On Tuesday 14 June 2016, the Ethical Tea Partnership (ETP) and the Sustainable Trade Initiative (IDH) hosted the fifth TEAM UP event, bringing together the global tea value chain and development partners. With the world focusing on how to make progress against the United Nations Sustainable Development Goals, the event was an opportunity to see how programmes within the tea sector are delivering against these goals, making a positive impact, and where more collaborative action is required.

TEAM UP 2016 followed closely on the heels of the first ever TEAM UP event in India, so was an opportunity to discuss the outcomes from TEAM UP India and to explore the first draft of the India Roadmap for a sustainable tea sector.

Other key topics covered at the world’s premiere tea sustainability event included: how the ETP – UNICEF partnership is improving young girls’ lives; living wage and living incomes for workers and farmers; innovative finance solutions for successful sustainability programmes; learnings from different ways of improving farmer livelihoods; mitigating and adapting to climate change; and ways to ensure that everyone in tea communities has access to nutritious food.
Great work programmes that deliver against the Sustainable Development Goals

The United Nations Sustainable Development Goals (SDGs), which were launched at the end of 2015, aim to end poverty, fight inequality and injustice, and tackle climate change by 2030 (learn more about the SDGs here). Of the seventeen goals, twelve are relevant to tea - below are examples of how ETP and IDH work programmes are helping the tea industry make progress against them.

Good livelihoods and quality of life

To help ensure smallholder tea farmers maximise the potential of their plots and therefore incomes, ETP and IDH are implementing a number of best practice farming programmes with cooperatives from Kenya, Malawi, and Rwanda. These programmes are augmented with training on crop diversification, farmer-led tea nurseries, nutrition and health, business skills, and a range of other topics that the farmers collectively decide.

As part of the Malawi 2020 Tea Revitalisation programme, one of the key aims is to improve the nutrition of plantation workers. The main aspect of this has been the introduction of vegetables into workers’ midday meals; it was stated that by July 2016 the programme will have reached 50,000 workers.

In recent years there has been much media focus (BBC, Guardian, CNN, etc.) on the poor quality of housing and sanitation in Assam, with leaking roofs, a lack of toilets, open defecation, and over flowing cesspits being cited as some of the problems. To address these issues, ETP’s Regional Manager for India, Vikram Singh, has helped develop a housing and sanitation template that will enable producer groups to better understand the current scale of the issue, predict the future need, and plan and budget for upgrading housing stock and estate facilities to an acceptable level. This will be ready for roll out by the end of 2016.

Find out more about worker living wage and farmer living incomes on pages 6 & 11 respectively.

Equal and fairer opportunities

Gender disparity is a major concern for many tea regions of the world and unfortunately there are cases whereby women are subjected to harassment and abuse including sexual exploitation. The ETP – IDH social issues training programme, which is sensitive to ingrained cultural beliefs, has led to a change in attitude to sexual harassment among workers and management. Following training, managers who once demanded sexual favours from employees, have recognised their actions were wrong (see quotes in the box below).

Find out how ETP and UNICEF are improving young girls’ lives in Assam on page 3.

“Before the training I used my position as a supervisor to demand for sexual favours from female employees that I was in charge of. I would demand for sexual favours either in exchange for allocation to favourable tasks and would give hard tasks to ladies who turned down my demands in order to force them to yield. During the training I realised that what I was doing was wrong and I have since stopped and am now treating female workers with dignity,” male supervisor

“I used to drink; last year I even spent my child’s school fees on alcohol and the child was sent home from school, which gave us pressure at home. This year I will not waste money, I saw my family suffer while my neighbours’ kids were in school. I go with my wife to the bank and we plan together on the budget for the family's needs,” male farmer
Environmental and climate responsibility

ETP’s first climate change project focused on helping farmers supplying Kenya Tea Development Agency (KTDA) factories adapt to the effects of climate change. Climate work has expanded into mitigation for factories and farmers with some excellent results (see page 10). Climate change adaptation work is now underway in India, starting with mapping the predicted impact of climate change on tea growing regions in Assam by 2050.

