

THE REALITIES OF UNFAIR TRADE – THE CASE OF A SMALL SCALE COTTON FARMER IN ZAMBIA

Imagine paying for your own education at age fifteen.

How? Becoming a cotton farmer, engaged in an out grower scheme with a Multi National Company and employing some helpers on the field.

What level of education?

Just sixth grade in primary school

And after working for a whole season your annual income, after paying off the loan for the cotton seeds, fertilizer and pesticides and settling your workers dues is ZMK 93 000

“At 15 years it was unimaginable for me to earn an income that would support my education and this was what startled me the most while in Chipata a border town in the eastern province of Zambia”.

Moses Mvula (picture below) is in grade six and uses the money he earns from cotton farming to support his education.



Moses Mvula being interviewed by Mutuna Chanda of QFM Radio – Lusaka Zambia (Picture by ODCMT)

But ZMK 93 000 is really nothing for the whole year.

The cotton prices during the last buying season (2004/2005) in Zambia were ranging from ZMK 800 to ZMK 1200 per kilogram.

Of these prices, Moses said he would like to see an increase in the cotton prices to get a more meaningful income for school support.

“ I would like to see higher cotton prices. My life depends on this income. This is where I get my school support from”.

Moses is just one of the many small-scale farmers who are crying about the low prices that cotton is fetching in Zambia.

“What is puzzling to most of them is that the production costs continue increasing year after year yet the returns are diminishing.”

Imagine that this year again after last farming season's poor run, Moses still returns to the cotton field because he has to continue with his education. For him this is a life and living worth pursuing.

And like him many are not letting go of cotton farming despite the low returns that it offers. *[Interview by Mutuna Chanda – Reporter, QFM Radio]*

Leonard Nyirenda (picture below), a cotton farmer of Chipata says both the cotton farmer on one hand and the Multi National Company must come out winners.



Leonard Nyirenda (middle) – Cotton farmer from Chipata, eastern province of Zambia (Picture by ODCMT)

In his words he put: “The Multi National Companies depend on us for the cotton and seed, we also depend on them for the incomes. If they were to shut down their operations in Zambia farmers would be affected. So we need to dialogue on the issue of cotton prices to ensure that both sides are happy”.

Leonard proposes a buying price of between ZMK 1500 to ZMK 1600 per kilogram. Other farmers still have problems with the system of the cotton trade.

[Interview by Mutuna Chanda – Reporter, QFM Radio]



Bright Chihana – Chipata cotton farmer, Eastern province of Zambia (picture by ODCMT)

Among them is Bright Chihana of Chipata who put it this way:

“What hurts me is that we are only told of the price of cotton after harvest”.

This leaves the farmers with little or no option because they have to sell the cotton anyway and cannot keep it. So they sell it whether or not at a loss.

[Interview by Mutuna Chanda – Reporter, QFM Radio]

James Mbewe (no picture) another farmer of Chipata speaks of the disparity between the employees of the multi national companies and the cotton farmers.

He said the workers of the Multi National Companies are earning in excess of ZMK 5 000 000 every year while cotton farmers do not even reach the ZMK 2 000 000 mark over the same period, when they are the ones who grow the cotton.

“Their workers are earning more than ZMK 5 000 000 every year while I as a farmer is not even earning close to ZMK 2 000 000 in a year. Is it worth continuing when I the producer is not gaining anything?” he wondered.

James in signing to the ‘Big Noise’ Campaign says the Zambian government should represent farmers for world leaders to act on improving the prices of cotton hence improving the living standards of farmers.

He proposed a buying price of ZMK 5 000 per kilogram.

[Interview by Mutuna Chanda – Reporter, QFM Radio]

Aaron Nkhoma (no picture) of Chipata said because of the low returns from cotton farming, farmers have no way out.

He said they keep going back to the same multi national companies under the same conditions of trade without graduating to a level where they would not get the seeds and fertilizer on loan.

And according to him, “ The Multi Ntaional Companies are exploiting us. This is another form of slavery”.

For Aaron, petitioning world leaders through the Oxfam led “Big Noise” Campaign is a way of ending the new form of slavery which would lead to farmers’ independence.

Also expressing similar sentiments was Petauke cotton farmer **Alick Phiri** who said, “ To me it’s just as though we are working for the Multi National Companies. The money I get from cotton farming does not even last my family and I three months”.



