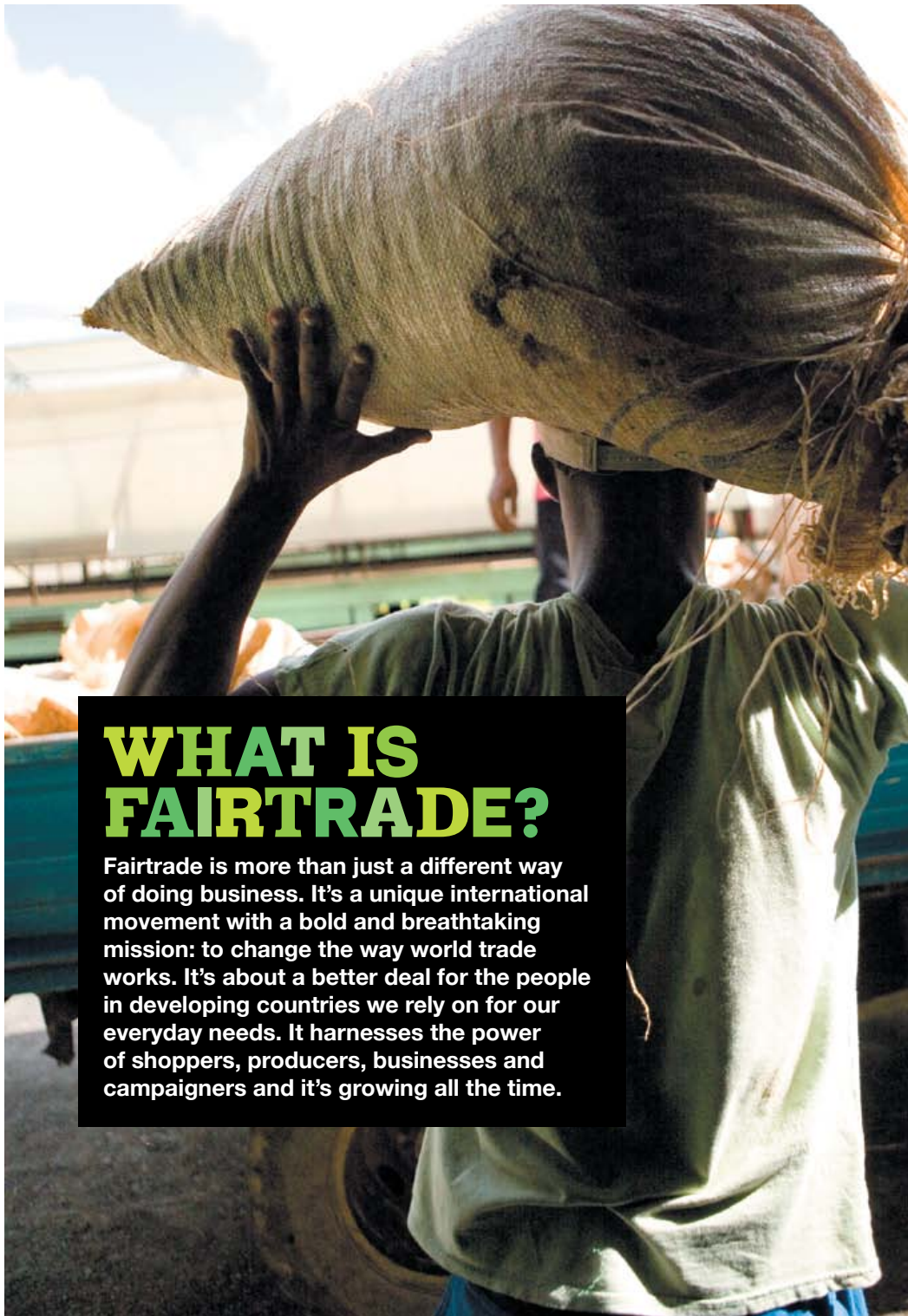




FAIRTRADE
EXPLAINED
CHANGING TRADE TOGETHER



fairtrade.org.uk



WHAT IS FAIRTRADE?

Fairtrade is more than just a different way of doing business. It's a unique international movement with a bold and breathtaking mission: to change the way world trade works. It's about a better deal for the people in developing countries we rely on for our everyday needs. It harnesses the power of shoppers, producers, businesses and campaigners and it's growing all the time.

