



Annotated Bibliography

Commission for Environmental Cooperation Publications and Work on

Market Studies for Green Goods and Services in North America

Trade and Environment, January 2006

Introduction

One of the hypotheses being tested within the area of market studies is whether liberalized rules under NAFTA serve to increase the use of environmentally preferable products. The CEC's work shows that liberalized trading rules under NAFTA do not in and of themselves lead to the increased use of environmentally preferable products. The CEC's project on "Trade in Environmentally Preferable Goods and Services" (alternatively, *Greening Trade in North America*) seeks to understand the factors which constrain this development. That work is helping to break down barriers to environmentally preferable goods and services, including low consumer awareness of the environmental effects of purchasing habits, confusion about eco-labeling, difficulties in financing small companies in this field, lack of understanding about the best use of market-based approaches to support environmental protection and the conservation and sustainable use of biodiversity; and supporting cooperative efforts to increase the CEC's programs (e.g., renewable energy and energy efficiency, shade coffee, sustainable palm). It also aims to connect the growing numbers of suppliers and consumers of greener goods and services throughout North America.

The CEC is one of the few institutions, if not the only one, that conducts market studies and makes them public. Studies cover the three North American markets. To respond to an increasing number of requests for these publications, this bibliography contains the North American market studies commissioned by or conducted for the CEC over the last ten years, to support its work on greening trade. Other publications related to this work can be found on the CEC's "Environmental Goods and Services" annotated bibliography.

Reports and Other CEC Publications

An Examination of Trade in Environmentally Preferable Goods and Services in the NAFTA Region. Environmental Business International, Inc. CEC. December 2004.

http://www.cec.org/pubs_docs/documents/index.cfm?varlan=english&ID=1592

Also available in Spanish and French

The CEC conducts policy and research work on environmentally preferable goods and services (EPGS) in eleven different activities. One specific activity is to “Identify changes/trends in trade in green goods and services in the NAFTA region.” Lacking any definitive quantification of trade in EPGS or any established or consistently used industry codes that could result in ongoing government statistics on environmental trade, in 2003 the CEC commissioned this study to provide a classification and quantification of trade in EPGS in the NAFTA region. This paper identifies changes/trends in the trade in green goods and services between NAFTA countries. EGS statistics for the global North American and NAFTA countries, specifically, are presented for the year 2001 by EGS sectors, using OECD definitions.

Developing an Eco-palm Market in North America: A Pilot with Churches. Dean Current, CEC. August 2004.

http://www.cec.org/pubs_docs/documents/index.cfm?varlan=english&ID=1774

English only

Results from a survey conducted with North American Christian churches, which represent some of the largest buyers of palm fronds, showed high levels of awareness and willingness to pay for sustainable palm offered during Easter. This document presents a short description of the process necessary to prepare for a sustainable palm sale to participating churches. An outline of the 2005 pilot project is proposed. As well, it presents: (1) guidelines for the sustainable harvesting and processing of the palms which aim to avoid discarding up to 50 percent of the fronds collected, and (2) a definition of certification guidelines for monitoring palm populations in order to help guarantee the quality of the product that enters the market and minimize the number of fronds discarded. Also presented are supply, demand, and marketing considerations relating to certifications of xate palm. The main objectives of the project are to promote the conservation of natural forests, the sustainable management of *Chamaedorea* palm, and improved local livelihoods through the certification of palm management and sale of the palm and a certified-fair trade label. Its overarching goal is to put in place a chain of custody for the harvesting, management, and trade practices for *Chamaedorea* palm originating in Guatemala and Mexico for sale to church congregations in the United States, Canada and Europe.

Market Study on the Meat Product Consumption Habits of North Americans. CROP Inc., CEC. May 2004.

http://www.cec.org/pubs_docs/documents/index.cfm?varlan=english&ID=1701

Also available in Spanish and French

http://www.cec.org/files/PDF/ECONOMY/Survey-Meat-Product-Consumption-Habits_en.pdf
Questionnaire (in English)

This survey is part of the CEC’s continuing work relating to the emerging North American market for environmental goods and services (EGS) and targeted market analysis of consumer interest in, and willingness to pay for, selected EGS. This work supports the Conservation of Biodiversity program work on grasslands. According to surveys in the three countries, awareness

of the existence of buffalo meat appears to be quite high in Canada and the US, and negligible in Mexico (90, 64 and six percent of all respondents, respectively). Consumption levels among those already aware were at 31, 25 and six percent respectively. The willingness to consume grass-fed meat, including beef—knowing that it has ecological benefits—is high in Mexico as well as the other two countries (78, 71 and 85 percent, in the same order). Surveys about consumer interest in “specialty meats” are also encouraging. Therefore, developing the production of grass-fed buffalo meat could be an interesting market-based mechanism to protect these sensitive eco-regions.

