance for farmer self-valuation as a good, professional tea farmer to develop, derived from a basis in quality rather than yield. It also meant however that the new elite in the village was charged with assessing leaf quality, transporting leaf and checking compliance with Organic. These were the Fairtrade ‘consortium’ members. For other members of the community there was a sense of separation from Fairtrade.

Speaker 1 – the effort for Organic is spread out amongst the village; and for us we understand this it is health, a whole thing, ayurvedic and Organic. Fairtrade has helped tea but it is fewer people that are... we did not know, understand it before, prior, there... ayurvedic is health and it is about the whole. Like Organic. Organic is pure, natural, and people take care. You know? You know the ayurvedic hospital is there with the Father still? (yes) (65. Interview DC farmers in conversion)
Most DC farmer participants did not recognise the term Fairtrade.

TS – what is Fairtrade? Lizzy and CD – The consortium

TS - oh yes aaha the consortium helps yes (and do you vote for the committee members of the Fairtrade Consortium?) [Blanks]

TS – Organic helps, we get a price premium for Organic tea. We are just common farmers we do not know about these things (62. Interview DC farmers)

TS identified herself as distinct from the Consortium members expressed as ‘we are just common farmers’. Others did not wish to question decisions of Fairtrade consortium members.

(So do you feel you can influence the decision of the committee?) D and L and M – [blank] D- why would we want to? L – I don’t understand (Can you change what they spend that money on from Fairtrade?) [blanks] L - I do not understand (Can you help them to know what is best for everyone in the meetings – can you talk?) D – we can go L – we go to the meetings. (And could you change things if you wanted something else?) M – no, no. L – I do not want change. M – I will go along with the committee – whatever they decide (63. Interview DC farmers).

Others wanted to hear practical advice about Organic farming but could not justify time away from their work for meetings that were discussions.

TS - There is no need for to get into a muddle where people are complaining this and that there is no reason. For it makes... CD - Let those who know do the organising of this thing and they can see and it will fit us well here. We are a small group so ... TS - but still not all can know the best way to do this Organic. CD - So let them go and they are doing fine and we can listen afterwards how to do Organic (62. Interview DC Farmers).

Farmers understood the idea of participating in the group Consortium meetings (even if they did not recognise the name Fairtrade) but did not seem interested in participation as an end in itself. Meetings were valued if they were a source of practical advice, manure or training.

The only problem with Fairtrade, it is the time! (with Fairtrade?) Time yes and the understanding of... what are the meetings for... Organic, training and quality, fine but for Fairtrade it is difficult to explain to the farmer why, why to spend his day in the meeting. (So is meeting attendance poor?) It depends on the understanding, if the farmer knows it is Organic it is everyone is there if it is regarding some decision or other ... maybe 30% of farmers will go that. (30% at Fairtrade meetings?) Well they cannot be separated all the time but... But there is not the interest in that and it is harder to explain than... Organic is clear rules,
problems are there, but rules and solutions. Only with Fairtrade about the schooling of the children and even that is the tribal areas main issue. And the rules regarding the premium monies but otherwise only thing is the coming, and why... and here is the best quality for Orthodox, see it is fine and dark... (67. Walking tour of Organic factory with Head of DC Consortium)

A compliance elite evolved under Fairtrade certification, to whom farmers could and did appeal if they feared their neighbour was noncompliant with Organic.

P - It is not possible to give a warning the first time – once found they come to inspect it and he will be removed. Before the audit the ICS staff are coming around and they will find it before the audit. (ICS?) Internal Control System – quality control. They are checking on the farmers all the time. D checks. They are going once per month and any complaints are made to the ICS staff. Me myself I am also going. (And will people complain about one another, their neighbours?) Oh yes because they must – they are too close – they themselves will be affected as the land is close and steep. All is shared! (59. Interview DC Consortium Head and Consortium Quality Manager)

The wife of the accounts manager was the compliance manager who checked farmers were according with Organic. This was the sole female committee member.

D – I also, we own land so we know what the farmers are doing and when because we are not separate from them. (How much land do you own?) 6 acres. (That is the most land!) Yes! And my husband his vehicle is the one that takes the tea to the factory for the farmers. (So you have the income from the transport as well?) Yes. I tell people the Organic advice and I know whether and who will follow, we all know one another (60. Interview DC Compliance Manager)

The election of committee members may have been inevitable on the basis of their social standing, as holding the most land or a vehicle. The extent to which Fairtrade instituted accountable, democratic producer group management was questionable.

(Is there much change at election times then?) No, consortium members do not change (64. Interview DC Accounts Manager)

This supported Dolan’s (2008) case study of Fairtrade tea growers in Kenya. Tea estate management was a prestigious position in South Indian tea, as were advisory roles, and those who could, hired labour even if they had a small amount of land. One participant discussed this in the context of the field labourer shortage that afflicted South Indian tea.

People like working in the service sector as it has prestige, there is a pride about that and a pride about owning the land but people tend not to want to be known to
work in the field, maybe the actual being there doing the work is not so bad, but there is pride in service jobs working in the office. (54. Interview UPASI-KVK Quality specialist)

Despite the inequity in this aspect of Fairtrade, it could be seen not in light of its intended effects but the practices performed by the farmers. The Fairtrade elite assessed and managed quality. This appeared to give an authority to quality as the new primary defining attribute of good tea farming, symbolic of the value of the change to Organic. Burton suggested that a change to a new identity, a new definition of a ‘good farmer’ required ‘symbolic status structures to begin to develop’ (2004, p. 212). DC’s Fairtrade elite, social premium money for manure and quality pricing appeared to be having this effect, but for some participants more than others. On some plots, Organic was becoming synonymous with high quality tea and aligning with the symbolic value of quality as professional tea farming. The power of the producer group institution mutated the global standards, in addition to which, individual farmers performed unique Fairtrade-Organics.

(And is there some quality training?) M - 2 times per month they arrange the training in any of the houses that are members of the unit anywhere, where, there is something to teach or to explain. Whether Organic or quality – is the same thing in practice. (61. Interview DC farmers)

Participant JV was referred to as a ‘model’ farmer during interview 61 by himself, his colleague, M, and by the Head of the Consortium prior to the interview. It emerged that this title was given because he produced the highest quality Organic leaf. He was proud to share his farm diary and show off his fields, which were wild in appearance, with non-uniform tea bushes and various crops grown together rather than ‘clean’ and weed free. He showed pride in the quality of tea he produced and his ‘purely Organic’ status. He pointed to his recorded percentages and prices repeatedly and was uninterested in Fairtrade. Symbolic of his success, the consortium management held training at his house so that he may show his fellows how to practice Organic well.

JV – [gives farm diary to me and Cibina] – I am a purely Organic farmer. There was some training given here for Organic to show others because I am purely
Organic. (is there ever any Fairtrade training?) Yes that also. See my per cent here – [points to diary]. This is the price. 21INR/kg for the 5 percent coarse leaf. This is quality. 5 percent wastage only. This is a very good percentage. This is recorded here from the bills I am given, there are three copies of the bills – 1 copy comes to me and the other to the factory. (And the other?) I do not know. (Is this an average? How is this percentage calculated?) No it’s not just an average – take 100g, remove the coarse material and calculate the per cent of the whole that the waste forms. (Is it weighed – do you use scales for this?) No there is no need for that. First it is individually calculated, then it is taken to the factory and there the quality is checked again. This is the measure of quality. According to this percentage we are paid. The tea leaf of ten farmers will be taken together, farmers of the same quality leaf, then together and the per cent will be calculated for an average over the farmers of the per cent coarse material. This average per cent calculates quality again.

(is everyone’s leaf this quality? [Looking around circle])

LW – it depends on the season

M – about 80% of farmers provide good quality leaf, only some provide lower quality leaf and the season yes.

WV – In a rush season we are not able to keep up with the rounds sometimes and if this happens your quality can suffer – every ten days you need to do plucking and this is not always possible

JV – there are seasons through the year. Here is a card (in the diary) that shows the production in the months of the year. (is this kg?) Yes.

(So 21R, this price, reflects the fact it is Organic tea?) JV - Yes that includes the premium. That was 2012 price, now it is more no?

M – 21.50 now. The quantity increased, now 20. As long as up to 20% coarse leaf. Before it was 15% coarse leaf. So the price now is really 23.50 but we lose 2R for the transport charges, that is taken by the consortium members. (61. Interview DC farmers)

The new value of the ‘pure’ Organic tea farmer raised the importance of quality and quality was usurping the primacy of yield. Norms were slow and uncomfortable to change because of their relationships to practices and power or status, but some farmers were performing a positive version of Fairtrade-Organic. Some farmers argued that reduced yields were better for smallholders who relied on only their own and family labour.

And I can keep to the plucking rounds – I was younger then and still I struggled.... we are well taken care of here and there is nothing I would change so I agree to all that there is and I have no need for the, these meetings (laughing) (63. Interview DC farmers)
Not all members of the producer group were as well placed to improve quality as others. Tea plot-size, family-size and the ability to hire labour all fed into the ability to raise quality. The smallest farmers often made it around their fields themselves but larger farmers hired. Medium-sized small growers struggled most if they made insufficient surplus to hire but struggled using only family labour. A further tension around Fairtrade was therefore the way that FLO standards permitted a degree of hired labour but delegitimised some family labour. Fairtrade rules precluded the use of child labour and farmers were nervous to admit their children helped them with tea related tasks.

(And will the children be tea farmers also?) Lizzy – we hope so but do not know what will happen. We do prioritise education. However, plenty of people go and try to get a great education and job and then return to the agriculture. CD - Children should be educated. Lizzy – The children will move to different fields but we value this life for them and the skills to live this farm life. We take them with us to the fields and they pluck leaves, we train them from a young age, and this one, the youngest son also takes sacks from the field for me as they are heavy and my back is damaged (62. Interview DC farmers)

Similarly, during a conversational end to Interview 63 M suggested at the need for her children to help her because there were always leaves to pluck.

(And do the children want to go into farming tea?) M – They are unsure at the moment, the girls are interested, the youngest especially she is good at picking the leaves. Especially if there is this Organic then I would be pleased for them, the price is so much better and life is better because you can assume with this factory in place that you will be able to sell the tea. [...] M – The children join with us to pluck leaves always. I have three children and my sister is just there and she helps me also. (Is there some special skill or knowledge to knowing how to pluck the leaves?) M – yes not to how but which ones, some must be left and some are always... there are some that are ready now, so there is constant time out there in the fields. And when the Organic began some years ago now there began the training and ever since then more and more emphasis on the quality. And quality has improved. And with our knowledge the work gets easier (63. Interview DC farmers)

The following data communicated the tensions Fairtrade rules created with children assisting their families on family lands. L was keen to emphasise that a little weeding was ‘all [her son did]’ to assist her with tea.

