

GROUP ON TROPICAL PRODUCTS
Sofitel Hotel, Warsaw, Monday 2nd June 2008

**SITUATION OF VANILLA PRODUCERS AND FAIR
CERTIFICATION (CASE OF THE UNION OF THE COMOROS).**

Mr. Issa Mhadji, President of Syndicat National des Agriculteurs Comoriens (SNAC)

Geographical situation of the Union of the Comoros

Located in the Mozambique Channel midway between Northwest Madagascar and the East African coasts (300 km to each coast), the Union of the Comoros, comprising Grande Comore, Mohéli and Anjouan, covers a total area of 1,860 km².

The total population is 575,000 and this population is growing by 2.1% per year. The average population density is 309 inhab./km² - 594 on Anjouan, 258 on Grande Comore and 123 inhab./km² on Mohéli.

The total cultivatable area is 112,000 ha. The average of cultivatable land per habitant is 39 Ares. Agriculture is by far the most dynamic sector of the economy, employing 80% of the active population and contributing 40% to GDP. Three raw and semi-processed agricultural products - vanilla, essential ylang ylang oil and cloves - generate 90% of export income.

Despite its importance in the country's economy, Comoro agriculture lacks the resources to be able to access real organisational and technical innovations that could create opportunities in the rural world to make it attractive. This situation leaves the country weak and vulnerable in terms of food security, since more than 95% of rice, now the basic staple, has to be imported.

For more than ten years now, one of the main aims behind the action of the Comoro National Farmers' Union (SNAC) is to redress the balance of foreign agricultural exchanges.

The identity of the SNAC

Set up in 1994 as part of the democratic process of the 1990s, the SNAC was initially a platform for making demands to the Comoro State, essentially for increasing vanilla producers' income. This strategy was not as successful as hoped, which led to a certain demoralisation among its members. Furthermore, the structure did not represent the producers well, with no members on either Anjouan or Mohéli.

In parallel to this situation, regional associations were set up to organise the producers by sector. This is the backdrop to the setting up of the SNAC-FM (Vegetable Section) association in Grande Comore, which initially aimed to provide inputs and commercial outlets

for vegetable products. The Vuna Djema association was also set up in Mohéli, with similar aims to the SNAC-FM, but essentially focusing on bananas and coconuts. With these new dynamic sectors, the SNAC has acquired a new lease of life.

Comoro vanilla

The vanilla plant is a creeper from the orchid family, bearing green vanilla pods (average yield 500 kg of green vanilla per ha in intensive plantations. Comoro vanilla (var. *Vanilla fragrans*) is of the "bourbon" type. It is grown on small prepared plots, some of which are in high forest areas. Crop methods used do not involve any chemical pest control or fertilisers. Moreover, Comoro vanilla is recognised for its superior organoleptic quality, as its vanillin content is higher than the average levels observed in such places as Madagascar. Comoro vanilla can therefore be considered as a natural high quality product.

The main work in the field, apart from planting and maintaining the plots, involves pollinating the flowers¹ and harvesting the green pods.

Black vanilla, with which European consumers are familiar, is obtained after the preparation phase. It takes an average of 5kg of green vanilla to produce 1 kg of black vanilla. Preparation involves:

Scalding the green vanilla: the green vanilla pods are passed through a bath of water at 60°C for about 3 minutes;

Sweating: the scalded pods are wrapped for 24 hours to allow their aroma to develop;

Sun-drying: the pods are left to dry in the sun for several days to reduce the moisture content;

Curing: the pods are stored in the shade and checked regularly for several months;

Final grading and export: classifying the pods into quality and length grades, packaging and shipment by plane.

Rigorous quality control is applied throughout the preparation and storage phases. This primarily involves grading (classifying the pods into categories, removing any rotten ones, visual checks on moisture content...) and isolating the product to avoid any contamination by substances that could affect the aroma. The product is exported in 40 kg boxes containing 300 g. bottles of vanilla, produced from 100 to 150 pods

All of these stages are organised around an industry in which the main actors are:

farmers;

pickers;

