

THE FAIR TRADE  
FEDERATION



**2005 REPORT:**  
FAIR TRADE  
TRENDS IN  
NORTH AMERICA  
AND THE  
PACIFIC RIM

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# INTRODUCTION

The Fair Trade Federation (FTF) is pleased to present the 3rd Annual Report on Fair Trade Trends. As in the past two reports, this updated edition aims to track the growth of the Fair Trade market in two regions outside of Europe where the Fair Trade market and consumer awareness is growing rapidly:

- North America — the U.S., Canada, and for the first time, Mexico
- the Pacific Rim — Australia, New Zealand and Japan.

The producer of the report, 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. The FTF is a membership organization. The elected Board of Directors and members consider this report to be an important tool for education on Fair Trade as well as for the promotion and development of the Fair Trade movement. The author of this report is Carolyn Barker, working as FTF Research Associate.

The Fair Trade Federation Trends Report has also been made possible with assistance from the International Federation for Alternative Trade (IFAT) and from Fairtrade Labelling Organization International (FLO-International) affiliates in the regions, especially Transfair-USA, who willingly provided data to help the compilation of the report and offered feedback on the final draft. In addition, we pulled together a panel of external experts on the Fair Trade movement and asked them to review the report for accuracy and clarity. In particular the FTF Trends Report author and editor would like to acknowledge and thank the following members of the panel for the time and effort they contributed to the report: Jackie de Carlo (Fair Trade Resource Network), Guido Fernandez (Independent Coffee Consultant), Erin Gorman (Co-op America), Kristen Howard (Equal Exchange), Tripp Pomeroy (Café Campesino), Seth Petchers (Oxfam America), Jonathan Rosenthal (Just-Works Consulting), Bryan Lewin (London Business School), Daniele Giovannucci, (Specialty Coffee Market Expert), and Carrie Hawthorne (Fair Trade Federation).

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The project planning and data collection for this report was completed by Carolyn Barker (FTF Trends Report Research Associate) with assistance from Pauline Tiffen (Member of FTF Board of Directors), Jaime Albee (FTF Member Coordinator), Maya Oren (FTF Executive Assistant), and Alisa Loveman (FTF Member Coordinator Assistant). For more information, please go to the Fair Trade Federation website ([www.fairtradefederation.org](http://www.fairtradefederation.org)).

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# PREFACE

Fair Trade at its core is about people: the skilled men and women in Africa, Asia or Latin America who produce the goods that are being fairly traded, as well as the thoughtful and inspired consumers who stick their necks out and use their power to purchase, to choose one product over another, in order to make a real difference in the world. All of us engaged in and energized by this dynamic form of producing social and economic change love to hear the stories and the personal side of these exchanges. They are what motivate us! And Fair Trade humanizes the ruthless and anonymous global marketplace in which we all live and work. Yet now, more than ever, with Fair Trade becoming a market and commercial phenomenon to be reckoned with by all players — the large, the very, very large, and the small alike — we all need the facts and figures. So this signature publication of the Fair Trade Federation is becoming a hot and sought-after item, we are happy to report. This modest but extremely useful report was the brainchild of Chris O'Brien, Executive Director of the Fair Trade Federation until December 2003. And we are proud to have picked up the challenge of continuing this work and issuing this updated report to cover 2003 and 2004.

This year the report reflects a steady attempt to improve on the earlier methodology, the presentation and contextual information for readers, plus it includes, the newly added territory of Mexico (in an initial and pilot form) in an effort to more adequately live up to its purported jurisdiction! Mexico is almost unique in the Fair Trade universe, being both significant producer and exporter of fairly traded products and also a growing consumer of these. We will continue to seek improvement. From our panel of reviewers this year we had an abundant supply of suggestions for next year's report. We urge our readers to join this effort also, sending us your thoughts, proposals, and offers (where feasible) of data, information, time, and funds. This will enable us to continue documenting this significant market and force for change and economic justice. We would especially welcome associate researchers or a University Department engaged in systematic academic work on Fair Trade as partners in a future project. See Appendix D for more on this.

What does the report tell us? In no uncertain terms the market is growing very significantly. Total Fair Trade sales in 2003 reached \$291.75 million — a 52 percent increase over 2002. With \$376.42 million in estimated Fair Trade sales for 2004, the trend appears to be continuing, if not accelerating. This represents an exciting moment for Fair Trade: will mainstream distribution spread to the non-traditional Fair Trade commodities? Will FTF membership continue to grow at its present breakneck speed of 30-40 percent a year representing a flurry of new and existing businesses joining this market? Will some pioneering mainstream retailers and catalogue pick up Fair Trade clothing as predicted by some of our interviewees? OR will a sudden marketing leap for accessories or jewelry transform the opportunities for marginal artisans throughout the world? We have seen large corporations like

Dunkin Donuts and Kraft put their toes in the water of Fair Trade. Will they take the plunge and get the figures spiraling further?

And so the message is: Check out the report! Keep buying Fair Trade products, and we will keep up the counting and cheering from the sidelines!

Pauline Tiffen  
Report Editor/FTF Board Member 2003-2005

## I. EXECUTIVE SUMMARY

The findings of the 2005 Fair Trade Trends Report clearly demonstrate that the Fair Trade movement has continued to grow rapidly over the past two years. The sheer increase in market sales and volumes of Fair Trade products and the deepening commitment of organizations and individuals to the cause are testimony to Fair Trade's continued success.

In this report, in addition to providing information on industry structure, sales, product sourcing, employment, services to producers, and advocacy, we have expanded our coverage of the Fair Trade movement in several ways. First, we have included data from Comercio Justo, Mexico's own Fair Trade certification organization that is affiliated with the Fairtrade Labelling Organization (FLO-International). Second, we have reached out to NGOs in Canada and the United States to include more in-depth information on their Fair Trade advocacy and education initiatives. Responses from such NGOs as well as from FTF and IFAT members also contribute to the third addition to the report: the producers.

At the heart of Fair Trade are the farmers, the artisans, and the craftsmen and —women, who are responsible for producing Fair Trade goods in the first place. How does Fair Trade affect them, their families, and their communities? In collecting the information for the 2005 Trends Report, we have initiated a new effort to capture the producer side of Fair Trade in addition to the marketing and consumer sides. We hope that with these new additions to the Fair Trade Trends Report, we will paint an accurate and more comprehensive picture of the Fair Trade market as it stands today. With this report we also invite further dialogue on how to track the Fair Trade movement with the goal of expanding our coverage in future reports.

The FTF hopes that this report will contribute valuable information for use widely in Fair Trade campaigning, consumer education, marketing strategies, planning for business growth, and in academic work and research, and generally give a clearer, fact-based vision of the Fair Trade movement and its progress. The figures and

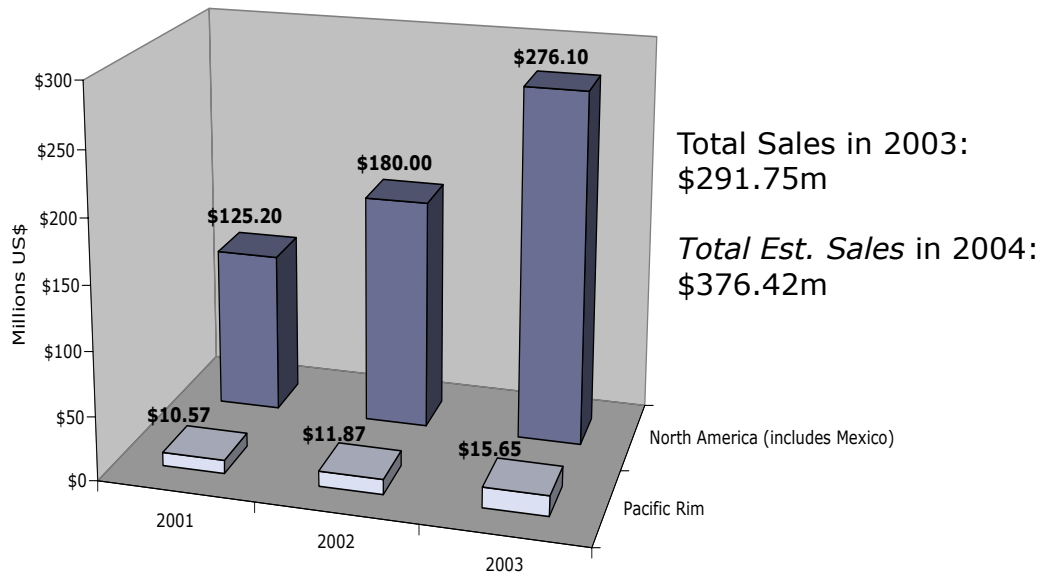
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data in this updated edition are available nowhere else and provide full, detailed information on Fair Trade trends in 2003. The 2004 trends, which are also included in this report, are based on data and estimations, since many of the member companies still did not have their final, audited figures at the time of the data collection for the report in January-February 2005.

