

## FAQs

**These questions are ones that you might come across during or after your talk. It's important that you read through this document so that you are prepared for some of the more difficult questions that can pop up.**

**If there is a question you can't answer, it is best to refer back to the Fairtrade Foundation website, or suggest consultation of 'A Jewish Guide to Fairtrade'**

### **What is Fairtrade?**

Fairtrade is about better prices, decent working conditions, local sustainability, and fair terms of trade for farmers and workers in the developing world. By requiring companies to pay sustainable prices (which must never fall lower than the market price), Fairtrade addresses the injustices of conventional trade, which traditionally discriminates against the poorest, weakest producers. It enables them to improve their position and have more control over their lives.

### **What is the Fairtrade Foundation?**

The Fairtrade Foundation is a development organisation committed to tackling poverty and injustice through trade, and the UK member of Fairtrade Labelling Organisations International (FLO). The Foundation works with businesses, civil society organisations and individuals to improve the position of producer organisations in the South and to help them achieve sustainable improvements for their members and their communities. Certification and product labelling (through the FAIRTRADE Mark) are the primary tools for our development goals. The backing of organisations of producers and consumers in a citizen's movement for change is fundamental and integral to our work.

### **What is the FAIRTRADE Mark?**

The FAIRTRADE Mark is an independent consumer label which appears on UK products as a guarantee that they have been certified against internationally agreed Fairtrade standards. It shares internationally recognised Fairtrade standards with initiatives in 20 other countries, working together globally with producer networks as Fairtrade Labelling Organisations International (FLO). The Mark indicates that the product has been certified to give a better deal to the producers involved – it does not act as an endorsement of an entire company's business practices.

### **Who is Fairtrade Labelling Organisations International?**

The international body comprising the Fairtrade Foundation and its partner organisations around the world which has overall responsibility for developing Fairtrade standards, supporting producers, and operating global certification and auditing systems.

FLO is based in Bonn, Germany and is composed of two separate organizations: FLO International eV. is a non-profit multi-stakeholder association involving 23 member organizations, of which 20 are Labelling Initiatives across Europe, North America, Japan, Australia and New Zealand. 3 members are regional producer networks in Africa, Asia, Latin America and the Caribbean representing over 600

Fairtrade certified producer organisations in the South. FLO develops and reviews international Fairtrade standards and assists producers in capitalizing on market opportunities.

FLO-CERT GmbH is a limited company that coordinates all tasks and processes all information related to the inspection and certification of producers and traders.

Operating independently of any other interests, it follows the international ISO standard for certification bodies (ISO 65).

For more information about FLO and FLO-CERT, please visit their website at [www.fairtrade.net](http://www.fairtrade.net).

### **What is a Fairtrade registered licensee?**

In the Fairtrade system, a licensee is a company that has signed a Licence Agreement with the Fairtrade Foundation and is therefore entitled to apply the FAIRTRADE Mark to specific products covered by the Agreement.

### **What are Fairtrade standards?**

Fairtrade standards comprise both minimum social, economic and environmental requirements, which producers must meet to be certified, plus progress requirements that encourage continuous improvement to develop farmers' organisations or the situation of estate workers.

### **What is a Fairtrade certified producer group?**

This term is used for either an association of farmers or a company dependent on hired labour that produces one or more commodities for which there are Fairtrade standards and that has been certified to meet those standards. Once certified, they are added to the Fairtrade product register and registered companies can buy from them under Fairtrade terms.

Some Fairtrade certified producer groups are able to sell their entire production under Fairtrade terms, while others sell only a very small percentage and badly need more buyers to offer a Fairtrade deal. It is only by increasing the amount sold as Fairtrade that producer groups are able to receive a steady stream of additional income to improve their lives.

### **What is the Fairtrade minimum price?**

The Fairtrade minimum price defines the lowest possible price that a buyer of Fairtrade products must pay the producer. The minimum price is set based on a consultative process with Fairtrade producers and traders and guarantees that producers receive a price which covers the cost of sustainable production. When the market price is higher than the Fairtrade minimum price, the market price is payable.

### **What is the Fairtrade premium?**

Money paid on top of the Fairtrade minimum price that is invested in social, environmental and economic developmental projects, decided upon democratically by a committee of producers within the organisation or of workers on a plantation.

## **What is a Fairtrade Town (or School, University, Faith Group)?**

The Foundation does not certify towns or other groups, only products. However, we do run campaigns with local community groups aimed at boosting awareness and understanding of trade issues, and promoting the purchase of Fairtrade products as a way that ordinary people can make a difference to the lives of producers.

These campaigns have a set of goals, and receive a certificate of congratulation from the Fairtrade Foundation when they are reached. Once a local community declares its status as a Fairtrade Town (or university etc), they must be committed to continuing their campaigning and awareness raising.

## **How many Fairtrade products in the UK are there?**

The Fairtrade Foundation has licensed over 3,000 Fairtrade certified products for sale through retail and catering outlets in the UK.