What does the FAIRTRADE Mark tell you?



® Fairtrade products always carry the FAIRTRADE Mark.

- Producers have been paid a fair, stable price
- Producers have longer-term trading relationships, with more stability
- Producers have access to training and skills to develop their businesses
- Producers get a little extra, the Fairtrade premium, to decide for themselves how to spend to strengthen their businesses and their communities

Who needs Fairtrade?

World trade rules and power structures aren't fair. The odds are stacking higher than ever against small-scale farmers and workers in the developing world. They face the challenges of rising food and fuel costs, an increasingly unpredictable climate and volatile prices for their goods. During a financial downturn, it's the poorest that suffer first, and worst.

On the world market, commodity prices rise and fall, making it difficult for producers to plan for the future. If farmers earn less than it costs to run their farm, they face real hardship – struggling to buy food or keep their children in school. They risk losing their land and livelihood.

Who benefits?

Fairtrade works with disadvantaged farmers in the developing world.

- Small-scale farmers suffer from poor market access and unfair international trade rules such as tariffs and subsidies for rich countries. The Fairtrade minimum price covers the cost of farming sustainably and allows producers to plan for the future.
- Farm workers often lose out on their share of the benefits of global trade. Fairtrade standards protect workers' rights to decent pay, a safe working environment and the right to join a trade union.

'Our vision is of a world in which justice and sustainable development are at the heart of trade structures and practices.'



Shea nut processing, Burkina Faso

PEOPLE AND BENEFITS

Mothers with their babies at a maternal health clinic built using Fairtrade premium in Mafele, Mali



A business boost

Producers say that the main benefit of Fairtrade is that they receive a higher income through the Fairtrade minimum price. Along with longer-term trading relationships, this lets producers develop their businesses and plan ahead for their families.

The Windward Islands is just one place where the extra income from Fairtrade has allowed farmers to improve roads to transport their crop, meet the standards supermarkets require for their packing sheds and get business training.

‘Bananas are the heartbeat of our country,’ explains Amos Wiltshire, National Fairtrade

‘With Fairtrade small farmers have been transformed from marginalised farmers into business men.’

Amos Wiltshire, National Fairtrade Co-ordinator for Dominica

Co-ordinator for Dominica, one of the Windward Islands. ‘Fairtrade has been the saviour of the farmers of Dominica – of agriculture and the whole economy. With Fairtrade small farmers have been transformed from marginalised farmers into business men.’

Stronger communities

The Fairtrade premium empowers farmers and workers to decide for themselves which projects to invest in to benefit their communities and their businesses.

Cotton farmers in West Africa and India are paying the penalty of low cotton prices, driven down by subsidies paid to the US, China and Europe for their cotton, and competition from synthetic fibres. The economies of some of the world’s poorest countries depend on cotton. In Mali, where cotton is often the sole source of cash for small farmers, 40% of the population depends on it.

The Dougourakoroni Co-operative chose to build a school for their village using the Fairtrade premium. Before this children were taught under a tree which meant lessons were cancelled during bad weather.

Healthier environment

Fairtrade standards aim to protect the environment for us all. Extra income from Fairtrade gives farmers the chance to invest in farming methods that are sustainable and help raise their standard of living.

In Costa Rica the Llano Bonito Co-operative bought two new ovens to dry processed coffee beans. They replaced wood burning ovens and save felling 10 hectares of forest every year. The new ovens run on environmentally-friendly fuel from coffee hulls and pulp. They dry the beans evenly to a high quality, earning the farmers a higher price.

The co-op also uses waste coffee pulp for organic fertiliser. It is composted and sold

to members. Before this, the coffee waste was tipped in the river, badly affecting water and wildlife.

