

Supporting Fair Trade Information

What is Fair Trade?

Fair trade is an alternative approach to conventional international trade, which aims to share the benefits of trade more equitably between consumers, producers and the environment. Fair trade is about better prices, decent working conditions, local sustainability and fair terms of trade for farmers and workers in the developing world.

Fairtrade guarantees a better deal for producers in the developing world through;

- A fair and stable price for their product
- Long term trading relations and advance payments
- Investment in local community development
- Support in gaining knowledge and skills needed to operate in the global economy
- Environmentally sustainable farming methods

Currently the most widely recognized definition of fair trade was created by FINE:

"Fair Trade is a trading partnership, based on dialogue, transparency and respect, that seeks greater equity in international trade. It contributes to sustainable development by offering better trading conditions to, and securing the rights of, marginalized producers and workers - especially in the South. Fair Trade organisations (backed by consumers) are engaged actively in supporting producers, awareness raising and in campaigning for changes in the rules and practice of conventional international trade. Fair Trade's strategic intent is:

- deliberately to work with marginalised producers and workers in order to help them move from a position of vulnerability to security and economic self-sufficiency
- To empower producers and workers as stakeholders in their own organisations
- To actively to play a wider role in the global arena to achieve greater equity in international trade."

What is the FAIRTRADE Label?

The Fairtrade Certification Label is an independent consumer certification label which appears on products as an independent guarantee that disadvantaged producers in the developing world are getting a better deal. As a result of Fairtrade, these producers receive a **Fairtrade Minimum Price** that covers the cost of sustainable production as well as an **extra Fairtrade Premium** that is invested in social or economic development projects.



For a product to display the Fairtrade Certification Label it must meet international Fairtrade Standards. Producer organizations supplying Fairtrade Products are then certified against these standards by FLO-CERT, an independent certification body, which carries regular inspections.



What does Fairtrade guarantee?

A better deal for producers in developing countries through:

- A fair and stable price for their produce
- Security of long term contracts
- Investment in local community development
- Improved working conditions
- Environmentally sustainable farming methods
- Support in gaining the knowledge and skills needed to operate successfully in the global economy

Who benefits from Fairtrade?

The Fairtrade system provides tangible benefits to small-scale farmers and workers, consumers and the environment.

1. **Small-scale Farmers and Workers:** In 2006, the Fairtrade system benefited approximately 7 million workers, farmers and their dependents in 58 developing countries in Africa, Asia and Latin America.

Fairtrade Certification allows them to achieve economic independence and empowerment while improving their standards of living. Beyond being paid a fair price for their produce, the Fairtrade Premiums enables producers to better their communities by providing:

- Improved access to low or no-interest loans
- Technical assistance for building infrastructure to improve production
- Communications systems, and collectively-owned transport and processing equipment
- Better health care and education
- Technical training and skill diversification for cooperative members and their families
- Any other investment deemed necessary or beneficial to the community or organization.

2. **Consumers:** The Fairtrade system benefits consumers by:

- Giving them the option of purchasing according to their principles and values
- Empowering them to be a player in the solution to global trade inequities
- Providing them with high quality products
- Assuring them of the ethical source of their purchases

3. **Environment:** Fairtrade rewards and encourages farming and production practices that are environmentally sustainable, such as:

- Integrated farm management systems which minimize pollutants, pesticides and herbicides
- Organic agriculture techniques
- Banning the use of most dangerous pesticides



How big is the Fairtrade market?

Globally, consumers worldwide spent £1.1bn on Fairtrade certified products in 2006. This is a 42% increase on the previous year directly benefiting over 7 million people - farmers, workers and their families in developing countries.

Fairtrade Growth in New Zealand and Australia

2007 was another exciting year for Fairtrade in Australia and New Zealand, with ethically minded businesses and consumers pushing annual retail sales in excess of AU\$12 million for the 2006/2007 financial year. In New Zealand alone quarterly retail sales are set to top NZ\$1 million for the first time. All this amounts to more than AU\$25 million in total retail sales in Australia and New Zealand since the first Fairtrade Certified and Labelled product was launched in September 2003. This remarkable growth is reflected in a global Fairtrade trend with worldwide annual sales increasing by 40% to 1.6 billion Euros (AU\$2.5 billion), benefiting over 1.4 million producers and workers.

Increasingly businesses and consumers are making the decision to change today and choose fairtrade. The number of Fairtrade licensed operators, Fairtrade importers, and those companies retailing Fairtrade products to consumers continues to grow significantly with 120 businesses licensed to sell Fairtrade products. Companies with Fairtrade certified products from the UK and the US are also selling an increased range of products in Australia and New Zealand. A number of businesses are also beginning to sell Fairtrade certified cotton which highlights the ever expanding Fairtrade product range. The last 18 months has seen the introduction of Fairtrade certified cotton, sportsballs, quinoa, rice and sugar whilst strong sales growth continues with coffee, tea and chocolate products (bars, drinking chocolate and drinking cocoa).

The retail footprint of Fairtrade products has also expanded further throughout 2007 and they can now be found in cafes, from local organic, health and grocery shops, online, by mail order, from national supermarket and retail chains, and of course from fair trade shops. Major supermarkets in Australia and New Zealand continue to expand the range of Fairtrade products on shelves with Fairtrade tea and coffee available from most stores – including some private label options. Fairtrade chocolate availability from mainstream stores is also increasing. The diversity of outlets making Fairtrade labelled products available is bringing Fairtrade to new customers and increasing awareness amongst consumers as a whole.