In India, an agrochemical management programme is helping farmers manage issues of pestilence and disease effectively and responsibly. To complement this programme ETP and the Tea Research Association Tocklai developed an innovative resource in the style of a comic book that is accessible for farmers and their families.

An example of working across industries to address serious environmental challenges is the landscapes programme of IDH (ISLA), where the tea industry is working together in a coalition with stakeholders such as energy and timber companies, country and national government, and its water and forest institutions that aims to preserve and restore 60,000 hectares in the South West Mau Forest in Kenya.

Find out more about our climate change work on page 10.

TEAM UP 2016 welcomed Peter McAllister, Executive Director, Ethical Trading Initiative (ETI), to reflect on the SDGs and what they mean for business. The ETI exists to improve working conditions in global supply chains by developing effective approaches with member companies, trade unions, and voluntary organisations to implement the ETI Base Code of labour practices.

Peter spoke about compliance programmes and felt that when operating in isolation there is a tendency for them to lean towards policing, which can weaken the supplier relationship. However, he felt that projects, like the work programmes of ETP and IDH, are a better way to understand issues, address problems, and raise standards overall. In order to make true progress against the SDGs business needs to be part of the solution, something that Peter acknowledged is already happening in tea.
Satya Muniasamy of Tata Global Beverages Ltd. (TGBL) interviewed Ved Prakesh Gautam, Child Protection Officer, UNICEF, about the UNICEF – ETP partnership in Assam that aims to equip more than 25,000 girls with the knowledge and skills that will help them secure a better future and reduce their vulnerability to violence, abuse, and exploitation.

UNICEF is aware of the pull factors of big cities and the greater opportunities they present to young people. Girls are particularly vulnerable to exploitation because access to secondary education in tea communities is limited. This, Mr. Gautam explained, coupled with a huge demand for domestic labour in middle-income households in the cities, makes “girls that dare to dream of a better future” increasingly susceptible to being exploited. Unscrupulous placement agencies only serve to compound the matter. It has been reported that at least 20% of girls leaving for urban centres report problems, although this figure is likely to be much higher.

The main focus of the ETP – UNICEF programme has been on giving girls access to education and training. This has been implemented through the strengthening and setting up of Adolescent Girls Groups (AGGs) in tea estates. The groups give girls the opportunity to discuss sensitive and health related topics, and learn skills that will help them make good decisions about their futures, including the prevention of early marriage and other types of exploitation.

What is evident about the AGGs is that many of the girls that participate in them have the potential to become great community leaders (just like Kahimoti in the video below) that can help inspire their peers and younger generations. The overall effect makes the programme a strong and sustainable force for change.

The partnership also utilises Child Protection Committees that help protect girls in the tea garden community and provide support to families should girls end up in exploitative or unsafe situations. In some situations, these committees have successfully helped return girls that have either entered into exploitative situations of their own accord or as a result of being trafficked. They are also helping to re-enrol girls who have left school, ensuring they have better prospects for the future.

Outside of the partnership UNICEF has welcomed the news that the Indian Government is introducing new regulations on placement agencies that will help protect children and adolescents from being exploited.

Click to watch the latest UNICEF - ETP film
How can innovative finance solutions help the tea sector make progress against the sustainable development goals?

James Webb, Program Manager on Innovative Finance, IDH, explained how innovative financial solutions can be a powerful mechanism to help supply chains achieve their sustainability goals. This was followed by a panel discussion with three financiers, Chris Isaac (AgDevCo), Anton Timpers (FMO – Dutch Development Bank), and Jean-Marc Debricon (Alterfin), joined by Will Battle (J.D. Egberts), and Sangwani Hara (the Tea Association of Malawi - TAML) sharing the innovative solutions they’re putting into practice.