When using this report as a resource for information on the Fair Trade market, please keep in mind that the findings presented here are trends. We have made every effort to include the various actors involved in Fair Trade sales in North America and the Pacific Rim; however, this should be considered as more of a survey than a complete inventory of every actor. Therefore, the figures and data in this report represent our presentation and interpretation of solid data, but necessarily not a fully comprehensive picture, since no actual mechanism exists for this and the process relies on the cooperation and support of the many Fair Trade businesses and certification bodies in the region. For questions on the methodology used to prepare the report, please refer to Section IV.

## THE BOTTOM LINE: FAIR TRADE KEEPS GROWING!

**Figure 1. Total Gross Sales  
North America & Pacific Rim, 2001-2003**



**Table 1. Total Gross Sales of Fair Trade Industry  
North America & Pacific Rim, 2001-2004**

		All \$ in millions	2001	2002	2003	2004	% Change 2002- 2003
<b>North America</b> (Canada, US, & Mexico)	FTF & IFAT Members		\$48.20	\$56.20	\$65.73	\$75.81	17%
	TransFair USA (Coffee Only)		\$85.60	\$131.00	\$208.00	\$369.00	59%
	TransFair Canada (Cocoa, Coffee, Sugar, & Tea) <sup>1</sup>		\$5.40	\$9.10	\$17.46	\$27.14	92%
	Comercio Justo		N/A	N/A	\$0.22	\$0.30	N/A
	<b>SUBTOTAL</b>		<b>\$139.20</b>	<b>\$196.30</b>	<b>\$291.41</b>	<b>\$472.25</b>	<b>48%</b>
	Less FTF/IFAT Coffee Sales <sup>2</sup>		\$14.00	\$16.30	\$15.29	\$113.30	
	Less Canada Tea/ Sugar/ Cocoa Sales		N/A	N/A	\$0.02	\$0.04	
	<b>TOTAL N. AMERICA</b>		<b>\$125.20</b>	<b>\$180.00</b>	<b>\$276.10</b>	<b>\$358.91</b>	<b>53%</b>
<b>Pacific Rim</b> (Japan, New Zealand, & Australia)	IFAT members		\$9.90	\$11.30	\$14.16	\$14.85	25%
	Fairtrade Label Japan (Transfair in Japan) <sup>3</sup>		\$0.90	\$0.85	\$1.49	\$2.66	76%
	Transfair NZ/ Australia		N/A	N/A	N/A	N/A	
	<b>SUBTOTAL</b>		<b>\$10.80</b>	<b>\$12.15</b>	<b>\$15.65</b>	<b>\$17.51</b>	<b>29%</b>
	Less Japanese IFAT members Coffee Sales <sup>4</sup>		\$0.23	\$0.28	\$0.00	\$0.00	
	<b>TOTAL PACIFIC RIM</b>		<b>\$10.57</b>	<b>\$11.87</b>	<b>\$15.65</b>	<b>\$17.51</b>	<b>32%</b>
<b>GRAND TOTAL</b>			<b>\$135.77</b>	<b>\$191.87</b>	<b>\$291.75</b>	<b>\$376.42</b>	<b>52%</b>

<sup>1</sup>Transfair Canada sales for 2001 & 2002 are for coffee only; 2003 sales figures are from TransFair Canada website; exchange rate of 1\$Can=.78 \$US used.

<sup>2</sup>Coffee, tea, and sugar sales were deducted in order to avoid double-counting since these tend to be items that are certified by the Fairtrade Labelling Organization affiliates (Transfair, Comercio Justo, and Fairtrade Label Japan).

<sup>3</sup>2001 & 2002 sales figures were incorrectly reported in the last report. They have been adjusted according to the figures provided by Fairtrade Label Japan.

<sup>4</sup>Only IFAT members in New Zealand and Australia reported coffee sales for 2003 therefore no deductions were needed.

## HIGHLIGHTS OF THE REPORT FINDINGS:

### 1. **Coffee continues to be the forerunner of the Fair Trade movement – especially in North America**

- In North America, the highest proportion of FTF & IFAT members' sales in 2003 came from certified Fair Trade coffee (32% of gross sales or \$15.29 million).
- The total volume of coffee certified by TransFair USA, TransFair Canada and TransFair Japan in 2003 increased by 89% to 20.16 million lbs. The change in the volume of coffee sold in Japan was the greatest but the United States market continues to represent nine-tenths of the volume of coffee sold (18.66 million pounds in 2003 alone). In 2004, we estimate that the volume of Fair Trade coffee sold rose by another 74% to a total of 35.16 million lbs.
- The retail value of TransFair USA certified coffee increased by 59% in 2003 for a total of \$208 million and by 77% in 2004 for a total of \$369 million.
- The retail value of TransFair Canada certified coffee increased by 55% in 2003 for a total of US\$15.46 million and by an estimated 51% in 2004 for a projected total of \$23.4 million. Including certified cocoa, tea, and sugar, the total market for TransFair Canada product increased by 61% in 2003 to US\$17.25 million and by 55% in 2004 to \$26.81 million.
- Between 2003 and 2004, Comercio Justo México (TransFair affiliate) reported a 36% increase in the Fair Trade coffee sales.
- For Fairtrade Label Japan (formerly TransFair Japan), certified tea and coffee sales in 2003 grew by 76% to \$1.49 million and by 78% in 2004 to \$2.66 million.

### 2. **Coffee is not the only driver of the growing market**

- Increases in the sales of jewelry, gifts, handcrafts, non-certified foods, and textiles in North America and the Pacific Rim are also contributing to the growing market.

### 3. **Producer Regions: Asia is still the lead producer region of non-certified products for FTF and IFAT members. For Fair Trade certified sales, Central America is the top region**

- In 2003, the largest source of Fair Trade products for IFAT and FTF members was Asia, which represents 46% of the Fair Trade US\$ value. Although Asia is not the main producer of coffee (the Fair Trade product with the current highest value), it is one of the main sources of such items as handcrafts, jewelry, rugs, gifts, etc. Much of the coffee sales originate in the other important Fair Trade producing regions: South America (24%), Central America (16%) and Africa (9%), which together comprise 49% of the Fair Trade market.
- In terms of Fair Trade Certified™ production, Transfair USA reports that Central America and Mexico represent over half (111) of the total number of Fair Trade Certified™ coffee cooperatives (218). TransFair USA also report that for all certified cooperatives (includes cooperatives that produce Fair Trade Certified™ coffee, tea, fresh fruit, and cocoa), Central America is again the leader, representing more than one-third of the total cooperatives.

#### **4. Rising numbers of people are directly involved in the Fair Trade industry in North America and the Pacific Rim**

- The number of people working in the Fair Trade companies (FTF and IFAT members) and agencies (the FLO agencies) surveyed in this report in North America and the Pacific Rim was approximately 5,250 in 2003 (a 61% difference from 2002). Approximately 75% of these were volunteers and 25% were full or part-time employees.

#### **5. Future Trends**

- According to estimated and actual sales figures given for 2004, the Fair Trade market grew by approximately 22% to \$376.42 million. Market growth, however, is not reserved solely for coffee. FTF and IFAT members anticipate that sales of jewelry, apparel, gifts, textiles, and handcrafts will also continue to grow significantly.

## II. WHAT IS FAIR TRADE?

The Fair Trade movement is a global network of producers, traders, marketers, advocates, and consumers focused on building equitable trading relationships between consumers and the world's most economically disadvantaged artisans and farmers.

## **I. WHO IS BEHIND THE REPORT?**

The 2005 Report on the Trends in Fair Trade is produced by the Fair Trade Federation (FTF) with participation from the members of the International Federation for Alternative Trade (IFAT) and from the Fairtrade Labelling Organization (FLO) members in the US, Canada, Mexico, and Japan.