L – The committee say for us to help each other if there is the shortage there and already the children go to school, there is no problem... M – But this is all he does
he is at school always and anyway all, all far away houses have leaf collection points, they are everywhere all over the district […] and others can hire! Hire some females to come (63. Interview DC farmers)

M appeared resentful that ‘others’ hired help whilst family labour had been made controversial. WV repeated the emphasis on school.

WV - And the young ones can do a little weeding after school time, they have to go to school, there that is helping at all times. (61. Interview DC farmers)

Meanwhile other farmers could hire labour to help them achieve the quality required to gain high prices. The high quality prices were to compensate farmers for the lower yields under Organic but this was not equally attainable by all farmers in the group. The participants D and S, the compliance and accounts managers respectively, owned the largest plot of land that was owned by a single family (6 acres – see chapter 4, members of group DC), and they hired labour.

We hire at the busy plucking time to get the best quality leaf for sale to the factory and we must to see those high prices because we have no children and it is only our two and, we are busy in the management and meetings the Consortium so we must hire. (So do the rules of Fairtrade allow you to hire non-family labourers?) Yes but it is directed that a percentage of the group must be from family labour and so, yes. We must hire a little but we pay fairly to those labours (Do you have contracts with them?) No, written, no (60. Interview DC Compliance Manager)

Other members with large plots owned by single families were, P (5 acres) and W (4 acres). They also hired labour and were also on the Fairtrade consortium. Participant FS also hired labour but the plot he and B managed (10 acres) was jointly owned by a small church group. The relationship between plot size and Fairtrade participation seemed to support Dolan’s (2008) research with Fairtrade Kenyan smallholders. However, the relationship between quality and plot size was more complicated. The ‘model’ farmer, JV was owner of a small plot of 1 acre, and still he produced the highest quality green leaf, probably because his wife and sister were able to provide labour. Participants whose children assisted them after school had smaller plots. For example, WV and Lizzy owned 2 acres of land each and L and M owned 0.5 and 1 acre of land respectively. Broadly
these data supported the findings of Getz and Shreck (2006) that Fairtrade reinforced the socio-economic divisions within the producer group. However, because in South Indian tea female labourers performed plucking functions that affected quality profoundly, with an ‘ideal’ balance of female and male labour on a small plot, JV’s tea was managed, and he could provide high quality leaf despite being a very small grower.

8.4. Smallholder Agency and norms
In conclusion, in this chapter I argued that enacting Organic certification requirements increased and changed labour effort. Farmers had to apply manure rather than spray fertilisers. DC farmers had to weed by hand and make Organic pesticides or remove pests by hand. Organic values encoded in the governance standards clashed with ‘good’ tea farmer practices and the effects of implementing Organic created visual signs that suggested poor tea farming. The requirements for Organic certification disciplined tea farmers, attempted to standardise practices, and discipline landscapes. Organic practices permitted anarchy in the appearance of the tea landscape, where previously there had been comfortable order. To impose order on the landscape was an expression of power and mastery and Organic practices required by Organic standards rested that sense of control away from farmers. However, differences between plots highlighted farmers’ agency, and some farmers performed a conflation of value frameworks, defining quality as Organic, and valuing quality over yield as the mark of success. Multiple Organics were being performed, and therefore to what extent was the standard a monolith whole prior to implementation?

There were clashes between values implied by different standards, rather than clashes between whole standards. To non-Organic participants Organic resembled conservation work, a jungle, and to NC farmers it represented a humorous departure from farming tea to farming weeds. Farmers referenced visual signs that symbolised good tea farming, such as a ‘clean’ field. The presence of weeds symbolised non-dedicated tea production.
This was partly because weeds reduced yields. Yield was a proxy for successful tea farming and farmers discussed and compared yields. Productivity as yield maximisation was a normalised concept in the Indian tea industry, perhaps perpetuated by UPASI, and forming a pressure that valued and governed tea practices.

UPASI’s promotion of quality was a more recent, secondary priority, a post-productivity norm potentially developing at a time when value in tea was accrued from branding, packing and added value (Chapter 5). India lost ground to Kenya, which became the largest tea exporter state, and India lost the competition to add value by branding tea of Indian origin (Asopa, 2011), to competitor Sri Lanka, which became the leading producer in terms of added value (see Chapter 5). A recent TBI publication demonstrated the preoccupation with relative position in tea production, with output measured in yield and kg of output, rather than added value, (Tea Board of India, 2010-2011) suggesting the persistence of the productivity norm.

This analysis built on Burton’s (2004) research by attributing a symbol of ‘good’ farming to institutionalised norms in governmentality of tea practices. I follow Foucault in adding an institutional, historical angle, to suggest that pro-yield precedents were set during previous decades. For example, there was the incident of the 1983-4 domestic shortage of tea caused by declining productivity (Asopa, 2011, p. 119) which led to the Tea Market Control Order that obliged producers to sell a minimum of 75% of tea through auctions and restricted export of CTC tea to allow the Government of India to regain control (ibid, p. 120). Further, the failed attempt to create brand-loyalty for tea of Indian origin (Asopa, 2011, p. 121) may have discouraged the industry from exploring added value with the zeal (and success) achieved by Sri Lanka. A preoccupation with yield maximisation techniques, even including management of tea-pickers and exact heights of tea bushes (Asopa, 2011, p. 101) remained evident in UPASI discussions, documentation and TBI research and publications (see Chapter 5). These narratives and events translated into
institutionalised norms, with yield historically becoming the means of valuing a ‘good’ tea farmer in South India.

I add further to Burton (2004), emphasising institutions in governmentality and contributing to a growing body of literature of enriched GVC analysis. By maintaining a techno-scientific determination of quality (Bain, Ransom and Worosz, 2010), UPASI and Tea Board of India maintained their importance and legitimacy in the tea industry as expert advisors. By perpetuating pro-yield valuations of producers, the Tea Board addressed its obligations towards the state departments and elected officials, by driving quantity for foreign exchange earnings. In UPASI’s assistance towards group NC there was a techno-scientific, authoritative objective ‘answer’ to their development. It was not about subjective valuations such as fairness, and therefore did not require the participation of the recipients. This Foucauldian analysis builds history and norms into Burton’s approach by adding the technique of deconstructing the appearance of legitimacy in global standards (Bain, Ransom and Worosz, 2010). It was possible by attending to agency through the concept of performativity (Loconto, 2010b), to analyse farmer behaviour.

Fairtrade was introduced by the trader/factory processor in a way designed to mitigate conflicts for farmers with Organic practices. Agency operated at the level of the producer group as well as individual plots. The factory paid premium prices even though Fairtrade rules did not stipulate this. The factory directed social premium money, via the democratic producer body, to manure for farmers to improve quality and yield. Farmers received manure-subsidies equitably, in line with the amount of land they farmed, but in order to reap quality leaf and therefore access the higher prices that the factory paid for 5% coarse leaf, the farmers needed labour. At the same time as Organic requirements increased labour needs by banning labour-saving chemicals, Fairtrade rules delegitimised the labour of some family members. Data concurred that Organic and Fairtrade together
represented a ‘strict regime’ (Arce, 2009), but this went beyond a costs-of-compliance focus. Using the lens of performativity (Loconto, 2010b), we saw that implementing different and in some ways contradictory global, standardised value schemas was not a story of one ‘Fairtrade-Organic’ but rather of several. Even farmers within one producer group were negotiating their own balances between Fairtrade demands, subsidies and factory pricing for quality, and the increased time, intensive practices and lower Organic yields. Some individual plot holders were profiting, gaining prestige and pride, whilst others were maintaining, and others struggled and experienced greater conflict. Even in the face of two standards, each respected as legitimate and stringent in its respective field of fairness and environmental benefit, it was not the case that a monolith of globalisation flattened differences. The standards each disciplined tea bushes and tea farmers alike but agency was exercised by the DC factory and at the level of individual smallholder plots.
9. Conclusions: Power of Definition and Legitimacy

I began this dissertation by explaining in Chapter 1, the need for this research given the context of existing understanding of South India’s smallholder tea producers’ experiences of dual-certification to Fairtrade and Organic VPSs. Fairtrade-Organic was the gold-standard combining environmental and social valuations of ‘good’ production and pro-development trade. Fairtrade-Organic aligned with implied priorities of producers and symbolised a development tool that allowed producers to use the market to pull themselves from poverty on economically, environmentally and socially sustainable terms. Global Fairtrade tea sales increased 112% during 2008 alone (The Fairtrade Foundation, 2009). Behind the legitimate produce-aligned, popular imagining of Fairtrade, there were struggles for smallholders, debates about the direction for Fairtrade, and discrepancies between the formal standards and institutions of certification and practices. Smallholders were heterogeneous, and standards carried notions of governing, disciplining and standardising farm practices. The implication of unity between the requirements of dual-standards and multiple, varied producers’ disparate priorities raised questions, and it was the contribution of this thesis to address those questions. The contribution was mainly empirical, focusing upon the under-researched area of South Indian tea. I began by analysing standards as collections of values, with my priority being to appreciate dual-certification through farmers’ eyes. If standards were collations of values formulated by global experts, and transmuted by power dynamics throughout a value chain, it was unclear how or why smallholders would or could gain dual-certification. Further, market access was a valued and implied consequence of certification, as dual-certified smallholders produced a higher quality of specialist tea, but it was necessary to understand the extent to which this was farmers owning and developing market access, and on the basis of which qualities. It was finally essential to
go beyond the ‘costs of compliance’ assessments of implementation to understand performances of multiple Fairtrade-Organics by active agents. I prioritised the accounts of smallholders and grounded this study in the producer-locale of the tea value chain by using the agricultural marketing network where ‘global’ VPSs were refracted, transformed and mutated with local valuation frameworks perpetuated by tea industry institutions. The thesis provides illustrations of the powers of both formal and informal institutions, and enabled discussion of governance-by-VPSs, particularly Fairtrade in the tea sector. Using the governmentality perspective, I highlighted that dual-certification was pursued and performed by purposeful smallholder agents, alongside the power of global standards and industry institutions to define value frameworks in the context of the tea value chain.