We work day in day out, hoping to lift ourselves out of poverty and hunger but at the end of it all we get literally nothing because of poor prices of cotton offered to us by multinational companies. We work like slaves or prisoner of the companies who are getting richer everyday. We are just being used as cheap labour!!!

(Picture from BBC Website)

Verinas Mwanza a thirty four year old female farmer of Chipata also has a similar position.

She said, “What I owed the Multi National Company last farming season exceeded what I earned after selling my produce owing to the low prices that they were offering”.

“ I was owing them ZMK 180 000 and I was only able to pay back ZMK 130 000. I still owe the company ZMK 50 000”.

She proposed a buying price of ZMK 5 000 as opposed to the ZMK 1 200 at the most that the Multi National Companies were offering.

Emerging from Eastern province tour together with the leading Zambian institution, Organisation Development and Community Management Trust (ODCMT), advancing the cause of better prices for cotton farmers was Singer *James ‘Chamanyazi’* who in his reflection of what he saw and heard said, “ I’m encouraged to champion the causes of farmers even more because they have told me their stories”.

“ I’m a bit hopeful and hopeless. I saw very sad sights and heard sad stories from people who have been spending a lot of time to produce cotton. But I hope that with the voice that the cotton farmers have raised through signatures, change will come”.

The “*Big Noise*” Campaign being executed by ODCMT in Zambia to me appears the cotton farmers’ lifeline.

Small-scale cotton farmers feel abandoned as there is no formal dialogue between them and the Multi National companies or the government and it is the “Big Noise” that only seems to create a way of airing their grievances.

However as a reporter, living to see and hear the experiences of the small-scale farmers what struck me the most was the moving spirit of resilience, hope and courage.

Seeing people not giving up despite the toughest of conditions told me that to them letting go on cotton farming was letting go on life. But life must be worth living and for that to happen for cotton farmers in Zambia a lot needs to change for the better and the World Trade Organisation (WTO) must not only hear their cries but act to improve things for them.



Mutuna Chanda-Reporter QFM Radio, Zambia

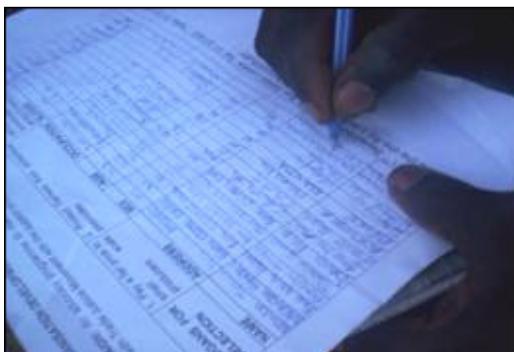
Mr. Zulu – Caretaker at Tikondane Community Centre. *(No picture)*

Qst: What do you know about cotton trade?

Answer: “I am not a cotton farmer but my children are. However, I know that they get seed, chemicals and fertilizer from companies like Dunavant and Clark on loan.

They have always said that there is a lot of exploitation in the business. My children have always complained about the low prices. The other problems they can say for themselves. That’s all I know. Sometimes I ask my children why they continued to be in the business”.

Qst: But why are you signing the petition?



Cotton farmer signing the petition.

Answer: “I am signing because it involves my children and I know how much they suffer. Sometimes I have to feed their children. That is a great concern for me”.

Ester Zulu Katete (no picture)

“I am very disappointed with the way the cotton business is being conducted in Zambia. My father is a cotton farmer and has been for more than 10 years but it is shocking to see how he looks. I have advised him to stop growing cotton but he seems too stubborn and says that at least there is ready market for the commodity despite the low prices and many other problems. Asked if she could state some of the problems that her father was referring to. Ester said she could not do that but she knew about the price and grading of cotton”.

Mrs. Tembo – Chairlady for women cotton growers (no picture)

She says that she is aware of the price problems in the cotton business. “I grow cotton but what really shocks me is that prices of many other things like fertilizers, chemicals and other inputs have increased but the cotton prices have always moved in the opposite direction- they are always going down. The other problem I see is the issue of grading and weighing of cotton. I personally do not trust the scales that these people use. I suspect that the scales are fine-tuned. I have no evidence but I am sure about what I am saying. Someone should investigate this. I don’t know, maybe it’s because of the agents who buy cotton on behalf of the companies. Anyway, the problems are many and they need the intervention of government”

Mrs. Tembo added to say that she was tired of seeing people who come and say they would help but go forever. “They are just making money on all the interviews. I am currently concentrating on the hunger situation but I am able to talk to you because of the respect I have for people and because I am a cotton grower. This hunger is here for a short period but the issue of cotton will continue to exist for as long as I grow my cotton. I have to also fight for a better share in the business”. “I hope your organisation will do more than this interview”.

