



# Annual Community Development Report

## CASTANHAL & FairTSA

2016 -2023

*Small farmers and workers are at the heart of FairTSA Fair Trade certification. Through community development projects and and capacity building we are facilitating a direct impact on the agricultural communities that grow and process our food.*

### CASTANHAL COMPANHIA TEXTIL

Castanhhal Companhia Têxtil is a FairTSA certified producer of Jute fiber based in the northern state of Pará, Brazil. They are the country's largest producer of the fiber, which is used primarily in bags storing coffee, peanuts, cocoa, and potatoes. To support the rural communities who cultivate jute on the banks of the Amazon river, Castanhhal sponsors seed projects and organizes agricultural education programs on the cultivation of organic, high quality jute fiber.

With the improved financial stability brought on by these programs, producers for Castanhhal are able to keep away from environmentally harmful income sources such as illegal mining and slash and burn agriculture.



Jute is a fiber extracted from the bark of the White Jute Plant (*Corchorus Capsularis*), a rain-fed crop commonly grown in lowland areas. Dubbed "The Golden Fiber," its long stems produce a durable material ideal for use in burlap sacks and other textiles. In Brazil, Jute is produced primarily by rural, river-dwelling communities who plant the crop off the banks of the Amazon during the dry season. The flooding of the river during

the subsequent season accumulates organic matter on the riverbank which feeds the jute and fertilizes the soil for the following year. Jute cultivation is of immense importance to these remote communities as it provides a steady, environmentally sustainable source of income that does not interfere with local subsistence agriculture and fishing operations. Through 2019, Community Development for Castanhal has focused primarily on the sustenance of Jute agriculture which constitutes one of the main income sources for some 50,000 families living in the rural states of Pará and Amazonas. To support these producers, Castanhal and associated non profit “IFIBRAM” have focused primarily on seed distribution and agricultural instruction. Being able to produce a light, high quality fiber is crucial for producers because it increases the competitiveness of Jute sacks in comparison to synthetic bags and other non-organic alternatives. Seed selection to increase germination success and quality greatly improves the jute the farmers will grow in the future.

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## 2016: Jute Seed and Planting Project

For their initial community development project, 65 jute producing-families received assistance planting, cultivating, and processing 40 tons of high quality jute seed over a two year period. They were also given assistance in the mechanical preparation of 50 hectares planting area, as well as instruction in optimal seed cropping and processing techniques. In addition to the jute cultivated during this venture, the 40 tons of high quality seed will allow for the future production of competitive fiber. In increasing yield quantity, efficiency, and fiber-quality, producers can ensure a livable existence.



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## 2017: Faveiro Project

To educate on the benefits of jute cultivation, 50 fiber producers in the “Faveiro” community of Viseu, Brasil, were given a grant of \$600 per hectare of land to study and begin jute cultivation. In addition to regular trainings in the production of high quality fiber, these farmers were guaranteed a price for their jute well above market value. This project attempted to not only educate on environmentally friendly and sustainable income sources, but also help farmers already interested in Jute avoid exploitative loan and financing arrangements.



## 2018: Mechanization - Tractors and Tilling

After conversations and meetings with 2017 participants producers decided it would be most beneficial to mechanize field preparation through the implementation of tractors and tilling equipment. Instruction and training in equipment usage was also included in this project which greatly economizes the previously laborious process of field preparation.



## 2019: Cultivating seeds and Fiber

The main goal for this year was to continue cultivation of seeds and fibers of high yield and good commercial attributes, increasing the efficiency of the planting and growing operation, as well as fiber production and income. Castanhal sees the possibility to reactivate the jute fiber plantations in some areas in Alenquer region, so they went out into the field and held several meetings in various communities there, explaining to the producers the objective of the project. The jute project in Alequer joined Castanhal's efforts, which is a great victory for Castanhal and the economy of the region. Together they started a larger cooperative collaboration of growing, collecting, registering and distributing more seeds with excellent germination that will produce superb jute.

## 2020: Supporting the Marajó Archipelago

For 2020 Castanhal joined the program “Abrace o Marajó”, recently launched by the Federal Government of Brasil. Generated by the Ministry of Women, Family and Human Rights (MMFDH), the new initiative aims to improve the Human Development Index (HDI) in the region by expanding the support and access of the Marajo population has to human rights. Here is an excerpt of their public declaration:

*“The program ABRACE O MARAJÓ aims to promote the actions of civil society and the private sector in the municipalities that make up the Archipelago of Marajó and to cooperate in reducing the rates of violation of the rights of the family, women, children... the elderly, people with disabilities, indigenous peoples and traditional communities... The other goals are to contribute to the strengthening of intergenerational family bonds and contribute to the sustainability of public policies and programs implemented in the municipalities that make up the Marajó Archipelago<sup>1</sup>.”*

This archipelago is home to about 500 thousand people and includes the municipality with the worst HDI in Brazil: Melgaço. Besides this, seven others of the 16 municipalities that make up the region are on the list of the 50 with the worst HDI in the country, with large issues of violence against women, children, and elderly. Castanhal is committed to supporting this effort to the best of its to their country through supporting their cooperative jute community.

## 2021: Supporting Jute Production on the Marajó Archipelago

The company, which had already been studying the Marajó region with the aim of resuming fiber production in this area, decided to join t the federal program :ABRACE O MARAJÓ:, since it understands that in the very near future, MARAJÓ may become one of the production centers of jute and mallow in the State. However, for this to happen it is necessary to seek alliances, as the federal program seems ineffective due to bureaucratic hurdles and untimely responses. Therefore Castanhal joined AMAM (Association of Municipalities of the Marajó Archipelago) and created a partnership with Banco DO ESTADO DO PAR.

In the first year, 500 hectares of planting of jute and mallow with 300 farmers was carried out, at a cost of approximately \$200,000. While future project years are not yet fully financed, Castanha; expects this production to expand to 3,000 hectares and 1,800 producers growing about 5,400 metric tons of crops.

<sup>1</sup> <https://www.gov.br/mdh/pt-br/assuntos/noticias/2020-2/marco/programa-abrace-o-marajo-e-lancado-para-ampliar-acesso-dos-marajoaras-aos-direitos-humanos>

## 2022-2023 Expanding Jute Production in the Lower Amazon Region



The time from 2020 to 2022 proved to be extremely difficult due to the COVID-19 situation, with related travel bans and many other severe problems. Nevertheless, Castanhal kept working at their mission to extend the jute production in the Amazon basin and shifted its emphasis on the lower and middle Amazon region. It supplies farmers not only with seeds, but also introduces equipment for mechanization so as to alleviate the physical stress of jute planting, harvesting and fiber production. For example, the harvester on the picture to the left was developed to ease the harvesting of jute seeds for planting. The machine below is also a Castanhal

development with the aim to was also developed to clean the fibers after harvest, physically challenging endeavor.



In addition to providing shared equipment, the 12 producers in the town of Alenquer were furnished with seed. In addition to this support, Castanhal also pays a substantially higher price for the fiber. For example, in 2023 the price for Jute established by CONAB, the federal authority, is R\$3.84 per kg, while Castanhal pays R\$5.00 per kg, a premium of almost 30%

**Table 1 – Producing Families by Location**

Type of Plantation	Number of families served by locality	
	Alenquer	Juruti
Jute seed	12	-
Jute and mauve fiber	31	43

In 2023. The purchase of seeds alone was done at a cost of about \$90,00, and the premium for all farmers of the project is expected to amount to \$3.2 million,

