

# Domestic Fair Trade

## *Co-ops and innovation in the food system*

BY ERBIN CROWELL

Since the beginnings of the movement, co-ops have been catalysts for the transformation of economies around them. The Rochdale Society of Equitable Pioneers, often cited as the founders of modern cooperation, set out with a vision of their humble grocery store not as an isolated enterprise, but as a model for a new way of doing business. This vision included the development of agricultural and manufacturing co-ops to supply the store and support employment, as well as housing co-ops.

At a time when access to food was limited by local merchants and adulterated products were common, the most urgent need was for pure, wholesome, and affordable food. Early food co-ops enabled people to better meet their needs through member-owned enterprise that was firmly rooted in their local communities. But the growth of the co-op movement also had another important result. As these stores grew, other local retailers began to alter their own practices in response, creating ripples of change that reached across the economy. As a result, cooperators also influenced the food system around them.

True to this legacy, food co-ops in the U.S. have been pioneers and innovators, promoting natural foods, supporting organic agriculture, and building the fair trade movement. In addition to creating economic relationships that reflect their values and serve member needs, our co-ops have also influenced the mainstream food system. Co-ops helped demonstrate the demand for natural, organic and fairly traded products, and these soon began to appear on the shelves of grocery stores and even multinational supermarkets.

### Food system innovation and DFT

Food co-ops have also been pioneers in strengthening local economies, in many places laying the groundwork for more recent efforts. (See “Tipping the Scales for Local Foods,” by Ken Meter, *CG* #145, Nov.–Dec. 2009; [www.grocer.coop/node/1291](http://www.grocer.coop/node/1291).) And as buying local becomes more common, co-ops have been collaborating with other stakeholders in the food system to ensure that local trade is also just, participatory and fair. The Domestic Fair Trade movement is a logical extension of co-op values, bringing together the ideals of trade justice and resilient local and regional economies.

Food co-op participation in this movement makes sense on at least two levels. The first is philosophical: The history and values of the co-op

### Principles for Domestic Fair Trade

- Family-scale farming
- Capacity building for producers and workers
- Democratic and participatory ownership and control
- Rights of labor
- Equality and opportunity
- Direct trade
- Fair and stable pricing
- Shared risk and affordable credit
- Long-term trade relationships
- Sustainable agriculture
- Appropriate technology
- Indigenous peoples’ rights
- Transparency and accountability
- Education and advocacy

*From the Domestic Fair Trade Association  
([www.thedfta.org](http://www.thedfta.org))*

movement are reminders of our obligation to continue to be innovative, creative and persistent in our commitment to our own health and that of our planet; to participation and the fulfillment of human potential; and to the active creation of models for economic and social justice. If our co-ops are truly an alternative to business as usual, we must always stretch what is possible, balancing our vision with the operation of viable enterprises.

The second is more pragmatic. Our food co-ops have been at the leading edge of movements for more healthy, participatory and sustainable food systems. And in each of these areas, mainstream retailers have followed closely, bringing greater financial resources and distribution systems to bear. In order to remain competitive, co-ops must continue to innovate in a manner consistent with our values and principles. I would argue that our success has been in striving constantly to lead the marketplace in showing what is possible.

So how can our food co-ops continue to demonstrate that there is more to “local” in a food co-op than in a conventional supermarket? How can we

continue to be catalysts for positive change in the food system? How can we use our shared strength to encourage greater transparency, accountability and sustainability in the economy?

In a recent article in *Cooperative Grocer*, Lia Spaniola and Phil Howard point to some significant findings. In “Emerging Eco-Labels: Researching perspectives of co-op member-owners,” (*CG* #148, May–June 2010; [www.grocer.coop/node/1306](http://www.grocer.coop/node/1306)), the authors share data from surveys of shoppers at food co-ops and conventional natural food stores in Michigan. They note that while mainstream natural food shoppers tend to focus on health and nutrition issues when considering product quality, co-op members tend to have a more holistic definition that also includes ethical and political concerns. Spaniola and Howard state, for example, that “co-op members and natural food store shoppers demonstrated the strongest differences of opinion” on the question of a Domestic Fair Trade label:

While natural food store shoppers were somewhat supportive of international fair trade, they were much less interested in a domestic counterpart. Co-op members, on the other hand, indicated almost unanimous support, and expressed more interest in this issue than in the concept of local [emphasis added].