### **Fair Trade Federation (FTF)**

The FTF is a trade association of Fair Trade importers, wholesalers, retailers, NGOs, individuals, and FT producers, whose members are committed to providing fair wages and good employment opportunities to economically disadvantaged artisans and farmers worldwide. Based in Washington D.C., the FTF also acts as a clearinghouse for information on Fair Trade, organizes conferences, and provides marketing resources and networking opportunities for its members. More information can be found on members, publications and how to apply or get involved at [www.fairtradefederation.org](http://www.fairtradefederation.org) and about the 2005 conference at [www.fairtradefutures.org](http://www.fairtradefutures.org).

### **International Fair Trade Association (IFAT)**

IFAT is a global network of Fair Trade organizations. Established in 1989 and with a secretariat in the Netherlands, IFAT is composed of over 270 members in 60 countries across Asia, Africa, Latin America, Europe, North America, Australia, New Zealand and Japan. Its members are producer associations, marketing organizations (import and export), retailers, national and regional Fair Trade networks, and business support organizations dedicated to the Fair Trade movement. IFAT's primary objectives, through its members, are to improve the livelihoods and well-being of disadvantaged people in developing countries and to change the unfair structures of international trade. More information can be found at [www.ifat.org](http://www.ifat.org).

### **Fairtrade Labelling Organization (FLO)**

The Fairtrade Labeling Organization, based in Bonn, Germany, is the global Fairtrade standard-setting and certification organization with national affiliates in 20 countries. The Fairtrade Labelling Organization ensures that products with the Fairtrade label conform to their Fairtrade Standards. Currently, FLO and its affiliates certify products such as coffee, tea, rice, fresh fruit, juices, cocoa, sugar, honey, sports balls, and wine. Over 800,000 producers and their families in 48 countries benefit from the fairer deal and livelihood opportunities they are guaranteed through Fair Trade. The FLO national affiliates that are included in this report are TransFair USA, TransFair Canada, Comercio Justo México, and Fairtrade Label Japan. More information can be found at [www.fairtrade.net](http://www.fairtrade.net).

## II. PRINCIPLES OF FAIR TRADE

The Fair Trade movement has been in existence for over forty years and has evolved as a powerful tool for global justice. In 2001, four of the movement's main supporting networks collaborated under the FINE umbrella to establish the following universal definition for Fair Trade:<sup>5</sup>

*"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."*

To help guide the adoption of this Fair Trade definition, FTF approved the following key principles for its members:

- 1. Creating opportunities for economically disadvantaged producers**  
Fair Trade is a strategy for poverty alleviation and sustainable development. Its purpose is to create opportunities for producers who have been economically disadvantaged or marginalized in the conventional trading system.
- 2. Gender equity**  
Emphasis is placed on ensuring that women's work is properly valued and rewarded. Women are always paid for their contribution to the production process and empowered in their organizations.
- 3. Transparency and accountability**  
Fair Trade involves transparent management and commercial relations in order to deal fairly and respectfully with trading partners and customers.
- 4. Capacity building**  
Fair Trade assists in developing producer independence through sustained relationships with trading partners that provide continuity, and help to develop management skills, access to markets, and financial and technical expertise.
- 5. Payment of a fair price**  
A fair price in the regional or local context is one that has been agreed to through dialogue and participation. It covers not only the costs of production but enables production that is socially just and environmentally sound. It provides fair pay to the producers and takes into account the principle of

<sup>5</sup>FINE Members: Fair Trade Labelling Organization (FLO); International Fair Trade Association (IFAT), Network of European World Shops (NEWS!), and European Fair Trade Association (EFTA). The first FINE definition was established in 1999 and was then revised in 2001.

equal pay for equal work by women and men. Fair Traders ensure prompt payment to their partners and, whenever possible, help producers with access to pre-harvest or pre-production financing.

**6. Working conditions**

Fair Trade means a safe and healthy working environment for producers. The participation of children (if any) does not adversely affect their well-being, security, educational requirements and need for recreation, and conforms to the UN Convention on the Rights of the Child as well as the law and norms in the local context.

**7. Environmental sustainability**

Fair Trade encourages producers to engage in production practices that manage and use local resources sustainably. Fair Traders often work directly with producers in regions of high biodiversity in order to develop products based on sustainable use of their natural resources, giving communities incentive to preserve their natural environments for future generations.

**8. Promoting Fairer Trade**

Fair Trade organizations educate the public about the importance of purchasing fairly traded products, highlight the need for change in the practices of conventional trade, and publicly demonstrate how Fair Trade is a successful model that emphasizes social justice and environmental sustainability. By providing information about producers' communities Fair Trade businesses enhance cross-cultural understanding and respect between consumers in the industrialized nations and communities in the developing world.

**III. FAIR TRADE ORGANIZATIONS**

Fair Trade organizations have a full commitment to Fair Trade at the core of their organizational mission. There are four main types of organizations in the Fair Trade chain that links producers to consumers. Umbrella organizations such as the FTF, IFAT, and FLO facilitate the collaboration and coordination between these Fair Trade organizations.

**1. Producer Organizations**

Producer organizations may be village or community groups or cooperatives, and often may have joined together under export marketing umbrellas. The products cultivated or produced by these organizations include numerous food and drink products such as coffee, tea, cocoa, and spices, as well as a wide range of handicrafts such as glassware, jewelry, baskets, furniture,

toys, or textiles.

**2. Fair Trade Importers and Wholesalers**

Fair Trade importing organizations are importers and wholesalers that source from Fair Trade Producer Organizations, and are committed to providing fair wages and employment opportunities to these producers. Fair Trade importers and wholesalers provide a range of services and assistance directly to these producers.

**3. Fair Trade Retailers**

Fair Trade retailers sell Fair Trade products through stores, websites, or mail order catalogs. As retailers, they market Fair Trade items that are bought directly from Fair Trade producer organizations or from Fair Trade importers and Wholesalers and play a vital role in conveying messages to and educating the final consumer. (Fair Trade retailers often import and wholesale as well.)

**Table 2. Fair Trade Umbrella Organizations in North America and the Pacific Rim**

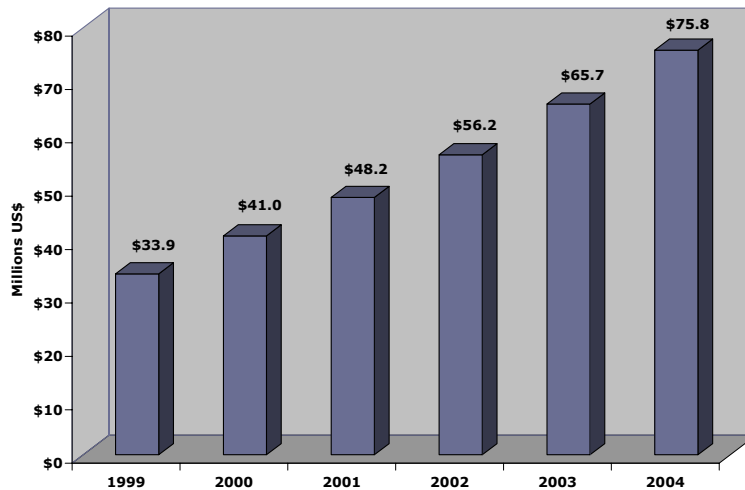
	<b>IFAT</b> International Fair Trade Association	<b>FLO</b> Fair Trade Labelling Organization Intl.	<b>FTF</b> Fair Trade Federation	<b>FTA</b> Fair Trade Association
<b>Established</b>	1989 in the Netherlands	1997 in Bonn, Germany (originated out of association of Max Havelaar companies)	1994 in Washington, D.C., USA	2003 in Australia
<b>Type of Members</b>	Fair Trading Organizations including producer organizations and business service providers	National Fair Trade Labelling Initiatives	Fair Trade organizations including producers, retailers, and wholesalers	Fair Trade importing and wholesaling organizations

# III. THE GROWTH OF FAIR TRADE SALES

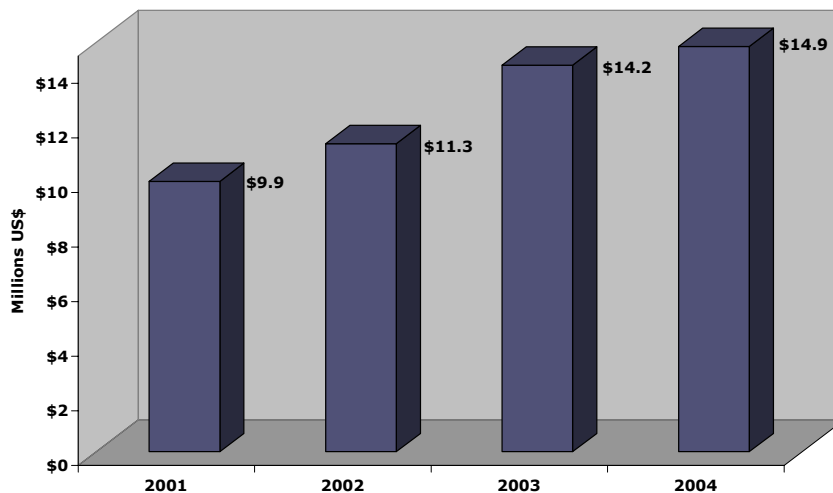
## I. TOTAL GROSS SALES (TGS)

Between 2002 and 2003, FTF/IFAT members' sales went up 17% in North America and 25% in the Pacific Rim.

