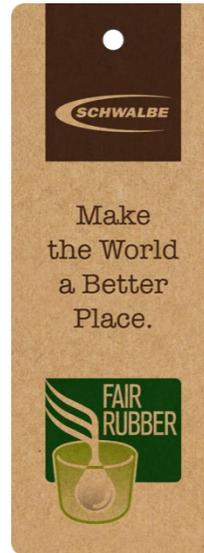




World market prices for rubber are below production costs. Via Fair Rubber, the small farm cooperative in Indonesia receives a monthly premium from Schwalbe.
Photo: Fair Rubber / Schwalbe



Schwalbe – First Tire Manufacturer to Use Fair

Trade Rubber

The cargo tire Schwalbe Pick-Up and e-bike specialist Marathon

E-Plus are the first bike tires made of fair trade rubber. For this purpose,

Schwalbe joined the Fair Rubber Association – an organisation supporting the primary producers of rubber at the beginning of the supply chain. Even though 70 percent of natural rubber traded worldwide is used by the tire industry, Schwalbe is the first and only tire manufacturer to join Fair Rubber so far.

Schwalbe selected its partner Fair Rubber with great care: "As the only NGO that is operating within the rubber industry, Fair Rubber targets the utterly insufficient world market price for rubber," says Frank Bohle, executive partner of Schwalbe.

"For years, rubber prices have been below production costs. Hardly any small farmers can sell their rubber for a fair price." As a fair trade premium, Schwalbe pays an additional amount of 50 Euro Cents per kilogram of rubber (dry goods).

This is equivalent to about 45 percent of the current world market price. The amount is paid out on a monthly basis via Fair Rubber to a cooperative of 277 small farmers which has been founded especially for this purpose. It is located

near the Schwalbe production site on Java, Indonesia. The cooperative decides independently on how to use the funds. It took about one year for Fair Rubber and Schwalbe to set up local structures and supply chains to start in April 2020.

Small farm cooperatives receive the full amount of the premiums.

To guarantee complete transparency, Fair Rubber has commissioned the independent company Control Union to supervise cash flows and structures. Fair Rubber also brings staff on site to determine how funds are used. "We are happy to be the first and only tire manufacturer to have partnered with Fair Rubber to ensure that our payments arrive one to one at the cooperatives on a local level. With our premium, we directly help people who are harvesting rubber for our products with a contribution for improved working and living conditions," says Frank Bohle. Fair Trade premiums provide funds for goods and services such as water and power supply, medical care, construction materials as well as school or pre-school supplies. The environment benefits as well: Fair Rubber has adopted criteria based on the established Forest Stewardship Council (FSC) environmental standards.

The first Fair Rubber tire made by Schwalbe was the Marathon E-Plus in 2020. Fair price purchasing for its total natural rubber content started in April 2020. Shortly after, the cargo tire Schwalbe Pick-Up followed. Frank Bohle: "We hope that Fair Rubber will be able to increase capacities rapidly by increasing the number of rubber farmers to join the cooperative, so that we may produce more tires with fair trade rubber."

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