

Fairtrade

What it has to offer and how we can use it



FAIRTRADE



Alternative approach to conventional trade that provides social and economic development opportunities and benefits to: Producers, Suppliers & Consumers



History of Fairtrade



1988



1997



2002



2004



2008



Fairtrade Principles

System

Global trade market between developing and developed world



Fairtrade Principles

Success

Empower marginalized
producers

Transparency and
non-discrimination

Democratic input

Social rights and security



Fairtrade Principles

Success

Promote entrepreneurship
and economic
development

Strategic

Minimum price and/or a
financial premium

Pre-financing



Fairtrade Principles

Success

Improvements and investment in social development

Strategic

Progress Requirements

Fairtrade Premium



Fairtrade Principles

Success

Environmentally sound
agricultural practices

A photograph of a man in a white shirt and tie reaching up to harvest coffee cherries in a lush green field. The man is looking upwards, and his hands are positioned to pick the cherries from a branch. The background is filled with vibrant green leaves and branches, creating a sense of a healthy, thriving coffee plantation. The lighting is bright, suggesting a sunny day. The overall scene conveys a sense of diligent work and sustainable agriculture.

***Fairtrade Overarching Principle:
sustainable social, economic, and
environmental development of
producers and their organizations***



Fairtrade and the Framework for Strategic Sustainable Development (FSSD)

System – Success – Strategic – Action – Tools

“A world in which ***justice and sustainable development*** are at the heart of trade structures and practices so that everyone, through their work, can maintain a ***decent and dignified livelihood*** and develop their ***full human potential***.”

- A Charter of Fair Trade Principles (January 2009)

Who Uses It?



Who Uses It?

Rural Producers

- Small producer organizations
- Hired labor companies



Cotton, Mali



Shea Butter, Burkina Faso



Rice, India

Who Uses It?

Wealthy Suppliers

- Small businesses, churches, schools, workplaces
- Multi-national companies
 - *example - Starbucks*



Who Uses It?

Governments

- Municipal
 - *example – Fairtrade Towns*
- National
 - *example – UK Government*



Blind Spots & Potential Consequences

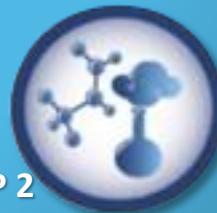
Main focus on sustainability principle 4:

- Less agrochemicals and no GMOs
 - ↳ Inefficiency, harvesting of larger farmland (SP 2,3)
- Lack of quantifiable and measurable rules
 - ↳ Vague progress assessment

SP 1



SP 2



SP 3



SP 4



A woman with a joyful expression is shown in a coffee plantation. She is wearing a vibrant red shirt with yellow floral patterns and a traditional woven hat. She is reaching out to harvest coffee cherries from a branch. The background is filled with green coffee plants and trees, creating a lush, natural setting. The overall mood is positive and hardworking.

Advice for Using Fairtrade



Advice for Using Fairtrade

Awareness of intentions and limitations of Fairtrade:

- Not an environmental certification
- Recommends environmental standards
- Priority of social development
- Used in conjunction with an environmentally-focused certification