IDH’s field-level funding via grants traditionally includes training on good agricultural practices (GAP), business skills training, and other extension services provided to farmers, but with moderate productivity gains. To have a larger impact on productivity, elements such as access to inputs, funds for capital expenditure, rehabilitation, and replanting of crops need to be included – all of which go beyond the scope of traditional grant funding, which means there is a need to look at more innovative ways of financing these essential activities.

In order to reach the point where a farmer is viewed as bankable, new partners are required who are willing to invest in agri-business. The question often arises: why can’t local financial institutions finance the farmer without the assistance of the supply chain manager and/or a development agency such as IDH? The main reason is that investors will demand a return that is commensurate with the risk that they assume in the investment. This is particularly relevant to smallholder farmers, because transaction costs are high due to the small loan size and reaching the farmer is often difficult and costly. So how do we go forward if development agencies cannot fund this and financial institutions and the supply chain are unwilling to invest in this space by themselves?

The answer is through innovative multi-stakeholder solutions with a broadened scope of financial institution and de-risking mechanisms. According to IDH, for financial institutions to work in this space, they must broaden the model (see next page).
Key points from the panel discussion included:

- It’s important to have good relationships with smallholder farmers, therefore training and education structures are important, e.g. the Kenya Tea Development Agency.
- Scale to work with smallholders requires a lot of feet on the ground – most organisations don’t have these so they need to be invested in.
- Lack of infrastructure – with investments you need the treasury office of companies, however in most cases it’s the Corporate Social Responsibility department that hand out grants.
- The experience of cocoa and coffee cooperatives has demonstrated that growth can happen too fast with too much money coming in, which represents a huge risk. Financiers need to understand these dynamics and work with cooperatives so that they restrain themselves from growing too fast and creating a funding gap.
- Buyers need to work with producers to find ways to structure contracts that work for both parties and support longer-term sustainability goals. As part of looking at how they could best support the Malawi 2020 Tea Revitalisation Programme, JDE sat down with their key producers and discussed what they could do, as tea buyers, in terms of their procurement practices. One of challenges for Malawian producers is to secure CAPEX funding for large projects at reasonable interest rates, given the long-term nature of the tea trade. In order to help, JDE reconstructed their contracts so that producers could demonstrate that they had a long-term commitment from their buyers and a guaranteed level of income. TAML agreed that this approach was important to enable a living wage for workers and a living income for farmers.
Achieving good livelihoods and quality of life: the role of living wage

With the imminent release of the living wage benchmark study for the Sri Lankan tea industry, Britta Wyss Bisang (Utz and Global Living Wage Coalition), Dushy Perera (ETP), Roshan Rajadurai (Chairman of the Sri Lankan Tea Association), and Binesh Pananwala (Watawala Plantations) looked at the role of living wage and how it affects the quality of life of tea workers.

Britta explained how six standard systems including Utz, Fairtrade, and Rainforest Alliance have come together to develop a joint definition of how to understand living wage - a living wage allows a worker to cover the essential needs of their family, with a little extra “just in case.” Work by Richard and Martha Anker has created a rigorous methodology that allows benchmarks to be defined for any commodity in any region around the world. To date, 25 benchmarks have been set including coffee, flowers, seafood, rooibos, and tea in Malawi, with one soon to be released for tea in Sri Lanka. One fundamental benefit of having a living wage benchmark for a particular country is that it provides workers and unions with robust information during collective bargaining agreement negotiations.

When wages are below the living wage benchmark an improvement plan needs to be created by producers in consultation with workers/unions. While this is obviously beneficial to workers, it’s also good for producer groups because it allows them to plan for the future with an eye on what is financially feasible. Throughout this process, all steps of the journey to a living wage need to be measurable.

