



Fair Trade Rooibos tea: Connecting South African producers and American consumer markets

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ABSTRACT

This article analyzes the recent growth and configuration of Fair Trade networks connecting South African Rooibos tea producers with American consumer markets. As we demonstrate, Fair Trade's growth in the Rooibos sector engages key issues of black empowerment, land reform, and sustainable development in post-Apartheid South Africa. Fair Trade networks provide small-scale black Rooibos producers with critical markets. Most significantly, the Wupperthal and Heiveld cooperatives have upgraded into processing and packaging and their jointly owned Fairpackers facility now exports shelf-ready Rooibos tea. Analyzing the nature of US Fair Trade Rooibos buyers and their South African sourcing arrangements, we identify key variations in Fair Trade commitment and engagement between mission-driven and market-driven distributors. While mission-driven buyers engage small-scale Rooibos cooperatives in multifaceted partnership networks, market-driven buyers pursue conventional sourcing strategies favoring purchases from large plantations and exporters. We conclude that tensions between a radical and commercial orientation toward Fair Trade in Rooibos tea networks in many ways mirror those in the broader movement.

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1. Introduction

Fair Trade has emerged over recent years as a powerful critique of conventional global inequalities and a promising approach to alleviating poverty and bolstering environmental sustainability in the global South through a strategy of “trade not aid”. This initiative offers agricultural producers in the global South better prices, stable market links, and resources for social and environmental projects. In the global North, Fair Trade promotes responsible consumption practices and provides consumers with product options that uphold high social and environmental standards. Though Fair Trade networks comprise a minor share of the world market, certified sales generate over US\$ 2 billion a year and are growing rapidly. There are now almost 600 Fair Trade producer groups in Latin America, Africa and Asia selling 18 certified products across North America and Europe (FLO, 2008a).

Fair Trade has come to represent a key component in the alternative globalization agenda due to its ability to combine visionary goals with practical engagements in fostering social justice (Raynolds and Murray, 2007). This initiative joins a growing array of market-based efforts addressing progressive concerns through the sale of alternative, typically certified, commodities. Fair Trade is akin to social labeling initiatives in apparel and footwear and

environmental labeling initiatives in food and forest products (Gereffi et al., 2001), yet distinguishes itself from these other efforts via its breadth in incorporating both social and environmental concerns and its depth in tackling both trade and production conditions (Raynolds, 2000, 2002). The call for Fair Trade in the agro-food sector has gained wide support across the global South due to its focus on addressing colonial-based North/South inequalities and peasant marginalization.

This article analyzes the recent growth and configuration of Fair Trade networks connecting South African Rooibos tea producers with American consumer markets. Although South Africa is a relatively new participant in Fair Trade, certified production in tea and other commodities is expanding very rapidly. Given Apartheid's legacy in racially skewing the distribution of land and other resources, the need for enhancing social justice in South African agriculture is acute. As we demonstrate, Fair Trade's growth in the Rooibos tea sector engages key national policy concerns related to black empowerment, land reform, and sustainable development. Pursuing a commodity networks analysis, we investigate the nature of the Fair Trade ties between South African Rooibos producers and US tea buyers. This study identifies key variations in Fair Trade buyers and their purchasing arrangements which shape the opportunities for small-scale black¹ South African tea producers. We

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¹ We use ‘black’ universally to encompass the Black African, Coloured and Indian communities of South Africa.

conclude that tensions between a radical and commercial orientation toward Fair Trade in Rooibos tea networks in many ways mirror those in the broader movement.

Since there is to date very little Fair Trade research that extends beyond coffee into new commodities like Rooibos tea, this analysis is by necessity exploratory. We draw together a range of data sources. Our detailed analysis of primary documents, including organizational websites, publications, and internal reports, identifies the key actors and the nature of their engagement in Fair Trade Rooibos networks. Given their centrality in shaping trade relations, we carried out semi-structured interviews with representatives of major US Rooibos distributors to better understand the ideas and practices underlying their Fair Trade relations with South African producers and market relations in the United States. We also interviewed representatives of TransFair USA to ascertain the parameters of the Fair Trade Rooibos market. Extensive discussions with South African researchers and practitioners have helped ground this analysis in the complex post-Apartheid political economic landscape.²

2. Fair Trade tea networks

Over recent decades we have seen the intensification of neoliberal globalization and the simultaneous rise of a broad based alternative globalization movement. Operating under a global social justice banner, a range of initiatives promote a counter-hegemonic globalization based on social, ecological, and place-based rights and values (de Sousa Santos, 2004). Given its social, cultural, political, and economic centrality, the global agro-food sector has become a central focus for neoliberal regulation and counter-movement challenge. In this and other sectors, the most promising initiatives counter existing power inequalities by integrating marginalized groups into transnational networks (Evans, 2000). Fair Trade has emerged as a key rallying point in the alternative globalization movement due to its ability to span the North/South divide and translate trade justice ideas into practice.

Fair Trade grows out of a set of North American and European initiatives seeking to transform international trade from a vehicle of exploitation to one of sustainable development (Renard, 2003). Alternative trade organizations were established initially in the handicraft sector to support disadvantaged artisans by buying products at above market prices and selling them in solidarity shops. Yet it is Fair Trade's expansion into the certification and labeling of food products and their sale in mainstream supermarkets that accounts for this initiative's tremendous growth over the past twenty-five years (Raynolds et al., 2007). Beginning in coffee, this initiative has worked to guarantee better returns to agricultural producers by connecting them with conscious consumers via sales of socially and environmentally sound products. Aligned groups have developed a common outline of Fair Trade's key elements:

Fair Trade is a trading partnership, based on dialogue, transparency and respect, that seeks greater equity in international trade. It contributes to sustainable development by offering better trading conditions to, and securing the rights of, marginalized producers and workers – especially in the South. Fair Trade organisations (backed by consumers) are engaged actively in supporting producers, awareness raising and in campaigning for changes in the rules and practice of conventional international trade (FINE, 2003).