**Figure 2. FTF/IFAT Members' Total Gross Sales (TGS)  
North America: 1999-2004\***



**Figure 3. IFAT Members' Total Gross Sales (TGS)  
Pacific Rim: 2001-2004\***

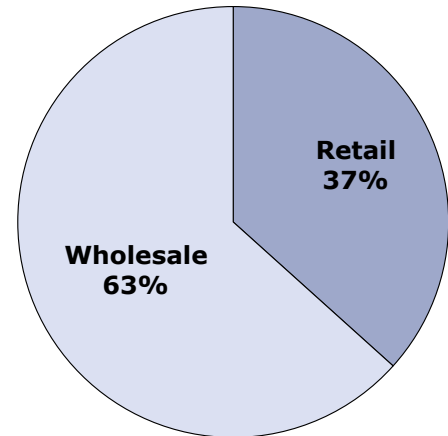


\* 2004 totals are estimates since many companies that provided their 2003 data did not yet have their final audited 2004 sales figures.

## II. WHOLESALE / RETAIL RATIO

In 2003, wholesales accounted for 63% of the total gross sales for FTF and IFAT members. Retail sales accounted for 37%. This breakdown has not changed significantly since 2002.

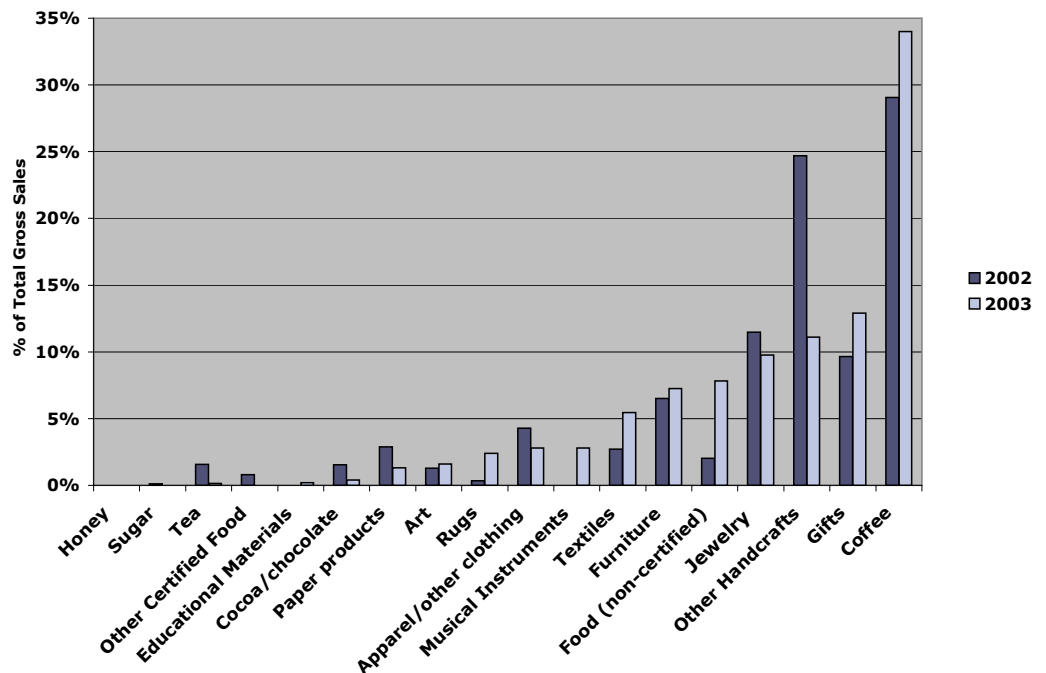
**Figure 4.**  
**% Retail vs. Wholesale**  
**for TGS of FTF & IFAT**  
**Members**  
**North America & Pacific**  
**Rim: 2003**



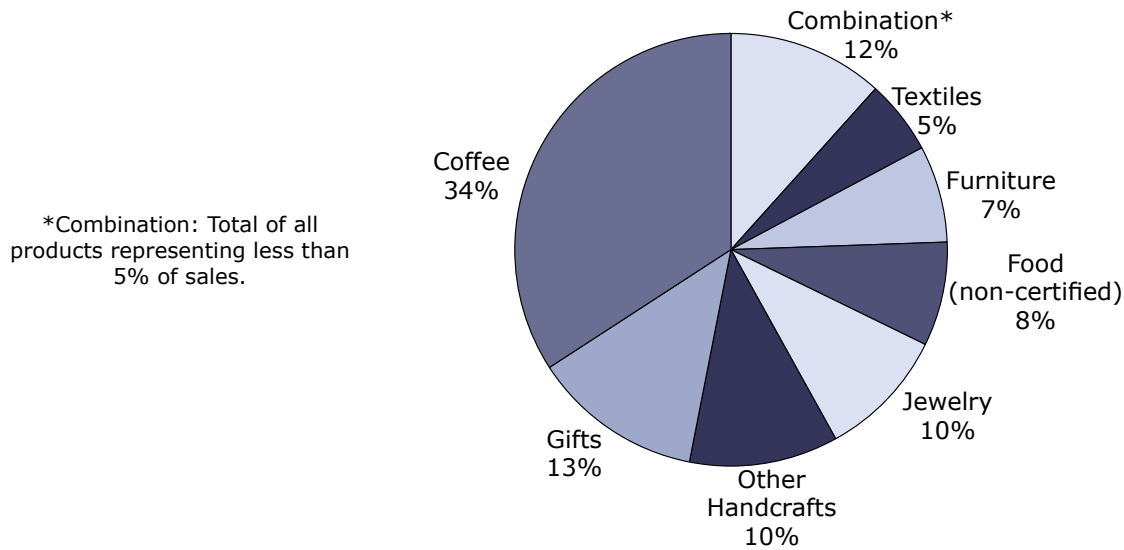
## III. SALES BY PRODUCT CATEGORY

In North America, coffee continues to be the largest share of Fair Trade sales (34%). In the Pacific Rim, handcrafts (ceramics, soaps, baskets, etc.) replaced gifts to dominate the Fair Trade market (35%) although there is likely substantial overlap between reporting on these two categories.

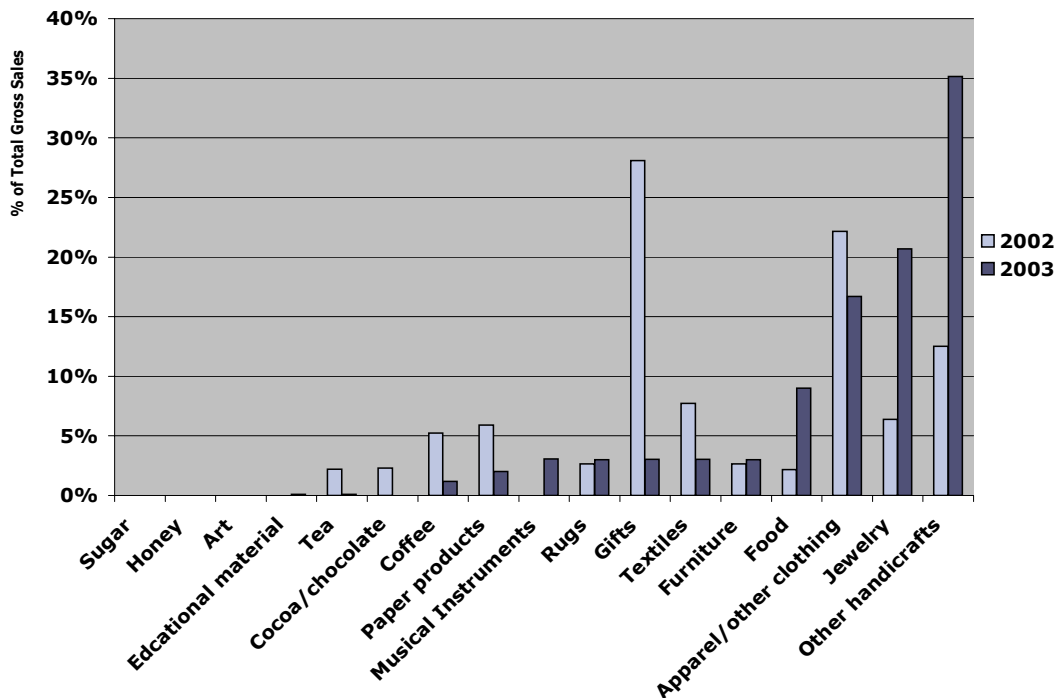
**Figure 5: FTF/ IFAT TGS by Product Category, North America: 2002 & 2003**