ETP’s Dushy Perera provided a preview to the living wage study benchmark in Sri Lanka. Unlike many other origins, the current minimum wage in the Sri Lankan tea industry is well above that of the World Bank poverty line and the Sri Lankan national poverty line. Since the study was conducted, the Government of Sri Lanka has agreed to a further increase in wages for plantation workers. When you contrast Sri Lanka to other regions, it would appear the industry and workers are in a healthy state. However, with low productivity and high rates of absenteeism this isn’t necessarily the case. In fact, earlier this year, the Government bolstered tea prices in order to prevent an economic crisis for the industry.

Roshan explained that while the sector pays relatively high wages, people in general are not flocking to the sector. A reason for this may be because Sri Lankans have good access to education and prefer to work in cities rather than in agriculture. In order to curb the number of people leaving the tea industry, Roshan explained how the industry is looking to increase wages, by changing the current quota-based system to a productivity-based one. A number of estates are trialling an approach where tea workers become entrepreneurs that own the crop, which they then sell to the estate for processing. Roshan believes this model will substantially increase worker incomes and help return the industry back to profitability. ETP has been supporting the training of tea workers to run a small farm business by bringing the Farmer Field School model to the estate sector in Sri Lanka.

Binesh explained how Watawala Plantations, with the support of CARE Sri Lanka, is rolling out a Plantation Community Empowerment Model across its plantations that brings tea workers, management, and community members together to make decisions about the business and social aspects of tea estates. This joint decision-making model supports Watawala’s use of the term ‘associates’ for its employees, rather than workers. In addition to having a positive impact on associate-management relations, the project has demonstrated a number of business benefits including increased productivity, and community finances have also benefitted through income diversification and community savings schemes. Binesh has plans to expand these initiatives and to look at how to support ex-workers who still reside on the estates.
In April, the Indian Tea Association (ITA), the Tea Research Association Tocklai (TRA), the Ethical Tea Partnership (ETP), and the Sustainable Trade Initiative (IDH) hosted the largest gathering of organisations interested in the future of the Indian tea sector. TEAM UP India brought together the whole of the tea supply chain, with 165 delegates from over 50 organisations in attendance. Delegates included producer companies, Indian and international packers, UN organisations, specialist implementation agencies, international funders, certification bodies, tea associations from both India and abroad, smallholder and bought-leaf sector representatives, and development partners.

The objective of the event was to determine how to develop and scale-up approaches to deal with the sustainability challenges facing the Indian tea industry and communities, so that producers thrive, worker and smallholder lives and the environment are improved, and buying companies can be assured that they are sourcing sustainably produced teas. Following the event, a draft Roadmap for 2020 and beyond setting out the different components required to achieve a thriving industry that benefits workers, farmers, and the environment was developed and is now being discussed with different stakeholders (see next page).

At TEAM UP, we were delighted to be joined by Mr Arijit Raha, Secretary General, Indian Tea Association, who set out his analysis on the major challenges to a truly sustainable Indian tea sector.

A key issue is the relevance of the Plantation Labour Act (PLA) for the 21st-century. Currently, plantations are required to maintain a particular level of employment and workers can pass on employment to their next of kin. This limits companies’ ability to control the size of its workforce, making it hard to improve productivity. Under the Plantation Labour Act, 1951, plantations are required to provide a range of in-kind benefits, such as housing to workers and their dependents. This could mean that an estate with a workforce of 1,000 could be responsible for 7,000 people.

There has been much debate about how to change the PLA and whether it would be better for workers to receive higher cash wages and for the industry to no longer be responsible for providing the additional benefits. However, these benefits are important and any changes would require a change in legislation and a shift in responsibilities between government and industry. A helpful step would be for government welfare schemes to be extended into plantation communities. With changing aspirations of rural communities, absenteeism can be as high as 30%. With labour accounting for 50% of cost of production, this is a huge issue.
The Roadmap for a sustainable Indian tea industry

A thriving and sustainable tea industry that benefits tea workers, farmers, and the environment

**Tea cultivation has less environmental impact & is adapted to climate change**
**Improved management of watersheds, land, & forests**
**Pest & disease management less reliant on agrochemicals**

