

Fair Trade: a letter to “The Philippine Star”

Tuesday 20 February 2007, by [Alter Trade](#), [LOPEZ Edwin](#) (Date first published: 6 September 2006).

Mr. Ricardo ‘Dong’ Puno

Columnist

The Philippine Star

06 September 2006

Dear Sir,

Please allow us to present our side on the slanderous statements of Mr. Daning Ramos of Kilusang Magbubukid ng Pilipinas (KMP) in your program, *Viewpoint*, last Monday, September 4, 2006.

It is evident that Mr. Daning Ramos is misinformed on the real history and status Alter Trade as a social development program, its efforts on poverty alleviation and on the empowerment of marginal farmers in Negros. KMP’s vilifying attack on Alter Trade is not based on concrete facts and is thus unfounded.

Contrary to Mr. Ramos’ claims, Alter Trade continues to be a socially responsible enterprise, with majority of stock-ownership by the Alter Trade Foundation and the Consumers’ Cooperatives of Japan. It engages in people-to-people trade to generate support services to small farmers. It provides access to capital to marginal farmers and agrarian reform beneficiaries through affordable credit at 10% interest per annum from 1992 until 2005, and adjusted it to 14% per annum lately due to inflation and advises by its funding partners. Alter Trade’s interest rates are even lower than Philippine micro-finance organizations (36% p.a.) or commercial banks (24% p.a.). On the other hand, usurers charge at 120% p.a. or in other cases 240% p.a., if KMP still doesn’t know.

Alter Trade is a fair trade organization. It is dedicated towards creating opportunities for marginal farmers; exerts efforts to improve women and children’s situation in farms; pays more than the minimum wage; adds quality and fair trade premiums to the buying prices, and maintains transparency and open negotiations in all its transactions with farmer beneficiaries. These are but some of the Fair Trade Standards that Alter Trade complies to and it is strictly inspected yearly by the Fair Trade Labelling Organization (FLO) for compliance to these standards. Mr. Ramos’ allegations that Alter Trade “exploits the farmers”, would have caused the decertification of Alter Trade from Fair Trade if his claims were true.

We take pride that our partners among agrarian reform beneficiaries, could now maintain a 99% loan repayment rate yearly, have accumulated net income of Php13.5M for the year 2005, with seven of its partner growers’ associations earning net incomes from Php1M to Php3M. The farmers have accumulated Capital Buid -Ups (CBUs) from 30% to 70% of their production capital needs, and have acquired their own farm equipment such as ten-wheeler postharvest trucks, farm tractor, irrigation pumps, generator, hand tractor, etc. We are inviting you and Mr. Daning Ramos to visit our partner growers’ farms and look into the associations’ bank accounts to check if Mr. Ramos’ accusations could hold water.

Alter Trade promotes awareness in sustainable agriculture through Farmers' Field Schools, in a program supported by the Small Projects Facility of the European Union, benefitting growers in banana and sugarcane farms from Negros Occidental to Negros Oriental. The program has successfully developed farmer-generated technologies in organic farming and in crop diversification for food security. Alter Trade maintains linkages with government agencies, educational institutions, non-government organizations and party-list organizations to facilitate access of farmers to existing support services and farm resources.

It is in these small victories in the lives of our partner growers that we find self-fulfillment and happiness in our work. We hope that Mr. Ramos is not being used to justify any move to juice out rebel taxes from Alter Trade.

Thank you for allowing us this opportunity to explain our side. Best regards and more power to your program.

Sincerely,

EDWIN MARTHINE O. LOPEZ

Executive Director, ATFI