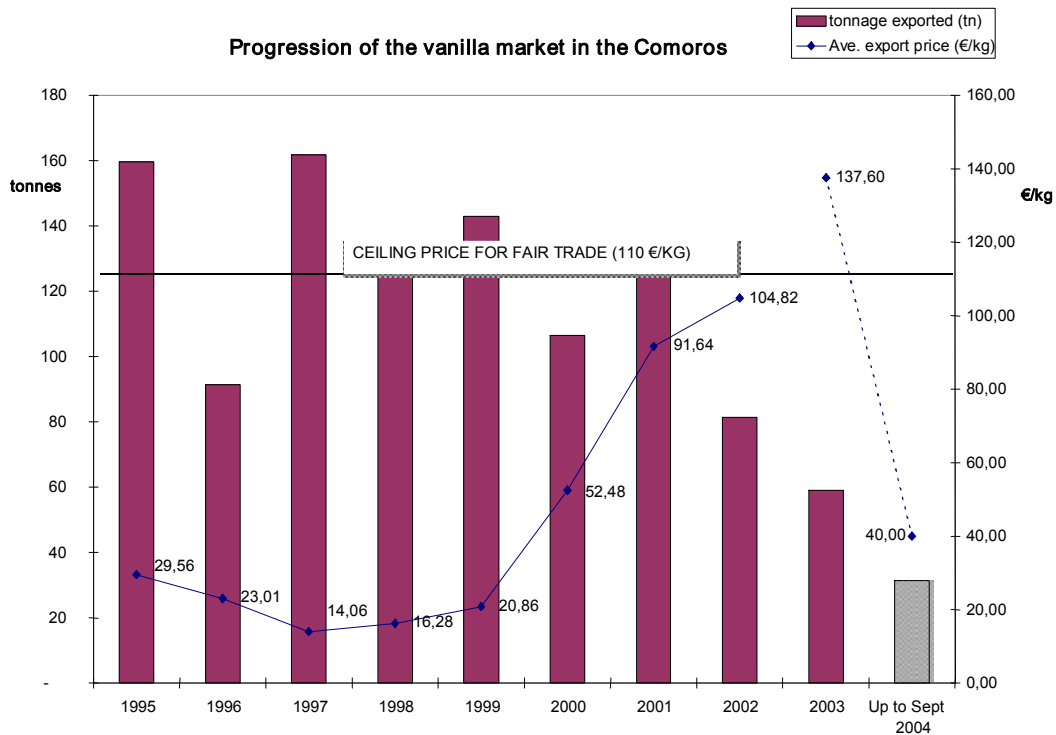
processors;

exporters.

The behaviour of the vanilla market

Vanilla is an export crop. It is a source of financial income for the farmers. Such income is however unstable due to the many price fluctuations on the international market. In the absence of a national policy to secure the industry, everyone in the sector takes their own approach. The strategy of many producers is to stop producing vanilla. Production fell from 200 tonnes in 1980 to 80 tonnes in 2008.

¹ The vanilla plant originally comes from Mexico, and is therefore pollinated by endemic insects. When cultivated outside its country of origin, the vanilla plant must be pollinated by hand.



SNAC and fair trade

The "fair trade" approach began in the Union of the Comoros in 2003 with SNAC through two of the associations in the federation:

Maandini Mema in Mohéli;

Mavouna Mouigni in Grande Comore.

This scheme involves 200 producers who are members of these two associations and have been marketing on average one tonne of vanilla a year since 2005. This makes it possible to:

- ensure a stable income for these farmers (a longstanding moral contract links the SNAC to its commercial partner);
- better remunerate the work of the farmers (one kg of green vanilla is paid at EUR 7.1, which is three times higher than on the conventional market);
- provide health care for the farmers (part of the accumulated income is invested to create mutual health funds in Anjouan and Grande Comore, where there is an active national health funds network);
- take part in the development debate (the SNAC receives a commercial margin of EUR 20,000 on the trading operations which goes towards the overall running of the SNAC)

Limits of SNAC's action

For this scheme to continue there needs to be better cooperation between the SNAC, its commercial partners and the Fairtrade Labelling Organization, the FLO. Today this is not the case, for the following reasons:

- the price of vanilla has been lowered with no justification. (The price applied was EUR 110/kg for processed vanilla. The study conducted in the Comoros by the

FLO in June 2006 set the price at EUR 89. However the price proposed in May 2007 was USD 42/kg for conventional vanilla sold on the fair trade market and USD 62/kg for organic vanilla sold in fair trade conditions. For the Comoros, this means a drop of 73% in the price of conventional vanilla and 60% for organic vanilla. The Comoro currency is pegged to the Euro. As the Euro is currently more expensive than the dollar, the prices proposed on the fair trade market are scarcely different to those applied on the conventional market);

- The Fairtrade market has been opened up to standard operators in the Union of the Comoros without taking into account SNAC's difficulties. (For quality reasons, two tonnes of vanilla need to be harvested in order to sell one tonne on the fair trade market. The SNAC is obliged to place the other amount on the conventional market as there are no buyers. In the meantime, the FLO has begun a certification campaign for those who control 80% of the Comoros vanilla market without informing the SNAC).

This situation is very uncomfortable for the SNAC, and there are doubts as to the underlying principles of the trade itself.