**Figure 6. FTF/ IFAT TGS by % Product Category North America: 2003**



**Figure 7: FTF/ IFAT TGS by Product Category % Pacific Rim: 2003 & 2004<sup>6</sup>**



<sup>6</sup> Figure 7 for sales by product category in the Pacific Rim shows a sharp decline in gifts along with a sharp increase in handcrafts. Given that these two categories are similar, the significant discrepancy between them may be explained in part by re-categorization of products between 2003 and 2004.

#### IV. FLO/ TRANSFAIR SALES

In 2003, the total market for the FLO affiliates in North America and the Pacific Rim grew by 61% to US \$226.9 million. By the end of 2004, it had grown by another 76% to US \$398.8 million. The total volumes of Fair Trade Certified™ products also increased by 89% in 2003 and 74% in 2004.

**Table 3. Total Gross Sales for FLO Affiliated Country Initiatives**

FLO Affiliate	2002	2003	2004
<b>TransFair USA</b> (Coffee Only)	131,000,000	208,000,000	369,000,000
<b>TransFair Canada</b> (Coffee, Tea, Sugar, Cocoa)	9,100,000	17,254,013	26,813,280
<b>Comercio Justo</b> (Coffee Only)	N/A	202,000	300,000
<b>Fairtrade Label Japan</b> (Coffee & Tea)	850,000	1,495,000	2,662,000
<b>TOTAL</b>	<b>140,950,000</b>	<b>226,951,013</b>	<b>398,775,280</b>

**Table 4. Volumes of Fair Trade Certified™ Products Sold (in lbs.)**

VOLUME IN MILLIONS OF LBS.	USA (coffee)	CANADA (coffee)	JAPAN (coffee & tea)	TOTAL
<b>2002</b>	9.70	0.94	0.02	10.66
<b>2003</b>	18.66	1.45	0.05	20.16
<b>% Change</b>	92%	55%	138%	89%
<b>Projected Volumes in 2004</b>	32.86	2.20	0.10	35.16
<b>% Change</b>	76%	51%	90%	74%

#### TransFair USA

- The estimated retail value of coffee sold under the TransFair USA label increased by 59% from \$131m in 2002 to \$208m in 2003. In 2004, it grew by 77% to \$396m.

The volume of Fair Trade Certified™ coffee licensed by TransFair USA grew from 9.7m lbs in 2002 to 18.66m lbs. in 2003 and to 32.85 lbs. in 2004. Between 2003 and 2004 (2002 numbers not available), the sale in volumes of other TransFair USA certified products also increased: cocoa (215% increase to 56,000 lbs.); tea (82% increase to 173,000 lbs.); and fresh fruit (8.81m lbs in 2004; 2003 data not available).

### TransFair Canada

- The estimated retail value of Fair Trade Certified™ coffee, tea, sugar, and cocoa licensed by TransFair Canada grew from \$9.1m during 2002 to \$17.2m in 2003 (90% growth). In 2004, it is estimated that it grew another 55% to \$26.8m.
- The volume of Fair Trade Certified™ coffee licensed by TransFair Canada grew from 940,000 lbs. in 2002 to 1.45m lbs. in 2003 and by 2.2m lbs. (estimated) in 2004.

### Comercio Justo Mexico

- The estimated retail value of coffee sold under the Comercio Justo label increased from \$202,000 in 2003 to \$300,000 in 2004 (49% increase).

### Fairtrade Label Japan

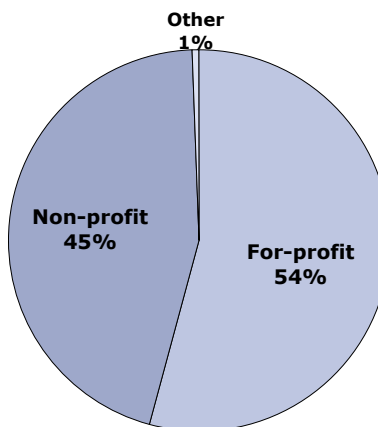
- Gross sales of coffee and tea licensed by TransFair Japan were reported to be \$1.49m in 2002, an increase of 76%. In 2004, gross sales grew by 78% to a total of \$2.66m.
- Sales of licensed Fair Trade coffee and tea in Japan increased from 21,000 lbs. to 50,000 between 2002 and 2003 (138% increase).

## IV. CORPORATE STRUCTURE AND ACTIVITIES

### I. NON-PROFIT VS. PROFIT

In North America and the Pacific Rim, 64% of FTF and IFAT members are for-profit and 30% are non-profit. However, 45% of reported sales came from non-profit members and 54% came from for-profit members<sup>7</sup>.

**Figure 8.**  
**% of Sales from Profit % Non-profit FTF/ IFAT Members North America & Pacific Rim: 2003**

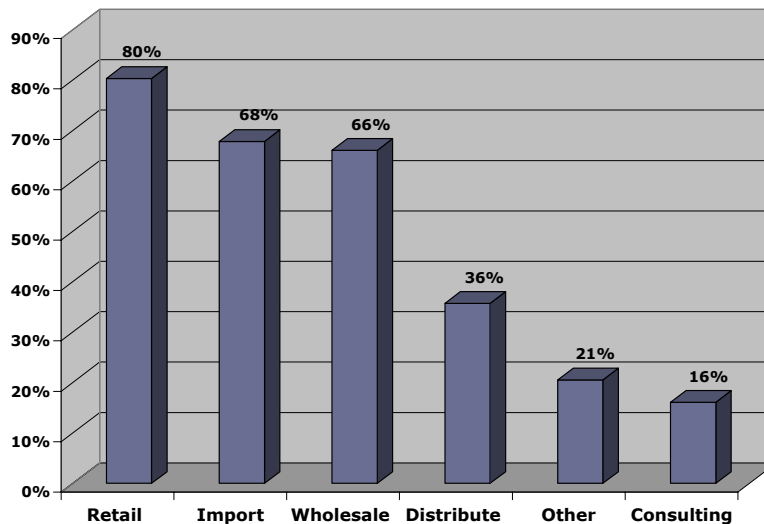


<sup>7</sup> Breakdown for FLO affiliate licensees is not available.

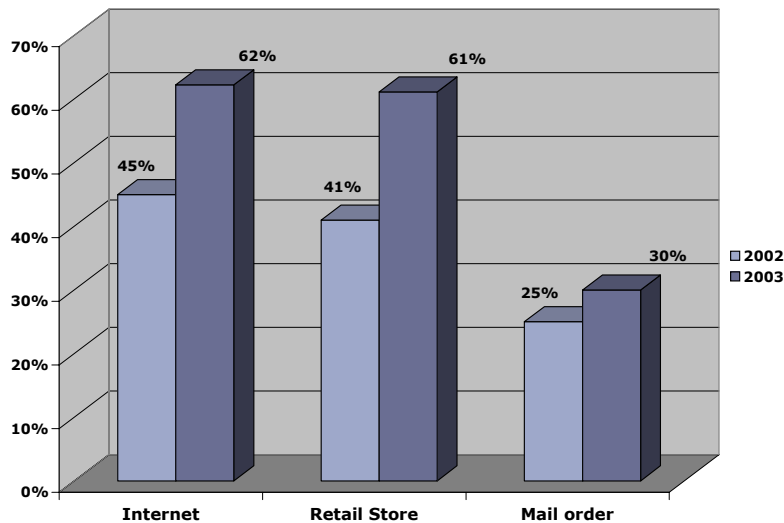
## II. FAIR TRADE ACTIVITIES

FTF and IFAT members are involved in a variety of activities. 80% are involved in Fair Trade retail but there is considerable overlap with importing and wholesale. For retailers, Internet and store sales have each increased to around 61% from 45%, which is more than three times the growth of mail order and other more traditional forms of retail. One indication of this growth is the greater access to products through and the use of the Internet as a valuable retail tool for Fair Trade sales.

