

Chapter 17

Eco-labels for Cut Flowers

Concern about environmental and labour conditions in developing-country flower-export sectors led environment and human rights groups to seek to establish a private eco-labelling scheme for cut flowers. While some countries have responded positively, Colombia, a major producer of cut flowers, did not, and has established its own flower-exporting association. The dialogue remains open.

Introduction

World trade in cut flowers is worth USD 6 billion a year. The Netherlands, which accounts for almost 60% of world trade, is by far the leading exporter. Behind it, however, follow a number of developing countries, including Colombia (with 10% of the global market), Ecuador, India, Israel, Kenya, Tanzania, Thailand and Zimbabwe.

Cut flowers are Colombia's third most important agricultural export crop, after coffee and bananas. The industry supports some 75 000 jobs directly, and another 50 000 in related industries. In 2000 cut flowers generated USD 580 million in export earnings for the country. In value terms, 84% of these exports went to the United States, and 10% to the EU, a share that has been declining since the mid-1990s, when it was frequently 15% or more.

In the early 1990s, several European non-profit organisations, including environmental and human-rights groups, began campaigning against what they saw as unacceptable labour and environmental conditions in the African and Latin American flower-export industries. As part of this campaign, several labelling programmes were created in European countries, most of them intended to raise environmental and social standards in developing countries. However, developing countries had significant concerns about possible trade effects and complained about loss of access to OECD markets. Colombia initiated a debate about private eco-labelling schemes in the context of the Technical Barriers to Trade (TBT) Agreement. The lower prestige of Colombian flowers affected sales to Europe, at least initially. However, foreign pressure, coupled with the work of Colombian activists, spurred Colombian flower producers to adopt their own environmental programme and to implement other changes in the industry.

Development of the measure

The environmental and social impacts of flower production can be considerable. They include groundwater contamination resulting from excessive application of agrochemicals and health effects stemming from inadequate protection of workers who handle dangerous chemicals. Some countries have also used pesticides that are banned for safety or health reasons in OECD countries.¹ Conditions in the cut-flower industries of Latin American countries began to attract attention in OECD countries during the late 1980s, particularly following the release in 1988 of the award-winning documentary, *Amor, Mujeres y Flores* (Love, Women and Flowers), which focuses on the conditions of women working in Colombia's flower industry. One allegation made in the film was that female workers were being exposed to pesticides without respiratory protection and appropriate protective clothing.

In 1991, concerned about worker conditions in developing countries where flowers for the cut-flower market were being grown, a group of German human rights and church organisations, including FIAN (Food-First Action and Information Network), *Brot für die Welt* (Bread for the World) and *Terre des Hommes*, formed the Flower Campaign "improve working conditions for workers in the flower industry and to stimulate sustainable production of cut flowers" (www.bothends.org/strategic/folderbloemen). Among other activities, the Campaign created a newsletter, *Blumen-Zeitung* (Flower

1. Many developing countries have long had laws in place to control or regulate the use of pesticides and to protect the workers who apply them, but enforcement often is lax.

News), which drew attention to environmental problems and social conflicts in flower-exporting countries. In order to support foreign flower workers in their attempts to improve wages, worker safety and general working conditions, the Campaign began urging German importers to deal only with “clean” flower growers and exporters (Wijk, 1994).

In 1994 FIAN joined together with the German Flower Wholesale and Import Trade Association (BGI) to discuss appropriate social and environmental criteria for flower growing. The BGI subsequently sat down with representatives of Expoflores, the Ecuadorian Flower Growers’ and Exporters’ Association, to develop a mutually acceptable eco-labelling scheme. The scheme demands compliance with over 60 social and environmental criteria relating to pesticide and fertiliser use, health and safety measures, and general working conditions (Greiner, 1998a, 1998b). Some 35 producers in Ecuador signed up to participate in the scheme, and the first flowers under this label were then exported from Ecuador to Germany. Certification and monitoring is conducted by a German consultant company, Agra Control GmbH. The certification costs of DEM 3 000 to DEM 10 000, depending on the size of the enterprise, are covered by the producers.