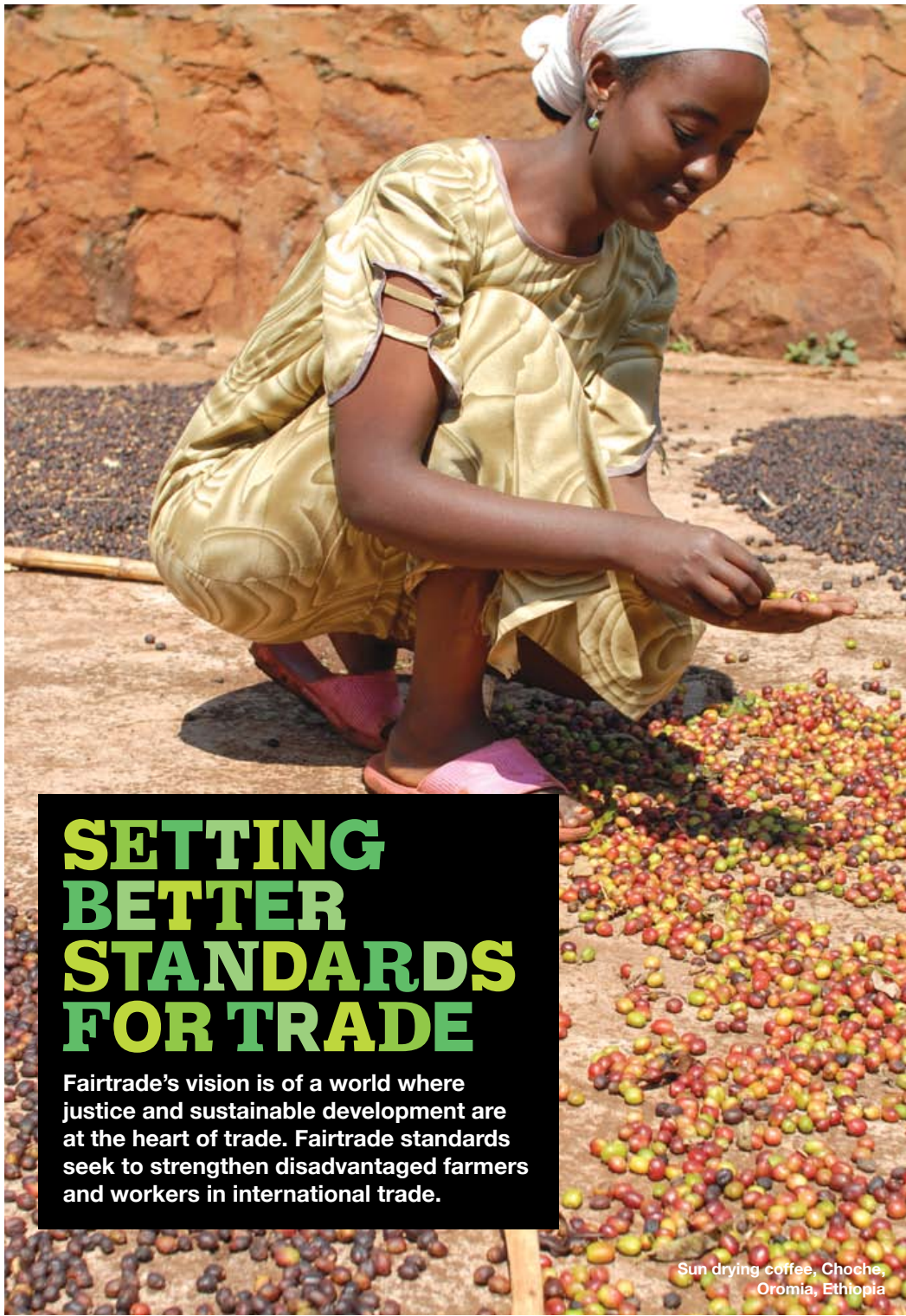
Adapting to a changing future

A changing climate means producers have to adapt their methods and the extra income from Fairtrade offers a little breathing space for them to experiment with ways to increase their income. It also puts them into a better position to cope with rising food and fuel costs. Pioneer Fairtrade company Cafédirect are funding a groundbreaking project called AdapCC, which is supporting coffee and tea farmers in developing countries to adapt to the effects of climate change. They are building networks, sharing technical information and planning how to respond to predicted changes.

‘Simply implement what has already been agreed’, asks Baini Diakite, Banfara Village Cotton producers’ union of Sebekoro, Mali. ‘Buy our cotton in the Fairtrade market and we’ll face our own problems, climate change consequences included.’



A water bore hole paid for with Fairtrade premium in Diadoubala, Mali



SETTING BETTER STANDARDS FOR TRADE

Fairtrade's vision is of a world where justice and sustainable development are at the heart of trade. Fairtrade standards seek to strengthen disadvantaged farmers and workers in international trade.