**Figure 9: % FTF/ IFAT Members Involved in Different Fair Trade Activities North America & Pacific Rim: 2003**

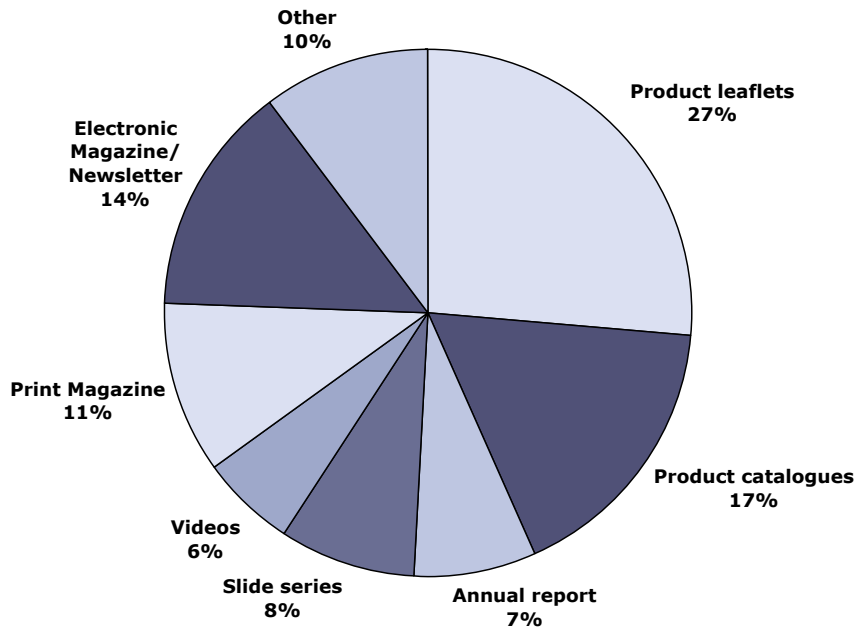


**Figure 10: % FTF/ IFAT Members Involved in Different Fair Trade Retail Activities North America & Pacific Rim: 2003**



### III. MARKETING

**Figure 11. % FTF/ IFAT Members Use of Marketing Tools  
North America & Pacific Rim: 2003**



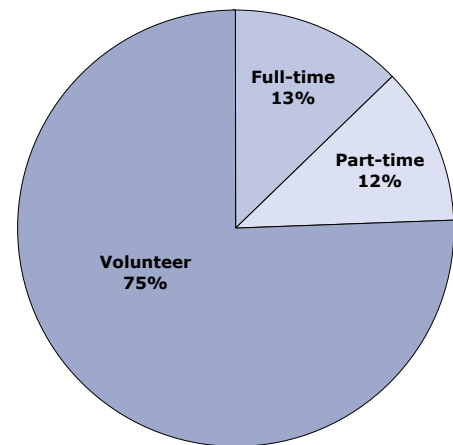
### IV. LOBBYING AND CAMPAIGNING

Some FTF and IFAT members actively engage in lobbying and campaigning for Fair Trade. Their efforts fall into five broad categories: general consumer education campaigns, Fair Trade events/programs at local level, media and public relations, writing/speaking/tours/fairs, and legislative lobbying. In addition, NGOs are important partners in advocating for Fair Trade. Appendix B provides profiles of a few of these NGOs in the United States and Canada.

### V. EMPLOYMENT

The total number of people working for the FTF and IFAT business members who responded, as well for FLO affiliates, was 4,869 (574 full-time; 550 part-time; 3,745 volunteers).

**Figure 12:  
% Breakdown of FTF/IFAT  
Employment  
North America & Pacific Rim:  
2003**

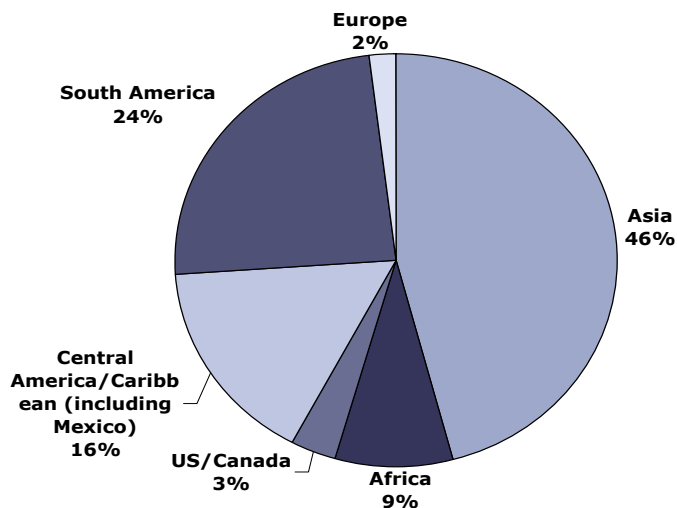


## V. PRODUCERS

### I. PRODUCER REGIONS

In 2003, Asia was the most important producer region of non-certified products for FTF and IFAT members in North America and the Pacific Rim, representing 46% of the purchases by value made by FTF members.

As reflected in TransFair USA's breakdown of producer groups (Table 5), Asia does not produce the bulk of Fair Trade coffee -- the highest selling Fair Trade product. Instead, much of the regional data that was reported is linked to sales of other Fair Trade products that have tended to originate in Asia (handcrafts, gifts, jewelry, etc.). Moreover, Central America and South America together represent 40% of FTF and IFAT Fair Trade sales, much of which comes from coffee sales as reflected in Table 5 by the substantial proportion of certified cooperatives in these two regions.



**Figure 13: % FTF/ IFAT  
Sales by Producer Region  
North America & Pacific  
Rim: 2003**

**Table 5. TransFair Certified™ Key Supplier Cooperatives**

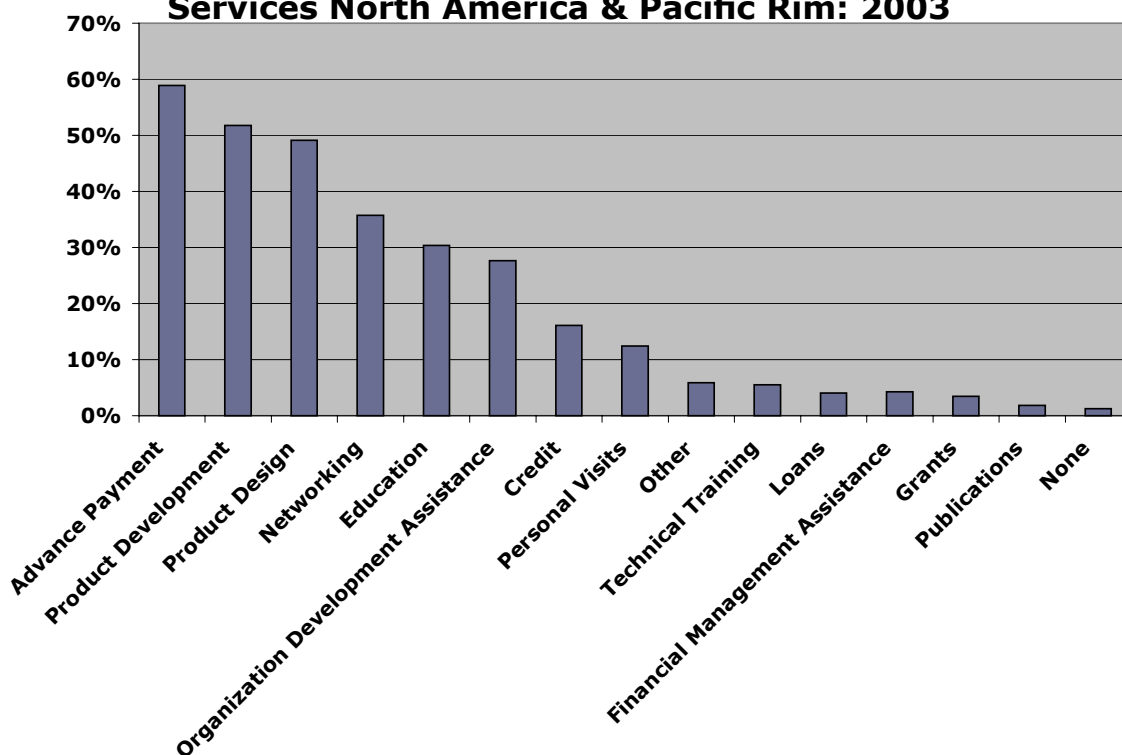
	Asia	Central America & Mexico	South America	Africa	TOTAL
Coffee	9	111	67	31	218
Cocoa	-	5	8	2	15
Tea	49	-	-	16	65
Fresh Fruit	-	10	20	18	48
<b>TOTAL</b>	58	126	95	67	346

Data provided by TransFair USA

**II. SERVICES TO LOW-INCOME PRODUCERS**

Close to 60% of FTF and IFAT members provide advance payments to producers. Involvement in product development and design both hover around 50%.