The BGI also approached the larger of Colombia’s flower-exporting associations, Asocolflores,² with a proposal to establish a separate programme called the “Colombia Flower Declaration”. The idea was that cut flower companies wanting to export to Germany would sign the declaration in order to be placed on a “white list”. In signing, companies would declare that they would comply strictly with all Colombian laws and norms concerning labour regulations, agrochemical use and handling, and environmental and natural resources preservation (Wijk, 1994). The companies would also consent to having their compliance checked by a commission comprised of both Colombian and German experts. Despite the risk of losing access to the European market, Asocolflores decided not to subscribe to the programme, echoing the Colombian Government’s position that doing so would be “an act against national sovereignty”. BGI then approached Asocolflores and encouraged it to participate in the Flower Campaign’s established “Flower Label Programme”. Asocolflores again declined.³

At around the same time, in the Netherlands, the *Stichting Milieukeur* (Environmental Choice Foundation) began developing environmental criteria for labelling agricultural products, including flowers. The criteria for the *Milieukeur* (MPS) label were determined solely by domestic interests and are meant to assure consumers that the products are considerably less damaging to the environment than those produced using conventional methods. Only limited and selective use of chemicals and artificial fertilisers is permitted for cultivation of MPS-labelled flowers. After initial difficulties, growers in Zimbabwe, Kenya, Tanzania and Israel were eventually able to obtain the label.

Since opening the scheme to developing countries, the *Stichting Milieukeur* has perceived a need to include social and energy-efficiency criteria. Its energy component takes into account the energy used in transporting flowers from the developing countries to the Netherlands, which is compared with the energy used to grow flowers in heated glasshouses in the Netherlands; the energy consumed per flower is about comparable.

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2. Asocolflores represents mainly the larger exporters; Fedeflores represents mostly small- and medium-scale Colombian-owned growers.
 3. A group of Colombian flower growers began investigating the possibility of developing their own labelling scheme, which would have been called Ecoflor; they discontinued dialogue with the Flower Campaign once Asocolflores made them the basis for the “Florverde” programme.

Foreign producers generally consider these energy-efficiency criteria unfair, as they negate any climatic advantage they would otherwise enjoy (Verbruggen *et al.*, 1997).⁴

Trade issues and developing-country responses

Several developing countries have responded positively to the European eco-labelling schemes. Already, around 50 flower farms in Ecuador, Kenya, Tanzania and Zimbabwe now participate in the Flower Label Programme (FLP) and meet its environmental and social standards. Several others (among them Sri Lanka, Tanzania, Uganda and Zambia) have signalled interest.

Asocolflores, backed by the Colombian government, has so far resisted all overtures to participate in these schemes. Instead, in 1995 it decided to develop its own campaign, in part to counter the negative reputation created by the developed country campaigns (Colombia, 1998). The programme, called Florverde (Green Flower), is not, strictly speaking, a labelling programme but a systematic and comprehensive programme for developing an effective environmental management system.

The Florverde programme aims primarily at reducing the use of agrochemicals, water and energy; improving waste management; and improving human resource management. It encourages the proper training of workers, environmental research projects, agreements on clean production and application of the Environmental Conduct and Social Welfare Code. Currently, more than 150 companies participate in the programme. They cover about 2 700 hectares (over half of the cultivated area) and have almost 39 000 employees.