As this statement illustrates, Fair Trade operates at the intersection of commerce and advocacy. While it utilizes market channels to create “fairer” commercial networks for socially and environmentally sustainable products, this approach advocates changes in the conventional market forces that create and uphold global inequalities. In short, Fair Trade operates both “in and against the market” (Raynolds, 2000, 2002). From a political vantage point, the initiative is envisioned as an avenue for forging a global “social economy” (Bisaillon et al., 2006; Gendron et al., 2006). Polanyi's (1957) work helps lay the theoretical foundation for conceptualizing the economy as being by definition a socially instituted process and for understanding how commodification's uncontrolled expansion fuels a protective response from society, a counter-movement to re-regulate the economy.³ Extending Polanyi's argument, Burawoy (2007) proposes that the intensification of market rule over labor, money, and increasingly all of nature fosters successive waves of counter-movement, with key contemporary movements focusing on promoting human rights at the level of global civil society. Fair Trade's political project can be seen in this light as seeking “to re-embed commodity circuits within ecological and social relations, thus challenging the dominance of conventional price relations in guiding production and trade” (Raynolds, 2000:298).⁴

Although Fair Trade's political project can be understood as a counter-movement aimed at constraining destructive and unsustainable market forces and promoting global civil society based human rights, its economic project of selling more fairly traded, often certified, products engages and arguably bolsters those same market forces. Guthman (2007, p. 456) argues that rather than representing an oppositional approach, voluntary labeling initiatives “concede the market as the locus of regulation, and in keeping with neoliberalism's fetish of market mechanisms, employ tools designed to create markets.” In creating new markets for certified and labeled products, the Fair Trade initiative identifies and assigns value to particular social justice and sustainability attributes. Fair Trade's movement agenda is clearly compromised by this market engagement, where it faces constant pressure to conform to mainstream commercial and industrial ideas and practices (Raynolds, 2002). A number of studies suggest that Fair Trade has in recent years been far more focused on creating new markets for certified products than on fundamentally altering North/South trade relations (Fridell, 2007; Ransom, 2005; Raynolds et al., 2007).

One of the most insightful approaches for investigating Fair Trade networks grows out of a global commodity chain tradition. This framework focuses on the interlinking of products and services in a sequence of value-added activities, the organization and spatial configuration of enterprises forming production and marketing networks, and the governance structure determining resource allocation across the chain (Gereffi, 1994). As Gereffi (1994) argues, globalization has intensified the power of lead corporations and increased the “buyer-driven” nature of international trade. A number of studies demonstrate the role of dominant buyers in shaping enterprise participation, production processes, and product specifications in the agro-food sector (Dolan and Humphrey, 2000; Marsden et al., 2000). Increasingly strict buyer standards have emerged in this context as key mechanisms for exerting control within global supply chains.

Gereffi et al. (2005) focus increased attention on inter-firm coordination and profitability concerns, shifting from a “commodity chain” to a “value chain” terminology.⁵ Analysis of value creation and appropriation in the agro-food sector documents the

² It is recognized that by focusing analysis on the middle of the Fair Trade Rooibos network, this research can speak only indirectly about the engagement of individual producers or consumers in this network.

³ See Block (2003) for an understanding of the complexities and tensions in Polanyi's conception of embeddedness and Gemici (2008) for a further elaboration.

⁴ For an elaboration of how Polanyi's work can be applied in alternative food networks see Barham (2002), Guthman (2007) and Jaffee (2007).

⁵ For a useful review of the value chain literature see Gibbon et al. (2008).

limited returns to agricultural producers and the concentration of profits in the processing and packaging of consumer-ready food products (Talbot, 2002). Studies of the coffee value chain, for example, show how farmers continue to receive low prices for their crop while the high prices paid by consumers go largely to firms that provide the glossy packaging and fancy café outlets which promote coffee's symbolic value (Daviron and Ponte, 2005; Ponte, 2002). From a development perspective, these findings suggest that for producers to capture a larger share of the value of their product, they must pursue a strategy of product upgrading, integrating forward along the value chain. Analyzing a set of African export commodities, Gibbon and Ponte (2005) find few examples of successful upgrading and ample evidence that dominant buyers are excluding African enterprises from more profitable value-added activities.⁶

Certification has emerged over the past decade as an important vehicle for governing relations within global agro-food sectors. The most legitimate certification systems are coordinated by non-governmental organizations which specify standards, verify for compliance, and promote market access (Cashore et al., 2004; Gereffi et al., 2001). Organic and Fair Trade initiatives represent the two most important certification and labeling systems in the agro-food sector. These certifications are bolstered by their ties to broader social movement organizations and their appeal to broader social narratives. Moving from a commodity/value chain to a network conception as we do in this article, helps highlight the engagement of non-economic actors, ideas, and practices in alternative food arenas (Reynolds, 2002, 2004).

The non-governmental certification organization, the Fair Trade Labeling Organizations International (FLO), plays a central role in configuring Fair Trade networks. FLO does not directly produce, trade, or sell products. Rather, it sets the standards, certification procedures, and labeling protocols that regulate enterprise engagement, trading relationships, and production processes within Fair Trade networks.⁷ FLO maintains a registry of nearly 600 approved producer groups in Latin America, Africa and Asia which supply 18 different certified products (FLO, 2008a). There are 20 national labeling organizations across Europe, North America, and the Pacific under the FLO umbrella which oversee the activities of over 550 certified importers and traders of Fair Trade products (FLO, 2007). Moving beyond FLO regulated networks, Fair Trade labeled products are sold by thousands of retailers, including major supermarket chains as well as small food cooperatives.

Fair Trade networks have expanded greatly over recent years, with certified sales doubling from US\$ 1 to 2 billion between 2003 and 2006 (FLO, 2005, 2007). This growth is linked to a significant shift in Fair Trade's consumption and production geography. While Fair Trade consumption has historically been concentrated in Europe, the United States has emerged as the largest and most rapidly growing market, with earnings of US\$ 626 million and an annual growth rate of 60% (FLO, 2007). Latin America is the traditional hub of Fair Trade production and continues to supply about 75% of exports (FLO, 2005). Yet Fair Trade's most rapid expansion is currently in Africa, with the number of certified producer groups rising from 78 to 171 between 2004 and 2006 (FLO, 2006). This region is now the second most important source of FLO certified products. African Fair Trade exports are valued at US\$ 24 million and come largely from South Africa, Ghana, Uganda, Tanzania, and Kenya (FLO, 2005). Africa is the world's major supplier of well established FLO products like tea and cocoa as well as newly certified items like flowers and wine.

⁶ This analysis focuses on citrus, cocoa, coffee, cotton, fresh vegetables, and clothing produced in Africa for sale largely in Europe.

⁷ FLO has recently spun off its certification body, FLO-CERT, which is responsible for auditing producer groups.