“I have noticed that the situation is this way because there has been only one company dominating the industry. We need to see more companies coming up to the cotton business, otherwise we shall always cry foul. Farmers also are not organized. We have had situations where we agree not to sell the cotton to the company but you find that some of our friends would go ahead and sell the commodity at the same low price. This makes it difficult for us as farmers to have one voice. We need to one day see a situation where small-scale farmers get together and fight for what belongs to them on their own. Probably your organisation can help us come up with the grouping”.

“Because of these problems, I am signing this petition – I hope they will listen this time”!

Kagoro area villagers

Its paining us, especially that we are now hungry. If we had made enough money, maybe we could have bought food for ourselves. So let us find the solution now!! Why are the prices getting lower and lower every year? This campaign is good because it gives us chance to get involved. We have to get involved because if we do not, then we shall continue to face the hunger, which we are facing now. Lets not sit back because if we do which means we are killing ourselves.

It pains to grow cotton. The sprayers are very heavy and if you had to look at the backs of the people who lift these sprayers, then you will know what we mean. Look at our hands; we look like monkeys because of hard work – not only because of cotton but farming in general. Our message to the WTO is that please, here in Zambia, Africa, Asia and many other places around the globe, it is hurting us. We are waiting for your meeting and even if we are not going to follow up the talks but our ministers are representing us. These petitions are our voices and if you have ears then you must listen this time around. Americans and Europeans are not different from us all. Why should you always favour them? God will punish you for this!

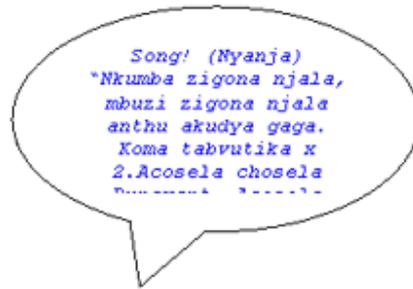
And for you ODCMT and Oxfam, how shall you ensure that the outcomes of this petition are known here? We hope you are not just like many others who have come and gone. You should show some action towards these issues.



*“Our cotton is pure and clean because we harvest it using our hands, but we get very little from its sales”!
(This is a cry of a small-scale farmer in Zambia and many other developing states)(Picture by ODCMT)*



*Harvesting cotton in the developed world is so easy because farmers are heavily subsidized! They can afford to buy or hire expensive equipment.
(Picture from BBC website)*



MASULANI SAKALA



Masulani says:

“I am hurt and that’s why I am singing this way”.

“I am hurt because last year I failed to pay back my loan in full and these guys ruthlessly came and got my blankets and goat. The blankets even smelled urine as kids were using them. They are really shameless!”

Mr. Sakala challenged the audience with the following questions:

“Do you have food in your Bans?”No!!!!

“Do you have money in your homes?” No!!!!

“I am hurt and it should also hurt you. Lets speak out now. Don’t keep quiet!”

Brown Banda – Teacher at Kagoro Basic School (no picture)

“I feel that school pupils should also be sensitized about these issues so that the message can grow in them. This will help them understand these issues well unlike the way it is now. Some people are finding it hard to relate to these issues because the issues are new to them. The World Trade Organisation is a new thing to them because they are hearing about it for the first time. They cannot easily relate or link the effects of unfair trade rules

to them because they simply do not know how. I understand because I listen to BBC and I have heard of the issues of subsidies, though not fully. I need to learn more about them; probably you could help me understand”.

The “*Big Noise*” team had a meeting with the Katete District Commissioner (*Mr. David Phiri*). The DC expressed his happiness at the coming of the team.

He mentioned that a lot Zambia’s cotton is grown in the eastern province. His said he was happy with the efforts being made by the cotton companies in trying to help small-scale farmers through the out grower schemes.

“ I am particularly happy with the coming of cotton companies in my district. They have created ready market for cotton and they help the small farmers through the provision of inputs. This is great and I am happy about it. I would not be happy to see farmers shift to other crops just because of some problems in the industry. I feel that these problems can be resolved so that at the end of the day both a farmer and the company get a fair deal”.

“I would like to urge everyone in my district to engage in at least one agricultural activity because agriculture is at the centre of development”.