## **How big is the UK Fairtrade market?**

The UK market is doubling in value every 2 years, and in 2007 reached an estimated retail value of £493 million. The UK is one of the world's leading Fairtrade markets, with more products and more awareness of Fairtrade than anywhere else. Around 20% of roast and ground coffee, and 20% of bananas sold in the UK are now Fairtrade.

## **What product categories does Fairtrade certify?**

Internationally-agreed Fairtrade generic criteria exist for the following commodity products and in each category there is a list of approved producers maintained by a FLO register.

Food products:

- Bananas
- Cocoa
- Coffee
- Dried Fruit
- Fresh Fruit & Fresh Vegetables
- Honey
- Juices
- Nuts/Oil Seeds
- Quinoa
- Rice
- Spices
- Sugar
- Tea
- Wine

Non-food products:

- Cotton
- Cut Flowers
- Ornamental Plants
- Sports Balls

## **Where can I buy Fairtrade products?**

Details of national stockists can be found on [our products pages](#) . They are available in major supermarkets, independent shops, in cafés, restaurants, through catering suppliers and wholesales, as well as through online shopping channels. Also check out shops that are part of BAFTS (British Association of Fair Trade Shops) which often have product ranges not available in mainstream stores.

### **My local shop, supermarket or café doesn't offer Fairtrade products. What can I do?**

Speak to the manager about stocking Fairtrade. Give them a leaflet about Fairtrade. They can access lists of Wholesale Suppliers of Fairtrade products on the Fairtrade Foundation website

### **How much of the price we pay for Fairtrade products goes back to the producers?**

Whatever the price of the product on the shelf, only the FAIRTRADE Mark ensures that the producers have received what has been agreed to be a fairer price, as well as the social premiums to invest in the future of their communities. The Fairtrade price applies at the point where the producer organisation sells to the next person in the supply chain (usually an exporter or importer). It is not calculated as a proportion of the final retail price, which is negotiated between the product manufacturer and the retailer.

You can read a fuller explanation in our paper, [Retail pricing of Fairtrade products](#) (DOC).

### **Why do some products claim to be “fair trade” but do not carry the FAIRTRADE Mark?**

Some organizations, also called Alternative Trading Organisations (ATOs), are purely dedicated to trading fairly and have been doing so for many years before Fairtrade certification was established. You can find these organisations listed at [IFAT](#) or [BAFTS](#). The process of agreeing international Fairtrade standards can take time, and for many of the products these organisations sell, there may not yet be standards available to certify their products.

There are, however, some other companies making their own ‘fair trade’ claims without having the independent scrutiny of the Fairtrade Certification Mark, or being part of a recognised network such as IFAT. You need to ask what these claims are based upon. If you want to be sure that farmers and workers are receiving the better deal offered by Fairtrade, always look for the FAIRTRADE Mark.

### **Why aren't handicrafts Fairtrade certified?**

Fairtrade Certification and its system of minimum pricing were designed initially for commodity products. It is technically difficult to adapt this model of standardized minimum pricing to crafts and other products made by small-scale artisans, which are each unique, made of varied materials and have highly varied production processes and costs. However, FLO is currently working with the [International Fair Trade Association](#) (IFAT) to explore whether we could work towards a certification programme for these products in the future.

## **Who is responsible for setting Fairtrade standards?**

All Fairtrade standards, including minimum prices and premiums are set by the Standards Unit at FLO and the minimum prices and premiums for each product are included in the product-specific standards [available on their website](#). The process for agreeing international Fairtrade standards follows the ISEAL Code of Good Practice for Social and Environmental Labelling, where stakeholders (including producers, traders, NGOs) participate in the research and consultation process and final decision making.

## **Why are some Fairtrade prices set worldwide and others set for countries or regions?**

Worldwide prices exist for some products (nuts, cocoa and juices). However, most products have country-specific or regional prices. This is because costs of production vary greatly around the world and prices for new products and origins have historically been set on a case-by-case basis. As the demand for new prices grows the FLO Standards Unit are increasingly moving towards regional rather than country-specific prices. This opens the scope of new prices to as many producers as possible and avoids having to carry out pricing work for the same product every time a new producer group is identified in a new country. If production costs vary significantly in a region a consensus is reached between the producers and other stakeholders involved in order to set a price that is acceptable for the whole region.

## **Why doesn't Fairtrade certify large coffee plantations?**

Around 70% of the world's coffee farmers are small-scale growers, and they face particular disadvantages in the market place. Fairtrade's mission is to make trade work for marginalised or disadvantaged producers, and therefore there is a global agreement that the system should offer champion purchase of sustainable coffee from organisations of small coffee farmers explicitly.

## **Is buying Fairtrade products a good idea, given concerns on climate change?**

By buying products that carry the FAIRTRADE Mark, shoppers can be assured that disadvantaged producers and workers in developing countries are getting a better deal: receiving a fair and stable price for their products which covers their costs of production; benefiting from longer-term trading relationships; receiving the Fairtrade premium for investment in social and economic development projects; and receiving pre-financing where requested. In its 13 years of existence in the UK, Fairtrade has proved to be an extremely successful model of how people-centred trade can effectively reduce poverty and improve livelihoods.