Fair Trade certification was initiated in the mid 1990s in traditional tea (which can be prepared as black, green, and oolong teas) and expanded in the mid 2000s to include Rooibos (or Red Bush), chamomile, hibiscus, and mint teas.⁸ While the first certification standards, those for coffee, restricted participation to small farmers, tea standards were developed to include both small producers and large estates dependent on hired labor.⁹ Fair Trade's extension into the plantation sector was based on the recognition that many of the world's most disadvantaged populations are landless and that major commodities like tea are primarily produced on a large-scale. FLO standards apply to production conditions and, in contrast to other certification efforts, also apply to trade relations (Reynolds, 2000). Fair Trade tea production standards incorporate three key facets: (1) small-scale producers and hired workers on large estates must be organized into independent democratic associations; (2) enterprises based on hired labor must uphold key International Labor Organization conventions, including freedom of association, freedom from discrimination, prohibitions on forced and child labor, and wage, occupational health and safety standards; and (3) production must promote ecologically sustainable practices (FLO, 2008b). FLO trade standards for tea focus also on three major domains: (1) buyers must pay a social premium above the market price for collective development efforts selected by the farmer or worker organization; (2) buyers must provide advance payments of up to 60% of the value of exports on request; and (3) buyers must purchase directly from certified producers using long-term contracts (FLO, 2008b). In these basic elements tea standards mirror those for other FLO certified products, supporting democratic organizations and funding community projects through the social premium.

Where Fair Trade certification standards for tea have diverged from other key commodities is that until just recently buyers have not been required to guarantee minimum prices. Overcoming the complexities of tea pricing and a historical focus on ensuring fair wages in the estate sector, FLO instituted guaranteed prices for tea at the start of 2008. Rooibos producers are guaranteed US\$ 4.59 (35 ZAR) per kilo, with small farmer cooperatives receiving per kilo US\$ 3.93 as a floor price and US\$.66 as a social premium (30 and 5 ZAR, respectively) and hired labor estates receiving US\$ 3.02 as a floor price and US\$ 1.57 as a social premium (23 and 12 ZAR, respectively) (FLO, 2008c). The variation in the FLO price structure between small and large Rooibos enterprises is intended to account for differential production costs and ensure that in both cases benefits are channeled to those who labor directly in production (FLO, 2008c). While the world price for Rooibos tea has risen in recent years due to rising demand, it declined sharply in 2006/7 in the face of record harvests and over-supply. Fair Trade price guarantees help counter the volatility of world prices in tea as in other major commodity areas.

3. Fair Trade tea production and exports

Tea production patterns, like those in other major tropical commodities, reflect the legacy of colonialism. Tea has historically been produced on large-scale enterprises in Asia and East Africa for export largely to Europe. There is also a strong domestic market for tea in many producer countries. The tea sector represents a major source of employment and foreign exchange earnings for lead producers like India, China, Sri Lanka, and Kenya and numerous other countries in the global South. Traditional tea continues to

⁸ Though these latter varieties are generally called tea, they derive from plants other than the tea plant.

⁹ The extension of the Fair Trade model to include plantations was at the outset, and continues to be, quite controversial (see Dickinson and Khandelwal, 2008). There are only five other FLO products besides tea where both small producers and plantations are certified (bananas, fresh fruit, juice, ornamental plants, and wine).

Table 1
Fair Trade certified tea exports (2004).

	# Producer countries ^a	Export volume (metric tons)	Export value (US\$ 1000)
Africa	6	1620	3239
Asia	6	766	1532
Total	12	2386	4771

Sources: FLO (2005, 2008b).

^a These figures are for 2007.

dominate the international market, yet the most dynamic growth is in herbal and specialty teas like Rooibos.

Fair Trade certification was first introduced in tea exporting countries to improve the conditions of workers and reward enterprises for maintaining high labor and environmental standards. Early efforts were focused in major tea export countries, India and Sri Lanka, and a lesser contributor to world trade, Tanzania.¹⁰ The spatial dimensions of Fair Trade tea production have expanded significantly in recent years with growing demand and the introduction of new tea varieties. There are now a dozen countries producing Fair Trade certified tea in Asia and Africa and one in Latin America.¹¹ As noted in Table 1, the majority of certified tea is produced in Africa. Countering the historical dominance of Asia in the tea trade, Africa produces almost 70% of Fair Trade export volumes and values.

Fair Trade certified tea, like its conventional counterpart, is primarily produced and processed by large enterprises. Fair Trade certification was initiated with progressive plantations which operated their own tea factories, sometimes purchasing additional supplies from small-scale producers (FAO, 2003). In this context Fair Trade ties are created with plantation and factory owners and only through the joint-body organization with field and factory workers. Although the certification of new varieties and the efforts of some buyers to favor small farmers have increased their participation, less than 5% of Fair Trade tea currently comes from small-scale producers (Dickinson and Khandelwal, 2008). In some regions large auction houses monopolize tea grading and sales, accentuating Fair Trade's challenge in building direct ties with producers (Dolan, 2007). Given their more recent entrance in international trade, specialty teas like Rooibos are typically not controlled by auction house intermediaries.

Almost half of all Fair Trade tea enterprises in Africa are located in Kenya, as noted in Table 2. The predominance of Kenyan producers in certified networks reflects this country's major role in the global tea trade and the historical importance of small-scale producers in this sector (Dolan, 2007). Tanzania and South Africa have the next largest number of FLO certified groups. Tanzania (like Malawi and Uganda) is another important world exporter of tea. Yet South Africa is not: it plays only a minor role in the conventional tea trade. The prominence of South African producers in certified tea networks reflects the recent boom in Fair Trade production in this country as well as rising consumer interest in specialty teas like Rooibos. In Kenya, Tanzania, and South Africa Fair Trade tea is produced by both smallholder cooperatives and plantations. South Africa has two smallholder tea cooperatives and four large tea estates currently certified by FLO.

The parameters of Fair Trade in South Africa have been fundamentally shaped by sharp racial inequalities in land ownership. Historically, commercial agriculture in the colonial and Apartheid eras was controlled by the white minority, limiting the number

Table 2
African Fair Trade certified tea production (2007).

Country	Producer organizations	Nature of producer enterprises
Kenya	16	Cooperatives and plantations
Tanzania	7	Mostly plantations, some cooperatives
South Africa	6	Mostly plantations, some cooperatives
Uganda	4	Cooperatives
Malawi	2	Cooperatives
Burkina Faso	1	Cooperative
Total	36	

Sources: FLO (2008b) and authors' research.

of black farmers.¹² To counter this legacy, the post-Apartheid government has instituted a series of policies to address racial disparities in access to land and other resources. Black Economic Empowerment policies promoting black ownership of shares in commercial enterprises have emerged as central to South African political discourse and practice (Ponte et al., 2007; Southall, 2004). The 2004 Agricultural Black Economic Empowerment (AGRI-BEE) program provides a major policy thrust for redressing rural racial inequalities, setting targets for augmenting black ownership, management, procurement, and capacity building (AgriBEE, 2005; Kupka, 2005).