I argued institutions were integral to theories of governmentality by engaging the original Foucauldian governmentality and treatment of power, as drawn upon by a growing body of literature applying governmentality to standards governing interactions between parties in value chains (Gibbon and Ponte, 2008). The main contribution of this thesis was empirical, but concepts of agency, performativity and governmentality enriched my use of the GVC approach. I suggest policy implication and extensions from these enriched empirical insights. I submit that my thesis particularly takes the compliance and implementation of dual-standards area of the governance literature forward through analysis of smallholder behaviours that performed Fairtrade-Organics.

I begin this chapter by reviewing the insights of chapters 6, 7 and 8, and explaining the first potential extension of this research. Systematic inclusion of visual data could clarify the ways norms shaped motivations for certification. I next explain the first policy implication of this research, which concerned the role of formal institutions in perpetuating value frames. This concerned UPASI’s prioritisation of returns to land and labour measured in quantity rather than unit value. I argue this did not encourage farmers
to convert to Organic farming. I then explain the second policy implication, that Fairtrade standards did not reflect key smallholder concerns regarding firstly, the structure of tea marketing networks in South India with narrow waists at the processing stage of the networks, and secondly, the importance of time, family-work and practical advice for tea farmers. To engage with meaningful challenges facing smallholders, FLO, via NAP, would ensure access for smallholder producers as distinct from plantations. The history of Fairtrade certification in South Indian tea made Fairtrade vulnerable to critiques. As definitions of legitimate modes of global standard-setting swung from the technocratic stakeholder-engagement (Bain, Ransom and Worosz, 2010) to producer-ownership models (Sutton, 2013), FLO faced the ‘legitimate’ challenge to its monopoly on standard-setting from producer organisations such as NAP. However legitimate it seemed to include producers, not all producers agreed, not all were able to participate in NAP equally, and this represented a serious challenge for the fair trade movement. I conclude with the second potential extension from this research, concerning how a change from an emphasis on yield to an emphasis on quality under Organic interacted with labour in South Indian tea production.

Empirical contributions in Chapters 6 to 8 were possible following the analytical rationale reached in Chapter 3 regarding power and producer agency. Methodological implications included following Tallontire’s early (2000) case study of Fairtrade coffee producers linked to Cafe Direct. Producer-group engagement was crucial to maintaining a trade partnership. Recognition of producer group agency and individual smallholder farmer, plot-owner agency, meant opening the black box of the producer group to understand the differing levels of engagement, with negotiation and performances of dual-certification (Loconto, 2010b). I designed my case study method and sampling strategy to engender this understanding of farmer behaviours under dual-standards’
governance and to understand behaviours of other individuals in the producers groups, marketing networks and the tea GVC that surrounded NC and DC.

The insight in Chapter 6, regarding the extension of DC’s Organic and subsequent Fairtrade certification, partially contradicted other accounts of the extension of certification. Hatanka (2009) found that external buyers requested Organic produce from shrimp suppliers and Lyon’s (2009) case study of Guatemalan coffee small growers suggested producers adopted Shade Grown at the behest of Northern buyers. In contrast, my data suggested considerable producer group intention and determination regarding Organic. Producer group agency was exercised as resistance against the intensive use of chemicals and their place as smallholders in the professionalised and global tea industry. Many in the producer group were committed to their interpretations of Organic values and the group retained Organic even at a time when one of their UK Fairtrade buyers recommended they discard Organic certification. The buyer couched their objections to Organic in developmental terms, referring to producer welfare-costa resulting from Organic practices. Despite the buyer’s attempt to distance themselves from the judgement, and therefore to present the judgement as politically neutral and ‘legitimate’, farmers maintained commitment to Organic. I followed Bain, Ransom and Worososz’s analysis of the roots of legitimacy in global techno-scientific claims. This highlighted that ‘executive governance’ (Tallontire et al., 2009) actors including buyers also exercised agency in terms of attempting to define the legitimacy of governance. This contributed to a growing body of literature, the post-buyer-driven GVC governance literature that saw power as fragmented amongst value chain actors. Formal institutions issuing advice, buyers masquerading as advisors, and norms as collated into narratives (Tallontire and Nelson, 2013) were elements of governmental VPSs. Instead of monolithic wholes, global standards were in practice constituted in their performance by agents.
Debate persisted within the producer group DC after dual-certification. Farmers certainly emphasised health, soil and future generations and were quick to explain there was no dominant profit-motive behind their pursuit of Organic certification. However, these concerns existed alongside a desire and a need to sell Organic tea. Organic resembled resistance because it differentiated the small grower group, and this formed strategic differentiation in the context of the agricultural marketing network. Small producers were capable of strategic engagement with the market segmentation and specialisation trends in agro-food markets (Swinnen, 2007). Certification to 2 internationally-recognised VPSs suggested an awareness of international sales as potential opportunities. Certification was not driven by an international buyer, but retention of certification was dependent upon HVEM access for sales of certified tea. However, the governmentality angle enabled a more profound insight: dual-certifications performed by farmers represented resistance to various quality norms of the formal tea institutions. Refusals to prioritise yield, refusals to apply chemical inputs would not have been possible without the Organic standard, and the standard offered means of resistance, but the adoption of Organic values was not necessarily neat or complete. Instead local, unique Fairtrade-Organic tea production was performed.

On the basis of primary data in Chapter 7 I argued that HVEM access for DC farmers was reliant upon the Organic tea market sales strategy of the trader-processor. The trader was a monopsonist buyer for DC tea as there was no alternative processor for Organic tea. The sales, processing and use of Fairtrade social premium subsidies, were trader initiatives that allowed the Organic project to continue. Certification was dependent upon HVEM access and therefore upon the trader-processor’s specialist knowledge to render manageable the complex aspects of dual-standards. Because of the specialist expertise involved in dual-certification, the trader-processor monopsony appeared entrenched. The specialism belonged to the trader as implementer of dual-certification standards. The
smallholders, because of the nature of the requirements that Fairtrade and Organic encoded, were not the owners of that specialist status, even though they performed behaviours under compliance requirements. The quality of ‘fair’ tea, and of ‘environmental’ tea were, particularly in the case of the former, intangible qualities. Even environmentally benign tea was difficult to determine by eye because of the subjectivity involved in the definition of environmental; a lack of chemical residue might be detectable by an expert taster or farmer, but aspects of farm management such as waste minimisation or lack of GM would not be. NC farmers could hold their tea and relate its features to a series of definitions of quality, a valuation framework that they could have full operational knowledge of and implement, whilst the same was not true of DC farmers. The nature of the credence contents of the Fairtrade-Organic combination took the ability to detect and perform quality, and therefore control their own market access, out of the hands of the DC farmers. This contribution was made by following the approach of Bain, Ransom and Worosz (2010), which highlighted that the codification and removal to the expert realm, of standards took initiatives of quality assessment away from farmers’ hands.

Chapter 8 in some ways offered counter points to the power of institutions by illustrating farmer and producer group agency in performing Fairtrade-Organic values. The DC trader’s implementation strategy for Fairtrade-Organic was testament to producer-firm agency as it represented innovation and performance of a locally particular schema of Fairtrade-Organic values. The DC trader-processor used the Fairtrade producer-group management structure to reconstruct quality as inclusive of Organic by changing behaviours. The trader aligned quality and Organic by using the pricing structure for green leaf, incentivising farmers by paying more for high grades of the Organic leaf. The trader’s construction of Organic as aligned with high-quality tea assisted some farmers in retaining Organic. However, it did not have this effect uniformly for all farmers, and
many farmers had left the project. Some ex-members were re-joining Organic but others were not and here a potential extension of the project could deepen understanding by developing farmer-led accounts of how that reconstruction of quality failed for them, or more broadly, why they left Organic and did not return.

In Chapter 8, I drew on participant accounts of how visual aspects of tea had changed, upon instances of humour, misunderstandings and participant descriptions of each other’s practices to access norms and values operating amongst farmers. Data that brought the greatest insights involved farmers pointing to a feature of their environment and explaining what that signified to them. I gained insights from tours of gardens, of plantation districts and of factories, where participants explained that certain features of tea environments communicated professional success, such as features that supported yield maximisation. Weeds for example did not represent good tea farming. I therefore propose a greater emphasis on visual data collection methods, which give insight into value schemas drawn upon by groups of farmers.

To deepen understanding of farmer motives for certification and decertification and the roles for institutions (both UPASI and producer groups) in perpetuating or changing values, sampling could include DC farmers who had remained Organic, DC farmers who left and returned to Organic and DC farmers who had left and never returned. Semi-structured group interviews proved the best means of accessing smallholder experiences, but researchers could supplement this with greater use of photography. Farmers could lead researchers on tours, documenting nuisances, changes, frustrations and signs of beneficial developments, referring to visual aspects of tea production. There were financial and market-access imperatives supporting DC certification, but there were also inhibiting factors that concerned social and professional norms. Photographic documentation of features of tea would be framed by farmers’ descriptions of the significance of the features. Photographs combined with farmer descriptions could form
data to supplement interview data. The use of a visual device would allow farmers to frame what was important and allow the researcher to understand by seeing through farmers’ eyes. The issue of the invisibility or intangible nature of certain quality attributes and elements of governance may be highlighted.

DC farmers could be described as having experienced tensions and clashes with Fairtrade and Organic standards. Fairtrade and Organic requirements in combination interacted with norms about organisation of labour. This resonated with Jaffe’s finding that applied to coffee farmers in Mexico, that Organic standards imposed additional labour-time burdens upon farmers, which therefore warranted questioning the sustainability of dual-certification to two VPSs in practice (2007, pp. 133 – 163). Fairtrade restricted DC labour when additional labour was required under Organic practices and for improving tea quality. This was a further instance of when a developmental discourse suggesting a blanket stigmatisation of children’s work clashed with local discourses about family plots sharing workloads and the need to transfer skills from one generation to the next (Nadvi, 2008, p. 17). It seemed for some farmers this was sustainable and for others it was not. Farmers that participated here were using quality to compensate themselves for losses, thereby as Nadvi predicted (2008) the degree to which a global standard was embraced by producers was at least partially shaped by the economic momentum and market access experiences associated with the standard (ibid). Farmers behaved rationally, using locally formed schemas to make valuations and judgements. These schemes merged and fed one another from the farmers’ vantage points, such that it became an analytical distinction between the Organic value system ‘from’ the standard, and the tea industry valuation ‘from’ South Indian tea institutions. Here the thesis can take compliance literature forward, emphasising that clashes between standards was a misleading concepts, because standards were constituted by the behaviours of agents under an umbrella of broad
compliance. We might ask to what extent the standards really pre-existed, independently of, the behaviours that ‘implemented’ versions of their requirements.