“I support the campaign because it fits in very well as the whole country is fighting for fair trade and because it is within the rights of the people. Farming should be taken as a business and in business everyone should make some profit if they have to remain in business. I am also engaged in agriculture and this is why I feel I should sign this petition. When a farmer produces they should be able to sale their products at the right price.



James “Chamanyazi” Ngoma – Zambian musician

“Chamanyazi” talks to the Katete District Commissioner

“Thank you very much for allowing us to meet you and your people in Katete. We would have been grateful if we had had chance to meet his royal highness *Chief Mba’ngombe*. I feel that we need to see a situation one day where a farmer will be able to determine the price of his/ her produce- like our friends in the western world”.



Henry Malumo – Global Call Against Poverty (GCAP) Zambia Coordinator

“We as Global Call Against Poverty (GCAP) support the Organisation Development and Community Management Trust (ODCMT) and others who are working hard to fight for fair trade. GCAP links its efforts with the Make Trade Fair campaign because trade is key for poverty reduction”.

Kalimila Mbeba Zulu (no picture)

Farmer – Chief Mukanda area Eastern province of Zambia

“We have educated you through the money we make out of farming. We grow maize, Groundnuts and other crops but this cotton business is something else. It is good in its own way as it provides ready market for the commodity but really it is painful. These children you are seeing know how hard the cotton field is. We sometimes sell our chickens, goats and pigs for us to just find money to pay the people who weed and harvest the cotton”.

“You are our children and you should really mean to help us because if you don’t then you are killing us further”.

“I do not know how to write, how do I sign this petition? If you have inkpads then I can use my thumbprint to sign up”.

He signed by thumbprint.



Mr. Aaron Moza – Cotton farmer in Petauke

“We have a lot of problems with these cotton companies. They tell us that cotton prices are determined somewhere else but we do not believe them because we are not there. They do not even tell us how the prices are determined”

Qst: But why do you still get the loan from them and grow cotton?

Answer: The simple reason is that we are suffering. We need cash for our daily needs. You know that!

What price would you propose?

“At least if they could give us K2500 per Kg and not the K1200 they gave us last season”.



Mr. Lovemore Zulu – Petauke cotton farmer

“The problems are the same ones my friends have said already, but I am just here to send the message to the president of this country **Mr. Levy Patrick Mwanawasa**. “ Him and his ministers and able to talk because they can eat and get satisfied” “Therefore, they should ensure that we also have a share of wealth of the nation”

“We want to see the flow of business where both the buyer and seller are able to make a profit. Otherwise if the situation remains the way it is, we shall continue to move with poverty. That’s my message to the president”.

Do you have an idea of the World Trade Organisation?

“I know that they control world trade but the issue now is on the local market and not the world market. We have been told by the buyers of cotton that the people at the world market determine the prices but I feel that we still have to do much here. The cotton that these people buy from us contains seed but what they export doesn’t have seed. I have just learnt that in fact seed makes more money than tonje (lint). When these people are buying cotton from us they buy seed and lint together as one product when they know that they are going to come up with two or three products. They make too much money out of it. I am told they make cooking oil and animal feed out of the seed. So probably we even eat the same oil. This is not fair and I would like to urge government to come in and sort out these issues. They should, if possible introduce machines that will separate the

seed and lint before farmers can sell it to the companies. If they make oil out of the seed, then we should be able to sell it easily because I know that there are many companies that make cooking oil. The lint part is kind of difficult because there are few companies that buy it. Or even better we can be making cooking oil ourselves if government or any genuine investor could put money in it”.

What price would you suggest?

“They should increase the price to K10 000 or more. I know its too much but because I don’t know much about the prices. That would be my proposal because I am now looking at how much I have sacrificed in this cotton business. I believe the K 10 000.00 will be my compensation for all the loses I have suffered”

John Malanda – cotton farmer in Nyampande Settlement scheme, Petauke



Hands of Mr. John Malanda – a cotton grower in Petauke (Eastern province of Zambia)

“Look at my hands and you will be able to know that we are working hard here. Cotton farming is really hard and involving but look at what we get out of it! These people are really cruel because they don’t want to listen. I grow cotton because I am able to sell after harvest, but I am hurt because I have to always cry when selling it”.

“So please tell these people that we are not happy and they should at least listen to us. You can see, last season we did not have good rains and there is real hunger in the villages. I wish this show had been held in the villages, that way you could have seen how much we are suffering. If I had sold my cotton at a good price, I could be able to buy mealie meal from town because that’s where food is found now! It’s almost December now and you can see how dry it is. And if we do not have good rains this time then we expect no food, more people dying and all sorts of problems”.