Complementing government efforts, national and international NGOs have in the post-Apartheid period sought to support small-scale black farmers through a range of rural development efforts. European ATOs pursuing a solidarity agenda established direct market ties with small-scale black producers of Rooibos tea previously forced to sell to white merchants. In 2002, these tea producers became the first in South Africa to become Fair Trade certified. The Fair Trade concept spread quickly into the wine and temperate fruit sectors, sectors which are dominated by large white-owned estates that hire predominantly black workers (Fairtrade SA, 2008; Williams, 2005). Since existing Fair Trade standards were ill-suited to addressing inequalities in these estates, FLO standards for enterprises dependent on hired labor in South Africa were revised to incorporate AGRI-BEE requirements that black workers acquire a 25% share of certified enterprises, participate in management, and benefit from capacity building programs.¹³ Currently there are only 3 FLO certified organizations of black smallholders in South Africa, 2 producing Rooibos and the other raises on holdings of 3–4 hectares. In contrast there are 39 large-scale white-owned estates of 50–300 hectares, one of which produces Rooibos tea (Kruger and du Toit, 2007, p. 202).

Rooibos tea is grown exclusively in South Africa and racial inequalities in this sector are pronounced. Rooibos is indigenous to the arid Western Cape. Though wild Rooibos is characterized by low productivity, these plants produce high quality tea. Black farmers pushed off more fertile lands and excluded from more commercial crops have traditionally gathered wild Rooibos. With expanding markets, these tea plants are increasingly being cultivated, largely under the control of large white-owned enterprises. There are currently about 300 large commercial tea producers as well as numerous small-scale producers (de Lange, 2004). Harvesting of both wild and cultivated Rooibos is very labor intensive. Rooibos is processed to make a red caffeine-free tea that has traditionally been used for medicinal purposes in South Africa. Although Rooibos tea has until recently been consumed largely domestically, production and exports have expanded significantly

¹⁰ These three countries supplied 85% of all Fair Trade tea in the early 2000s (FAO, 2003).

¹¹ At the end of 2006, there were 79 FLO certified tea producer and export groups in Africa, Asia, and Latin America (FLO, 2008d).

¹² See footnote 1 for our understanding of black in the South African context.

¹³ Significant concerns were raised that existing FLO standards, designed for poorer countries, could be met by most firms in relatively well off South Africa, thus driving other countries out of Fair Trade markets and ignoring glaring South African inequalities (Kruger and du Toit, 2007; Kruger and Hamman, 2004).

with rising world demand (Wilson, 2005). Total national production now averages about 12,000 tons per year, half of which is destined for export.¹⁴ Rooibos distribution is highly concentrated, with one firm controlling 90% of domestic sales and 70% of exports (Binns et al., 2007, p. 340). There are currently two FLO certified associations of small-scale Rooibos producers, the Wupperthal and Heiveld cooperatives, as well as one large-scale enterprise, the Mouton Citrus Cedar Estates.

Wupperthal and Heiveld cooperatives are located in the Cederberg region of the Western Cape. Cooperative members are descended from the original inhabitants of the area and have harvested Rooibos for generations. These black farmers have long lived in poverty on the margins of society, eking out a living from gathering natural products, low productivity farming, and poorly paid agricultural employment (Department of Agriculture, 2005). Commercial agricultural markets in the region have traditionally been controlled by white middlemen paying notoriously low prices. In this context, the price small-scale Rooibos producers received for their harvest was so low it failed to even cover their direct costs (Heiveld, 2008a; Wupperthal, 2005). National and international NGOs have helped Wupperthal and Heiveld producers organize and develop Fair Trade ties to reduce their dependence on white merchants. With church, local NGO, and European ATO assistance, Wupperthal was the first to enter Fair Trade Rooibos markets in 1998 and acquired FLO certification in 2005. The Wupperthal cooperative now has 170 members and produces from 80 to 100 tons of Rooibos a year. The Heiveld cooperative was founded in 2000, with the assistance of two local NGOs, to help additional small growers access Fair Trade markets. Heiveld now has 42 members producing about 45–55 tons of Rooibos annually. Both cooperatives use traditional production techniques: wild Rooibos and small numbers of planted shrubs are cultivated without chemicals, harvested by hand, and left to rejuvenate between harvests. Wupperthal and Heiveld have acquired organic certification allowing them to sell dual, Fair Trade and organic, certified Rooibos tea (Heiveld, 2008a, 2008b; Wupperthal, 2005).¹⁵

Wupperthal and Heiveld members and their communities have benefited substantially from their participation in Fair Trade networks. The cooperatives are able to bypass traditionally powerful white intermediaries and sell directly to Fair Trade buyers, thereby receiving a substantially larger share of their product's value. As a Heiveld member recalls, "We didn't know much about business and marketing. You would just take your tea to a company and they would say 'it's this much per tonne', and you'd just have to accept it. You couldn't protest" (BBC, 2008). By switching from conventional to Fair Trade markets Heiveld producers have tripled their earnings, with Rooibos returns rising from US\$ 1.35 to 4.00 per kilo. Wupperthal producers have seen similar price increases though they have been spread over the past decade, with an initial price increase in the 1990s received from ATO buyers and then another rise with their FLO certification.¹⁶ In addition to higher prices, these cooperatives benefit from access to the FLO social premium (US\$.68 per kilo of processed tea in 2005). Wupperthal and Heiveld have used their social premiums to fund farm and processing improvements, local schools, and other community projects (Heiveld, 2008b; Wupperthal, 2005).¹⁷

The Wupperthal and Heiveld cooperatives have invested in Rooibos processing facilities to reduce production costs and increase their control over value-added activities previously dominated by white-owned enterprises. Both groups have over recent years been able to establish their own tea courts, where the harvested Rooibos is chopped, fermented, dried, and stored (Heiveld, 2008a; Wupperthal, 2005). As the Heiveld tea manager explains, in addition to cutting costs, this investment has empowered producers and their association (FLO, 2006, p. 17).

Having its own tea court has freed Heiveld from dependency, and has enabled the organisation to start creating the sort of infrastructure that it needs to maintain the high standards that we have established for our product. It has also contributed to the pride that members feel in the organisation.