**Figure 14: % of FTF/ IFAT Members Involved in Various Producer Services North America & Pacific Rim: 2003**



**III. PRODUCER STORIES**

To paint a fuller picture of the Fair Trade movement, we asked FTF and IFAT members to provide us with 'snapshots' of some of their producer partners. Sample snapshots can be found in Appendix C.

## VI. FUTURE TRENDS, RECOMMENDATIONS, AND CONCERNS

In the Fair Trade business, a growing number of newer companies, especially in the last five years, have joined companies that have decades of experiences and extensive track records. Together these companies are an important source of information and assessment of current and future trends. During the course of this survey, FTF and IFAT members were invited to comment on their perspectives for the future and to share their concerns about some trends as well as their recommendations for the Fair Trade movement. These are reproduced verbatim and without attribution below.

### I. CURRENT AND FUTURE TRENDS

1. Internet sales continue to grow and more Fair Trade shops are opening.
2. Fair Trade fashion is the next 'big thing' according to a number of members both in North America and the Pacific Rim.
3. Consumer education, awareness, and FT investment continue to grow.

#### Comments:

*"Consumers seem increasingly aware of Fair Trade issues, as well as negative implications of globalization."*(Retail shop owner in California)

*"I see Fair Trade growing today as we've seen the Organic Foods movement in the past ten years. I expect to see Fair Trade items on the store shelves of all major retail outlets throughout the Western world within the next ten years."*  
(US-based retailer/ wholesaler of woven textiles)

*"Through our education outreach we have seen a growing trend for the need of more Fair Trade products. More and more people are concerned with working conditions and where they purchase their products. We have seen an aggressive demand for our educational outreach programs throughout the country within just one year."*(Founder of a Fair Trade education and internet retail company)

*"I see the Fair Trade movement as gaining momentum in the future as people start to realize they can make a difference in the world with their purchasing dollars."*(Internet-based coffee retailer/wholesaler)

*"I see the Fair Trade movement increasing in wonderful ways such as increase of sales, general overall awareness, volunteer help, and major media coverage and becoming a bit more mainstream not such a fringe idea."*(Manager of a Fair Trade retail shop)

*"We have been pleased to see the concepts of Fair Trade expand beyond the social justice community. We have found proponents of Fair Trade in the most unlikely places. We give lots of credit to the FTF for their hard work and support."*(Artisan representative for retailer of Latin American crafts and textiles)

4. Campaigning and advocacy work are key components of the Fair Trade movement. Students and churches are playing an important role in this.

Comments:

*"I am pleased to see that the Fair Trade Movement, in US society at large and perhaps particularly in the active student sector, is broadening to include more products than just coffee, chocolate, and student T-shirts/sweatshirts."*(Board President of Guatemala-focused non-profit)

*"Fair Trade seems to be gaining ground in the mainstream. Dunkin Donuts is selling Fair Trade Coffee. The U.S. Senate is discussing the slavery issues in the chocolate industry. These are very positive trends, but until fairly traded choices are available across the spectrum of consumer products, the educational mission of the FTF is crucial."*(Retail/ Wholesaler of Fair Trade rugs)

## **II. RECOMMENDATIONS**

- 1. Strengthen role of producers:** Ensure that producers have an adequate say and recognition in the Fair Trade movement.

*"We think it is important for Fair Traders to give producers the chance to brand or co-brand their products.... Such an approach helps connect the Fair Trade participants as a global community that shares an alternative world view. We hope that more Fair Trade initiatives will develop brands that reflect the producer's cultural identity as well as the Fair Trade organization."*(Wholesaler of Fair Trade food products)

- 2. Increase networking and advocacy:** Develop stronger relationships with producers and other Fair Trade actors.

*"Building relationships is critical to the success of Fair Trade. We value these relationships that we've built in the name of Fair Trade – some of which span thousands of miles and numerous countries."*(Vice-president of Internet-based coffee company)

*"Campaigning and networking are the strongest aspects of the Fair Trade Movement. Organizing regular trade shows and seminars would help to both educate final consumer as well as the institution supporting Fair Trade."*(Manager of Fair Trade company devoted to the sale of products from Nepal)

*"There needs to be better networking and cooperative-marketing, particularly for events where there are many FTF members (gift shows, retail fairs, etc)."*  
(Owner of retail/wholesale company that sells Fair Trade products made in India)

- 3. Expand advocacy and education:** There is still limited knowledge of what Fair Trade means among consumers.

*"More public awareness....but if you dig down just below the surface there is a greater lack of information and understanding than anything else."*(Importer of Fair Trade musical instruments)

*"The fact that commodity products get the term 'Fair Trade' into the mainstream market is very helpful, but overall a very few number of people outside our world have even heard of Fair Trade, and most are under many misconceptions about it. The good news is that 'our world' is expanding and will hopefully take on the scope of organic in the next decade or so."*(Founder of Internet-based Fair Trade handcraft wholesaler)

*"We would like to see more organizations that are committed to educating the next generation of consumers. It is by educating the next generation that the Fair Trade movement will truly advance in the U.S. and the market for Fair Trade goods will be a sustainable market."*(President of Guatemala-focused non-profit organization)

### III. CONCERNS

- 1. Co-option of Fair Trade:** The growing popularity of Fair Trade is being taken advantage of for marketing purpose by companies that only sell a small and

even negligible percentage of Fair Trade products in their range.

- 2. Producer benefits:** Some members expressed concern that producers are not always receiving their full share of the profits. Another concern is that there is growing preference for larger-scale producers, which takes away from the grassroots and developmental aspect of the Fair Trade business.

## VII. METHODOLOGY

### **Scope of the survey**

In 2002, the Fair Trade Federation published the first Report on Trends in the Fair Trade Industry in North America. The report included data from members of the Fair Trade Federation, TransFair USA, and TransFair Canada licensed coffee roasters (as reported in the Sustainable Coffee Survey of the North American Specialty Coffee Industry; Giovannucci, 2001). The second report, issued in 2003, included data collected from current members of Fair Trade Federation (FTF) and the International Association of Fair Trade (IFAT) who are located in North America (Canada, Mexico, and United States) and the Pacific Rim (Japan, Australia, and New Zealand). Data reported by TransFair USA, TransFair Canada, and TransFair Japan was also used. The data for this third report draws from the same sources of information as the last report. In addition, data has been collected from Comercio Justo México and two NGOs involved in the promotion of Fair Trade (see Appendix B). This report concentrates on two categories of products:

- Goods imported and sold by businesses engaged exclusively in Fair Trade. For the purposes of this report, these companies are identified by their membership in either the FTF or IFAT. Both organizations screen their membership applicants based on the Fair Trade principles outlined in Section II of this report.
- Finished products made from the agricultural commodities certified as Fairly Traded by FLO national initiatives in North America and the Pacific Rim: TransFair USA, TransFair Canada and TransFair Japan.

### **Data Gathering and Processing**

Questionnaires were distributed during March and April of 2005 to FTF and IFAT members conducting business in the region covered by the report, and to each of the certification agencies listed above. A total of 105 FTF and IFAT companies completed the questionnaire either on-line or by mail. Separate requests were sent to the FLO-affiliated organizations asking for information on total gross sales, volumes, of sales, employment figures, and producer regions.