**Workers and farmers have bank accounts**
**Farmers have improved cultivation practices and sustainable businesses & livelihoods**
**All tea is PPC compliant & meets food safety requirements**

**2016**
- Optimise yields & quality to meet market demands
- Marketing initiatives to attract younger consumers
- Optmise manufacturing, working capital, & production costs
- Product & processing modernisation, including mechanisation
- Develop proposals for PLA reform
- Improve education and skills of children & youth, and reduce their vulnerability to exploitation
- Create more career paths for the workforce & opportunities for women in particular
- Trial models to improve management engagement with the workforce & wider community
- Expand housing, sanitation, health, and nutrition programmes
- Access govt. funds for development & livelihood programmes and bring existing government programmes into the tea estates
- Industry discussion on minimum wages
- Establish living wage benchmark
- Multi stakeholder discussions on transition to living wage
- Agreement on process to achieve living wage
- Improve access to financial services & financial literacy
- Improve farmer organisation & influence in the supply chain
- Establish farmer field schools on GAP business skills, climate change adoption, & income diversification
- Training for pest management, plant nutrition, healthy soils, and PPC compliance, including safe use of pesticides and integrated pest management
- Improved use of natural resources, e.g., water, soil, fuels
- Climate mapping for other tea growing regions & more detailed micro-level mapping
- Develop climate change resistant clones & adaptation guidance and resources
- Research & trials on use of alternative energy sources
- Engagement with govt. & stakeholders on improving forest & watershed landscapes to address CC
- Improve chemical standards & regulation, including review of PPC to include bio-pesticides & ensure it works for the industry
- Disseminate research & best practices on pest management, plant & soil nutrition, & land mgmt.

**2017**

**2018**

**2019**
- Production is responsive to consumer needs
- Pricing mechanisms reflect costs of production & sustainability performance
- Reformed legislation fit for a modern tea industry
- Migration from tea communities is safe
- Improved opportunities for women and youth
- New models for estate improvement implemented
- Improved housing, sanitation, & health conditions
- Govt. funds & programmes efficiently utilised on estates
- All tea workers paid minimum wage & process to achieve living wage implemented

**2020+**

**Healthy, motivated, and productive workforce with improved opportunities for women**

**Improved lives and livelihoods of smallholder farmers and their workers**

**Establish a strong industry & stakeholder group to create a common platform for collaboration**

**Profitable businesses for the 21st century**

**Environment that supports sustainable tea production**

**The Roadmap for a sustainable Indian tea industry**
Mr Raha also described how the Indian tea industry is being transformed by the growth in smallholder production, which already accounts for 35% of total production, and is predicted to rise to 50% in a few years. The Indian Tea Association has been running agricultural extension projects for smallholders for a number of years. There remains much to be done to help integrate smallholders into the wider industry and improve social and environmental standards. ETP and IDH are working towards this through the trusttea programme, which aims to raise standards across the sector. ETP is running additional programmes with smallholders to improve the use of agrochemicals as this is an area where compliance can be particularly weak.

Mr Raha was joined by a panel of speakers from organisations that have been supporting change in the tea industry: Anurag Priyadarshi, Global Sustainability Manager, Tata Global Beverages; Ana Paula Tavares, Executive Vice President, Rainforest Alliance; Lee Byers, Global Product Manager Tea, Fairtrade International; Jordy van Honk, Senior Program Manager, IDH; and Rachel Wilshaw, Ethical Trade Manager, Oxfam. All agreed that certification was an important tool but much more was needed to achieve the change that is needed in India and discussed the key priorities in the roadmap. Ana Paula Tavares highlighted areas she felt Rainforest Alliance could bring particular expertise to, such as soil restoration and climate change. Significant investment will be required and Rainforest Alliance are committed to playing their part with other stakeholders in finding ways to bring in finance to support specific aspects of the Roadmap. Lee Byers from Fairtrade echoed the support for the Roadmap process, emphasising how this enabled steps to be taken that together added up to progress that might not have seemed possible at the beginning of the process. It also allows organisations to provide support on areas that they have particular experience of, for example for Fairtrade on issues like living wage.