The Florverde programme is voluntary and based on the principle of self-management. No external auditors are involved, though an auditor from the Environmental Office of Asocolflores verifies each company's data. The audited companies are then classified, and a benchmark is set in order to motivate competition for improvement. The Florverde programme comprises the following five instruments (Colombia, 1998; Asocolflores, 1999):

- *An environmental management system.* This system entails i) an initial review or diagnosis; ii) elaboration of a plan of action; and iii) a follow-up of the commitments undertaken therein. When a company adopts an environmental management system it has to examine its own production processes and identify obsolete practices and technologies that may contribute to higher costs.
- *A registration system.* This system collects, stores and disseminates performance indicators relating to soils, water, phytosanitary inputs, energy, wastes and human resource management. The participating companies are classified into categories A, B or C, according to their performance indicators. Category A groups the top 20% of the best-performing companies and establishes the benchmark for the following three years. During this period, the companies submit their own progress reports and receive progress reports from others, so that each can compare its performance with others. After three years, a new benchmark is established.

4. Two other programmes were launched in the Netherlands in 1993, one by Flower Auction Holland and the other by Flower Auction Aalsmeer. However, these labelling programmes have gained only minor importance in the flower market since their introduction, and no developing countries participate in them. According to Verbruggen *et al.* (1997) they aim primarily at protecting domestic flower growers.

- *Case studies.* These describe specific best-practice cases in which a company has successfully implemented desirable practices with environmental and economic benefits. The exchange of case studies and experiences fosters and speeds up the adoption of environmentally friendly and economically viable technologies.
- *A Best Practices Handbook.* This handbook provides environmental and social guidelines for flower growers and contains information on legal specifications and best practices and a checklist for each topic. It is updated periodically, based on discussions held by specialised working teams.
- *Regional committees.* These are set up for discussing regional environmental matters and for sharing experiences so as to identify the most eco-efficient solutions.

Florverde has reported some positive results from the programme. They report, for example, that the use of pesticides (measured in terms of active ingredients) has declined to 115 kg/ha; the Flower Campaign, citing other sources, refutes this number, however (Brassel and Rangel, 2001). So far, the programme remains off limits to international scrutiny.

The critical light shone on the Colombian flower industry by overseas NGOs took a toll, however. While Colombia's global flower exports were on an upward trend between 1992 and 1996, exports to Germany declined markedly. Among the possible causes Colombia gives for this outcome was "the proliferation of unjustified environmental labels and campaigns" aimed at Colombian flowers. In an attempt to spark an international debate on the issue, in March 1998, the Colombian government submitted a paper to the WTO Committee on Trade and Environment (CTE) and the Committee on Technical Barriers to Trade (Colombia, 1998) setting out its concerns relating to the various European eco-labelling schemes for flowers. Colombia asserted that eco-labelling initiatives had negatively affected its exports because, in Colombia's view, the criteria for participating in the labelling schemes were not adequately transparent. Colombia gave several examples from the Flower Campaign's FLP:

- "Only active pesticide ingredients registered in countries with stringent registration laws may be used. Registration procedures in force in the country where the company is located will be given due consideration at the time of evaluation." The Colombian document asks: "What is meant by stringent registration laws? How objective is that criterion?"
- "Products with toxicological classification (1a) Extremely Toxic and (1b) Highly Toxic, according to the WHO toxicological classification, should only be used in duly justified cases of extreme necessity." The Colombian document asks: "What is meant by extreme necessity? How is it defined? That would surely depend on each cultivation and its specific circumstances."
- "Only biodegradable products may be used for post-harvest treatments." The Colombian document asserts: "No alternative biodegradable products for this type of treatment are as yet commercially available to producers who need to export their products over great distances."
- The scheme was being applied in a discriminatory manner. For example, the first eco-labelling scheme developed by German importers was aimed solely at Colombia.

- The labelling scheme proposed by the BGI in particular was coercive and not voluntary. Anyone who did not accept the scheme was subject to negative pressure from the Flower Campaign.
- Compliance with the criteria would have been very costly. Colombia estimated that it would cost a grower a minimum of USD 2 500 to defray the expenses arising from the annual verification visit, plus USD 1 for each label affixed to a box of exported flowers. In other words, if 20 000 boxes of flowers are sold per year, that would imply USD 20 000 in addition to the USD 2 500 in verification expenses.
- To be able to export to different countries in Europe, the producers would have had to meet different criteria for different labelling programmes. There are no international standards for eco-labels applied to flowers, and those that exist are not harmonised.
- A foreign committee would have been responsible for verifying compliance with Colombian environmental regulations. The Colombian government considered such an arrangement “inadmissible”, as that task fell within its exclusive competence.

