

FAIR TRADE FEDERATION

The **Fair Trade Federation (FTF)** is an association of fair trade wholesalers, retailers, and producers whose members are committed to providing fair wages and good employment opportunities to economically disadvantaged artisans and farmers worldwide.

FTF directly links low-income producers with consumer markets and educates consumers about the importance of purchasing fairly traded products which support living wages and safe and healthy conditions for workers in the developing world.

FTF also acts as a clearinghouse for information on fair trade and provides resources and networking opportunities for its members. By adhering to social criteria and environmental principles, Fair Trade Organizations (FTO) foster a more equitable and sustainable system of production and trade that benefits people and their communities.

FAIR TRADE CONCERNS

How is today's coffee trade unfair?

Of the 25 million coffee producers in 70 countries, over one third are small farmers. Typically, each has only two to five acres of land. Since each coffee bush provides only a pound of coffee per year, the farmers must tend thousands. They are at the bottom of a long food chain from farm to supermarket and local cafe. Usually they get no more than 10% of the retail price. This means earning as little as \$5 a day. Unable to export directly, they turn to dealing with mid-level traders or "coyotes," as they're called in Latin America. With their monopoly coyotes force farmers to sell low and as lenders, coyotes charge extremely high interest.

How does fair trade benefit farmers?

- 1) Guaranteed minimum price of US \$1.26 per pound, which covers the cost of production and basic living costs. If the world price is higher than \$1.26, importers pay a premium of US\$0.05/lb more.
- 2) Direct trade/reduced reliance on the middlemen.
- 3) Pre-financing by the importer to the producer if requested, which helps avoid debt traps.
- 4) Long term contracts: So producers can invest in social and ecological development projects such as organic or shade grown coffee which is healthier for the environment, workers and consumers, produces higher quality beans, and allows families to inter-plant fruit trees and vegetables at the same time. Under fair trade, consumers pay a more 'realistic cost, which acknowledges the farmers' basic human rights, environmental concerns, and sustainability in return for quality coffee. Through the skills learned from direct fair trade, farmers know the value of their coffee and capture a higher percent of the world price even on their conventional market sales.

FAIR TRADE INVOLVEMENT

In today's world economy, where profits rule and small-scale producers are left out of the bargaining process, farmers, craft producers, and other workers are often left without resources or hope for their future. Fair Trade helps exploited producers escape from this cycle and gives them a way to maintain their traditional lifestyles with dignity. Fair Trade encompasses a range of goods, from agricultural commodities like coffee,

chocolate, and tea, to handcrafts like clothing, household items, and decorative arts. Our Fair Trade campaigns and stores offer a variety of ways for you to support this growing movement for social justice!

Fair Trade involves the following principles:

- Producers receive a fair price - a living wage. For commodities, farmers receive a stable, minimum price.
- Forced labor and exploitative child labor are not allowed
- Buyers and producers trade under direct long-term relationships
- Producers have access to financial and technical assistance
- Sustainable production techniques are encouraged
- Working conditions are healthy and safe
- Equal employment opportunities are provided for all
- All aspects of trade and production are open to public accountability

Fair Trade commodities are certified by non-profit organizations in 17 different countries, all of which are affiliated with Fair Trade Labeling Organizations International. Fair Trade Certified commodities bear the seal of the certifying agency, providing a guarantee that fair trade practices were followed. In the US, TransFair USA certifies coffee, cocoa, and tea. The Fair Trade coffee system benefits over 350,000 farmers organized into over 300 cooperatives in 22 countries. The Fair Trade cocoa system benefits over 42,000 farmers organized into eight cooperatives in eight different countries. Fair Trade has helped farmers earn enough income to provide for their families' basic needs and invest in community development. However, these farmers are still selling most of their crop outside of the Fair Trade system because not enough companies are buying at Fair Trade prices. Help increase the demand for Fair Trade among companies, retailers, and consumers! Learn how you can get involved and make a real difference for small-scale producers!

Fair Trade handcrafts are purchased through a number of different Alternative Trading networks, such as the Fair Trade Federation and the International Federation for Alternative Trade. Global Exchange has three retail Fair Trade Stores: online and two brick & mortar locations. These stores offer consumers the opportunity to purchase beautiful, high quality crafts and commodities from producers and farmers that were paid a fair price for their work. We tell the stories of the cultures and families, primarily indigenous peoples and women who created these amazing crafts from around the world.

Fair Trade provides a sustainable model of international trade based on economic justice. It means an equitable and fair partnership between consumers in the Global North and producers in the Global South -- and is an alternative to sweatshop production. Please join us in supporting Fair Trade and using our consumer power to create a better world for all!