Both Anurag Priyadarshi and Rachel Wilshaw referenced the garment industry when discussing how sector wide change can occur. Rachel highlighted the concerns that NGOs have about the scale of poverty in tea communities in Assam, describing how 50% of the workforce are undernourished and over 90% of women and girls are suffering from anaemia. For NGOs it is essential that these issues are tackled and that the industry finds a way to deliver higher wages. She referred to a court case, which is currently ongoing in Assam, where the level of wages that should be paid is under dispute. Until this is resolved, NGOs are likely to find it difficult to positively engage with the industry. She also referred to the role of buying companies, citing the example of how UK-based companies showed support for raising the minimum wage for garment industry workers in Myanmar.

Anurag highlighted the importance of having a vision for what a sustainable industry in the future would look like, where companies, workers, farmers, and the environment are all thriving. Jordy van Honk from IDH agreed. IDH has also seen the value of roadmap and visioning processes both in tea and in other sectors that they are involved in, but only if they can be made actionable. In IDH’s experience an investment vehicle is crucial. For India, the experience and structures of trusttea can be very helpful. Many Indian tea stakeholders are already working well together on this programme, including the Tea Board and other government institutions who are key to many of the changes required.
How can we ensure that everyone in tea communities has access to nutritious food?

Bärbel Weiligmann and Herbert Smorenburg from Global Alliance for Improved Nutrition (GAIN) looked at how their work is improving the nutrition of farmers, families, and communities.

Bärbel and Herbert outlined the approach they have taken in Indonesia, Malawi, and Tamil Nadu that aims to improve the nutrition levels of farmers and their families. Their approach is to train master trainers on various nutrition topics, who in turn train workers and farmers using existing structures. This approach will now be piloted on estates in Assam over the coming months.

The business case for improved nutrition is clear. Better-nourished workers are happier and healthier, and as a result are also more productive. Improving nutrition across tea communities also increases the potential of the next generation, since they are less likely to suffer the effects of poor diet and/or malnutrition.

Key points from the session:

- Three key components are important for improving nutrition and health of workers and farmers:
  1. Increasing dietary diversity, for instance through kitchen gardens
  2. Promoting supplemental sources of nutrition, such as fortifying maize as part of Malawi Tea 2020 programme
  3. Training workers on hand washing to prevent diseases

- To obtain a good nutritional status, foods from at least five food groups should be consumed each day. In Assam, nearly 80% of the baseline study ate only 3 food groups a day.

- Programme results are improved by focusing interventions on behaviour change, such as building awareness, pledging a commitment to change behaviour, and reinforcing the new practice at least 30 times (i.e. over a month). On completion of a programme a reward was provided that continued to reinforce the positive health messages, e.g. in Tamil Nadu, this was a snakes and ladders style game that incorporated health messages for continued reinforcement.

- Using existing delivery infrastructure works well (i.e. midday meals in Malawi) because it creates trust.
Successful approaches to climate change

In the climate change session, we were joined by Anurag Priyadarshi (Tata Global Beverages Ltd - TGBL), Richard Bond (MARS Drinks), and ETP’s Jane Nyambura and Rachel Cracknell.

Climate change is and will continue to impact tea farming, processing, and production around the world. The Tata Group has a global strategy for climate change and is currently defining a price for carbon, which they will increasingly use in corporate expenditure decisions.