“We want to grow this crop; we can’t stop because we need money. What we want is only a slight change in price, say a K2500 per Kg”.



Ms. Irene Banda –Executive Director of ODCMT

Message from ODCMT

“What we are calling for is simple! We want the multinational companies to make profits but we do not want the small-scale cotton growers to loose out. Let the small-scale farmers get a fair deal for their sweat. A win! Win! situation will work for a farmer. What they are asking for actually is very little and we feel that if it is given to them, it will make a great difference,” They are generally asking for \$0.4. We strongly believe that “Fair Trade Must Start At Home”! Also tobacco farmers have expressed similar dissatisfaction at the way business is conducted. They are also crying for better prices. It is important that Farmers’ labour also be quantified into monetary terms determine the profitability of their agricultural businesses. This is not happening now and it’s the reason why ODCMT feels that farmers are just used as cheap labour.



ODCMT Campaign team



Mr. Dipak Patel – Minister of Commerce Trade and Industry.

Farmers expected the government to effectively represent small-scale farmers at the World Trade Organisation summit if things are to start changing.



[Farmers from Petauke – Eastern province of Zambia]

“Multinational companies always exploit us because there is no one to represent us. We grow our cotton but we can not wear it!!!!”

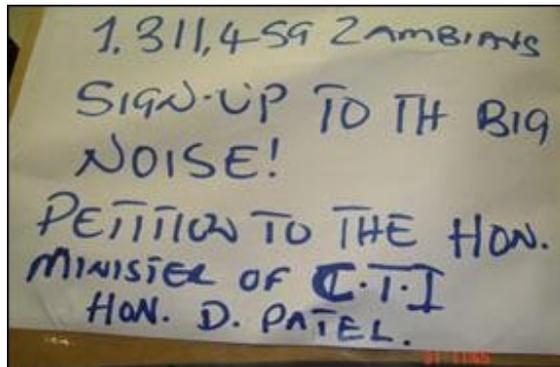
The minister of Commerce Trade and Industry, Mr. Dipak Patel was however pessimistic about the outcomes of the Hong Kong WTO ministerial.

He also says: “the multinationals are using the monopoly ruthlessly We are trying to talk to them but they are always threatening that they are ready to pull out if government is going to push them”. The minister also alluded to the fact that Zambia was too fast in its Privatisation and Liberalisation processes and this has made it difficult for government to intervene in issues to do with prices. And when asked what he preferred between fair trade and free trade, his response was “I prefer fair trade.” .

***Multinational companies threaten to close down because of the appreciation of the
Zambian Kwacha against the US dollar.***

Some multinational cotton companies in Zambia have threatened to quit their cotton business if the Kwacha continued to appreciate against the US dollar. Dunavant, the largest cotton buyers in the country says that the appreciation of the Kwacha would affect the cotton business negatively because the company would incur losses on exports and that this would also affect the prices of seed cotton. This means that Dunavant will offer even lower prices to small-scale farmers. Prices of seed cotton are expected to drastically drop from K1200 per Kg (2004/2005) to about K700 per Kg (2005/2006). This is almost half way reduction in the income of a poor farmer who will be hit the most in this game because the costs of inputs have not reduced even after the appreciation of the Kwacha. It is sad that the companies would threaten to close down when the small-scale farmers have for years sacrificed to work for almost nothing. Farmers are not even aware of the expected lower prices for the next selling season because prices are unveiled to them during the selling period. One would not want to imagine what would happen to the affected farmer. According to Richard Larkin, Chairman of Dunavant Cotton Zambia, the company would stop supporting up to 300 000 farmers. “If this

exchange rate prevails into February, Dunavant would be forced to cease trading as it would be unable to secure seasonal banking facilities used to purchase seed cotton crop from the farmers- we support up to 300 000 farmers who in turn support about 1.2 million people”. (IRIN)



Petitions presented to the minister of Commerce Trade and industry

Who has joined the Campaign?

More than 1.3 million Zambians signed the petition against unfair trade and the petition was symbolically presented to the Minister of Commerce Trade Industry, Mr. Dipak Patel.

The Organisation Development and Community Management Trust (ODCMT) also participated in the 2005 Hong Kong WTO meeting and are yet to make a position on the outcomes of the meeting, as a report back to the small-scale cotton farmers who signed up the petition.



Compiled by Daka Jimmy Zindikilani – ODCMT