The Environmental Goods and Services Sector in Mexico: Framework, selected examples and elements for their future development through trade policy, and Annex report. Carlos Muñoz Villarreal, CEC and OECD. March 2003.
Available upon request (in English and Spanish)

Mexico has many environmental challenges which provide ample incentive for the development of EGS. These challenges include water shortages, air and water pollution, waste management, loss of biodiversity, and rising energy needs and greenhouse gas emissions. Any market that arises from the development of these products should be consistent with targets and priorities outlined by Mexican environmental policy. A vast regulatory framework already exists in Mexico, despite some problems associated with their implementation. Environmental management and law enforcement are key to making improvements.

The market is driven by four main factors: the environmental impacts themselves, the environmental regulatory and institutional framework and, to a lesser extent, social pressure and the ability to compete, especially by the export sector.

In this paper, the supply side of the EGS industry is pictured in general terms using wastewater treatment as the main example. From an environmental perspective, the openness of the EGS market may offer several benefits. These include the enhancement of infrastructure to complement local capacities; the strengthening of environmental monitoring and management capacities; a possible reduction in relative prices of environmental goods and services, due to a higher competition among suppliers; an enhanced supply of goods and services which fall in the group of clean technologies and products; as well as additional incentives for conservation and the sustainable use of natural resources (for instance, eco-tourism activities).

Synergies between ecological services and economic opportunities linked to international trade are of particular importance in Mexico, as far as EGS are concerned. Cooperation of this kind would be advantageous to both interests.

The Potential Market, and Market and Certification Mechanisms for Palms of the Genus *Chamaedorea*, Dean Current, Eva Lasemo and Juan Carlos Cervantes. August 2003.
Available upon request (in English and Spanish)

The work presented includes:

- results of a survey of the major Christian denominations, exploring their interest and willingness to pay for a “certified,” “fair trade” palm;
- a review of potential mechanisms for marketing the certified/fair trade palms;
- review and discussion of church groups working with environmental and social equity issues for future contacts; and
- recommendations for the next steps required to initiate a pilot project for marketing certified/fair trade palms in the North American market, starting with harvest and following the process through distribution and final delivery to congregations. This deals primarily with

the Palm Sunday market, but also addresses other potential market outlets.

Follow-up Survey on Renewable Electricity of Large Mexican Electricity Consumers. Presentation. CEC. February 2003.

http://www.cec.org/files/PDF/ECONOMY/Follow-up-Survey-Renewable-Electricity-Mex_en.pdf
English only

This survey, commissioned by the CEC in collaboration with Conae, is from Gallup Mexico. Surveyors queried a hundred of the largest electricity consumers in Mexico, such as large iron, steel, cement, paper or mining industries. The goal of the survey was to find out about the companies' awareness of renewable electricity, and whether they would be interested in purchasing renewable electricity even if it were more expensive. It also explores, for instance, barriers to purchasing renewable energies, or the interest in, and barriers to, producing renewable electricity.

Proceedings of the “Workshop on Green Goods and Services: Financing Sustainable Production in North America,” hosted by the CEC in Philadelphia. April 2002.

Available upon request (English only)

This paper includes a presentation by Daniele Giovannucci on the state of world coffee demand, trends in the differentiation of coffee markets and in the retail market in general. Speakers from Starbucks, Ecologic Enterprise Ventures, Agroindustrias Unidas de México S.A. de C.V. (AMSA) shared their on-the-ground financing models for sustainable coffee.

North American Public Opinion on Buying Renewable Energy with Taxpayer Money. Environics International. March 2002.

http://www.cec.org/pubs_docs/documents/index.cfm?varlan=english&ID=1772
English only

This report analyzes the results of an omnibus question fielded by Environics International for the CEC. The results of this survey are based on telephone interviews conducted in Canada, Mexico and the United States. Strong majorities of respondents in Canada, the United States, and Mexico support the use of taxpayer money by governments to buy renewable energy. One-third of respondents in each country show strong support. In all three countries, support for the purchase of renewable energy tends to increase with degree of education. Strong support for the initiative is lower among those with low household incomes in Canada and the United States. Young Mexicans are more likely to show strong support for purchasing renewable energy with taxpayer money compared to their American and Canadian counterparts.

Background on the Potential Market for Sustainable Coffee in North America. Includes proceedings of the 9 February 2001 meeting in New York City. CEC. November 2001.

http://www.cec.org/pubs_docs/documents/index.cfm?varlan=english&ID=550
Also available in Spanish and French

The paper provides information on: the relationship between coffee and biodiversity in Mexico; demand and willingness to pay for green goods more generally and for coffee in particular; and an overview of the work conducted on coffee by the CEC up until its meeting with the coffee industry in New York City in February of 2001.