Sun drying coffee, Choche, Oromia, Ethiopia

Growing bananas in the Caribbean isn't like growing cotton in India. So that's why the Fairtrade standards differ from product to product.



Take that essential morning coffee. Most coffee is grown by small-scale farmers on their own land, often members of co-operatives. Fairtrade supports small-scale farmers to work together to strengthen their co-operatives and community infrastructure, to improve quality and market knowledge so that they can compete more effectively in the marketplace. Fairtrade standards require the open, democratic running of co-operatives as well as promoting sustainable farming.

Tadesse Meskela from Oromia Coffee Farmers Co-operative Union, Ethiopia sums up their experience. 'Our members have greatly benefited from the profits Fairtrade has generated. On top of that, we are now getting technical and financial support that enables us to continue our tradition of excellence. Therefore, Fairtrade membership is very important to our organisation and its members.'

How about that other vital breakfast drink, tea? Most tea comes from private estates. Here, the biggest concerns for workers are usually fair wages and decent working and living conditions.

On commercial farms where hired labour is used, the Fairtrade standards are based on International Labour Organisation Conventions. They require estate or plantation owners to pay decent wages, promote the right to join trade unions and provide good housing where relevant.

'We are now getting technical and financial support that enables us to continue our tradition of excellence.'

Tadesse Meskela, Oromia Coffee Farmers Co-operative Union

There must be minimum health and safety standards and environmental standards in operation. Forced or child labour are both prohibited. A committee or Joint Body, consisting of management and democratically elected worker representatives, must be in place to decide how to invest the Fairtrade premium for the benefit of the workers. Through the Joint Body, workers are empowered and involved in decision making.



As Mr J Devasagayam, Estate Supervisor, Stockholm Tea Estate in Sri Lanka states, 'We all work together on the Joint Body; management and workers'

representatives are equal in status, I don't feel intimidated by the presence of the manager... Fairtrade is raising our living standards. But just as importantly, it is changing people's attitudes. We used to ask the estate manager or the government to do things for us to improve our lives; now we're trying to do it ourselves'.

Fairtrade standards are unique because they cover terms of trade between producers and other traders. On top of the Fairtrade price and premium, and credit facilities where requested, the Fairtrade standards encourage trading partners to build strong, long term relationships.

INTRODUCING FAIRTRADE INTERNATIONAL (FLO)

The Fairtrade Foundation is the UK member of Fairtrade International (FLO). This is the standard setting and certification organisation for Fairtrade.

Producer networks

are regional groups of certified producers who share knowledge and are represented at the heart of Fairtrade on Fairtrade International's board and in standard setting.



Fairtrade Foundation members:

Banana Link, CAFOD, Christian Aid, Methodist Relief and Development Fund, National Federation of Women's Institutes, Nicaragua Solidarity Campaign, Oxfam, People & Planet, Soroptimists GBI, Shared Interest Foundation, SCIAF, Tearfund, Traidcraft Exchange, United Reformed Church, World Development Movement

For more about Fairtrade International visit:
www.fairtrade.net

For more about the Fairtrade Foundation and the FAIRTRADE Mark, visit:
www.fairtrade.org.uk

For more about Fairtrade Africa, visit:
www.fairtradeafrica.net

There are two parts to Fairtrade International (FLO):

- **Fairtrade International** is a non-profit association. It sets Fairtrade standards, develops Fairtrade business and provides support to producers.

- **FLO-CERT** is an international certification company that is owned by Fairtrade International but which operates independently. It is responsible for the inspection and certification of producer organisations and traders against the Fairtrade standards.

Fairtrade International (FLO)