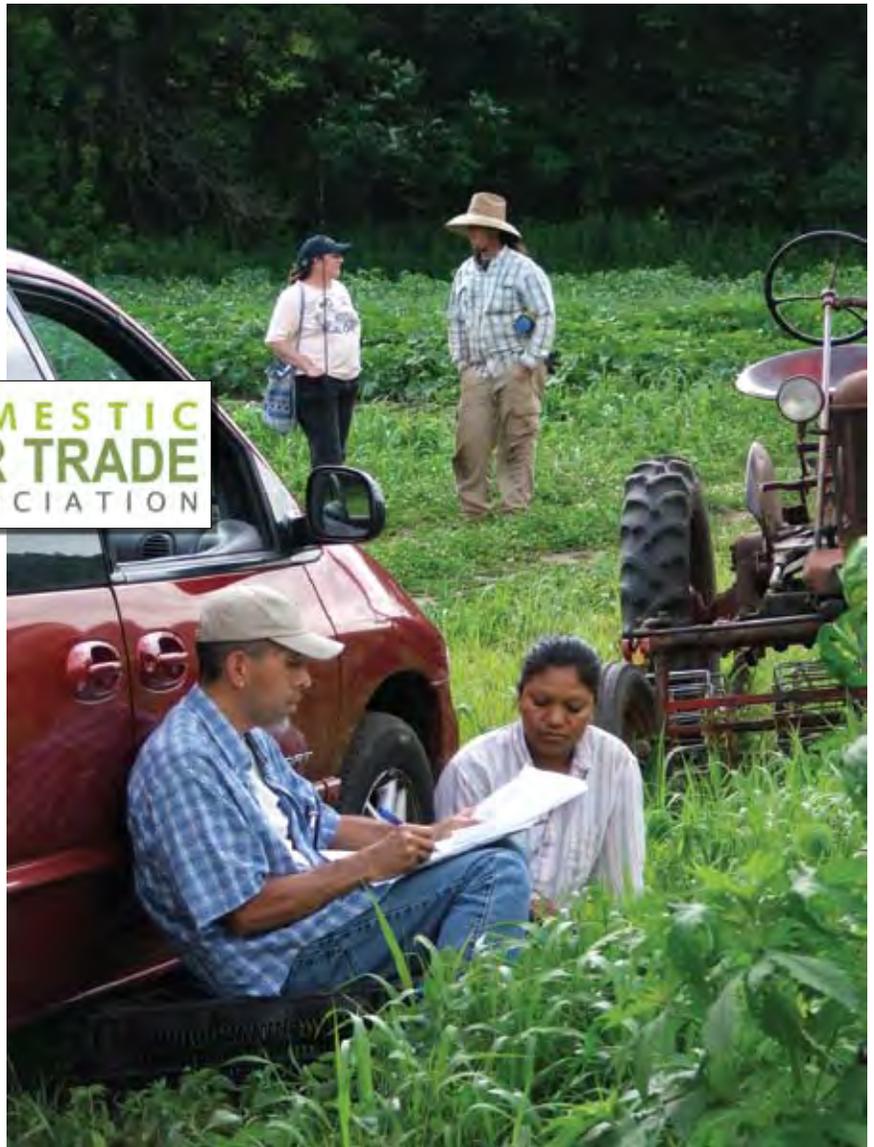
The authors’ research supports the idea that our members are more likely to believe that there is more to organic than a label, more to fair trade than a seal, and more to building resilient regional economies than simply buying local. “Co-op members expressed greater awareness of the social justice issues facing farmers and farmworkers in the U.S., which may account for the divergence” of opinion between co-op members and mainstream natural foods consumers.