Sustainable Coffee Survey of the North American Specialty Coffee Industry. Daniele Giovannucci, conducted for The Summit Foundation, The Nature Conservancy, the CEC, the Specialty Coffee Association of America and the World Bank. July 2001.

http://www.cec.org/pubs_docs/documents/index.cfm?varlan=english&ID=342

Also available in Spanish and French

This survey, the largest of its kind, studies the characteristics and trend estimates of sustainable coffees across the full range of actors—from importers to retailers—in the North American specialty coffee market. Because data for these coffees are often sketchy and incomplete, additional research has considerably supplemented the baseline survey conducted in early 2001. This supplementary research is integrated into this document.

The North American Market for Organic Agricultural Products. Suzanne Wisniewski (Institute for Agriculture and Trade Policy. CEC. 2001.

Available upon request (English only)

This report surveys the market for organic products in North America. The emphasis is on coffee—organic as well as Fair Trade and shade-grown—collectively known as “sustainable.” Interest in organic, Fair Trade and shade-grown coffee has evolved from the increasing value the public is placing on environmentally and socially sustainable produce in North America. Before a proper market can be set up for coffee, in particular, a reliable certification scheme must be set up. And before that happens, a few questions must be addressed. What are the major organic product trends? What is the current and potential consumer demand for organic agricultural products in the US and Canada? What links are there between the organic market and the consumer’s concern for the environment? How does understanding the organic food market help make sense of the organic coffee market in particular? Does organic coffee mirror general organic trends, or do these markets differ? How is the organic coffee market tied to Fair Trade and shade-grown coffee initiatives?

The range of organic products now available has grown so dramatically that it has been difficult for the industry to identify strong trends in any one product, and most agree that additional market research is needed on a product-specific basis. Consumers are motivated to buy organic produce by a variety of factors, the three most important of which seem to be taste, perceived health benefits and concern for the environment. In general, organic consumers in Canada tend to be inspired by health reasons, while environmental concerns seem to motivate consumers in the US. In both the US and Canada, new parents constitute one of the demographic groups with the strongest interest in converting to organic food, as they are especially concerned about what their children eat.

Measuring Consumer Interest in Mexican Shade-grown Coffee: An Assessment of the Canadian, Mexican and US Markets. CEC. October 1999.

http://www.cec.org/pubs_docs/documents/index.cfm?varlan=english&ID=267

Also available in Spanish or French

This report presents the findings of a market analysis measuring consumer interest in, and potential demand for, Mexican shade-grown coffee in North America. This report on the consumer side of shade-grown coffee is complementary to the work of the CEC in developing environmentally sound and sustainable production criteria. This report represents among the most comprehensive assessments of consumer interest in shade-grown coffee.

Mexican Shade Grown Coffee: Market Analysis/Synthesis. CEC. 1999.

Available upon request

This report draws on key elements from available CEC-commissioned studies on shade-grown coffee markets in North America, as well as extensive information gathered by the consultant, which included information on European markets. The marketing chain of shade-grown, organic and fair trade coffee is traced from producer (Mexico) to consumer (US, Canada, Spain, Germany and Denmark) in 1998. The main focus of this report is the issue of obtaining a price premium for shade coffee, including market impediments to this, consumer willingness-to-pay, best markets for the product, obstacles to achieving these markets and product positioning.

Assessing Latin American Markets for North American Environmental Goods and Services, ESSA Technologies Ltd., The GLOBE Foundation of Canada, SAIC de México S.A. de C.V., CG/LA Infrastructure. July 1996.

http://www.cec.org/pubs_docs/documents/index.cfm?varlan=english&ID=291

Also available in French and Spanish

This report analyzes target markets within Latin America, reviews environmental regulatory reform in the target countries and market conditions in the target sub-sectors, identifies specific project opportunities, and analyzes North American export strengths and the comparative advantage of the three NAFTA partners *vis-à-vis* exports to Latin America. It also appraises market access strategies, provides information on sources of financing and lists ongoing and contemplated projects throughout the region. The report features such critical information as what makes multinational or North American partnerships successful, the location of expanding markets and the way Mexico has been successful in developing clean technologies and adapting proven technologies from the US and Canada for use in its domestic market. The report also highlights how these and other technologies might expand into new markets with similar needs.

A complete list of CEC publications is available online at: <http://www.cec.org/bibliographies>

Should you require any other information on the work of the CEC on market studies and trade in green goods and services, please contact: <info@cec.org>.