There were indications of a new good Organic tea farmer valuation schema emerging, a way farmers performed versions of dual-certification, under the Fairtrade and Organic standards. This was unique by plot as each smallholder household and family unit negotiated their own Fairtrade-Organic within the local producer group’s innovative implementation of dual-certification. I focused upon signs of tensions and conflicts abating for farmers who remained with dual-certification, but for other farmers tensions may not have been resolved as some farmers left the group. The reasons why some farmers could not sustain a transition to an Organic regime was poorly understood for tea, and visual data combined with purposive sampling in an extension of this project could help illuminate this.

Arce (2009) described farmers leaving Organic because of labour shortages and an insufficient selling price for their coffee in Guatemala. Others suggested standards were ‘used within value chains to... discipline people, processes and products in the chain’ (2010, p. 77). However, accompanied by a Foucauldian definition of power, as inherently and at once incomplete therefore inclusive of resistance and agency, smallholders were seen here as agents, implementing not a standardised and predictable ‘Fairtrade’ or ‘Organic’ set of farming practices, but instead, and particularly with dual-certification, producers performed their own Fairtrade-Organic (Loconto, 2010b). There were negotiations at each plot, each the site of performance of a different schema, a course navigating the pressures and options within Fairtrade, Organic, quality, and industry norms. Therefore rather than dual-certification representing a double burden in compliance terms, interaction between the VPSs was performed by smallholders in their interpretation and practice.
In Chapter 3 I explored defining VPSs as panoptical instrument of Foucault’s theory of
governmentality, and farmers did feel elements of standards, value judgements enacted,
were oppressive, and behaviours changed to redefine the value judgement in manageable
and resonant terms. Data from case group DC illustrated examples of farmers, disciplined
to conform to Organic and to quality standards by the processor-trader, however
members of the farmer group wanted and retained Organic certification and maintained
Organic practices even before the trader-processor. The image of Organic as imposed
upon unwilling subjects was not appropriate. Performativity applied to data made sense
of the seeming contradiction (in compliance terms) that the instrument of farmers’ own
resistance was also the means of their disciplining.

Farmers were seemingly disciplined by UPASI and by quality grading. Case NC findings
suggested quality grading was liberating and the transparency and clarity around quality
grading was beneficial to NC farmers. However, data in Chapters 5 suggested UPASI,
Tea Board and industry-wide conventions operated amongst industry members that
prioritised quantity of tea over unit prices for tea in terms of returns on factors of
production. Returns to land and labour were maximised for efficiency and productivity
measured in kg per hectare in tea, especially within the plantation sector, in ways
commensurate with a multi-million dollar export-industry. Productivity was generally
measured in terms of quantity of produce rather than price per unit for quality produce.
This norm, particularly the valuation it reflected and suggested, was not conducive to
smallholder farmers converting to Organic. Under Organic, the DC factory paid higher
per kg prices, which compensated farmers for lower yields as long as leaf was a
minimum level of quality. Survival in the Organic tea market and survival in the tea
industry meant that under Organic production, productivity was redefined. This formed
the basis of the first policy implication of this research. UPASI and the Tea Board of
India could redefine measurement of productivity and ‘success’ away from kg per
hectare and instead emphasise price per kg of tea. This could give smallholders a place in the tea industry, because smallholders could not compete with the yields and bulk-savings of the plantation sector and lower yields but higher prices under Organic were preferable for some DC farmers.

A counter-point was that the quality agenda at NC was more successful than the DC strategy for smallholders. Therefore, UPASI’s advice, which included a large element of pro-yield advice as well as pro-quality advice, was unproblematic. NC farmers were increasing their HVEM access options by increasing their processor options (widening the production network waist). However, this was being accomplished because the nature of quality judgements was non-codified and farmers could themselves assess compliance with grades because aspects were tangible. NC farmers were also accustomed to an intensive farming method that normalised regular application of chemicals. NC farmers saw no problem in the itches and smells that accompanied chemical spraying. Neither did they see any abuse of the land or environment from their use of chemicals. The environmental health benefits of Organic supported a case for UPASI developing economic programmes for smallholders that employed calculations of returns using unit price rather than yield, to support smallholders in supplying that niche for which they held comparative advantage. This could present the Tea Board with an opportunity to brand Organic smallholder tea from South India as an environmental development model.

In tea, conversion to Organic meant converting a local factory to Organic or building a new factory because of the need to process green leaf into black tea within hours of plucking. Loconto found this for Tanzanian tea and referred to the farmer-factory processor stage of the value chain as the ‘anchor’ (Loconto and Simbua, 2010) and in Chapter 1 I explained that farmers were generally forced to accept the price offered at their local factory as others were often too far to transport leaf. Tea factories had a de
facto monopsony status relative to the farmers surrounding them if the farmers had no alternative factory or means of transporting leaf farther afield. VPSs entrenched this uncompetitive waist of the tea production network. However, NC farmers processed White Tea using fan drying and therefore White Tea avoided the factory altogether. UPASI might promote Organic White Tea as a way for smallholders to benefit from Organic but avoid the monopsony found at DC’s Organic factory. Simultaneously, Tea Board funding for Organic BLFs could be available via UPASI to provide Organic smallholders with increased numbers of alternative Organic processors. Outside of the local agricultural marketing network however, the link would need to be made with GVC strands leading to markets for such produce. Plantations as gatekeepers may still present a challenge at that juncture or at policy-formation stages if plantation actors perceived a competitive threat from the smallholder sector.

I direct the second policy implication to Fairtrade. FLO needed to govern the non-competitive stage of tea production networks to be a meaningful pro-producer, pro-smallholder tea producer, initiative. Fairtrade standards failed to govern this stage in tea production. The green leaf stage was critical to farmers as it was the point where multiple small sellers sold to few processors. Fairtrade remained open to criticism for being a merely symbolic challenge to conventional markets because FLO failed to engage with the conditions of production facing smallholders. This was potentially due to the Network of Asian Producers (NAP), as one regional body containing representation from ‘producers’ of all the different Fairtrade-certified products including tea, from across Asia.

The sheer scale and the dominance in the region of the tea plantation companies, not only in tea, but also in coffee, spice and nut supply may have meant that devolving control of the FLO standards to NAP would lead to no improvement in the content of Fairtrade tea standards, or prices, from smallholders’ perspectives. Plantation managers who
participated here argued FLO governance should be devolved as an issue of legitimacy, in terms of autonomy from Bonn, and this post-colonial discourse was powerfully persuasive. It resonated with FLO’s pro-producer ‘voice’ agenda (Sutton, 2013). For some, legitimacy would be increased by virtue of tea producers having closer control of the contents of Fairtrade standards and prices, however associating the word ‘producer’ with increased legitimacy would be premature or naïve. In Chapter 7 tea plantations played various roles in limiting the application of Fairtrade minimum prices for Indian tea and plantations maintained that a minimum price for Organic-Fairtrade tea undermined them in negotiations. They argued a minimum price sent signals that tea was poor quality and in low demand when it should be considered a luxury product because of its specialist Organic status.

Fairtrade was open to other critiques due to FLO’s failure to maintain barriers-to-entry that might have protected smallholders from the onset of competition in the Fairtrade market, and allowed smallholders to remain the more legitimate producers in consultations. I make this point with reference to the reasons for non-certification for group NC. NC farmers were part of a global network, supplying non-certified green leaf to a plantation company that had certified Fairtrade-Organic a portion of its estate lands. Had FLO protected the definition of a Fairtrade producer by creating exclusively smallholder standards for tea (as for coffee) the estate buyer would have helped smallholder suppliers to gain certification rather than certifying estate land. If exclusively smallholders could assist plantations satisfying international orders for Fairtrade tea, the Fairtrade Outgrower standards would be widely used (see Chapter 7) particularly given the trade between smallholders and plantations under Bought Leaf Operations (Appendix 5). This would have given smallholders a place in the tea industry. FLO made Hired Labour standards for tea, which allowed NC’s plantation buyer to choose not to certify smallholders but certify estate land, which was more straightforward. Inclusion in the
supply network was not a good proxy for certification and the network ‘gatekeeper’
estate processor could decide where in the supply network the certification standards
were introduced. More seriously perhaps this allowed plantations to be admitted as
legitimate stakeholders for consultation on Fairtrade requirements and prices, a source of
power which they exercised.

Plantation managers painted smallholder tea as poor in quality, and the UK Buyer 2
interviewee explained that estate standards were essential because no smallholders
existed in tea production when the standards were introduced, at the time he was a party
to formulating those standards as a FLO employee. This was untrue and it remained
unclear whether the standard setter was misled by the industry or whether the standard
setter actors were of a mind with the plantations. Certainly FLO actors and Fairtrade UK
actors interviewed here expressed regret that plantation standards were formulated to
include estates when a slower route to a Fairtrade-certified tea market would have created
one that more likely contained autonomous smallholder producers with positions of
authority in NAP consultations.

FLO failed to introduce a Minimum Price for any Organic tea until 2010, and even the
2010 minimum only included poorer-quality CTC Organic. The minimum price for
Organic CTC-processed tea was $1.80USD, or under 100INR which was lower than the
price-range at which the DC factory sold higher quality tea to Organic buyers. This left
DC sales of higher grades of Orthodox-processed tea open to price competition, where
Organic estate producers could undercut smallholders using bulk discounts. FLO
introduced plantation standards in order to launch Fairtrade in tea and allow buyers to
source and sell high quality Fairtrade tea immediately. Further, FLO failed to restrict
entrance to Fairtrade tea production as it had previously and oversupply of Fairtrade tea
and price competition under insufficient and incomplete Fairtrade Minimum Pricing
damaged the DC producer group’s HVEM access. These moves arguably prioritised the Fairtrade brand over tea smallholder tea interests.

DC farmers could not rely on Fairtrade for HVEM access because Fairtrade failed to govern the niche market in favour of smallholders. DC therefore relied upon an Organic sales strategy. However, DC could not manage the Organic sales strategy without the trader and DC was therefore dependent upon the trader. The trader specialist at DC was a Fairtrade specialist and held the NAP Chairmanship prior to the BBTC Chairman in 2013. The DC trader managed other smallholder groups in North India, who similarly had been NGO/ old-ATO suppliers in the fair trade movement. Their stories and experiences of market access might have been similar. These data from DC could be extended to North India case study groups and thereby contribute to drawing the dots between FLO governance and individual producer representation and engage with Sutton’s call for contributions in that regard (2013). If plantation influence in NAP and in the formation of FLO standards for tea led to concentration in the market, where specialist traders were needed to rescue smallholder groups that had been independent or NGO-run, representation of those individual groups would not happen via NAP; only the trader processor would attend to represent all the groups under their new ownership.

