



Tail Wags Dog

Natural rubber is a fantastic raw material. Elastic, heat insulating, ... so fantastic in fact, that neither has it been possible to unlock all its secrets, nor to produce artificial rubber that achieves the same characteristics: Certain high performance applications (e.g. airline tyres) still can only be made from natural rubber.

Furthermore, the global supply of natural rubber is limited and cannot easily be scaled up: Land is limited, and it takes about seven years until a new tree can be tapped for the first time. And in addition: In particular harvesting is a labour intensive process, which cannot be mechanised.

So why is it that world market prices remain (with very few time limited exceptions) low,

for long periods they were even declining? And more often than not, prices hover around or below the cost of production, which means that small farmers have money for neither inputs

(let alone certification costs), nor simple necessities like the bus fare needed to send their children to school.

The 'elephant in the room' as far as rubber prices are concerned is the car industry, in particular the rubber demand for tyres. This has been the case from Ford's Model T until today.



And while car tyres nowadays contain only ca. 30% of natural rubber (the rest is petroleum based synthetic rubber plus fillers etc.), they still account for - to stick to animal metaphors - the lion's share of rubber on offer.

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Kalimagal – Or How Rubber Gloves Translate Into Clean Drinking Water

When she's not out modelling Fairly Traded rubber gloves 18-year old Kalimagal sits at home studying. Her family lives in a small house on the plantation Pitiakande. In a few weeks Kalimagal will take her A-Level exams (equivalent to a junior college degree in the US). She needs to do well because she wants to become a teacher for Tamil children -Tamil is the most frequently spoken language in Sri Lanka after Sinhalese. The plantation management has already agreed to not only pay the tuition costs but will also give her a small stipend if she agrees to return to Pitiakande as a teacher for at least three years - most of the

tappers and plantation workers are Tamils and Tamil language teachers are very much sought after.

Since December Kalimagal only needs to step out of the family home's front door if she feels like a glass of water. The communal tap is part of the water project approved by the plantation's joint body: its members are elected by the plantation workers and their job is to decide how to spend the Fair Trade premium (the plantation management only has an advisory role). For the water project a 60m deep new well was drilled. The clean water (lab tests have shown that the well water has

drinking water quality without being filtered) is pumped to seven communal taps which are being used by 13 families. By now it's become clear that there is sufficient water pressure to install more taps, so over all 50 families will have drinking water pumped to their doorsteps. The joint body is contemplating to introduce water-meters as has been done at Sapumalkande, a sister plantation. Depending on their water use families will have to pay a small fee which not only covers the cost of maintaining the pump, the pipes and taps, but which would also serve as a reminder that what comes out of

(pto.)



the tap really is *drinking* water. The families should continue to fetch water needed for washing and cleaning from an open well about 100m away in the valley.

Drinking water is too precious and too expensive to use for any other purpose. Kalimagal's family needs 10 large vessels of water a day.

Kalimagal lives with her mother, who works as day labourer on

the plantation, her two siblings and her grandmother, who for many years worked as a tapper. Her 16-year old sister is at present awaiting her O-level results (similar to a high school degree in the US), her brother works in a nearby shop. Mornings and evenings the family will continue to haul water from the well, but the drinking water tap in front of their door still is a major improvement in all their lives: Previously all families made sure to boil their water before drinking, nevertheless stomach infections and diarrhoea were common. Feeling thirsty and drinking a glass of water – for Kalimagal and 49 other families that's now as easy and simple as it is for you and us.

Fairly Traded, FSC certified household gloves have contributed to the financing of the Pit-iakande water project. In the US they are available under the 'If You Care' brand – thank you Joel Schuhman!

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And with car sales in China and Russia dropping (and no change in sight) rubber prices are set to remain low.

The other key element in determining the price of natural rubber is the price of petroleum - the stuff required to make artificial rubber (which is in direct competition most of the time with natural rubber, and which has a higher share in global production and trade): Again with the slowing of the Chinese economy plus all the cheap shale gas and oil in the US: petroleum prices are extremely low - and in their wake rubber prices remain depressed, too.

The EUR 0.50/kg Fair Trade premium paid on top of the market price by the members of the Fair Rubber Association to their suppliers at present represents a voluntary extra payment of ca. 30% - and most rubber buyers say 'impossible, far too much!'

Is it really? At the producer end the premium can pay for those bus tickets to school. At the consumer end the Fair Trade extra, in the case of a condom, adds so little to the retail price, it is hard to count the zeros behind the comma. We are proud that the range of Fairly Traded rubber products on offer by our members is expanding, and we are hoping to add more members, soon, too.



Joel

On August 3rd we received the following sad message:

"It is with a heavy heart that we write to share news that our good friend and colleague Joel Schuman, President of Source Atlantique, has passed away after a multi-year battle with cancer. Joel was a passionate "foodie" and entrepreneur who turned that passion into building one of the

leading independent specialty food importer/master distributors in the USA. In 2015, Joel was inducted into the Specialty Food Association Hall of Fame and recognized as one of the leading pioneers of the Specialty Food Industry."

From the Fair Rubber Association we would like to add that Joel and Source Atlantique were the first US members of our organization, and as a result of continuous and expanding sales of their 'If You Care' branded household gloves (with Fairly traded rubber and FSC certification) paid significant amounts of Fair Trade premiums to suppliers in Sri Lanka.

Even in times when his disease prevented Joel from working as he would have wanted to work, he remained a reliable supporter of the work of the Fair Rubber Association.

We are grateful for his support - and sad that he died far too soon.

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