Increasing the control of producers over value-added activities even further down the commodity chain, Wupperthal and Heiveld launched a tea packaging company in 2006, working in collaboration with an established Rooibos packaging firm. The resulting company, Fairpackers, is owned and operated by the cooperatives and the private investor, each of whom controls a one-third share.¹⁸ Fairpackers employs 10 people, largely women from producer communities. It has gained FLO certification and has recently built a new factory, increasing its ability to develop flavored blends and package tea to meet varied buyer specifications. Instead of shipping their tea in bulk and having it packaged outside the country, the cooperatives now export shelf-ready Rooibos.¹⁹ Wupperthal and Heiveld currently export their tea to six countries in Europe as well as the United States, Canada, and Japan (Equal Exchange, 2008b; Heiveld, 2008a).

The Wupperthal and Heiveld cooperatives' successful engagement in the production, processing, packaging, and exporting of their Rooibos tea challenges entrenched nationally and international inequalities. Nationally, the emergence of small-scale black farmer controlled Rooibos networks extending from cultivation to exporting represents a significant challenge to traditional white domination over commercial and export agriculture. Internationally, these Fair Trade commodity networks challenge conventional trade inequalities by fostering producer control, fairer prices, and direct trade links. Wupperthal and Heiveld cooperatives have successfully integrated further along the Rooibos chain, upgrading their product and their functional capacity and capturing the higher profits that accrue to processed goods. Yet these gains may be threatened by the entry of large-scale enterprises into the Fair Trade Rooibos sector.

Taking advantage of expanding markets, Cedar Estates, part of the Mouton Citrus group of companies, has over recent years begun producing certified Fair Trade Rooibos. Mouton Citrus is South Africa's largest citrus exporter and encompasses 4000 hectares in Citrusdal Valley, near the Cederberg Mountains. Cedar Estates produces organic and non-organic Rooibos which is sold nationally and internationally by Carmien Tea in bulk and packaged form.²⁰ In keeping with FLO requirements that plantation enterprises follow AGRI-BEE guidelines, in 2003 Mouton Citrus established the Cedar Estates Empowered Growth (EMGRO) share-equity scheme. The 236 black farm workers who participate in EMGRO have been granted an 11% share in the company and increased management responsibilities. Cedar Estates farm workers have benefitted from

¹⁴ Total Rooibos production has doubled over recent years and the share exported has risen from 30% to 50% (Wilson, 2005).

¹⁵ For more on the history and characteristics of the Wupperthal and Heiveld cooperatives see Binns et al. (2007) and Nel et al. (2007).

¹⁶ Between 2004 and 2005 Rooibos prices for Wupperthal members went up from US\$ \$3.80 to \$7.45 per kilo (SERRV, 2006).

¹⁷ The Heiveld cooperative constitution specifies that 30% of its profits will be used to benefit those disadvantaged on account of their gender or race (Heiveld, 2008b).

¹⁸ Members of the two cooperative have a 66% board representation and profit distribution share of Fairpackers, with the Golden Scarab Company holding the remainder.

¹⁹ See Heiveld (2008a,b) for a more on the implications of these changes for producers. Speaking to its success, Fairpackers is poised to launch a new logo and website.

²⁰ For more on Carmien Tea and Mouton Citrus see the company website (Carmien, 2008) and Department of Land Affairs evaluation (SA/DLA, nd).

their engagement in Fair Trade via the housing, healthcare, and educational programs funded by the FLO social premium. As shareholders, they also benefit from the 67% rise in company value experienced over the past four years.²¹

Despite these signs of success, the level of black empowerment and poverty reduction being achieved through AGRI-BEE based enterprises like Cedar Estates EMGRO and the appropriateness of their integration into Fair Trade is sharply debated. AGRI-BEE equity schemes are seen as a part of the post-Apartheid land reform effort, although land is not directly transferred to workers.²² In fact, analyzing the Cedar Estates equity program, the South African Department of Land Affairs (SA/DLA, nd) suggests that this initiative may have benefited the company more than workers.

While it is clear that the empowerment deal has benefited both parties, the benefits have been asymmetrical. Mouton Citrus has benefited by having an empowerment partner, gaining access to Khula finance at 4% below prime, getting preferential access to markets and securing the buy-in and commitment of workers through making them shareholders. Workers benefit by owning shares in a successful company. Their shareholdings have increased in value. However, this does not provide any immediate benefits as the company took a decision not to pay out dividends while it was in its new growth phase. In the interim, workers receive a 14th cheque equivalent to a month's salary.

Recent evidence from the wine sector on the limited gains workers have seen from share-equity programs bolsters concerns regarding the redistributive impacts of AGRI-BEE policies and ethically oriented initiatives like Fair Trade (Bek et al., 2007; du Toit et al., 2008). Uncertainties regarding the ability of share-equity schemes to address South African racial disparities raise serious questions about the acceptance of these enterprises into Fair Trade networks. In the Rooibos sector these concerns are accentuated since (unlike in wine) large enterprises compete directly with small farmer cooperatives. The recent gains made by Wupperthal and Heiveld producers appear to be seriously threatened in Fair Trade markets not just by Cedar Estates, but by the recent entry of four more FLO certified citrus and wine plantations into the Rooibos sector.

4. Fair Trade tea consumption and imports

Over recent years we have seen a striking differentiation of the global tea market. While sales of traditional tea, sold in black, green, and oolong preparations, have stagnated, the market for Rooibos and other specialty teas is booming across North America and Europe. Gourmet teas, tea shops, and tea houses form part of the rapidly expanding epicurean landscape. In contrast to coffee, the signature gourmet beverage, specialty tea consumption is driven as much by growing consumer health concerns as by expanding up-scale markets. The most rapidly rising sales are for teas claiming health benefits and many herbal and specialty teas are marketed as “functional” or “wellness” beverages. Rooibos sales are typically promoted with reference to the tea's caffeine-free nature and high antioxidant, vitamin, and mineral content. With specialty teas' rising popularity, Rooibos sales in the United States have quadrupled every year since 1999 (Herbal Teas International, 2008).

Tea is increasingly differentiated by the process by which it is produced as well as by the nature of the product itself. In tea, as

Table 3

Fair Trade certified tea sales volumes by country (metric tons).

	2002	2004	2006	% Increase 2004–2006
United Kingdom	806	1421	2839	100
United States	55	79	286	262
France	31	109	279	156
Germany	155	155	163	0
Ireland	1	37	90	143
Netherlands	67	57	57	0
Total ^a	1266	1965	3887	98

Source: Calculated based on data reported in FLO (2008b).