### The Domestic Fair Trade Association

It was the desire to dig deeper into issues of trade justice, sustainable agriculture and the domestic food system that brought a group of organizations together in 2005 to talk about the converging interests of family farmers, farm workers, organic advocates and fair trade organizations. The initial group included representatives from Organic Valley (CROPP Cooperative), the Farmer Direct Co-operative of Saskatchewan, and Equal Exchange. Meanwhile, the Agricultural Justice Project (AJP)—a coalition led by RAFI-USA, the Northeast Organic Farming Association (NOFA), CATA (El Comité de Apoyo a los Trabajadores Agrícolas), and



Harvesting celery at Snakeroot Farm.



Tours of Swanton Berry Farm will be part of the next DFTA general assembly. An Agricultural Justice Project audit underway.

PHOTOS COURTESY OF THE DOMESTIC FAIR TRADE ASSOCIATION



## DFT is a logical extension of co-op values, bringing together the ideals of trade justice and resilient local and regional economies.

Quality Certification Services (QCS)—had been working since 1999 to develop standards for fair trade between family-scale farmers and buyers, as well as for just working conditions for workers, interns, and children on farms.

Based on a sense of common ground, the group issued an invitation to a wide range of individuals and organizations to attend a gathering to discuss the idea of “domestic fair trade”—a movement rooted in the principles of international fair trade but adapted to the concerns of domestic and regional production. A working group then set about drafting a set of principles that was eventually approved by the membership (see sidebar on the previous page) and distributed with the following

introduction:

*“What follows is our attempt to translate the traditional principles of international Fair Trade, as expressed by organizations such as the International Fair Trade Association (IFTA) and the Fair Trade Federation (FTF), into the domestic, regional and local economic spheres. Our primary goal is to support family-scale farming, to reinforce farmer-led initiatives such as farmer co-operatives, and to bring these groups together with mission-based traders, retailers, and concerned consumers to contribute to the movement for sustainable agriculture in North America. It is our hope that in maintaining a consistent approach that shares basic values with those of international fair trade, we may help create a more holistic model that can be applied wherever trade takes place.”*

The structure of the Domestic Fair Trade Association (DFTA), established in 2007, is itself an innovative approach to creating change in the food system, with formal representation by a broad range of stakeholder groups including: farmers and farmer cooperatives and associations; farmworker organizations; intermediary trading organizations; retailers, food co-ops and farmers markets; civil

society organizations and NGOs; and food-system-workers’ organizations.

Membership in the DFTA is an exercise in transparency, self-reflection and community dialogue. Applicants are asked to respond to a set of questions framed by the principles for domestic fair trade. In contrast to a litmus test or yes/no approach, most questions are open-ended and encourage organizations to consider ways to improve their operations. Many organizations that have applied for membership have mentioned that the process was valuable in and of itself, encouraging them to reflect on their own activities and examine the degree to which they are able to live up to their own ideals. Through this dialogue, organizations and individuals become colleagues in seeking a better path for the food system.

### Exploring the model

The development of international fair trade was a process of experimentation and partnership, initially among mission-based traders and producers, long before the establishment of a product seal. Similarly, the DFTA has been serving as a

clearinghouse and place for collaboration in the development of the movement. Models are presented, successes and challenges shared, and feedback invited.

“Part of our goal is to ensure that shoppers have a clear understanding of these initiatives,” says Kerstin Lindgren, executive director of the DFTA. “Rather than creating a seal, we intend to endorse certification efforts that we believe best represent the principles for domestic fair trade. Our goal is to grow this movement together, rather than breaking down into competing efforts.”

