

Fair Trade:

Great products, tremendous impact

BY CARMEN K. IEZZI

For more than 60 years, Fair Trade—a trading partnership based on dialogue, transparency, and respect—has contributed to greater social and economic equity and the protection of the environment around the world. In the past few years, consumers' interest in finding quality products that can make a tremendous positive impact on communities has increased steadily, offering grocers and other retailers an opportunity to create even greater change by choosing fair trade.

History

Fair trade traces its roots to 1946 when Edna Ruth Byler, a volunteer for Mennonite Central Committee (MCC), visited an MCC sewing class in Puerto Rico and discovered the talent the women had for creating beautiful lace and the extraordinary poverty in which they lived. She began carrying these pieces back to the United States to sell and returning the money to these groups directly. Her work grew into Ten Thousand Villages (www.tenthousandvillages.com), which opened its first fair trade shop in 1958 and is now the largest fair trade retailer in North America.

In 1949, Sales Exchange for Refugee Rehabilitation and Vocation International (www.agreatgift.org), the second oldest fair trade organization in the world, began helping refugees in Europe recover from World War II. Today, it supports artisans and farmers in more than 35 countries.

In the late 1970s, U.S. and Canadian entrepreneurs who embraced fair trade principles began to meet regularly, exchange ideas, and network. This informal group would evolve into the Fair Trade Federation (www.FairTradeFederation.org) and formally incorporate in 1994. In 1989, the International Fair Trade Association (www.IFAT.org) was founded as a global network of fully committed fair trade organizations, aiming to improve the livelihoods of disadvantaged people through trade and to provide a forum for the exchange of ideas.

In 1988 as world coffee prices began to decline, Solidaridad (www.solidaridad.nl), a Dutch organization, created the first fair trade certification initiative. Named after a best-selling 19th century book, the Max Havelaar label initially applied only to coffee in the Netherlands, but similar labeling initiatives soon grew up independently across Europe. In 1997, these organizations created Fairtrade Labelling Organizations International (www.fairtrade.net), an umbrella organization which sets the fair trade certification standards and supports, inspects, and certifies disadvantaged farmers. In 1999, FLO affiliates TransFair USA (www.TransFairUSA.org) and TransFair Canada (www.TransFair.ca) opened in North America.

In 2002, the first World Fair Trade Day, a global public education campaign for fair trade, was celebrated to heighten consumer awareness and strengthen connections among communities around the globe. On World Fair Trade Day 2008, the world record was set for the largest fair trade coffee break by involving more than 12,000 people in 150 communities across the United States and Canada. In 2006, Media, Pennsylvania declared itself the first Fair Trade Town in North America, following more than 400 communities in Europe by publicly showing its commitment to fair trade. Today, there are nine Fair Trade Towns in Canada and the U.S., over forty local, grassroots groups organizing in support of fair trade, and hundreds of individuals who participate in the campaign on a volunteer basis.



Mike Mowry of Equal Exchange depulps coffee with members of the Comunidades Indígenas de La Región de Simojovel de Allende coffee cooperative (CIRSA) in Chiapas, Mexico.

From its beginnings in Pennsylvania, fair trade continues to move forward across the globe because of the efforts of consumers, entrepreneurs, non-governmental organizations, farmers, artisans, and other communities.

Actors

As awareness of fair trade grows, so can confusion about the various actors and their role in alleviating poverty by changing trading relationships. Within fair trade, there are two types of organizations:

Product certification The Fairtrade Labeling Organizations International (FLO) sets standards for and audits the supply chains of specific products from point of origin to point of sale. FLO utilizes 20 national initiatives and three producer networks to spread fair trade principles and fair trade certified products. In North America, TransFair Canada and TransFair USA are the only third-party certifiers of fair trade products in their countries. In Canada, bananas, cocoa, coffee, cotton, flowers, quinoa, rice, sports balls, sugar, tea and wine can be licensed as certified products. In the United States, certified bananas, chocolate, coffee, flowers, honey, mangos, rice, sugar, tea and vanilla are available. Traders who purchase fair trade certified products agree to four principles: pay a price to producers that covers the costs of sustainable production (the Fairtrade Minimum Price), pay a premium that producers can invest in development (the Fairtrade Premium), partially pay in advance when producers ask for it, and sign contracts that allow for long-term planning and sustainable production practices. FLO also establishes specific product standards that govern the trade of each commodity to which licensees must subscribe.