Colombia was particularly concerned about the risk that private organisations “with no qualification as international certifiers and without being subject to any kind of international standards”, would be in a position to issue environmental product labels. To drive this point home, Colombia concluded with a reminder to other WTO members of the relevance of the TBT Agreement’s Code of Good Practice in this matter:

... it is of capital importance for the Code of Good Practice for the Preparation, Adoption and Application of Standards of the Agreement on Technical Barriers to Trade to be applied to voluntary eco-labels. ... It is clear that if a private, recognised institution approves a document containing rules, guidelines or specifications on products or the related production processes and methods, intended for generalised and repeated albeit optional use, it is subject to the provisions of the Code.

Responses to developing-country concerns

Responses to Colombia’s concerns have been mixed. Unable to reach a deal with Asocolflores, the BGI agreed to help create an office of the Colombia Flower Council in Germany in order to promote local consumption of Colombian flowers.

Meanwhile, the Flower Campaign’s interest in Colombia increased. It began collaborating with an organisation of female Colombian flower workers, Cactus (Colombia, 1998). It also entered into a dialogue with flower importers, florists, human rights organisations and trade unions in an effort both to improve the transparency of its FLP and its acceptability to various stakeholders, including foreign growers. The new structure and labelling criteria, based on an International Code of Conduct for the Production of Cut Flowers (ICC),⁵ were announced in May 1999, coinciding with the unveiling of a new label, “flowers from humane and environmentally careful production” (Brassel and Rangel, 2001). Since then, one flower exporter in Colombia that is a member of Asocolflores (Inversiones Morcote S.A.) has agreed to join the FLP, even though

5. The ICC is based on the Universal Declaration of Human Rights, relevant International Labour Organisation (ILO) conventions and “basic environmental standards”, as well as on the information gathered in the course of the Campaign’s work with partners in both Germany and the exporting countries.

Asocolflores itself has chosen to stay out of the programme. (The other 60 FLP-certified farms are in Ecuador, Kenya, Tanzania, Zimbabwe and Portugal.)

Although the Flower Campaign's FLP does not directly involve intervention by government regulators, it has been able to obtain a small amount of project assistance from Germany's GTZ (*Gesellschaft für Technische Zusammenarbeit* or Agency for Technical Co-operation). The BMZ created a public-private partnership, which was carried out in co-operation with the GTZ. In the context of this partnership, the FLP received both technical support (*e.g.* in Zimbabwe and Kenya) and financial support to help establish the labelling programme in Germany.

Concluding observations

This case study demonstrates that private eco-labelling schemes, because they are voluntary, can be used effectively to bring about changes in production methods. However, private schemes should not assume that all foreign producers, much less their governments, will be willing to participate in them. By maintaining transparency and encouraging dialogue, however, common ground can often be found.

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Acronyms

APHIS	Animal and Plant Health Inspection Service (US)
AQIS	Australian Quarantine and Inspection Service
ASEAN	Association of South-East Asian Nations
BAuA	Federal Institute for Occupational Safety and Health (Germany)
BGA	Federal Health Office (Germany)
BMZ	Ministry of Economic Co-operation and Development (Germany)
CAA	Clean Air Act (US)
CASCO	Committee on Conformity Assessment (ISO)
CBI	Centre for the Promotion of Imports from Developing Countries (Netherlands)
CFC	Common Fund for Commodities
CFC	Chlorofluorocarbons
COLEACP	Europe-Africa-Caribbean-Pacific Liaison Committee
CREM	Consultancy and Research for Environmental Management (Netherlands)
CsC	Commonwealth Science Council
CSE	Centre for Science and Environment (India)
CTE	Committee on Trade and Environment (WTO)
CTF	Consultative Task Force (UNCTAD)
DSB	durian seed borer
EEA	European Economic Area
EFTA	European Free Trade Association
EIA	environmental impact assessment
EPA	Environmental Protection Agency (US)
EPE	European Partners for the Environment
ESA	Endangered Species Act (US)
FAO	Food and Agriculture Organization (UN)
FDA	Food and Drug Administration (US)
FDI	foreign direct investment
FSC	Forest Stewardship Council
GAA	Global Aquaculture Alliance
GATS	General Agreement on Trade in Services

