

Know the facts about fair trade

What is fair trade?

Fair trade is a type of international trade that enables farmers a chance out of poverty by guaranteeing fair prices and sustainability. It allows producers to invest in their farms and communities abroad and lets farmers compete in the global marketplace. If a product has Fair Trade Certification, consumers can recognize and support the just trading policies of the producer by purchasing their product. This ensures that farmers will receive profits.

What are the principles of fair trade?

Fair trade principles include:

- A fair price (farmers are guaranteed a minimum price on their goods, and are guaranteed an additional price for organic products. They are also eligible for pre-harvest credit)
- Fair labor conditions (safe work place, no forced child labor, living wages, freedom of association)
- Direct trade (fewer middle men between the farmers/producers and retailers helps ensure greater profits for farmers)
- Democratic and transparent organizations (farmers collectively decide how they invest revenue)
- Community development (a portion of revenue supports the community; it may be invested in scholarships, quality improvement, or social and business development)
- Environmental sustainability (no harmful agrochemicals and genetically modified organisms or GMOs. This protects farmer health and preserves the ecosystem)

Who certifies a fair trade product?

Internationally, FLO (Fairtrade Labeling Organizations International) brings together separate labeling initiatives and producer networks that represent Fair Trade Certified producer organizations throughout the world and unifies them into one coalition. Transfair USA is the only independent, third-party certifier in the United States. FLO is composed of two parts: FLO International and FLO-Cert. FLO International creates the international Fair Trade standards. Flo-Cert inspects producer group and certifies fair trade globally.

What products can be Fair Trade Certified?

In the U.S., the following products may be Fair Trade Certified:

- Coffee
- Tea and herbs
- Cocoa and chocolate
- Fresh fruit
- Sugar
- Rice
- Vanilla
- Flowers
- Honey

Currently, Transfair USA does not certify handicrafts. However, IFAT (an umbrella organization that represents producers and importers that sometimes work with handicrafts) is working with FLO to combine their systems of Fair Trade Certification. While there is no certification for artisan-made handicrafts in the U.S., some retailers do adhere to the fair trade principles.

Can a company be Fair Trade Certified?

Products are certified, not companies.

If not fair trade, then . . . ?

There are many consequences of unfair trade. To begin with: child labor, worker exploitation, and climate change caused by pollution have devastating effects:

- Nearly half the world lives on less than \$2 a day and the poorest 40% of the world's population has only 5% of the global income.
- An estimated 218 million children are engaged in child labor (UNICEF).
- At least 70% of child laborers work in agriculture (UNICEF).
- Unsustainable methods of disposing organic waste — like burning crop residue, allowing residue to flow into drainage systems, or neglecting to use farming techniques that enhance the soil — can result in air and water pollution and erosion.
- Unfair wages and working conditions also perpetuate poverty and put the health of farmers at risk.
- Agrochemicals, which are only allowed in fair trade in rare cases, are often used to cultivate crops. These can be toxic, posing health risks for farmers!
- Almost three-quarters (126 million) of children engaged in child labor work in hazardous situations or conditions, such as working in mines, working with chemicals and pesticides in agriculture or working with dangerous machinery (UNICEF).
- When farmers are not guaranteed a minimum price for their crops, they often fall victim to the global economy if demand decreases. When farmers rely on few, specific crops they are left particularly vulnerable to changes in the market. Fair trade guarantees a minimum price, so that farmers won't fall deeper into poverty if the global economy influences profits.

Who benefits from Fair trade?

According to transfairusa.org, over one million farmers and farm workers in 58 developing countries across Africa, Asia, and Latin America benefit from fair trade. And over 80% of Americans say they would likely switch brands to support a cause when price and quality are equal. The fair trade market is poised to grow!

Communities! Communities that receive revenue from Fair Trade invest in development projects to improve access to education, enhance social services, and develop businesses.

The environment! Farmers can enhance soil fertility and structure by practicing sustainable methods of tillage, irrigation and crop rotation. Many fair trade farmers implement composting, terracing and reforestation into their land cultivation. They also seek alternatives to chemical use and consider different methods of pest management.

People! Farmers are better able to provide for their families. Family members are fed and parents can afford to send kids to school. Community investment benefits school children, provides vocational training, and allows active community participation.

The economy! By providing families with a means to provide for themselves and even profit, fair trade lets families participate in the economy. An emphasis on sustainability and safe working conditions prevents workers from sickness, allowing them to continue to work. Where it was previously financially beneficial to cultivate illegal crops for profit, some farmers now find it worthwhile to switch to fair trade products like coffee.

Community development projects educate individuals, allowing them to give back to their communities. As families benefit from fair trade, the need for social welfare programs decreases. Consumer demand for socially responsible goods continues to grow! Over 80% of Americans say they would likely switch brands to support a cause when price and quality are equal. In 2004 alone, the U.S. market for fair trade products grew by over 80%. Fair trade products are now available in over 30,000 retailers from over 400 companies. (Statistics from Transfairusa.org)