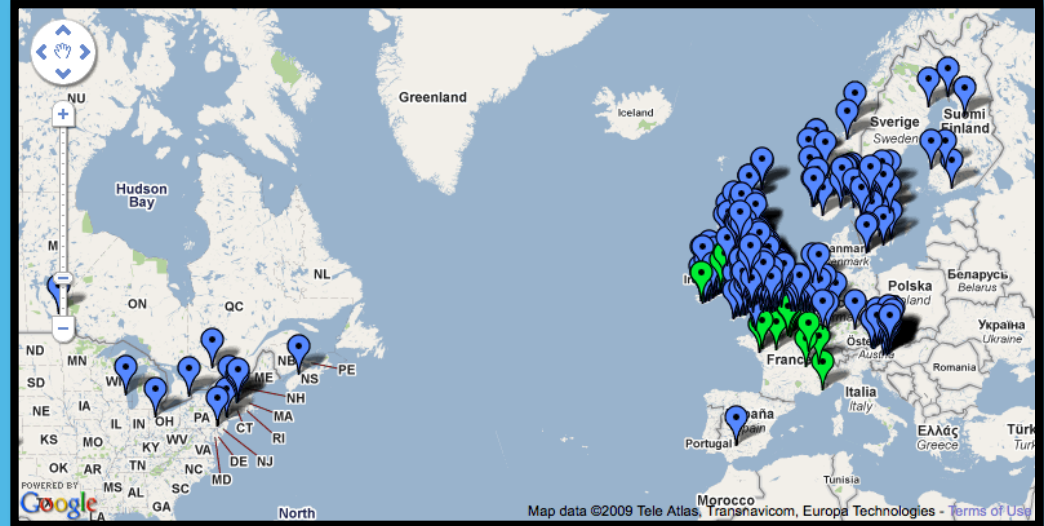


FAIRTRADE

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Fairtrade Towns

A Fairtrade Town is any community in which people and organizations use their everyday choices to increase sales of Fairtrade products and bring about positive change for farmers and workers in developing countries.



600+ Fairtrade Towns – mostly found in the UK



Fairtrade Towns

The core Five Goals are:

1. Local ***council passes a resolution*** supporting Fairtrade, and agrees to serve Fairtrade products (for example, in meetings, offices and canteens).
2. A range of Fairtrade ***products are available locally*** (targets vary from country to country)
3. ***Schools, workplaces, places of worship and community organizations*** support Fairtrade and use Fairtrade products whenever possible
4. ***Media coverage*** and events raise ***awareness*** and understanding of Fairtrade across the community.
5. A ***Fairtrade steering group*** representing different sectors is formed to co-ordinate action around the goals and develop them over the years.



Fairtrade vs. Fair Trade

Fair Trade is a movement working to make trade practice and policy fairer. There are different organizations (World Fair Trade Organization, European Fair Trade Organization, Fair Trade Advocacy Office) working to promote fair trade practice and policy, through product certification, advocacy, campaigning and educational work.

Fairtrade describes the labeling system controlled by Fairtrade Labeling Organizations (FLO) International and national partners in different countries.



How Big is Fairtrade?

End of 2007: **632** Fairtrade certified producer organizations in **58** producing countries, representing **1.5 million** farmers and workers.

An estimated **7.5 million people** - farmers, workers and their families - **directly benefit** from Fairtrade.

Sales of Fairtrade certified products have grown on average by **40%** per year over the last five years and reached approximately **2.3 billion Euro** in 2007.

There are **18** product categories, including Fairtrade certified cotton, nuts, wine, fruit, tea, chocolate, fresh fruit and sports balls.



Prohibitive Costs of Certification

“...recognizing that some groups do face severe hardship, FLO has a Producer Certification Fund for producers’ organizations that need help to pay certification fees...can receive up to 75% of the certification fee. During 2007 74,000 euros (US\$99,000) was granted from the fund.”





Economic Crisis Impacts

POLICY PAGES

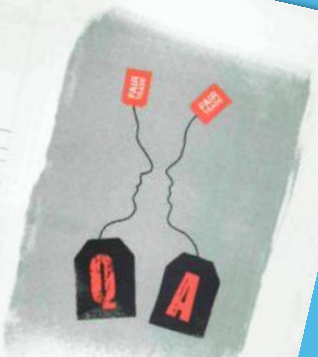
FAIR TRADE WHAT'S BEHIND THE LABEL?



ROB CAMERON
President, UK and European
Organisations (Fairtrade Labelling
Organisations (FLO) International)

We put 10 questions to Rob Cameron, Chief Executive of International Labelling Organizations (FLO)

INTERVIEW
by Steve Hughes



However, while...
ing, encourage...
sustainable prod...
you producers...
We must also...
environmental...
share's activit...

F. Elsewhere...
the number of...
environment...
through the...
other cost...
BC. The...
the strict...
certificatio...
also want...
organisa...
to prevent...
otro la...

BC. The...
certificatio...
and labelling...
system govern...
ed by Fairtra...
Labelling Orga...
nizations (FLO). The...
broader term 'fair trade'...
refers to the movement as a whole and...
encompasses other fair trade organizations.