^a Total includes countries not listed here.

in other commodities, there are a growing number of corporate social responsibility and certification initiatives which address mounting public concerns over the social and ecological implications of their purchases. A set of large tea corporations have established the Ethical Tea Partnership to assure consumers that the plantations they source from do not violate local labor laws (Blowfield, 2004).²³ Focusing on ecological production criteria, organic certification has made substantial inroads in global tea markets (Reynolds, 2004). Fair Trade certification has become increasingly prevalent in tea, as well as other commodities, for guaranteeing adherence to social and environmental standards from field to cup.

Tea is a core Fair Trade commodity, forming the foundation along with coffee, cocoa, and bananas of the US\$ 2 billion certified market (FLO, 2007). Sales of Fair Trade tea have grown steadily over the past decade and even more rapidly over the past five years with the certification of Rooibos and other herbal teas. Fair Trade tea sales almost doubled between 2004 and 2006, rising in that period from about 2000 to 4000 tons as noted in Table 3. FLO certified tea was introduced first in Europe. The United Kingdom has led the market from the outset, with Fair Trade tea sales currently nearing 3000 tons per year. The Fair Trade distributor, Teadirect, is now the seventh largest UK tea vendor and the country's fastest growing tea brand (Cafédirect, 2007). Despite not being a traditional tea drinking country, the United States currently has the world's second largest certified tea market with sales of nearly 300 tons. Fair Trade tea consumption is growing faster in the United States than anywhere else in the world, almost tripling between 2004 and 2006.

TransFair USA, the FLO national initiative, introduced Fair Trade tea in 2001 soon after labeled coffee's successful launch. The US market for certified tea and other products is booming and 27% of American shoppers say they now recognize the TransFair logo (TransFair USA, 2007). Over the past few years Fair Trade tea has moved from the confines of ATO shops, food cooperatives, and university campuses into mainstream US retail venues. Though still not as widely available as certified coffee, major US supermarket and café chains now sell a selection of certified tea varieties and brands. TransFair USA has licensed 83 companies to distribute certified tea, including 52 branders and 31 importers (TransFair USA, 2007, p. 24). American tea drinkers are health conscious and 94% of Fair Trade tea is also organic certified (TransFair USA, 2007, p. 19). TransFair USA labeled tea is produced by 23 certified groups in 7 Asian and African countries.²⁴ As outlined in Table 4, India and China are the primary US suppliers, followed by South Africa which

²¹ Worker shares increased in value from R20,000 to R33,320 between 2002 and 2006, with EMGRO's total value rising R4.7 million to R7.9 million in this period (SA/DLA, nd).

²² Concerns about share equity schemes and Fair Trade fit into larger contemporary debates regarding South African land reform (see Ntsebeza and Hall, 2006; de Lange, 2004; Hall, 2004).

²³ The Ethical Tea Partnership, which is part of the UK based Ethical Trading Initiative, is not dealt with extensively here since it does not yet have a significant US market presence. Some large US Rooibos distributors participate in this initiative and at least one presents this engagement as a better alternative than engagement in Fair Trade (Metropolitan Tea, 2008).

²⁴ According to TransFair USA, the additional income accruing to tea producers from their US Fair Trade sales totaled almost US\$ 250,000 in 2006 (TransFair USA, 2007: 21).

Table 4
US Fair Trade certified tea sales by country of origin, 2006.

	Pounds	Percent of Total
India	311,050	49
China	148,935	24
South Africa	98,152	16
Sri Lanka	51,938	8
Egypt	14,447	2
Nepal	3258	1
Tanzania	2204	0
Total	629,984	100

Source: TransFair USA (2007, p. 22).

accounts for 16% of imports.

Fair Trade certified Rooibos tea was introduced in the United States in 2005, following its successful European market entry. In its first year US consumers purchased 26,854 pounds of Fair Trade Rooibos from South Africa; in 2006 sales volumes were up to 44,788 pounds (Spaull, 2007). Well established Fair Trade groups were the first to be licensed to distribute certified Rooibos, importing and selling the tea under their own brand names. By the end of 2006, there were six companies licensed by TransFair USA to distribute Rooibos tea in the United States (Spaull, 2007). As demonstrated below, these Rooibos distributors exhibit sharp variations in their Fair Trade commitment and engagement.²⁵

The US alternative trade organization SERRV (Sales Exchange for Refugee Rehabilitation and Vocation) is an important Rooibos importer. Founded in the 1940s, SERRV is a Fair Trade pioneer which helped develop the alternative trade model of paying favorable prices to disadvantaged producers and retailing directly to ethical consumers. SERRV distributes only fairly traded products, including handicrafts and some food items, like Rooibos tea. As a faith-based non-profit organization, SERRV is deeply committed to improving the living standards of impoverished producers. It also works to promote ethical purchasing by educating consumers about the people and places of production, featuring their Rooibos supplier, the Wupperthal cooperative, prominently in their catalog and newsletter (SERRV, 2006).

The largest US Fair Trade company, Equal Exchange, is also a key Rooibos distributor.²⁶ Two European Fair Trade companies, Alter Eco and TopQualiTea, have also recently begun distributing Rooibos in the United States. These companies sell only Fair Trade products, yet rather than retailing directly like alternative trade organizations, they primarily sell branded products through food cooperatives, natural food stores, tea houses, and some supermarkets. Most Fair Trade companies are organized as for profit entities, yet are structured to support fair relations within this business model, often via progressive shareholder programs. The Fair Trade beverage company Equal Exchange is a worker owned cooperative that supports egalitarian norms internally as well as in their trade partnerships with producer cooperatives.²⁷ Equal Exchange, as its name implies, is committed to challenging unfair trade practices and fosters public education through Fair Trade speaker and origin tours, informative packaging, and extensive web content. Company documents include analyses of the challenges faced by small-scale

²⁵ Phone (and in one case face to face) interviews were conducted with representatives of four out of six of these Fair Trade Rooibos distributors. The other two could not be contacted but can be fit into our analysis using their websites and other published information.

²⁶ Equal Exchange (founded in 1986) has annual sales of US\$ 24 million (Equal Exchange, 2007, p. 2).

²⁷ "Equal Exchange's mission is to build long-term trade partnerships that are economically just and environmentally sound, to foster mutually beneficial relations between farmers and consumers and to demonstrate, through our success, the contribution of worker cooperatives and Fair Trade to a more equitable, democratic, and sustainable world" (Equal Exchange, 2008a).

tea producers in South Africa, focusing specifically on the Wupperthal and Heiveld Rooibos cooperatives (Dickinson and Khandelwal, 2008; Equal Exchange, 2008b).