Food co-ops, including Franklin Community Co-op and Berkshire Co-op Market (Mass.), Honest Weight Food Co-op (N.Y.), Seward Co-op (Minn.), Olympia Food Co-op (Wash.), and the National Cooperative Grocers Association, have been well represented in the DFTA. And Bluff Country Co-op in Winona, Minn., has taken its participation one step further. Back in 2007, the co-op worked with AJP to become certified as a retailer. “The timing of our participation was serendipitous,” says Liz Haywood, general manager. “I was just starting as manager, and many of our policies were not yet developed. By formalizing our commitment to domestic fair trade, we could establish ourselves as a leader” in the movement.

The process with AJP invites participants to consider their structure, operations, and relationships with core stakeholders—such as buyers, suppliers, and workers—in light of fair trade principles. “It was very helpful,” says Haywood. “For example, it helped us to ask ourselves, ‘What is open communication, what is fair and just in terms of our employees?’” and then provided tools for policy development.

The process has also helped the co-op develop stronger relationships with local producers, providing guidelines for collaboration. Haywood tells the story of a local egg producer: “There was an opportunity to expand, but the farmer was hesitant to invest unless she knew she had a commitment from us,” says Haywood. “We were able to use some of the model agreements from the certification process, and then she could take these agreements to the bank to support the loans she needed.”

Bluff Country’s experience also confirms

## Bluff Country Co-op Winona, Minn.

### Our Mission

Bluff Country Co-op provides high quality, sustainably produced, regionally grown food and products to the Winona area. We create a sense of community and inspire our shoppers to build a sustainable local society.

### Our Ends

- Bluff Country Co-op supports sustainable, organic and local agriculture.
- We engage in collaborative relationships throughout our community.
- We educate people about food from farm to table and how our food choices affect our health, our community, and the world.
- We model and promote a vibrant cooperative economic presence in our community.
- We support the principles of fair trade with our suppliers, employees, members-owners and shoppers.
- We provide efficient, friendly, informed service and support the well-being of our shoppers.
- We will continue to increase the number of member-owners and sales in order to ensure the economic well-being of our organization.

Spaniola and Howard’s findings regarding member interest. “We have seen good feedback from our core membership about being certified domestic fair trade,” says Haywood, “and the board has now written it into our Ends Policies” (see sidebar). Haywood believes that her co-op’s engagement in the process has been a useful tool in marketing and communicating Bluff Country’s difference in the community. “But the flip side is that we need

producers that have done the same.”

One producer organization that has been involved in the process is the Farmer Direct Co-op, an association of 70 family farms in Saskatchewan, Canada, that produce certified-organic grains, oilseeds, pulses, and meats. In June of 2010, Farmer Direct became the first farmers’ organization in North America to become certified. “The process was enlightening,” says Jason Freeman, general manager of the co-op. “Although our farmers had excellent informal relationships with their workers, the AJP standard required that these relationships become formalized through written contracts and policies” (quoted in “Our Co-op’s Journey to Domestic Fair Trade Certification,” Aug. 23, 2010, Fair World Project, <http://fairworldproject.org>). The co-op will soon be offering its products under the “fairDeal” seal, which includes organic and fair trade certifications.

### An opportunity to get involved

For both Bluff Country Co-op and the Farmer Direct Co-op, the process of organizational certification was rewarding but also challenging. Still, Bluff Country’s Haywood is excited about the potential. “We were able to grow our business, grow the local economy, and we were able to do so by being more explicit in our agreements and the values that they represent,” she says. “Food co-ops have a lot on their plates, especially in this economy, but I would love to see more of them embrace the DFTA and this process.”

The next general assembly of the DFTA will be held Dec. 6–8, 2010, in Santa Cruz, Calif., and is open to all, members and nonmembers alike. The gathering will be hosted by the UC Center for Agroecology and Sustainable Food Systems, and by Swanton Berry Farm. There will also be a tour of the farm, which grows organic strawberries, blackberries and kiwis. The farm uses 100-percent union labor in its operations and includes worker ownership in its business structure.

For more information, please contact Kerstin Lindgren at [dftassociation@gmail.com](mailto:dftassociation@gmail.com) or visit [www.thedfta.org](http://www.thedfta.org). ■

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