F. What is the scope of the market for ethi...
cal products?
BC. The evidence suggests that the public...
appreciate the ethical products is constantly...
growing. An overview of ethical products from...
the year, with an estimated value of over...
£4 billion euros (US\$2.2 billion) in 2007. As a...
result, consumers are helping to support...
over 1.5 million farmers and workers in over...
80 countries in the developing world. And...
who you include families and dependants...
that is over 7.5 million people.

We expect this growth to continue as...
Fairtrade reaches over 200 million developi...
new labeled products and markets in rela...
tively young markets, such as the United...
States and Japan. We also expect the number...
of brands to increase as a result of the product range, the...

BC. Recent evidence has put us into...
an energy that Fairtrade does with...
success and increasing interest...
media coverage over the last six months...
Fairtrade sales have continued to grow in...
physical markets. For example, in the...
United Kingdom, sales grew by 20% in...
the period April to June 2008, as compared...
to the same time last year.

It is difficult to tell if the 2007/2008 Ex...
posed sales will change, and of course...
major attempts in the way the market has...
been built up over the years and there is a...
mass of hundreds of thousands of individua...
als who have taken action to purchase ethica...
Fairtrade products over the last couple...
of decades.

Recent research suggests that consumers'...
commitment to ethically traded products...
increases around the world. For example, the survey...
the consumers state they buying fair trade...
and environmentally sound products at the...
bottom of a list of actions that they might take...
in response to an economic downturn.

Research also suggests that one thing...
is for them in a global downturn, producers...
locally disadvantaged farmers and workers...
all the help that Fairtrade offers them.

F. In what other ways does the Fairtrade Certi...
fication Mark cover environmental con...
siderations?

BC. FLO strengthened its environmental con...
siderations in 2005 so that Fairtrade certified...
products would be produced with better...
environmental performance. For example...
certified producers must implement...
production practices that manage water and...
energy. In fact, we believe that Fair...
trade environmental standards are in a bette...
r position to manage the other schemes that are...
more specifically environmentally focused.

“Fairtrade sales have continued to grow in our biggest markets. For example, in the UK sales grew by 55% in the period April to June 2008, as compared to the same time last year.”

“The Henley Centre’s research...shows that consumers place ‘stop buying fair trade and environmentally sound products’ at the bottom of a list of actions that they might take in tightening economic environment.”



Fairtrade Certification Mark

1. Producers have been inspected and certified by FLO-CERT
2. Trade chain adhere to Fairtrade Standards
3. They are granted from FLO-CERT Certification
4. They are allowed to use Fairtrade Certification Mark for consumer final products



Applying for Certification

1. Apply -> is the applicant eligible for certification?
 - I. Organization sends application form
 - II. FLO-CERT sends application documents
2. Audit -> compliance criteria are checked
 - I. certification fees are paid
 - II. FLO-CERT auditor visits production sides and offices
3. Evaluation -> organization suggest measures to correct the non conformities
 - I. audit report to FLO-CERT
 - II. farmer suggest measures
4. Certification -> Certification of Conformity to the organization
5. Compliance Criteria in 3 Certification Cycles during the following 3 years

Process can take from 4 days to 6 weeks



Fairtrade Premium

- Additional income
- Democratic decision making by farmers' or workers' organizations
- Examples:
 - Education and healthcare
 - Farm improvements to increase yield and quality
 - Processing facilities to increase income
- Communal projects benefit broader community



Fairtrade Products

- Bananas
- Cocoa
- Coffee
- Cotton
- Flowers
- Fresh fruit
- Honey
- Juices
- Rice
- Herbs and spices
- Sports balls
- Sugar
- Tea
- Wine





Fairtrade Fees

Producer Certification Initial Fees - Small Farmers

- Application Fee (flat): €500
- The Initial Certification Fee is charged once (per product) and is related to the Initial Inspection and Certification carried
- out by FLO-CERT: The amount depends on the kind of organisation and charges are based on a daily rate of €400

Other Fees:

- Additional Product Fee
- Process Installation Fee
- Follow Up Inspection Fee