Qtrade, which forms part of a wave of recently established socially responsible companies, is another important US Rooibos distributor. Qtrade specializes in Fair Trade, organic, and biodynamic gourmet teas. It is the largest US organic tea importer and all teas are organic certified (Qtrade, 2008). Qtrade sees itself as a solid Fair Trade supporter. As a company representative suggests: "Qtrade has been a pioneer in the introduction of Fair Trade teas to the North American market, and continues to encourage suppliers to adopt Fair Trade principles and customers to demand and purchase Fair Trade teas." Yet the Fair Trade commitment of socially responsible companies, like Qtrade, is far weaker than that of alternative trade organizations and Fair Trade companies, as clearly evidenced by their sales of non-Fair Trade products. While Fair Trade may fit with their business culture, these companies are largely focused on meeting gourmet market norms. In describing their import strategy, the Qtrade representative speaks in one breath of their social commitment and their diversified sourcing designed "to ensure sustainability in supply and to have good product standards together with good food safety measures." Socially responsible companies are profit motivated corporations that do not alter their organizational structures to promote fairness or venture far into Fair Trade advocacy.²⁸

Fair Trade Rooibos is now also distributed by conventional corporations like Herbal Teas International. These corporations have little affinity with Fair Trade and sell FLO certified products as a way to profit from niche market growth. Herbal Teas International is the largest US distributor of Rooibos and other herbal teas—most of which are not Fair Trade certified—and supplies numerous brand-name companies. This corporation sells Fair Trade Rooibos along with other teas, treating certified tea as a minor product line. Herbal Teas International promotes Rooibos based on its health benefits and quality, not its Fair Trade sourcing. Emphasizing its market priorities, Herbal Teas International's website focuses primarily on its national distribution system which promises "consistent quality and prompt fulfillment of even the largest orders" (Herbal Teas International, 2008). For conventional corporations, Fair Trade is simply a label. They do not advocate Fair Trade or highlight their involvement, although these corporations may use their token engagement to ward off negative publicity.

Table 5 summarizes the characteristics of the four major types of US Rooibos distributors identified above. The sharpest divide is between mission-driven enterprises that are fully committed to Fair Trade, including alternative trade organizations and Fair Trade companies, and more market-driven enterprises that have partial or little Fair Trade commitment, including socially responsible companies and conventional corporations. For mission-driven enterprises, Fair Trade ideas and practices are integral to their entire business: they sell only Fair Trade products and seek to embody fairer practices within their organizations (e.g. operating as a non-profit or a worker cooperative). For market-driven enterprises, Fair Trade may fit with their business culture (as with socially responsible companies), but it does not fundamentally shape their corporate structure or define their product range. The divide between mission-driven and market-driven distributors is accentuated when we consider their Rooibos purchasing arrangements and producer ties.

Mission-driven distributors, like SERRV and Equal Exchange, buy all of their Rooibos tea from small producer cooperatives as part of their commitment to challenging global inequalities. As a

²⁸ Thus for example despite the Fair Trade commitment suggested by the Qtrade representative, there is nothing on their website advocating Fair Trade or supporting producers such as their Rooibos suppliers.

Table 5
US Fair Trade Rooibos distributor characteristics and trade relations.

	Business model	Fair Trade commitment	Purchase arrangements	Producer ties
Alternative trade organizations	Non-profit	Complete	Direct purchasing of packaged tea	Small farmer cooperatives
Fair Trade companies	For profit (most with progressive shareholding)	Complete	Direct purchasing of packaged tea	Small farmer cooperatives
Socially responsible companies	For profit	Partial	Wholesale purchasing of bulk tea	Small and large enterprises
Conventional corporations	For profit	Little	Wholesale purchasing of bulk tea	Large enterprises

Source: Authors' research.

SERRV representative explains:

The goal of SERRV International is to improve market opportunities for small farmers who otherwise would not have had access to guaranteed markets. As a non-profit organization, we view our role as an important player in ensuring that these marginalized farmers...get an important share of the US market and thereby...enhance development within countries of the South. SERRV has questioned why large plantations were certified...this has got potential to marginalize small scale farmers and leads to market absorption of Fair Trade. Our basic knowledge of South Africa is that the changes are happening slowly and that small producers require markets to survive.

An Equal Exchange representative echoes this sentiment, arguing for the need to address the legacy of discrimination in South Africa, provide market opportunities for black farmers, and counter the certification of Rooibos plantations.

Fair Trade is contradictory in South Africa given the little progress that has been made in transforming the ownership patterns in the countryside. Equal Exchange challenges the FLO approach of certifying large scale producers directly because it compromises the benefits for small scale farmers.

An alliance of Fair Trade brand distributors (including TopQualiTea), producers, and non-governmental organizations has recently launched the Trust Organic Small Farmers Alliance to try to institutionalize this preference for small farm production.²⁹

SERRV and Equal Exchange trade directly with Wupperthal and Heiveld cooperatives, buying Rooibos packed by their Fairpackers facility. These mission-driven distributors greatly increase returns to producers by eliminating intermediaries and purchasing pre-packaged Rooibos tea, allocating to the cooperatives the substantial profits traditionally reaped by tea brokers and packagers. In addition to commodity price benefits, these Rooibos buyers provide additional financial assistance. SERRV for example loaned Heiveld the money it needed to invest in Fairpackers (SERRV, 2008). Mission-driven buyers also give producer cooperatives substantial non-financial resources, including technical and market information, buyer contacts, training opportunities, and organizational support. In short these mission-driven distributors have created trade partnerships, not just buyer relations, with South African Rooibos producers.

Market-driven distributors, like Qtrade and Herbal Teas International, source their Fair Trade Rooibos, like their other teas, primarily from large plantations able to meet their quality and volume requirements. These buyers have no particular commitment to small farmers in South Africa and purchase Rooibos pro-

duced by Cedar Estates, sold via Carmien Tea, and by other large estates. Qtrade, as a socially responsible company, is concerned about general production conditions, as a company representative explains:

The production of tea remains a largely labor intensive endeavor that occurs in some of the more under-developed regions of the world. We have a deep and long standing commitment to initiatives that work to improve the living and working conditions of plantation workers in a dignifying manner.