“Consumers are increasing demand for Fairtrade Certified products which ultimately means that more farmers are able to sell more of their produce under Fairtrade terms, strengthening their organisations, building long-term relationships and increasing benefits to their communities. Every day Australians and New Zealanders are increasingly thinking about where their products come from and are choosing to have a direct and positive impact on the lives of farmers, workers and their families in developing countries” says Steve Knapp, Director, Fairtrade Labelling Australia and New Zealand.

What is Fair Trade Fortnight?

Fair Trade Fortnight 2008 (3rd – 18th May) is a two week celebration highlighting to consumers and businesses how their everyday buying decisions can help to make a world of difference. By changing to fair trade today we are asking people to contribute to the positive change of farmers and producers lives across the developing world. Fair Trade supporters across New Zealand will take part in the Fair Trade Fortnight campaign 'Change Today Choose Fairtrade' with a series of events and activities.





"Fair Trade Fortnight is a great opportunity to enjoy and celebrate a change in your shopping habits. Kiwis can take part in numerous events, tastings and promotions throughout the country..." says Steve Knapp, FTAANZ Director, "... so there's never been a better time to change today and choose fair trade."

The aim is to challenge people to make small changes, switching to choose a fair trade product or fair trade products across the range, which will trigger a positive change in communities in developing countries. The direct benefits to farmers and workers means they in turn will be able to make changes to their lives and environment.

"Simply making small changes in the way we act as consumers can allow other people to make changes towards a better way of life.", says Steve. "If enough of us make a change in our shopping habits, a community in Africa, Asia or Latin America can build more classrooms, employ a part-time nurse or construct a road so they can get their produce to market. While we enjoy foodstuffs and other products from the developing world, we should make sure producers are making a sustainable living. Fair trade has been embraced enthusiastically in New Zealand but more and more Kiwis need to line up behind fair trade so that more producers can sell more of their produce under fair trade terms."

Fair Trade Fortnight 2008 which takes place from the 3rd to the 18th of May will see activities across the length and breadth of New Zealand and will include opportunities; to see the critically acclaimed Black Gold film, to be a connoisseur of coffee at tasting events, to be in the know at talks on Fair Trade, to put a boot in at Fairtrade Football competitions, to be in it to win it with Radio Competitions, to get creative with Fair Trade art competitions, to checkout what's in store at the supermarket and to relax with a cuppa whilst being a part of New Zealand's biggest coffee break.

Information on this and more will be available on the Fair Trade Association Website www.fairtrade.org.nz.

Fair Trade History – New Zealand

In 1969, a Christchurch couple Vi and Richard Cottrell began importing carpets from Northern India to create an income for Tibetan refugees and Trade Aid was born. Over the subsequent decades, Trade Aid has successfully grown to a network of 30 shops around New Zealand selling a range of fairly traded products from all over the world.

In 2003, the Fair Trade Association of Australia and New Zealand (FTAANZ) was established, allowing companies in the region to use the international FAIRTRADE Label on their products. FTAANZ main aim is to promote fair trade in New Zealand and Australia and to enable the fair trade market to grow through awareness and product availability.

FTAANZ work in New Zealand is funded by NZAID, New Zealand's International Aid and Development Agency. FTAANZ also works together with Oxfam New Zealand and Trade Aid to promote fair trade in New Zealand which culminates each year with our annual celebration of fair trade during Fair Trade Fortnight.





Fairtrade Coffee

The Asosiasi Petani Kopi Lington Organik Association (APKLO) is a Fairtrade Certified coffee cooperative in Sumatra, Indonesia. Smallholder coffee farmers formed the cooperative to be free from exploitative middlemen who fixed prices that kept them marginalised.



“When I was young, I had to look for work in the cities. Now because of Fairtrade we are living together to make a good living right here in our own community.” Gani Silaban, APKLO

They have set aside a proportion of their Fairtrade Premium for a student scholarship programme dedicated to helping farmers who cannot afford to send their children to college.

Fairtrade Chocolate

Kuapa Kokoo is a Fairtrade Certified cooperative of cocoa farmers in Ghana. By selling to the Fairtrade market, the 45,000 members of the cooperative receive higher, stable prices for their cocoa, which ensures that they can afford to support themselves and their families. The farmers in Kuapa Kokoo are proud of the cocoa and their motto is ‘pa paa paa’ which means the ‘best of the best’ in Twi, the local language.



Through Fairtrade, farmers in the cooperative have been able to invest in much-needed water wells, which has reduced the risk of waterborne diseases. They have also invested Fairtrade revenue into schools to ensure that their children have access to a good education.

Fairtrade Tea

The Small Organic Farmers Association (SOFA) are a Fairtrade Certified tea cooperative that represents over 2,000 families in Sri Lanka. Local farmers used to sell their tea leaves by the side of the road. Now thanks to Fairtrade they have a sustainable income that has improved their ability to save and plan for the future. Farmers have reinvested the Fairtrade Premium into environmentally friendly agricultural practices and are focused on improving community infrastructure.



“It is thanks to the consumers’ final choice at the supermarkets that we can now develop a water scheme to reach the most remote farmers in our cooperative and have seats at the schools our children attend.” Karuna Aathi, SOFA

The Fair Trade Association of Australia and New Zealand

The Fair Trade Association of Australia and New Zealand (FTAANZ) is a regional body bringing together all organisations and individuals interested and working in the fair trade movement. FTAANZ seeks to increase awareness of fair trade; help facilitate and coordinate fair trade activities; and assist producers from developing countries, especially in the Asia-Pacific region, to access Australian and New Zealand markets.