The faith-in-the-market and light governance that FLO exerted in the Fairtrade-certified tea market in South India seemed an example of what Tallontire and Nelson (2013) identified as a pragmatism narrative developing within FLO documents and debates; a narrative that sought the market to deliver change for producers. This might be unproblematic if smallholders could trade exclusively with ‘dedicated’ actors, such as the old ATO buyer types. However, data regarding HVEM access in Chapter 7 suggested treatment of producers could not necessarily be assumed to follow from buyer type as previously ATO-buyers had changed their practices. Generalisations based on actor-types
collapsed and this recommended methods such as those of Tallontire and Nelson (2013) that sought to delineate narratives and practices of strands of fair trades.

The role of institutions in perpetuating and lending legitimacy to conventions, norms, standards of ‘good’ farming, quality and governance, deserved primary position in investigations of smallholder experiences of VPSs. The meaning of Organic to UPASI-KVK interviewees was a method of tea production that caused loss of yield. NC farmers echoed this view of Organic but they also saw Organic as a substantial risk given that it decreased yield, whilst yield was needed ‘to live’. Farmers were aware that they may realise higher prices under Organic-certified tea production, but only if they could sell it, which they doubted due to the absence of Organic BLFs. Organic also seemed eccentrically pro-pests and pro-weeds to NC farmers because it meant loss of the chemical inputs that farmers understood as controlling weeds and increasing yields. These data contributed to policy discussions such as Bienabe et al. (2004), which implied that smallholders were risk averse because of their size and place in markets. Instead, NC smallholders judged Organic to be risky because it clashed with socially constructed understandings of what a successful tea producer did. The sense that Organic was outlandish was then reinforced by a lack of Organic BLFs. NC participants’ rejections of Organic and amusement at the idea of Organic practices went deeper than a belief that they would not be able to sell Organic leaf. Organic was equated with risk because it involved practices that contradicted normal practices that defined good tea farming.

DC farmers’ reduced yields represented diminishing positive feedback from the tea bush, which was distressing for DC farmers and appeared to shape farmer self-valuation as a ‘good’ tea farmer. Tea bushes remained productive for up to 50 years, the working lifetime of tea smallholders so farmers knew their bushes well. This was the context in which yields fell in response to Organic practices that seemed neglectful to farmers.
The use of chemical inputs for tea production in South India was communicated as essential to good tea production. Chemical controls seemed entrenched as means of producing ‘clean’, weed-free tea lands and labour-saving devices. Participants pointed to visual signs such as the uniform height and shape of tea bushes with scientifically worked out planting patterns, visible by the concentric circular lines that they formed around the apexes of plantation hills. The ‘plucking tables’ flat tops to the bushes provided maximum growth space for the fresh buds and maximum access for plucking. To farmers, these signalled the ‘professional’ tea landscape. However, visual features such as these plucking tops were devices for maximising returns to female labour by maximising the yields that pickers generated per day. This brings me to the final extension proposed from this research.

Tea was a labour-intensive crop, with the most labour intensive stage of production being the plucking stage. Industry research had therefore been undertaken regarding labour productivity for crop yield. In Chapter 5 I explained that industry research asserted that, ‘[p]lucking productivity improved with the health status particularly body weight of pluckers which was optimum between 40 and 50 kg. Obese pluckers who were heavier than 50 kg recorded a lower efficiency of plucking’ (Asopa, 2011, p. 100, Box 6.2). Asopa was summarising research papers presented at tea cultivation conferences and went on to describe how in addition the fitness and age of workers affected their efficiency. In South India, only women were commonly pluckers and if men had to harvest, they used sheers that ruined leaf quality. Women were paid a basic rate per day and extra piece-rates to correspond to kg picked. This again reflected productivity defined as yield per hectare rather than price per kg of tea. Women’s labour shouldered the pressure for yield and therefore the valuation of a smallholder’s output.

At case group DC under Organic the emphasis on quantity was relaxed in favour of quality. Research could explore the effects that Organic had for female labour under this
change. Data underlined agency and smallholder power to perform dual-certifications, but also institutions and the power to define and perpetuate the terms of valuation. Given that quality was the means by which households were compensating themselves for lower Organic yields, perhaps women came under greater pressure to pluck more often or alternatively found their plucking role in tea reified. Plucking rounds did have a considerable impact on quality, but plucking was only able to reap previous investments made in the health of the tea bush. The supporting work was done by other members of the household including men. Application of manure and pruning influenced the quality of the new growth. Two women who participated in this research described that manure was a valued subsidy from the DC factory because it went straight into tea quality. One woman explained that women depended upon incomes from tea, whereas men may have other sources of income. Women farmers may have previously negotiated with other household members for money for manure or bargained to have manure applied. In such an extension of this research, bargaining about the role for children’s labour could be investigated. With behavioural changes as profound as dual-certification to Fairtrade and Organic standards, household bargaining would be likely to alter in response. Would all actors in the household have equal input in to the smallholder performance of Fairtrade-Organic or would valuations of Organic encourage greater input for some?

My data showed only one female member of the Fairtrade committee and she was the wife of another committee member. This supported findings from Dolan’s (2008) research into Fairtrade tea in Kenya where producer group members with more time (male and wealthier members) were the members involved with Fairtrade committee management. Similarly, Lyon et al. (2010) also found that women with childcare responsibilities (in addition to farm work) were less able to attend Fairtrade meetings due to lack of time. I did not explicitly focus upon gender and participation, but an extension to the study could explore how Fairtrade meetings and the pressure to attend shaped
household bargaining. This would be timely research given the rising profile of women and girls on international development agendas. It could also build on the contribution from this research regarding performances under dual-certification.

I found conflicts negotiated under Fairtrade-Organic not highlighted in other studies but hinted at in Arce’s (2009) research on Organic-Fairtrade coffee smallholders. At the same time as Organic reduced yields it required additional labour time from DC farmers. This aligned with Jaffe’s finding that Organic meant increased labour time to coffee smallholders in Mexico (2007). Organic farmers had to weed by hand, control pests by hand and apply manure rather than perform the conventional-production equivalent of applying spray fertiliser. In conjunction with these additional labour requirements, Fairtrade simultaneously delegitimised the use of whole-family labour by creating tensions around children’s labour time. Participants were quick to emphasise that they prioritised children’s education when it became clear that children were established helpers on family tea plots. On top of quality and Organic training, Fairtrade rules requested that farmers participate in meetings. Between Fairtrade and Organic there was therefore a squeeze on farmers’ labour time and the poorest smallholders who could not afford to hire extra help were experiencing the Organic regime as a challenging workload. Those who could afford to hire labour were better placed to recoup losses from lower yields. Hiring labour meant keeping to the plucking rounds and collecting the minimum excess growth, coarse-leaf. Green leaf had to be a maximum of 20% coarse material for participant JV, otherwise the price per kg would drop too low to compensate for lower Organic yields.

The major contribution of this project was empirical, to see dual-certification through farmers’ eyes in the context of the tea Global Value Chain. Additions to the literature included the use of the agricultural marketing networks as focused, producer-oriented ways to map and appreciate the options and crucial linkages from producers’
perspectives in GVCs. The thesis gave illustrations of the uses of power by institutions, to define frameworks of evaluation. I used the concept of performativity to disaggregate compliance into multiple agent behaviours of multiple values. In the performances of various different Fairtrade-Organics, agents drew upon elements of one framework of evaluation to value elements of the other, using aspects that could provide resistance or relief, and creating their own frames. This led to blurring the strict separation between different value frameworks. This contributes to a growing body of literature highlighting agency and institutions in GVCs. It further suggests redirecting costs-of-compliance analyses of dual-certification to this body of literature. The ‘burden’ of certification, seen as increasing with the number of standards, was a misleading concept because for farmers the availability of different value systems provided a wealth of ingredients from which farmers crafted unique performances of Fairtrade-Organic, in interaction with industry institutions’ valuations. Some smallholders were equipped by dual-certification with an arsenal of novel ways for valuing their changing practices and they weaved resistance to industry valuations within Fairtrade-Organic compliance.
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Appendices

Appendix 1 – Fairtrade Estates and Parent Companies

In this appendix I describe the ownership of estates that were certified Fairtrade. It was predominantly Multi National Companies (MNCs) that owned Fairtrade registered estates in South India. The Table 19 describes the estates and gives details of the parent companies. The Table also describes the quality pitch of the Fairtrade estates to show that Fairtrade estates were producers of high quality tea. The table also shows which other standards the estate held and whether the estate had Bought Leaf Operations (small grower procurement), which the majority did.

Apart from the producers listed here there was one group of small growers that were Fairtrade certified. That group’s factory was bought and owned by a North Indian Trader company since 2009. This effectively made the small growers not protected by Fairtrade Minimum Prices because they did not own the factory. The Fairtrade smallholders that were group DC for this project still appeared on the FLO Register of Certified producers in 2012.