TGBL, in conjunction with ETP and the Tea Research Association Tocklai (TRA), has been integral to mapping the future suitability of tea growing regions in Assam. Using climate change modelling, the project mapped the impact of climate change on the suitability of Assam’s tea growing regions to cultivate tea in the year 2050. The results of the mapping show that by 2050, without intervention, most parts of Assam will be inhospitable for growing tea. The challenge therefore, is to create industry-wide awareness about the issues, and help both large-scale producers and smallholder tea farmers (currently about 200,000) adapt to the effects of climate change. The Indian industry can benefit from similar approaches utilised by ETP and the Kenya Tea Development Agency (KTDA) in Kenya.

Back in 2010, ETP’s climate change adaptation work commenced in Kenya. Jane Nyambura spoke about the importance of training and support structures as a way of disseminating best practice to farmers. With the climate change adaptation work, ETP utilised KTDA training structures such as farmer field schools to reach farmers. She also emphasised how important it was to look beyond the boundaries of the tea industry to disseminate information. Church and community leaders were approached and asked to spend a little time in different forums speaking about climate change, it’s effects, and what could be done to minimise the impacts. Demonstration plots were set up outside churches and at lead farmer plots so that good agricultural practices and adaptation techniques could be shown to farmers.

Jane also spoke about the great work that ETP has been doing on climate change mitigation with a range of partners including MARS. ETP targeted KTDA because they have 65 factories with the majority of them using trees as fuel wood for processing green leaf into black tea. On average, each factory uses up to 30,000 trees per year. Jane confirmed that one factory ETP has been supporting has completely eliminated the use of trees for processing tea by substituting fuel wood with other sources of biomass - briquettes made from sawdust and macadamia, rice husk, cashew, tea sweepings, etc. - therefore saving thousands of trees annually and significantly reducing costs. All money saved is passed back to farmers within the factory’s catchment!

Richard spoke about how MARS is helping factories in Kenya to improve efficiency. The three-year programme in partnership with ETP and KTDA originally focused on helping four KTDA factories reduce their energy consumption by establishing energy management teams and conducting audits. The energy programme has been running for about 18 months and in the first year Richard saw a real sense of change. He noted that factories’ boards of directors were really welcoming and encouraged by the opportunities presented by the energy savings scheme. In the first three months of installing new equipment the potential to make savings was apparent, which incentivised everyone involved with the project. Richard says, “We could see that we could reduce the electricity consumption by about 10-11% in each factory. We could reduce the percentage of trees used by the same factories by about 12%. We were also able to add a fifth factory to increase the scope of the project.”
What is meant by living income for smallholders and how can we measure it?

The subject of living wage is increasingly being talked about for a variety of commodities including tea, but what about a ‘living income’ for farmers? Kristin Komives, Impacts Director at ISEAL (the global association of sustainability standards) and Eberhard Krain, Adviser within the Climate Change, Rural Development and Infrastructure Division of GIZ, a German development agency, provided an overview.

What constitutes a decent standard of living and the income you need to afford it doesn’t really differ whether you’re an employed worker on a tea plantation or a self-employed farmer. Elements of a decent standard of living include food, water, housing, education, healthcare, transport, clothing, and other essential needs including provision for unexpected events.

The living wage methodology, which was developed by Richard and Martha Anker, is used by the sustainability standards in various crops around the world and can be applied to the smallholder context. While calculating a farmer’s living income is a straightforward process when using the Anker methodology, what different organisations are really struggling to resolve is measuring a farmer’s current income level. This is because there are a lot of factors that influence a farming family’s total earnings, and one major stumbling block is that very few farmers keep good records, making it very challenging to come up with a definitive figure.

GIZ have taken up this challenge and are planning to conduct a living income study of Malawian tea farmers later this year. Once the results of the living income study are in, further discussion will be needed between the Malawi Tea 2020 partners on what needs to be done next. If, as we suspect, there is a gap between actual and living income, the coalition will need to look at interventions to close it. How can better agricultural practices help? Should farmers be paid more for their tea? What about land aggregation and/or crop diversification or other routes that will ensure farmers are better off and earning a decent living? We will also need to consider how we transfer learnings from Malawi to other regions, so that tea farmers from across the world are able to achieve a living income and, consequently, a decent standard of living.
Can consumers help create a more sustainable value chain?