Organizational evaluation The International Fair Trade Association (IFAT) and the Fair Trade Federation (FTF) evaluate businesses and organizations for their commitment to fair trade principles. FTF is the association of North American retailers and importers who are fully committed to fair trade. With fair trade at the heart of what they do, federation members commit to eight principles: supporting participatory workplaces, paying fair wages in the local context, promoting environmental sustainability, respecting cultural identity, building direct and long-term relationships, providing financial and technical assistance, educating consumers, and offering public accountability and transparency. Each organization undergoes a rigorous screening process to evaluate its trading practices and the depth of its commitment.

By approaching business and development in a holistic way, members make trade a tool to alleviate poverty, reduce inequality, and create opportunities for people to help themselves. Members offer a broad product range—grocery items, stationary, baskets, personal care items, product packaging and unique gifts.

While these organizations focus on either products or organizations, other actors seek to expand support for fair trade among consumers and communities. The Fair Trade Resource Network (www.FTRN.org) provides tools to educate consumers about the impact of the choices that

they make, including the Conscious Consumer Guide and references for films and other media to explain fair trade. Fair Trade Towns USA (www.FairTradeTownsUSA.org) organizes local advocates whose aim is to encourage and support the Fair Trade Movement in the U.S., including the creation of where-to-buy guides for each Fair Trade Town. (See article “Fair Trade Towns”, page 24.)

Great products, tremendous impact

Whether sourcing from Fair Trade Federation members or buying fair trade certified products,

grocers have the opportunity to create a tremendous impact among communities of farmers and artisans by choosing fair trade.

Through long-term relationships, fair trade seeks to deepen the connection between all parts of the supply chain. Alter Eco Fair Trade (www.altereco-usa.com) has worked over the past four years with two cooperatives of rooibos tea farmers in South Africa to progressively integrate the whole supply chain. These cooperatives now produce, package and export their tea. Boxes are hand-printed by the women to increase their revenue. Through Alter Eco's ➤

FAIR TRADE ASSOCIATIONS AND CAMPAIGNS

Within fair trade, there are a variety of organizations working to strengthen and promote fair trade organizations, certify products, educate the public, and rally local support around fair trade:

Fair Trade Federation

(www.FairTradeFederation.org)

The association of fully committed wholesalers and retailers in North America; website includes a searchable directory of fair trade suppliers in a broad spectrum of product categories

TransFair Canada

(www.TransFair.ca)

One of 20 members of the Fairtrade Labelling Organizations International and the only third-party certifier of fair trade products in Canada. Website offers resources to find licensees, both retailers and suppliers

TransFair USA

(www.TransFairUSA.org)

One of 20 members of the Fairtrade Labelling Organizations International and the only third-party certifier of fair trade products in the United States. Website offers resources to find both retailer and supplier licensees

International Fair Trade Association

(www.IFAT.org)

The worldwide association of fair trade producer associations, marketing organizations, retailers, and national and regional fair trade networks. Website includes a directory of member organizations

Fairtrade Labelling Organizations International

(www.fairtrade.net)

Association of 20 national initiatives and three producer networks which develops and reviews Fairtrade Standards and provides support to Fairtrade Certified producers

Fair Trade Resource Network

(www.ftrn.org)

Gathers, develops and disseminates fair trade educational resources. FTRN coordinates World Fair Trade Celebrations in May to rally consumer support for fair trade.

Fair Trade Towns USA Campaign

(www.fairtradetownsusa.org)

A campaign organized by local and national fair trade advocates whose aim is to encourage and support the fair trade movement in the U.S.

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◀ efforts over the longer term, the cooperative now captures 30 percent of the consumer price and has sponsored many economic and social development projects in its community.

