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Together in Excellence

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**FAIR TRADE IN THE EASTERN CAPE: AN EXAMINATION OF ITS SOCIO-
ECONOMIC IMPACT AND CHALLENGES AMONG EMERGING BLACK
FARMERS.**

**A THESIS SUBMITTED IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR
THE MASTERS DEGREE IN RURAL DEVELOPMENT**

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DECLARATION:

I Tanaka Candida Mugabe do hereby declare that this thesis is entirely my own work, except where it is attributed to other authors or sources. This work has not been submitted for a degree in any other university.

Dated at.....this.....day of.....2011

Signed.....

DEDICATION:

This work is dedicated to my mother Mrs. Fozert Mugabe for believing in me and supporting me in everything I have done in my life. She is my pillar of strength who has kept me motivated with a bright vision.

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ABSTRACT:

This study examines the socio-economic impact of fair trade on black emerging citrus fruit farmers in the Eastern Cape Province of South Africa. It is a comparative analysis of farmers involved in fair trade and those who are not. Farmers from Riverside Enterprise and Sundays River Citrus Cooperative were examined to evaluate the impact of fair trade. Such impact was analyzed through looking at access farmers have to foreign markets and their ability to receive high income returns from these markets. The study also discusses the influence fair trade has on the social and economic development of the farmers' communities. The findings of the study indicate how most fair trade communities have benefited financially and through public infrastructure such as crèches, learning centers and access to computers for both farmers and workers. Such public developments are funded through the fair trade social dividend which is a premium farmers receive for selling their fruit under fair trade. However, the study findings also indicate the limitations of fair trade; farmers have to incur high costs to become fair trade accredited. The study also examines the commodity value chains (hereinafter referred to as CVC) for citrus fair trade farmers and non fair trade farmers. This analysis reveals the procedure of value chains, their benefits and constraints.

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Acronyms

ATO	Alternative Trading Organization
B-BBEE	Broad Based Black Economic Empowerment
CVC	Commodity Value Chains
EU	European Union
FLO	Fairtrade Labelling Organization.
FTA	Fair Trade Assistance
FTF	Fair Trade Foundation
FTSA	Fair Trade South Africa
FTLSA	Fair Trade Label South Africa
GDP	Gross Domestic Product
IDC	Industrial Development Corporation
IFAT	International Fair Trade Association
KATCO	Kat River Cooperative
NEWS	Network of European Shops
NGO	Non Governmental Organization
SADT	South African Development Trust
SAFN	South African Fair Trade Network
SRCC	Sundays River Citrus Cooperative
SL	Sustainable Livelihood
UNCED	United Nations Conference on Environment and Development
VCA	Value Chain Analysis