GATT	General Agreement on Tariffs and Trade
GTZ	Agency for Technical Co-operation (Germany)
HACCP	Hazard Analysis and Critical Control Point
IAF	International Accreditation Forum
ICSF	International Collective in Support of Fishworkers
IDM	integrated disease management
IFC	International Finance Corporation
IFCO	International Fruit Container Organisation
IFOAM	International Federation of Organic Agricultural Movements
IGEP	Indo-German Export Promotion Project
IGG	Intergovernmental Group on Tea (FAO)
IGO	intergovernmental organisation
IIED	International Institute for Environment and Development
ILAC	International Laboratory Accreditation Cooperation
ILO	International Labour Organization
IOAS	International Organic Accreditation Service
IPCS	International Programme on Chemical Safety
IPM	integrated pest management
IPPC	integrated pollution prevention and control
IRA	import risk analysis
ISEAL	International Social and Environmental Accreditation and Labelling Alliance
ISO	International Organization for Standardization
ITF	International Task Force on Harmonisation and Equivalence in Organic Agriculture
ITTO	International Tropical Timber Organization
IUC	International Union Chemical testing
JAS	Japan Agriculture Standards
JETRO	Japan External Trade Organization
JWPTE	Joint Working Party on Trade and Environment (OECD)
LDC	least-developed country
LOD	lower limit of analytical determination (or limit of detection)
MAFF	Ministry of Agriculture, Forestry and Fisheries (Japan)
MAP	Mangrove Action Project
MEA	multilateral environmental agreement
MLV	maximum limit value
MRA	mutual recognition agreement
MRL	maximum residue limit

MSC	Marine Stewardship Council
NGO	non-governmental organisation
NMFS	National Marine Fisheries Service (US)
NOP	National Organic Program (US)
NOSB	National Organic Standards Board (US)
NTAE	non-traditional agricultural export
ODS	ozone-depleting substance
OFPA	Organic Foods Production Act (US)
PCP	pentachlorophenol
ppm	parts per million
PVC	polyvinyl chloride
RCO	Registered Certification Organisation (Japan)
RFCOs	Registered Foreign Certification Organisations (Japan)
RIA	regulatory impact analysis
SCS	Scientific Certification Systems, Inc.
SGS	Société Générale de Surveillance S.A.
SMEs	small and medium-sized enterprises
SPS	(WTO Agreement on) Sanitary and Phytosanitary Measures
STIC	Sustainable Trade and Innovation Centre
TBT	(WTO Agreement on) Technical Barriers to Trade
TEAP	Technology and Economic Assessment Panel (UNEP)
TED	turtle-excluder device
UNCED	United Nations Conference on Environment and Development
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNIDO	United Nations Industrial Development Organization
USAID	US Agency for International Development
USDA	US Department of Agriculture
VOC	volatile organic compound
WHO	World Health Organization
WSSD	World Summit on Sustainable Development
WTO	World Trade Organization
WTTC	World Travel and Tourism Council

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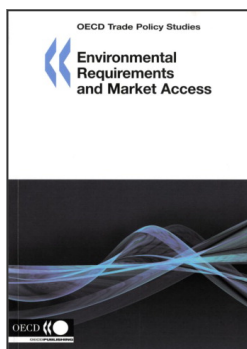
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