In the same way, fair trade works to enhance the capacity of producer communities by reinvesting in communities. The Community Friendly Movement (www.whycfm.org) and Global Crafts (www.globalcraftswholesale.com) worked with two cooperatives in Greater Noida, India to supply reusable canvas tote bags to replace plastic shopping bags. Located on the outskirts of Delhi and surrounded by one of the largest industrial parks in Asia, these cooperatives not only receive feedback on the needs of the North American market from CFM and Global Crafts, but also build the capacity to silkscreen images onto the bags and export them. In 2007, this partnership injected over 73,400 rupees into this community. CFM also donates 10 percent of its profits to an Artisan Welfare Fund, which enables it to plan long-term investments in the communities with which it works. Presently, CFM is looking to purchase additional sewing machines through the Fund, so it can train and employ more tailors in the next few years.

With a focus on participatory workplaces, fair trade offers farmers, artisans, producers and employees the opportunity to participate in the decisions that affect them. Cooperative Coffees (www.coopcoffees.com), a green coffee importing cooperative comprised of 24 community-based coffee roasters in the U.S. and Canada, sources sustainably grown coffees. These roasters work together, so that they can more readily impact and multiply the positive effects of their selective coffee purchasing.

The effects are being felt by cooperatives in Africa, Asia and Latin America, including with Yeni Navan Michiza (MICHIZA) cooperative in Mexico. By collaborating, the 946 cooperative farmers (including 266 women) were able to stop the local intermediary coffee purchasers from controlling the price. Instead, MICHIZA exports coffee independently



Antonio, a farmer with the cooperative Maya Vinic in Mexico, works with Maty Barrios, from Cafe Campesino roaster.

and sets its own terms of trade. With the support of Cooperative Coffees, MICHIZA also offers technical support to its members to improve their capacity in organic agriculture, overall coffee quality and yields. By joining forces, Cooperative Coffee's roasters and the MICHIZA cooperative strive to raise the living standard of MICHIZA members through a sustainable



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agriculture and the construction of a fairer and more equitable market.

The social justice elements of fair trade combine with an effort to cultivate responsible stewardship of natural resources. Essential Living Foods (www.essentiallivingfoods.com) and one of its producer partners, Candela Peru (www.candelaperu.net), combine economic development activities with preservation of the Amazon forests of Peru. Brazil nuts are harvested by 273 indigenous people who live along the Madre de Dios River in eastern Peru as part of a program that protects the rainforest from clear-cutting. Brazil nut pods fall naturally from trees in the rainforest; and, by increasing the market for nuts collected as they naturally fall, the partnership seeks to combat changes in the use of the land and give value to products harvested in a sustainable way. Candela's organic and fair trade certifications stand as a testament to sustainable production throughout the supply chain.

Through these and other examples, fair trade certified products and Fair Trade Federation member organizations act as a positive force for change in producer communities. The quality of the work supplied by Fair Trade Federation Members and in fair trade certified products not only speaks to the skill and hard work of producer communities, but also to the relationships and the capacity building offered through fair trade.

Looking ahead

More consumers are recognizing that they can make choices with concern for the well-being of people and the environment without compromising what they want in the food and beverages they consume, the way they decorate their homes, the clothing they wear and even the travel they do. Research by the Fair Trade Federation indicates that total sales of both FTF members' and fair trade certified products in North America grew by 102 percent between 2004 and 2006. The Conscious Consumer Report from BBMG (www.bbmng.com) indicates that 62 percent of Americans say it is important for products to be made by companies that support fair trade practices; and, between 2005 and 2006, FTF members' sales grew by 146 percent, as buyers and consumers supported companies who are fully committed to fair trade.

How to find

Sourcing from Fair Trade Federation members and fair trade certified products has never been easier. The Federation offers a searchable member directory at www.FairTradeFederation.org; TransFair USA lists its licensees at www.transfairusa.org/content/certification/licensees.php; and in Canada, licensees can be found at www.transfair.ca/en/transfair_locate. ■

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