Table 18: Fairtrade Estates on the Fairtrade Register

<table>
<thead>
<tr>
<th>South Indian producer entry on FLO register</th>
<th>Tea Region</th>
<th>Parent Company</th>
<th>Quality/ Pitch</th>
<th>Other Standards</th>
</tr>
</thead>
<tbody>
<tr>
<td>Burnside Tea Estate</td>
<td>Nilgiri</td>
<td>Amalgamation s Group.</td>
<td>Award-winning, highest grade</td>
<td>100% biodynamic, ISO9001(^{24}), HACCP(^{25})</td>
</tr>
<tr>
<td>Chundavurrai Estate</td>
<td>Munnar</td>
<td>KDHP Ltd. (ex-Tata land)</td>
<td>7 Orthodox Tea Factories</td>
<td>HACCP, Organic</td>
</tr>
<tr>
<td>Coonoor Tea Estates Co. Ltd</td>
<td>Nilgiri</td>
<td>Coonoor Tea Estates Co.</td>
<td>UTZ Good Inside</td>
<td></td>
</tr>
<tr>
<td>Nelliampathy Tea and Produce Co.</td>
<td>Palaghat</td>
<td>AVT Ltd.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Paralai Tea Estate</td>
<td>Anamallai Hills, Tamil Nadu; 1 Assam estate</td>
<td>Parry Agro Industries Ltd</td>
<td>ISO9001. Organic for USA, EU and Japan. ISO22000 for food safety.</td>
<td></td>
</tr>
<tr>
<td>India Parkside Estate</td>
<td>Nilgiri</td>
<td>Coonoor Tea Estates Ltd.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kotada &amp; Welbeck Estates</td>
<td>Kotada, Nilgiri</td>
<td>Amalgamated Group</td>
<td>Orthodox Black and Specialty Teas.</td>
<td>ISO9001. Sought ISO14000(^{26}). HACCP, Organic for EU and US</td>
</tr>
</tbody>
</table>

\(^{24}\) An International Standards Organisation Quality Management Standard
\(^{25}\) A standard for factories
\(^{26}\) An International Standards Organisation Environmental Management Standard
<table>
<thead>
<tr>
<th>Bombay Burmah Trading Corp. Ltd.</th>
<th>Tamil Nadu &amp; Nilgiri</th>
<th>BBTC - Wadia Group</th>
<th>Organic (including Demeter)</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Midland Rubber &amp; Produce Co.</td>
<td>Peermade Kerala</td>
<td>AVT Group</td>
<td>Kosher, Halaal</td>
</tr>
<tr>
<td>The United Nilgiri Tea Estates Co. Ltd (UNITEA)</td>
<td>Nilgiri</td>
<td>Amalgamation Group</td>
<td>High quality black, green and oolong orthodox teas.</td>
</tr>
<tr>
<td>Thiashola Plantations Estate</td>
<td>Gudalur, Nilgiri, Tamil Nadu</td>
<td>Thiashola Plantations, owned by subsidiary of Unilever</td>
<td>Davershola Estate targeted by campaigning against Hindustan Lever</td>
</tr>
</tbody>
</table>

Source: Own work using (FLO, 2011)

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27 The most stringent Organic VPS
28 Natureland and Bioequitable were Organic production methods that were considered, along with Demeter to go beyond national EU and Indian minimum Organic standards
Appendix 2 – Requirements of Voluntary Private Standards

In this appendix I present information from my taxonomy of Voluntary Private Standards. I summarise key elements of Fairtrade certification in Tables 20 - 25. Table 20 shows that Small Producer organisation (SPO) standards required producer groups to be democratically controlled.
Table 19: The Purpose of Fairtrade

<table>
<thead>
<tr>
<th>Purpose</th>
<th>Structure</th>
<th>Definitions</th>
<th>Process of Certification and audits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fairtrade is a strategy for poverty alleviation. Its purpose is to create opportunities for small producers in the South who have been economically disadvantaged... If fair access to markets would help...they may join Fairtrade. Small Producers can participate if they have formed producer organisations that can engage in commercial activities and are democratically controlled</td>
<td>General Requirements are those that all producers must meet from moment join Fairtrade; Minimum Requirements are to be met before initial certification; Progress Requirements demonstrate continuous improvement over time</td>
<td>A producer is defined as a small producer when their labour and their family labour constitutes 'a significant proportion of the total agricultural labour' &amp; the specific definition depends on labour-intensity of product (eg. Tea is highly labour dependent) &amp; certifier determines (eg. Number of permanent workers 'does not exceed a specific factor per hectare per crop'. For tea, this means less than 50% of the group’s labour is family not hired labour.</td>
<td>After initial certification, yearly audits by FLO only. Technical Compliance Criteria published by FLO-CERT (website) in doubt, FLO auditor assesses against objectives of standards</td>
</tr>
</tbody>
</table>

Source: (Fairtrade International, 2011)
Table 21 summarises the contents of the generic SPO standard in terms of development objectives, socioeconomic requirements, environmental requirements and labour requirements. Whilst Labour requirements were theoretically protective of labour in Fairtrade production, this emphasis was absent from Organic standards in EU and India. This was because both EU and Indian Organic VPSs were based on the International Federation of Organic Movements (IFOAM)’s Basic Standard for Organic), where labour provisions were unspecified (IFOAM, 2005; APEDA, 2005). When EU and Indian Organic certified wrote Organic VPSs they dropped the IFOAM notion of ‘fairness’ and included no labour provision in Organic VPSs (ibid).
Table 20: Generic Fairtrade Standard for Smallholders

<table>
<thead>
<tr>
<th>Standard</th>
<th>Development</th>
<th>Socioeconomic</th>
<th>Environment</th>
<th>Labour</th>
</tr>
</thead>
<tbody>
<tr>
<td>Generic Fairtrade Standard for SPOs: Version 15.08.2009</td>
<td>1.1: Fairtrade adds – needs based plan</td>
<td>2.1: Social Premium to be paid</td>
<td>The SPO is to ensure members protect natural environment and this is a part of farm management. Balance environmental protection and business results. FLO encourages small producers to work towards organic practices. Minimise energy and off-farm/ synthetics used</td>
<td>To meet ILO requirements</td>
</tr>
<tr>
<td></td>
<td>1.2: SPO 50% sales from small producers</td>
<td>2.2: Economic strengthening organisation is the aim</td>
<td>3.1: Impact assessment, planning and monitoring</td>
<td>4.1: Employment Policy</td>
</tr>
<tr>
<td></td>
<td>1.3: Democracy, Participation and Transparency</td>
<td>3.2: Agrochemicals continually reduced</td>
<td>3.3: Waste</td>
<td>4.2: Freedom from Discrimination</td>
</tr>
<tr>
<td></td>
<td>1.4: Non-discrimination</td>
<td>3.4: Soil &amp; Water</td>
<td>3.5: Fire</td>
<td>4.3: Freedom of Labour</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>4.4: Freedom of Association</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>4.5: Conditions of Employment</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>4.6 Health and Safety to meet ILO standards</td>
</tr>
</tbody>
</table>

Source: (Fairtrade International, 2011).

Table 22 summarises the Fairtrade Trade standard, which theoretically governed the relationship between Fairtrade buyers and Fairtrade producers. It did this by stipulating traceability, contracts and pricing rules. The column ‘sustaining trade’ shows the requirement, which was actually an ‘aim’, to help producers plan their production and sales by sharing sourcing plans. This requirement was not practiced in tea in reality, because it was an aim rather than a binding condition of certification. The right hand column describes pricing. Both SPO and estates were covered by this standard, which determined relations between parties after factory processing and did not govern the relations between individual farmers and their factory.
Table 21: Generic Fairtrade Trade Standard

<table>
<thead>
<tr>
<th>Standard</th>
<th>Scope</th>
<th>Traceability</th>
<th>Contracts</th>
<th>Sustaining Trade</th>
<th>Pre-finance</th>
<th>Pricing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Generic Fairtrade Trade Standard</td>
<td>Applies to operators who trade in certified products up to final packaging</td>
<td>Physical and documentary traceability</td>
<td>Intention is for mutually agreed, clear relationships. 3.1 buyers must sign binding purchasing contracts with producers, indicating agreed volumes, quality, price, payment terms, delivery conditions. All contracts must stipulate arbitration mechanism agreed by parties</td>
<td>Sourcing plans (4.1) Aim: to help producers plan. Buyers are encouraged to share information, price updates, quality training, risk sharing plans. 5.1 producer may request pre-finance</td>
<td>6.1 Fairtrade payers must pay at least the Fairtrade price, or the relevant market price, where no minimum price exists. Market price must be paid where higher. The Fairtrade minimum price includes any reference to organic prices or organic price differentials 6.2 Fairtrade payers must additionally pay Fairtrade premium, where applicable operators are responsible for passing this to producers. 6.3 the price may be fixed mutually 6.4 With SPOs, minimum prices set at level of SPO not individual producers.</td>
<td></td>
</tr>
<tr>
<td>Version - 15.08.2009</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: (Fairtrade international, 2011).

Table 23 summarises the requirements of the specific product standards. Each Fairtrade product had these and they added conditions specific to improving trade in a given product sector. Sustaining Trade was emphasised, but was not implemented in Fairtrade tea sourcing. The Pricing column on the right shows FLO’s failure to set a minimum price for Fairtrade-Organic tea from South India. It also shows that a very high premium was set for the higher quality grade of Organic tea, the Orthodox Organic. The premium was more than twice that of the CTC tea. The definition of the Fairtrade social premium according to Fairtrade was as follows:

‘Fairtrade Premium’ is an amount paid to producers in addition to the payment for their products. The use of the Fairtrade Premium is restricted to investment in the producers’ business, livelihood and community (for a small producer organization or contract production set-up) or to the socio-
economic development of the workers and their community (for a hired labour situation). Its specific use is democratically decided by the producers’ (Fairtrade International, 2011).

In Table 23 I quote only the prices for South India unless otherwise stated.

Table 22: Fairtrade Prices

<table>
<thead>
<tr>
<th>Standard</th>
<th>Part C</th>
<th>Pricing</th>
</tr>
</thead>
</table>
| Fairtrade Standards for Tea for SPO (version 22.07.2009) | SCOPE - covers purchase and sale of tea CERTIFICATION - no additional requirements TRACEABILITY - researching physical, currently exempt, documentation required CONTRACT - no additional requirements SUSTAINING TRADE - sourcing plans should cover quarterly period; should be renewed minimum 2 weeks before they expire | Fairtrade Minimum Price and Fairtrade Premium Table Version 15.07.2010

Tea, Camellia, Conventional quality, produced using CTC method; Fannings and Dust produced using orthodox method from South India (except Nilgiri) by SPO/ Hired Labour, price determined at level of Auction OR FOB is $1.40 USD/kg with Fairtrade Premium of $0.50

Tea, Camellia, Organic quality, produced using CTC method; Fannings and Dust produced using orthodox method, World-Wide, by SPOs or HL, (price-determining level not specified) is Commercial Price/kg with Fairtrade Premium of $0.50 USD/kg.

Tea, Camellia, Organic Quality, produced using Orthodox method (except fannings and
Table 24 shows the price of Organic tea manufactured in the CTC manner, as well as ‘fannings’ and ‘dusts’ from Orthodox processing. The table also shows how Fairtrade set different prices for different teas from different sub-regions and producer types. It was therefore conceivable that FLO set a different price to support SPOs when estates were lobbying to avoid a fixed price for Organic CTC. Table 25, 6th row down, confirms that Organic Orthodox tea prices were unspecified, where the table states ‘commercial price’ at the far right side.

