



**Fair Trade  
Association**  
of Australia and New Zealand

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## Overview of Fairtrade Certification & the FAIRTRADE Label



## What Is Fair Trade?

**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 organizations (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."** (FINE)



## Global Fair Trade

### 2 International Fair Trade Systems:

- Fairtrade Labelling Organizations International (FLO) – [www.fairtrade.net](http://www.fairtrade.net)
  - Product Labelling
- International Federation of Alternative Trade (IFAT) – [www.ifat.org](http://www.ifat.org)
  - Organisations

## Fair Trade In Australia

### 2 Australian (and New Zealand) Entities:

- Fair Trade Association of Australia & New Zealand
  - Membership network, promotion, education
- Fairtrade Labelling ANZ
  - Member of FLO International, licenses operators in Australia to use the FAIRTRADE Label

For more information on fair trade in Australia,  
see [www.fairtrade.com.au](http://www.fairtrade.com.au)

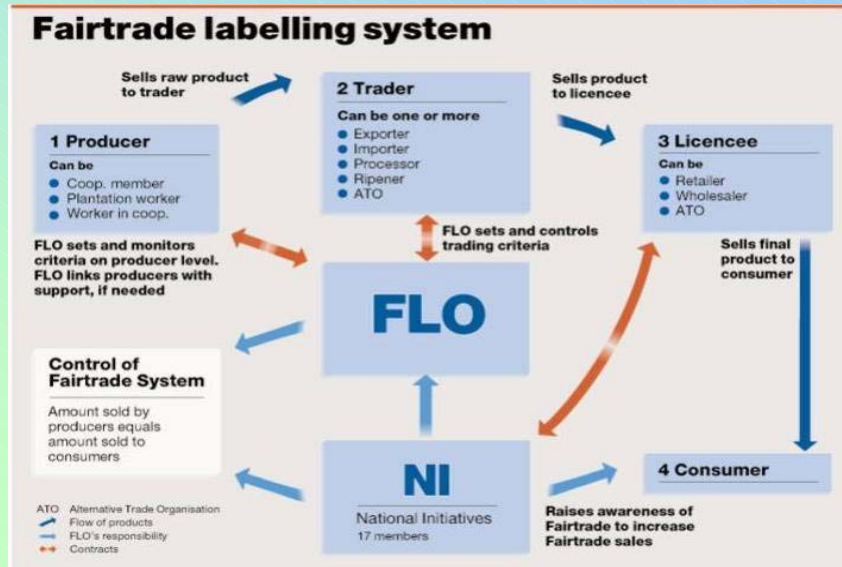


## FLO Fairtrade System (Standards, Certification and Labelling)

- 20 'national' Fairtrade Labelling Organisations
- More than 450 FLO certified producer organisations in 49 producing countries
  - Over 1 million producers
  - Including dependents 5 million people affected
- More than 350 FLO registered companies worldwide
- Over 1000 companies in 20 countries are licensed to use the FAIRTRADE label
- 15 product categories, growing rapidly to meet market demand (mainly in Europe), including food (coffee, tea, honey, sugar, cacao, Fruits juice, Fresh fruit, vanilla, rice, wine, spices, quinoa) and non-food (sportsballs, cotton, flowers, cosmetics)



## How Does Fairtrade work?





## A Viable Trade Alternative

### **Fairtrade Labelled products represent:**

- **For producers:**
  - A fairer deal in a globalised market
  - An effective tool for autonomous development through trade
- **For consumers:**
  - An informed choice in (mainstream) shopping behaviour
  - Consumers' responsibility & empowerment



## Fairtrade Standards

### **Producer standards**

**Structure:** Minimum and progress criteria (dev'tment approach)

#### **Criteria include:**

- Democracy, Participation of members / workers and Transparency
  - Non Discrimination
  - Economic strengthening of organisation
  - Environmental Protection
  - Freedom of Association
  - Conditions of Employment, Health and Safety
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- Two types of standards – small holder and hired labour
  - Generic Environmental Standards as of 1 Jan 06



## Fairtrade Standards

### Trading standards

- Fairtrade Minimum Price (not for all products, e.g. coffee vs tea)
- Premium to invest in social, economic or environmental projects
- Pre-financing
- Medium/long term commitment
- Transparency in the whole trade chain

Producing Country :

Producer → Processor → Exporter

Consuming Country :

Importer → Manufacturer → Licensee



## The Fairtrade Market

- 2004 global sales generated US\$100 million plus in additional income to producers & workers to invest in social, environmental and economic development projects
- 49% growth in global sales 2003 to 2004
- ANZ retail sales of AU\$4 million in 2005, compared to AU\$1.5 million in 2004
- 65 (and increasing) ANZ companies licensed to use the FAIRTRADE Label on coffee, tea, chocolate, cocoa, sportsballs
- Products available in Coles, Woolworths, David Jones + cafes, shops, etc.



## Fairtrade Impact

'We have seen achievements. For example before we did not know the correct price for coffee, we did not know how coffee was consumed.



Now I do and I have money to buy my children their little clothes. I could build my little house. Day by day things are improving, and this is because of the better price.'

**Mario Hernandez,  
Prodecoop, Nicaragua**



## Fairtrade Impact



Health Clinic providing free medical treatment to coffee farmers and their families. Funds have been allocated from the Fairtrade premiums to buy medicines for the clinics

**Café Cooperativa  
Timor (CCT),  
East Timor**



## Fairtrade Impact

Organic compost in Costa Rica, part of a waste program reducing water pollution from wet processing



**Coopesarapiqui,  
Coocafe,  
Costa Rica**



## Fairtrade Impact



**Students at the  
Agricultural School of  
Uciri, Mexico.**

A School set up by Uciri to educate members-children to learn about sustainable agriculture practices as well as cultural, social and market aspects



## Qualitative Impact

- Access to market information
- Organisational development
- Export knowledge
- Capacity building of organisation members or workers
- Investment in local social projects
- Investment in organic production