Producer networks

Fairtrade Africa

CLAC
Coordinator of Fairtrade Latin America and the Caribbean

NAP
Network of Asian Producers

Labelling initiatives

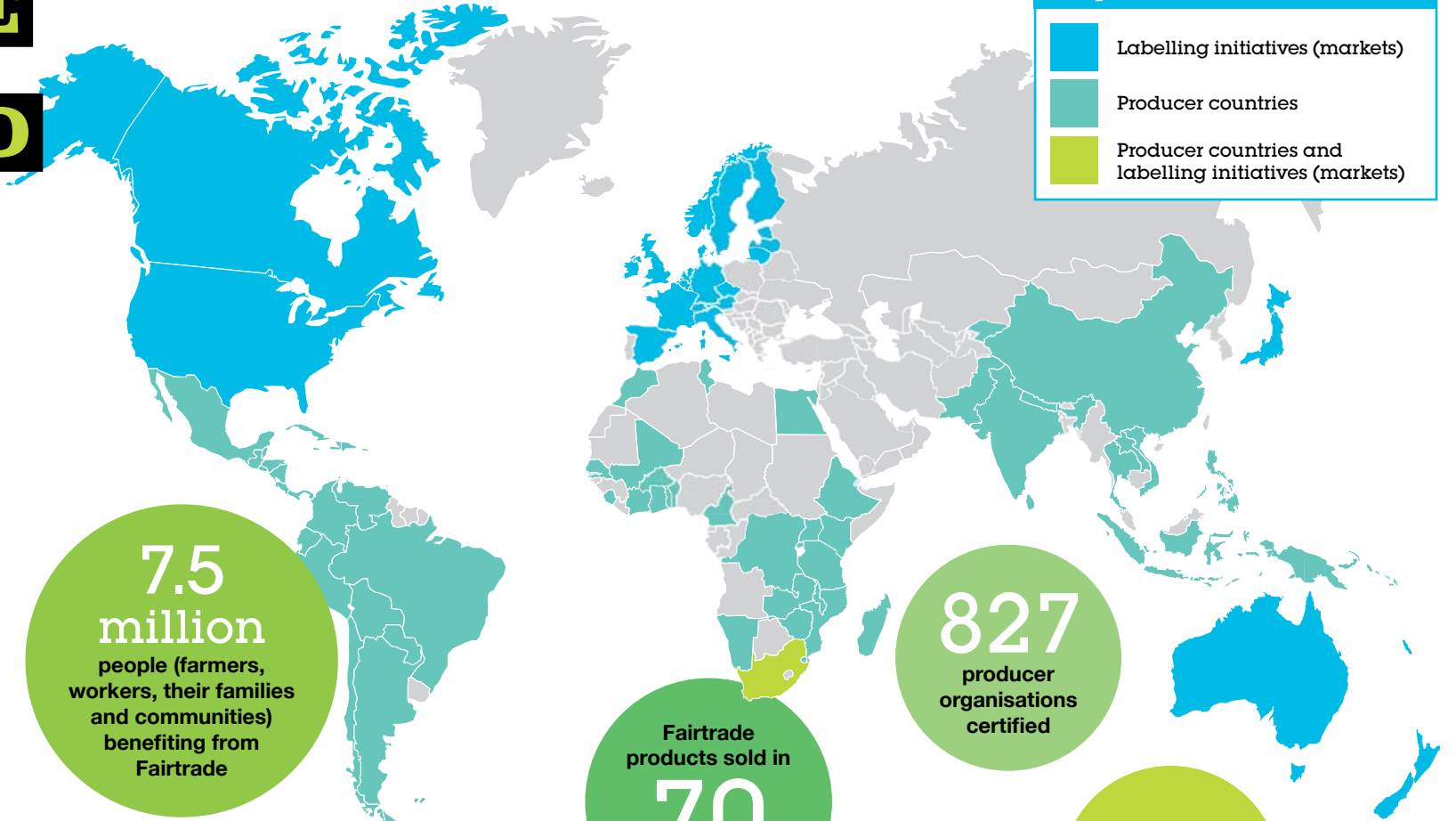
are national organisations that market Fairtrade and licence companies to use the FAIRTRADE Mark on products in their country. There are currently 19 Fairtrade labelling initiatives covering 24 countries in Europe, North America, Japan, Australia and New Zealand. The newest labelling initiatives are in producer countries, such as South Africa, where there is growing interest in Fairtrade from domestic consumers.