Sally Uren and Ann-Marie Brouder from Forum for the Future looked at how consumers can contribute to a more sustainable value chain.

It's a fact that the black tea market is in decline – a worrying trend for western tea packers. Not only does it affect their bottom line but it also makes it more difficult for western companies to invest in wholesale sustainability initiatives at the producer end of the value chain. The Tea 2030 initiative has also identified a complacent consumer attitude to tea as a key challenge - hence why there is a need to re-educate consumers.

In order to do this, the Tea 2030 initiative has recommended an industry wide campaign to increase sales and ensure that the product is valued more by the consumer. Other categories that have used collective action to create more value include wine, coffee, real beer, cider, and almonds.

The current perception of tea, according to Tea 2030, is that young people see it as “dusty and a bit traditional.” In today’s climate, young people prefer to buy things that are supposed to enhance performance, and tea doesn’t currently fit well with this scenario. The focus of the Tea 2030 campaign will be to get the great British consumer to fall back in love with tea, with special attention being paid to 18-35 year olds.

The campaign will aim to find the “sweet spot” between product truth and cultural truth – helping consumers understand the benefit and heritage of tea as well as the people all over the world that rely on it for a living. Tea 2030 recommendations include: bringing the ritual and theatre back into tea; tea clubs and tea shops that aim to bring younger consumers back to the experience of drinking tea; helping to introduce younger people to drinking real tea; explaining how tea is helping to solve real world problems; understanding taste (low vs. high grade tea); repositioning tea as a beverage that people choose; creating a counter culture, e.g. a chain of pubs that will serve tea and tea flavoured cocktails; getting people interested in drinking leaf tea; and an appreciation society with the initial focus being on digital activation and pop up shops, targeted at millennials (the segment that cares about sustainability the most).
Service delivery models for smallholders, learning from the coffee and cocoa sectors

William Saab (NewForesight) and Judith Fraats (IDH) provided an overview of service delivery models (SDMs) for smallholders. SDMs are supply chain structures where systematic and data driven services are provided to increase performance and sustainability. By looking at the entire existing company system, SDMs can assess the impact of training. For example, in the cotton sector IDH drove down the costs of farmer training from 135 €/MT in the first year to 4 €/MT currently, which has helped to scale the programme (e.g. among other places India, Pakistan, and Mozambique) without compromising the quality of the training and impact on the farmer. SDMs can be utilised to gauge the effectiveness of training programmes and to learn whether or not it has had a positive impact, which is crucial information for farmers, service providers, and value chain investors.

The Example of Coffee in Tanzania with Ecom
The first step, regardless of the sector, is to map all the players involved in the SDM including farmers, value chain investors (in this case Ecom), players between the farmer and the owner including field officers, and other players indirectly involved. The SDM then assesses what they are doing; what the flow of services, goods, and cash are; what the costs are and who's paying; and whether the farmer has to repay over time, etc. The question that arises from all of this is, does it make sustainable sense?

Key findings:
• **Real farm level data**: Farmers filled in a field book about yields and time allocated to activities to understand productivity levels. In some cases, fertilisers had no or a negative impact financially and prompted a company to re-model their system.
• **Importance of rejuvenation**: Services like fertiliser training will still lead to a minor decline over time. However, rejuvenation such as cutting down trees and planting new ones will help ensure the farm operates effectively.
• **Scale drives the cost effectiveness of SDMs**: Overall cost per farmer is cheaper with large-scale programmes.

Implications for the tea sector
• **Farm level**: Important to think about what you’re trying to achieve – what your objectives are, and how to get there
• **Service level**: Are our actions having the impact we think they should? Are the farmers actually implementing your training?
• **SDM Level**: Is our sustainability strategy working and sustainable? Can the programme keep going without artificial support?

Look out for the full report on SDMs, which will be available soon on the [IDH website](#).