The public concern around climate change and carbon emissions has been growing rapidly in recent months and there is no doubt that far-reaching global action has to be taken now to deal with global warming. However if the debate around this issue becomes overly obsessed with the question of food miles, this could severely damage opportunities for sustainable forms of export agriculture to contribute to

the economic and social development of poor producers.

Agriculture can play a critical role in the economic and social development of developing countries – up to one and a half million livelihoods in Africa alone are estimated to be dependent upon UK consumption of agricultural and horticultural produce. Increased agricultural growth is thought to be the most likely source of economic growth in Africa given that 70% of the rural poor work on the land. Fairtrade certification ensures that the benefits of agriculture accrue to marginalised and disadvantaged producers.

While an international consensus has been reached on the science of climate change, what is now needed is a balanced debate on the best way forward to reduce the impact of climate change whilst also supporting developing countries in tackling poverty and promoting sustainable development.

### **Can buying Fairtrade products help to tackle climate change?**

The Fairtrade system includes environmental standards as part of producer certification. The standard requires producers to work to protect the natural environment and make environmental protection a part of farm management. Producers are also encouraged to minimize the use of energy, especially energy from non-renewable sources.

In addition, by purchasing Fairtrade products, shoppers in the UK are ensuring that producer organisations receive a Fairtrade premium for investment in economic, social and environmental products of their own choice. These premiums can enable farmers to implement a range of environmental protection programmes which will contribute to the range of solutions needed to address climate change and ultimately benefit all of us. To give two examples, tea workers in India have invested some of their Fairtrade premium into replacing the traditional wood-burning heating with a solar-panelled system. Coffee farmers in Costa Rica have used the premium to replant trees to prevent soil erosion and have invested in environmentally friendly ovens, fuelled by recycled coffee hulls and the dried shells of macadamia nuts. This means that they no longer need to cut forest trees and so can preserve the rainforest and the oxygen they produce.

By choosing Fairtrade products, you can therefore help producers preserve their own environment as well as have a positive social benefit in their community.

### **Are Fairtrade certified products also organic?**

Not necessarily. Fairtrade criteria do require sustainable farming techniques, and require higher prices to be paid for organic products. Moreover, Fairtrade Premiums are often used to train producers in organic and sustainable techniques like composting and integrating recycled materials, which can help them make progress in organic conversion in the future.

### **Why doesn't the FAIRTRADE Mark apply to UK farmers?**

The FAIRTRADE Mark was established specifically to support the most disadvantaged producers in the world by using trade as a tool for sustainable

development. We do recognise that many farmers in the UK face similar issues as farmers elsewhere, not least ensuring that they get a decent return for upholding social and environmental standards in their production. However there are also some major differences. For example, farmers in developing countries often have little infrastructural support, social security systems or other safety nets available if they cannot get a fair price for their products. Our Fairtrade standards, and our expertise, are specifically focused on enabling producers in developing countries tackle poverty through trade. If the Foundation diverted its own attention from this mission, this could potentially end up diluting the benefits of Fairtrade for the very farmers and workers we were established to support.

We agree that the principles behind fair trade may provide useful insight into the debate on improving the situation for UK producers. The Foundation is not convinced, however, that a labelling scheme is the right solution to the problems affecting UK farmers. A plethora of similar sounding labelling initiatives could result in confusion for consumers and undermine both the local cause and the global situation we care so deeply about. Rather than yet another label, the Foundation believes a more rigorous investigation by government and the industry itself is needed. This should look into the causes behind the problems being experienced by domestic producers, so that more robust and wide reaching policy tools can be identified – to benefit all affected farmers, and to reassure all concerned shoppers.

### **Some people say ‘buy local’ rather than ‘buy Fairtrade’. What is the Fairtrade Foundation’s response?**

The Fairtrade Foundation recognises that many farmers in the UK face similar issues to farmers elsewhere, not least ensuring that they get a decent return for upholding decent social and environmental standards in their production. We therefore support the promotion of sustainable production for UK farmers but our specific role will continue to be supporting farmers from the developing world.

Fairtrade isn’t in competition with UK farmers and the purchase of locally produced and Fairtrade products are not necessarily mutually exclusive. Fairtrade focuses by and large on tropical agricultural products such as coffee and bananas that can’t be grown in temperate climates or products that can’t be grown in sufficient quantities in the EU e.g. grapes and oranges. For some items such as honey and flowers, local supply is not able to meet the total demand - it has been estimated that both UK flowers and honey account for less than one-third of the UK market - and so imports are necessary to keep up with consumers’ shopping preferences. Other products, such as apples, are seasonal in both the UK and places like South Africa, and for as long as shoppers want to buy apples out of season, there is a demand for fruit from other countries. Often the choice facing shoppers is not necessarily between local honey and Fairtrade certified honey but between Fairtrade honey and conventional honey imported from, say, the US or China. It is up to each person to weigh up these choices and shop accordingly.

Ultimately, it is up to each person to do what they see as being in the interests of people and the planet. What is important is that we all try to make informed choices wherever possible. The Fairtrade Foundation is committed to raising awareness of ways in which buying products carrying the FAIRTRADE Mark is empowering and strengthening the future for disadvantaged producers in developing countries.