Labelling initiatives

FAIRTRADE AROUND THE WORLD

Key

- Labeling initiatives (markets)
- Producer countries
- Producer countries and labelling initiatives (markets)



● Producer countries

- ARGENTINA
- BELIZE
- BENIN
- BOLIVIA
- BRAZIL
- BURKINA FASO
- CAMEROON
- CHILE
- CHINA
- COLOMBIA
- COMOROS ISLANDS
- DEMOCRATIC REPUBLIC OF CONGO
- COSTA RICA
- CUBA
- DOMINICAN REPUBLIC
- ECUADOR
- EGYPT
- EL SALVADOR
- ETHIOPIA
- GHANA
- GUATEMALA
- HAITI
- HONDURAS
- INDIA
- INDONESIA
- IVORY COAST
- JAMAICA
- KENYA
- KYRGYZSTAN
- LAOS
- MADAGASCAR
- MALAWI
- MALI
- MAURITIUS
- MEXICO
- MOROCCO
- MOZAMBIQUE
- NAMIBIA
- NEPAL
- NICARAGUA
- PAKISTAN
- PALESTINE
- PANAMA
- PAPUA NEW GUINEA
- PARAGUAY
- PERU
- PHILIPPINES
- RWANDA
- SENEGAL
- SIERRA LEONE
- SOUTH AFRICA
- SRI LANKA
- SWAZILAND
- TANZANIA
- THAILAND
- TIMOR-LESTE
- TOGO
- TUNISIA
- UGANDA
- VENEZUELA
- VIETNAM
- WINDWARD ISLANDS
- ZAMBIA
- ZIMBABWE

7.5 million
people (farmers, workers, their families and communities) benefiting from Fairtrade

● Labelling initiatives cover:

- AUSTRALIA
- AUSTRIA
- BELGIUM
- CANADA
- DENMARK
- ESTONIA
- FINLAND
- FRANCE
- GERMANY
- IRELAND
- ITALY
- JAPAN
- LATVIA
- LITHUANIA
- LUXEMBOURG
- THE NETHERLANDS
- NEW ZEALAND
- NORWAY
- SPAIN
- SWEDEN
- SWITZERLAND
- UK
- USA
- SOUTH AFRICA

Fairtrade products sold in **70** countries

827 producer organisations certified

€3.4bn estimated global sales in 2009



Vanilla producer in India



Cotton picking in Mali



Sugar cane farming in Costa Rica

Buying Fairtrade creates real change for producers in the developing world.



'We work according to standards set by FLO. We use the Fairtrade premium for the things we choose, democratically.'



YOU AND YOUR FRIENDS

PRODUCERS




CHANGING TRADE TOGETHER



COMPANIES

CERTIFICATION



In the UK, companies must apply to the Fairtrade Foundation to use the FAIRTRADE Mark. The FAIRTRADE Mark certifies as Fairtrade the product it is on, not the whole company that makes it. The Fairtrade Foundation and FLO-CERT ensure minimum prices and premiums are paid by the companies to the producers.



FLO liaison officers provide producer groups with support to meet Fairtrade standards. FLO-CERT inspectors based all around the world certify producer organisations and traders against Fairtrade standards.

FAIRTRADE IN THE UK

This unique people's movement has been built from the bottom up, conversation by conversation, choice by choice, business by business. Everyone can play their part!

440

companies licensed to sell Fairtrade products

Over 500

community Fairtrade Towns campaigns across the UK

Over 74%

of the UK public recognise the FAIRTRADE Mark

More than

4,500

products certified to carry the FAIRTRADE Mark



WHAT NEXT?

Nine in ten people in the UK have heard about Fairtrade, thanks to thousands of local campaigns spreading the word. Supermarkets stock Fairtrade because their customers are asking for it. Fairtrade is hitting the news daily because of the amazing creativity of individuals and community groups.

IT'S EASY TO GET INVOLVED:

- Sign up for Fair Comment, the Fairtrade Foundation's quarterly newsletter 
- Make Fairtrade part of your office or business
- Take part in the virtual conversation about Fairtrade on Facebook, Twitter and Youtube   
- Celebrate Fairtrade Fortnight each year with displays, tastings or other events 
- Join your local Fairtrade Town, University, School or Place of worship

WWW.FAIRTRADE.ORG.UK



Fairtrade Foundation
3rd Floor
Ibex House
42-47 Minories
London EC3N 1DY

Tel: +44 (0) 20 7405 5942
Fax: +44 (0) 20 7977 0101

www.fairtrade.org.uk

Registered Charity No. 1043886
A company limited by guarantee, registered
in England and Wales No. 2733136

Photography credits: Cindy D'Auteuil,
Trevor Leighton, Richard Human, Simon
Rawles, Linus Hallgren, Peter Caton,
Graham Jepson, Tom Bamber