Market-driven companies rely on FLO certification to assure ethical practices and are uninterested in developing more specific ethical sourcing arrangements. These distributors purchase from wholesale tea exporters, a conventional market strategy designed to guarantee buyers large stable supplies of uniform quality tea.³⁰ Herbal Teas International, for example, sources both its Fair Trade and non-Fair Trade Rooibos from South Africa's dominant Rooibos export firm (Herbal Teas International, 2008). Solidifying conventional market relations further, Qtrade and Herbal Teas International import tea in bulk thus retaining control over profitable blending and packaging activities. In sum these market-driven distributors appear in their Fair Trade supply relations to largely reproduce conventional commercial relations, with certified purchases differentiated largely by FLO mandated payments (including social premiums and credit advances).

5. Conclusions

This study demonstrates the utility of a commodity network approach in unraveling the divergent and multifaceted relations connecting South African Rooibos producers with American Fair Trade markets. The approach grows out of the global commodity/value chain tradition, yet highlights the importance of non-economic actors, practices, and ideas in shaping commodity relations through complex network interactions. Our findings support Gereffi's (1994) assertion that buyers drive supplier relations, but shows that firms do so in significantly different ways depending on their structural and normative orientations and work in tandem with non-governmental organizations and government agencies in shaping commodity relations. In Fair Trade networks, FLO certification and labeling bodies govern participation and production processes through buyer and supplier standards and audits, while social movement groups animate Fair Trade's mission and popular appeal. In South Africa, FLO rules enroll the state in determining the criteria for estate participation. This case thus illustrates how economic, social, and political actors may co-construct the symbolic and material features of commodities and exchange relations.

²⁹ Wupperthal and Fairpackers are founding members of the Trust Organic Small Farmer effort and though it is based largely in Europe, this initiative has just been introduced in the US market (TOSFA, 2008).

³⁰ There are currently three tea exporters in South Africa certified by FLO (FLO, 2008b).

Our analysis of Rooibos producers shows how Fair Trade engages black economic empowerment, land reform, and sustainable development issues in post-Apartheid South Africa. In the case of the Wupperthal and Heiveld cooperatives, Fair Trade has provided important opportunities for historically disadvantaged small-scale black producers to gain a foothold in export markets. Yet as Brown (2007:274) rightly argues, Fair Trade market access may not be sufficient to empower impoverished producers.

By selling their produce at a better price a number of small farmers in Africa and elsewhere have been helped to improve their living standards by their own efforts and without the indignity of charity. But how far has this really improved the bargaining position in world markets of these farmers or increased their share of the value added to their products after it leaves their farms?

The Rooibos case provides a model of how resources accessed through Fair Trade networks may be used to increase small farmers' control over value-added activities, in this example, through cooperative owned post-harvest processing facilities and, even more importantly, a tea packaging plant. Wupperthal and Heiveld farmers have integrated forward along the commodity circuit, becoming involved in more profitable processing, blending, packaging, and exporting activities previously dominated by large white-owned enterprises. Our findings lend support to the argument that upgrading may represent a critical avenue for farmers to better their conditions (Daviron and Ponte, 2005; Ponte, 2002; Talbot, 2002), particularly in Africa where producers are typically excluded from value-added activities (Gibbon and Ponte, 2005). In addition to the economic returns from upgrading, we argue that extending producer control from field to shelf-ready product represents a key form of empowerment, strengthening producer capacity and bargaining power in international markets.

Yet as this study demonstrates, small-scale Rooibos producer gains are being threatened by rising competition in Fair Trade markets from large estates with questionable social justice credentials. While FLO certification of large producers in South Africa requires adherence to AGRI-BEE policies, there is mounting evidence that these share-equity schemes are not significantly improving black worker ownership or control of rural enterprises. FLO's 2008 Rooibos pricing policies channel benefits to estate workers (rather than owners) by requiring that a third of the overall price (US\$ 1.57 out of US\$ 4.59) goes to the worker controlled social premium. Although this price structure may ensure Fair Trade's contribution to poverty alleviation in the estate sector, Fair Trade's empowerment agenda is less secure. As critics argue, government black economic empowerment policies need to be revamped if they are to effectively address South Africa's rural inequalities (du Toit et al., 2008; Ponte et al., 2007; Southall, 2007).

Our analysis of Rooibos buyers outlines the engagement of alternative trade organizations, Fair Trade brand companies, new socially responsible companies, and conventional corporations in US markets. As we demonstrate, these distributors operate at the nexus of two worlds: one oriented toward the social justice and development ethos of Fair Trade; the other oriented toward conventional commercial and market norms. The sharpest divide is between (1) mission-driven enterprises that are fully committed to Fair Trade, sell only Fair Trade products, and seek to embody fairer practices within their organizations and (2) market-driven enterprises that have partial or little Fair Trade commitment, sell Fair Trade products as part of a diversified product portfolio, and maintain a conventional corporate structure. Mission-driven buyers are committed to purchasing pre-packaged tea from small-scale growers and have created multifaceted partnerships with Rooibos cooperatives to facilitate producer upgrading and empowerment. These

activities align with the normative commitments of mission-driven firms and bolster the symbolic value of their company and products. Although distributors may manipulate the image of Fair Trade for their own ends, Rooibos cooperatives actively represent themselves—via their websites, in media forums, and through a new Trust Organic Small Farmers Alliance seal (TOSFA, 2008)—and retain some control over symbolic as well as material production. This study finds in contrast that market-driven Rooibos distributors pursue conventional sourcing strategies, purchasing bulk tea through export brokers that is produced mostly on large South African estates. In this case Fair Trade networks do not fundamentally transform international relations, but largely reproduce traditional inequalities which concentrate control and profits in the hands of American buyers and allied South African exporters.

Shifting our gaze beyond the particularities of this case, the tensions we identify between a radical and commercial orientation in Rooibos tea networks appears to in many ways mirror those in the broader Fair Trade movement (Reynolds, 2009). Mission-driven distributors and small-scale producer cooperatives appear to have forged Fair Trade networks that embody alternative norms, values, and institutions that provide a radical break from market conventions and offer important opportunities for producer upgrading. But market-driven distributors, working with exporters and large plantations are in many ways reproducing traditional market conventions and the exclusion of producers from profitable value-added activities. Our findings echo concerns raised by other recent studies that Fair Trade mainstreaming is working to undermine the movement's transformative potential (e.g. Low and Davenport, 2005; Moore et al., 2006; Reynolds et al., 2007). Yet the case of small-scale Fair Trade Rooibos networks suggests that more radical Fair Trade ventures animated by strong social and place-based commitments are also being devised. For Fair Trade to maintain its transformative potential these more radical initiatives must open up opportunities for producers to integrate up the commodity circuit, shortening the distance between producers and consumers.

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