Source: (Fairtrade international, 2009)
Table 23: Fairtrade Prices after 2009/10 Revision

<table>
<thead>
<tr>
<th>Specific Product Standard</th>
<th>Product</th>
<th>Quality</th>
<th>Form</th>
<th>Product characteristics</th>
<th>Country / Region</th>
<th>Producer Score</th>
<th>Price level</th>
<th>Special price terms</th>
<th>Unit</th>
<th>Quantity</th>
<th>Currency</th>
<th>Fairtrade minimum price</th>
<th>Fairtrade premium</th>
<th>Date of validity</th>
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<tbody>
<tr>
<td>Tea</td>
<td>Camelia</td>
<td>Conventional</td>
<td>All teas produced using CTC method, Fannings and Dust produced using orthodox method</td>
<td>North India</td>
<td>SPO / HL</td>
<td>FOB</td>
<td>*</td>
<td>kg</td>
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<td>USD</td>
<td>2</td>
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<td>01/11/2010</td>
<td></td>
</tr>
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<td>Organic</td>
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<td>South India (except Nilgiri)</td>
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<td>FOB</td>
<td>*</td>
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<td>*</td>
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<td>USD</td>
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<td>*</td>
<td>kg</td>
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<td>2.2</td>
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<td>01/11/2010</td>
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Source: (Fairtrade Labelling Organisation, 2012)
Table 24: Unchanged Fairtrade Prices after 2009/10 Revision

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<th>Specific Product Standard</th>
<th>Product</th>
<th>Quality</th>
<th>Form</th>
<th>Product characteristics</th>
<th>Country / Region</th>
<th>Producer Scope</th>
<th>Price level</th>
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<th>Fairtrade minimum price</th>
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<td>kg</td>
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<td>All teas produced using orthodox method (except fannings and dust)</td>
<td>Worldwide</td>
<td>SPO / HL</td>
<td>*</td>
<td>*</td>
<td>kg</td>
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<td>01/11/2013</td>
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<td>Worldwide</td>
<td>SPO / HL</td>
<td>*</td>
<td>*</td>
<td>kg</td>
<td>1</td>
<td>USD</td>
<td>Commercial price</td>
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<td>Camellia</td>
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<td>Instant tea</td>
<td>Instant tea processed from made tea from Fairtrade certified producers</td>
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<td>*</td>
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Source: (Fairtrade Labelling Organisation, 2012)
Appendix 3 – Interview and Focus Group Discussion Guides

Discussion guides provided structure and focus for interviews, creating a semi-structured interview (SSI) approach that I used for individual interviews and for group interviews, which were small focus group discussions (FGDs). The guides are organised into groups which indicated the topics I wished to cover with specific participants. There were five groups of participants as follows;

1) Smallholder Tea farmers (FGDs)
2) Producer Group Level managers (SSIs)
3) Tea Buyers (SSIs)
4) Background/ Context informants (SSIs)
5) Standard setters (SSIs)

I next present the discussion guides in that order.

**Indicative Discussion Guide 1: Smallholder Farmers FGDs**

How have the ways to farm and make tea changed over years?
Does everyone farm and make tea the same way? (Prompt – neighbours)
What are some good ways to sell tea? (good & bad things about the way you farm/ sell tea)
Question about buyers – can you describe different buyers you sell to?
Do outside people have rules for making tea? Who?
Is there anything complicated you have to do? Is there extra work? Who does the work?
If you have to do complicated things do you get extra money? Is it worth it?
Who decided which standards are used?
Are there rules about inputs and about quality? Is there monitoring?

**Indicative Discussion Guide 2 – Producer-Group level managers (SSIs)**

Market access – history of the group’s access to different markets
History of the group’s involvement with key actors and standards – sources of support
Links between standards and markets
The group’s options - % of tea sales that go to different buyers and markets. Changes over time and rationales for changes

Prices – averages and changes over time. Changes in response to milestone events like a new buyer or a new standard or standards

What things do buyers require? What things to processors reward for?

Commitments by the buyers and to processors – reciprocity and relationships

Relations within the group – relations with farmers

Communicating production requirements internally and negotiations (training, compliance, verification, costs)

Things to change or improve

Indicative Discussion Guide 3 – Buyers

Supply - From where in the world does your company buy certified tea? Please can you describe your sources (From how many smallholder groups does your company buy tea? Which suppliers in South India?)

Prices – averages and fluctuations – roughly what do you pay for different grades?

How to decide between suppliers – new ones or existing ones become certified?

Please can you give a history of your experience of getting certified tea? (Which standards, when adopted, what % of supply base) Have you found it hard to find certified suppliers? Has this changed – is it easier or harder now?

Monitoring/auditing standards – is this costly, has it changed?

Oversupply and undersupply – how do you cope? - Have you ever been stuck to meet volumes required? What would you do in a short fall?

Investing in suppliers - Have you helped any smallholder groups to gain certification and seen their sales increase as a result afterwards? Or helped a group then been unable to support sales?

Please can you describe contractual relations with small suppliers – are there any special concerns? Do VPSs ease/ deepen any concerns? How does blending work with Fairtrade VPSs? How does quality work with Organic VPSs?

Indicative Discussion Guide 4 – Background and Context Interviews

Historical examples of how certification began – (refer to case DC)

The composition of Fairtrade tea market – SPOs versus PE?

What is the role of Network of Asian Producers? How is Fairtrade promoted? Where is the Fairtrade Liaison Officer for India based?

What problems do tea smallholder face? With tea, with VPSs and with export sales?

Does VPS certification suit South India and smallholders? And tea?

Does the government help smallholder to export their tea? Have you advised a group?
Why are so few smallholder tea producers taking up certification in South India?

**Indicative Discussion Guide 5 – Standard setters**

How to balance inclusion of many producers with integrity of standards - What concern is there for the reputation of standards? Amongst whom? Who is there the greatest concern to keep on board?

How to ‘export’ standards – who consults who and how? (Role of NAP and the Fairtrade Liaison Officer)

Is Fairtrade tea’s lower quality a sign of failure as a development tool?

Why does Fairtrade encourage producers to adopt organic? Would you always?

How to design compatibility with other standards and decide which to partner with – which development initiatives to align with?

(Fairtrade only – what reasons are behind introducing Hired Labour standards for tea? What happened? Why was there no Fairtrade minimum price for Organic tea from South India until 2010? Why can Fairtrade standards not control blending? Why did Fairtrade oversupply of tea come about? Why did Fairtrade not regulate applications for Fairtrade certification to control supply?)

(Organic only – how are Organic rules set? Why did India adopt the IFOAM Basics? Can developing countries who export to the EU input into revisions? How? Why does Organic exclude labour and fairness criteria in IFOAM, EU and NPOP (Indian) definitions?)
Appendix 4 - Record of Research Encounters

This Appendix includes all research encounters, so called to include my scoping visit to South India, informal background meetings for secondary data and personal communications as well as all interviews held during field research. Field research began in April 2012 in South India during which time I interviewed participants, creating primary data, and continued until October 2012 in UK interviews.

Background Information period – November 2010 to April 2011
Field Research Period 20th April – September 2012

Background Information & Meetings

1. PILOT INTERVIEW – Beverages buyer, Manchester supermarket
2. Tour – Connemara Tea Estate and Factory, Idukki, Kerala
3. Background meeting, DC Local NGO Executives, Idukki, Kerala
4. Background conversation – DC UK Buyer 1 Employee
5. Background conversation – NC Plantation Buyer Co. Executives, Kerala
6. Background meeting – NC Plantation Buyer Co. Non-tea Manager, Bought Leaf Operations
7. Background meeting – Fairtrade advocacy NGO, Kerala
8. Background meeting – Tea Plantation Manager H
9. Visit to Wayanad Agro Movement (WAM) Small Tea Grower Group and tea factory, North Kerala
10. Background meeting - Wayanad Agro Movement Certification Manager
11. Background meeting - Chair of Wayanad Agro Movement Worker’s Body
12. Background meeting - United Planters Association of South India (UPASI)
13. Background meeting - Just Change India – Adavasi Farmers’ Trade Group
14. Background meeting – DC Trader Company, Liaison Manager
15. Background meeting - Fairtrade advocacy NGO, Kerala
16. Background meeting – NC Bought Leaf Agent
17. Background meeting – Leading regional tea export company, Exporter/ Blender
18. Background meeting - BIOFOODS Fairtrade-Organic smallholder exporters, Director
19. Background meeting - BIOFOODS Quality and Standards manager
20. Background meeting - Small Organic Farmers Alliance (SOF), Director
21. Background meeting - Lanka Organic Agriculture Movement (LOAM), Director
22. Background meeting – Certification Auditor company, Executive
23. Background meeting - Certification Auditor company, auditor
24. Background meeting - Tea Board of Sri Lanka, certification specialist
25. Background meeting - Tea Board of Sri Lanka, Tasting Unit and quality specialist
26. Background meeting – Largest Tea Exporter, Sri Lanka
27. Background meeting – UK Buyer 2, Executive
28. Background meeting - Beverages buyer, Manchester supermarket
29. Background conversation - Tea Plantation Manager H
30. Background meeting - UK Fairtrade-Organic Tea and Spices Importer
31. Personal Communication with academic expert on tea smallholders, Email
32. Personal Communication - UK Organic certifier

**Field Research Data - 20th April 2012 – 29th September 2012**

33. Interview – IFOAM EU Consultant, Organic Standard 889 Expert (20/4/12)
34. Interview - UK Organic standard setter (20/4/12)
35. Interview – DC UK Buyer 2 (20/4/12)
36. Interview – DC UK Buyer 2 (Continued after interruption: 20/4/12)
37. Interview - Developmental Practitioner UK Buyer 2 NGO-element (21/4/12)
38. Interview - Bangladesh Tea Plantation ex-Estate Manager (21/4/12)
40. Interview – ISEAL Credibility Director (21/4/12)
41. Translation of Participant Information Sheets, Centre for Development Studies, Kerala (23/4/12)
42. Background interview - CDS migrant labour specialist (23/4/12)
43. Observation Kerala, Organic and Certification (24/4/12)
44. Interview - DC Trader Company, Liaison Manager (25/4/12)
45. Interview – NC Plantation Buyer Co., Certification Manager (26/04/12)
46. Interview – DC UK buyer 1 (01/06/12 - rescheduled)
47. Interview - Unilever plantations Kenya Trader (26/04/12)
48. Interview - UPASI Kumily Regional Office (30/4/12)
49. Interview - medium organic, non-certified tea farmer (1/5/12)
50. Interview - Fairtrade advocacy NGO, Kerala, Director (2/5/12)
51. Interview – Tea Plantation Manager H (3/5/12)
52. Interview - Indian Certifier Company, Executive and Junior Auditor (4/5/12)
53. Interview - UPASI-KVK Quality specialist (7/5/12)
54. Interview - UPASI-KVK Quality specialist (8/5/12)
55. Interview – NC Bought Leaf Agent (12/5/12)
56. Interview – NC farmers (13/5/12)
57. Interview - NC farmer (14/5/12)
58. Interview - NC farmers (15/5/12)
59. Interview – DC Consortium Leader and Consortium Quality Manager (17/5/12)
60. Interview - DC Compliance and Training Manager (17/5/12)
61. Interview – DC farmers (18/5/12)
62. Interview – DC farmers (19/5/12)
63. Interview - DC farmers (21/5/12)
64. Interview - DC Accounts and Traceability Manager (21/5/12)
65. Interview - DC farmers, in-conversion (22/5/12)
66. Interview – DC farmers, in-conversion (23/5/12)
67. Walking Tour - DC Organic factory (24/5/12)
68. Interview - DC Factory and Administration Manager (29/5/12)
69. Interview – NC Plantation Buyer Co., Bought Leaf Operations Manager (7/6/12)
70. Data confirmation - NC Plantation Buyer Co., Certification Manager (28/6/12)
71. Interview - Fairtrade London, Head of Tea and Head of Products Executive, London (18/7/12)
72. Interview – UTZ Asia Manager, Skype (18/8/12)
73. Personal Communication – POABS Organic Estates of Kerala (21/8/12)
74. Interview - FLO-ev, Standard Setter, Ex-Executive of the Board, London (28/9/12)
75. Personal Communication – Fairtrade Network of Asian Producers (NAP), Chairperson (15/10/12)

76. Personal Communication – Network of Asian Producers, Fairtrade Liaison Officer (18/10/12)

77. Personal Communication – DC Trader Company, Director (15/11/12)
Appendix 5: Estimates for Smallholder Leaf sales to Plantations

I compiled data in this appendix from several sources to estimate the scale of Bought Leaf Operations; sales of smallholder green leaf to estate factories. Based on these data I estimated that 1/5 of all small grower leaf in the Nilgiri region was sold to leaf agents then to estates to be processed by estate factories. These data indicated that sales to leaf agents represented substantial opportunities for small growers to sell leaf that was non-certified. This was a contribution to knowledge because Neilson and Pritchard (2006) estimated that only a small percentage of smallholder green leaf sold to agents then to plantations. Researchers could only estimate this based on data they collated because the Tea Board of India was not publishing the data. Under the 2003 Price Sharing Legislation factories and estates were required to report to the Tea Board their quantities of purchased leaf, however they were either not reporting the information or the Tea Board was not publishing the data. This Bought Leaf industry emerged in recent years and may only have been embryonic during Neilson and Pritchard’s field research period.

A development worker described that Bought Leaf Operations had begun and increased in recent years, but when I asked for estimates of the scale, the participant could only estimate.

The smallholder tea procurement model by estate factories – yes it must be about ½ of all the smallholder green leaf – the big companies are divesting their plantation assets but still processing huge volumes so they must be getting it from somewhere! (37. Interview UK Buyer 1 Development Practitioner)

A further development worker indicated the lack of clarity around small tea grower production figures.

[...] we always feel that the percentage of contribution by the STGs to the total production of tea is much higher than what has been estimated by the government. Official data says that around 26 per cent of total production of tea in India is from STGs. We do not have the per cent of green supply from STGs. However, you might be knowing that it requires around 4.5 kg of green leaf to manufacture 1 kg of made tea. (43. Interview [NGO]-India Development Practitioner)
My data suggested the scale of the opportunity for Nilgiri small growers was substantial. The leaf agent that purchased green leaf from group NC had recently begun to sell to large plantations.

now there are many suppliers like me involved in this. 7 to 8, 10 suppliers supply to the big plantation companies from here to in Munnar, and I know substantial leaf is going out of the Nilgiri, substantial (very emphatic indeed) leaf is going out to them.

(How much?)

Per day I tell you in the season, ten lorries per day, keeping 5 000 kg each, maybe total of 50 000 kg daily in the season – and in the down season 22/23 000 kg going. 5 000 I send, like me ten suppliers, 50 000 going there. If everything is over here in the Nilgiri then we won’t get these prices and that I am sure. Imagine in this dull time if it is all supplied locally then the price will go down. If we are sending the leaf out then the price is sustaining but during the rush time then we will have to have the blame of everyone because the leaf is wanted locally. (56. Interview NC farmers)

50 000 kg/ day over a 100 days would mean 5.000,000, or 15million kg/year. If total annual production for the Nilgiri was approximately 130m kg (discussed below) and large estates accounted for half of this, the Leaf Agent’s agency would move 15million kg of 70million kg small grower leaf out of the Nilgiri to plantations, approximately 1/5. These were rough estimates based on one source, however the plantation buyer that took leaf from the agent also provided data.

(I wish to know how much of your leaf is purchased through the Bought Leaf Operations (BLO), and from the SGs in the Nilgiri region)

Last year, 2011, we produced 3million kilos of leaf from our BLO, and total was 19.58million kg. I am in the Materials Department now so that is why I am able to tell you precisely. (And is that all from the Nilgiri?) Yes, well we can take leaf from all over the state but mainly, when it is from the SG this is from the Nilgiri, high regions yes. (And does the quantity vary through the year?) Yes, but we simply buy as much as we can – except in May and June when our own production is very high. So for example we purchased 0.2 million in May but in April it was double that – actually 0.5 or 0.6 million kg. If they can keep supplying it to us, then we will keep buying it. From July, August onwards there is no cap at all we will but whatever we can. Only May and June, otherwise we try to maximise but however, the SGs they have drought too in January and February, they suffer that too, we all do, so at that time they may supply us with less. That is the only reason for that, otherwise we maximise. [...] We know this is the best price in the industry, well except one company that does compete with us and we know this but one competitor is there for us, but we know our price is high and good. (And which company is that may I ask?) We have there Harrisons and AVT, both are a little competing with us on the prices. However, the competition is good for the grower. (69. Interview NC Plantation Buyer Bought Leaf Operations Manager)
If the NC plantation buyer *produced* 3m kg/ year of made tea from their BLO I could estimate the quantity of raw *unprocessed* leaf they purchased. It required 4.5kg of green leaf to make 1kg of made tea. This suggests the company bought $4.5 \times 3\text{million} = 13.5\text{million}$ kg of green leaf from Nilgiri small growers. If we assume further that the competitor companies AVT and Harrisons purchased similar quantities, then include the other major buyer that the leaf agent mentioned, BBTC, we can multiply that $13.5\text{million}$ kg x 4 = $54\text{million}$ kg. Given there would be some wastage and the other companies were smaller than KD, I rounded down to an estimate of $50\text{million}$ kg/year of smallholder green leaf leaving the Nilgiri Bought Leaf Factories just to these plantation factories. However, I could not know that the competitor companies bought their BLO green leaf from Nilgiri smallholders; they may have sourced from other areas.

Other background data from financial sector information supported this estimate of 1/5 of green leaf leaving the Nilgiri smallholder sector. For example the estate company United Nilgiri of the Amalgamation Group purchased 46lakh kg of green leaf in one year and 50lakh kg the following year (*EquityMaster.com*, 2012). 1lakh is equal to 100,000, so the company purchased 4.6mKG in one year. A further estate company’s figures were available. Connoor Tea Estates Limited produced 0.5m kg from procured green leaf in 2002 and 0.8m kg in 2003 (*sebi.gov.in.*, 2004, p. 29). Applying the conversion ratio of 1:4.5 conservatively gave approximately 3m kg of green leaf. These data did not describe where these companies sourced this leaf from, but given that both companies were located in the Nilgiri it was reasonable to assume some was from local small growers in the Nilgiri. The addition of these two companies bought leaf inflated the estimate of BLO volumes to $57\text{million}$ kg/year of smallholder green leaf sold to estate factories. McLeod Russell, a plantation estate company that inherited the divested plantation assets of Hindustan Unilever was comparable in size and was also likely to have BLOs so this remains a conservative estimate.

To give an idea of scale I compared this total BLO data to total annual production in the Nilgiri region. Although it was not possible to assume all BLO leaf was from the Nilgiri smallholders, these data give a sense of scale. Total production of green leaf, unprocessed tea, for the Nilgiri region in 2004 was reportedly 129757 Thousand kg (Tea Board of India, 2006, p. 8), or approximately 130million kg. There were large estates located in the Nilgiri region in addition to the small growers, which accounted for some percentage of Nilgiri production. The lack of data available from the Tea Board
limited my ability to estimate the percentage of Nilgiri smallholder leaf leaving the smallholder sector to be processed in estate factories. A UPASI-KVK representative estimated 20% of Nilgiri leaf left for estate-factory processing (54. Interview UPASI-KVK Quality specialist), often to Darjeeling estate companies. This was commensurate with other participants’ unofficial estimates at the start of this appendix.

Population figures provided another opportunity to triangulate data. The estimated figure of 1/5 triangulated with the account given by NC’s leaf agent when he described that he liaised with 4,000 small growers and he knew 8 suppliers like himself. If they were all of comparable size, this suggested 32,000 smallholders dealt with leaf agents, and the population of the Nilgiri small grower community was estimated at 62,000-70,000 (Devi, 2007, p. 4). This suggests BLO represented a huge opportunity for non-certified leaf sales. Certified tea could not move in these unofficial channels due to the requirements of certification. If small holders were imaging multiple non-certified growers as a result of widespread and growing BLOs, this might inhibit smallholder adoption of VPS certification. These data also indicated opportunities for further research into the development impacts for Bought Leaf Factories who may suffer under increased competition for leaf. Further, smallholders might experience higher prices from factories due to the competition of leaf agents at the crucial ‘anchor’ stage in the production network.

Most estate companies had two streams of supply (51. Interview Plantation Estate Manager) so the highest quality leaf, whether bought or own-estate grown was exported. The company Conoor Tea Estates exported 40% of its total produce (Sebi.gov.in., 2004, p. 29). NC’s plantation estate buyer exported smallholder leaf, though my data cannot suggest whether other plantations also exported smallholders leaf. Research published in 2006 estimated that, of India’s tea exports, a third was smallholder tea from the Nilgiri (Lines, 2006). If the small grower sector green leaf generated HVEM access for estates, but smallholders did not experience the benefits, this would represent an unjust division of the gains from HVEM access.