The calculation of total gross sales (TGS) in 2003 includes sales figures for 35 additional FTF members who did not complete the present survey but who did report their TGS in their membership renewal. Therefore a total of 140 FTF companies' data was used in the report. If only 2003 sales figures were available, the same figure was used for 2004 in order to estimate 2004's total gross sales. The total numbers of FTF and IFAT-related companies used in the calculation of total gross sales for 2001 and 2002 was 140 or 82% of 171 companies qualified to report (FTF: 151; IFAT: 20).

A number of FTF companies did not report employment data in the present survey. For this reason, it was necessary to estimate of their employment by comparing companies with similar sales and making a conservative estimate. Therefore, the number of companies included in the FTF and IFAT employment calculation was 111 or 79% of the sample 140 companies in addition to employment data from the four FLO affiliated organizations.

Other calculation specifics can be found within the data sections under the affected figures.

## APENDIX A.

### Fair Trade Resources and Contact Information

**Co-op America** 1612 K St. NW, Suite 600, Washington, D.C. 20006; Phone: 202-872-5307; [info@coopamerica.org](mailto:info@coopamerica.org); [www.coopamerica.org](http://www.coopamerica.org).

**European Fair Trade Association (EFTA)** Publisher of Fair Trade in Europe: Facts and Figures; [efta@eftaadvocacy.org](mailto:efta@eftaadvocacy.org); [www.eftafairtrade.org](http://www.eftafairtrade.org)

**Fair Trade Federation (FTF)** 1612 K St. NW, Suite 600, Washington, D.C. 20006; Phone: 202-872-5338; [joellenovey@fairtradefederation.org](mailto:joellenovey@fairtradefederation.org); [www.fairtradefederation.org](http://www.fairtradefederation.org)

**Fairtrade Label Japan** c/o St. Paul Lutheran Church of the JELC, 5-3-1-Koutoubashi, Sumida-ku, J - Tokyo 130; Phone: +81-3-3634 7867; [info@fairtrade-jp.org](mailto:info@fairtrade-jp.org); [www.fairtrade-jp.org](http://www.fairtrade-jp.org)

**Fair Trade Resource Network (FTRN)** PO Box 33772, Washington, D.C. 20033 USA; [info@fairtraderesource.org](mailto:info@fairtraderesource.org); [www.fairtraderesource.org](http://www.fairtraderesource.org)

**International Fair Trade Association (IFAT)** Prijssestraat 24, 4101 CR Culemborg, The Netherlands ; Phone: +31 (0) 345 53 59 14 info@ifat.org; www.ifat.org

**TransFair Canada** 251 Bank St., Suite 302, Ottawa, ON K2P 1X3, Canada; Phone: 613-563-3351; fairtrade@transfair.ca; www.transfair.ca

**TransFair USA** 1611 Telegraph Ave., Suite 900, Oakland, CA 94612, USA; Phone: 510-663-5260; info@transfairusa.org; www.transfairusa.org

**United Students for Fair Trade (USFT)** PO Box 33772, Washington, D.C. 20033 USA; www.usft.org

## APENDIX B. Non-Governmental Organizations: Their Role in Fair Trade

As the Fair Trade movement expands, so do the actors involved in it. In both Canada and the United States, Non-governmental organizations (NGOs) that are not necessarily commercially involved in the wholesale or retail of Fair Trade products are doing their part to promote the concept of Fair Trade by educating their constituencies about trade, lobbying their local and national government representatives for fairer trade standards, and working more closely with their producer partners in developing countries on Fair Trade initiatives. Such organizations include Coop America, Equiterre, Oxfam, Lutheran World Relief, Catholic Relief Services, American Friends Service Committee, and Global Exchange.

In recognition of the increasingly important role that NGOs play in the Fair Trade movement, this report features the Fair Trade initiatives and accomplishments of two such NGOs (one based in Canada and the other in the United States). Below is a profile of each organization as well as highlights of their efforts to promote Fair Trade.

Équiterre is based in Quebec and was founded in 1993 by a group of young people who had participated in various preparatory conferences at the Earth Summit in Rio de Janeiro, Brazil, in 1992. These young people shared a vision of sustainable development for which issues such as poverty, the environment and North-South inequities must be considered in order for real change to occur in society. In a perspective of sustainable development, Équiterre promotes responsible

consumption across its four major programs: ecological agriculture, Fair Trade, sustainable transportation, and energy efficiency.

Oxfam America is a Boston-based international development and relief agency and an affiliate of Oxfam International. Working with local partners, Oxfam delivers development programs and emergency relief services, and campaigns for change in global practices and policies that keep people in poverty. Fair Trade is one of the cornerstones of their organizational strategy for just and sustainable development.

### **HIGHLIGHTED ACCOMPLISHMENTS:**

#### **ÉQUITERRE**

1. *Partnerships with Producers*

- Partner directly with a union of 280,000 members through the organization of a campaign on Fair Trade, production of a brochure, a provision of training session
- Promote 20 coffee co-ops

2. *Marketing*

- Developed marketing kit for the Fair Trade industry in North America

3. *Educational tools*

- Sold 17,000 copies of Équiterre-sponsored books on Fair Trade & 200,000 copies of a guide to responsible consumerism
- Photo exhibit on a FT coffee co-op in Mexico (UCIRI) was shown in more than 30 cities in Canada
- 3,000 copies of a video on Fair Trade coffee (L'Utopie Caféinée) distributed mostly in primary and high schools
- Educational kit on FT material specific for teachers and their student produce with the teachers unions.
- Info sheets on cocoa, coffee, tea, crafts, and sugar

4. *Advocacy work*

- Promote letter writing campaigns to demand importers, distributors and retailers to offer FT products
- Spearheaded the campaign "Changer le Monde un Geste à la Fois"

(Changing the world, one step at the time) to raise awareness through Equiterre website and newsletters

- Directly lobby and educate federal and state-level governments from Canada and Quebec

#### 5. *Networking*

- Collaborate with several Quebec NGOs that are also promoting Fair Trade, including Oxfam-Québec, Carrefour tiers monde, Plan Nagua, Carrefour de solidarité internationale de Sherbrooke, Centre de solidarité internationale Saguenay Lac St-Jean, Club 2/3, Comité de solidarité Tiers-monde de Trois-Rivières, CREDIL, SLAM, Les 'uvres internationales du Cardinal Léger.

*More details on Équiterre's Fair Trade programs and policies can be found at [www.equiterre.qc.ca](http://www.equiterre.qc.ca)*

### **OXFAM AMERICA**

#### 1. *Education through student-led campaigns:*

Oxfam has been supporting "United Students for Fair Trade" (USFT) since 2002. USFT is a national network of students campaigning for Fair Trade products, policies, and principles. There are over 150 university 'affiliates', or members, of USFT. Oxfam sponsored many different events which have contributed to the growth of USFT, including supporting over 1,000 student activists (240 in 2004 alone). These students receive support from Oxfam American and USFT to run their campus-wide Fair Trade campaigns. A resource and action guide for students on Fair Trade Coffee can be found at: [www.oxfamamerica.org/pdfs/coffeeresourceguide.pdf](http://www.oxfamamerica.org/pdfs/coffeeresourceguide.pdf)

Other student-focused activities include:

- Four regional student coffee trainings, in Chicago, Washington DC, New Orleans, and Seattle, between the fall of 2002 and spring of 2003. These each drew between 30-40 students to learn about the global coffee crisis and how to organize for Fair Trade. USFT was officially launched at the Seattle coffee training in February 2003. Through the four Fair Trade Coffee Student Organizer trainings alone Oxfam America has directly reached 138 students from 101 campuses.
- A student leadership trip to Nicaragua in the summer of 2004, in which 14 USFT leaders spent 10 days meeting with Nicaraguan coffee producers, student leaders, and field experts.

- Two USFT Vision Summits, in which USFT's leadership gathered for two half-day meetings to develop organizational direction and growth and define their Vision, Purpose, and Goals for the coming year. The first took place in June 2003, the second in October 2004.
- Two National Convergences, an annual conference which brings together national and international students, Fair Trade allies (industry partners and NGO's), and coffee producers to learn about issues surrounding trade justice and plan national and regional campaigns for the year. The first Convergence happened in Santa Cruz, California in February 2004 and there were over 120 in attendance, the second in February 2005 in Chicago, with over 350 in attendance.
- Collaboration around the Global Week of Action for Trade Justice (April 10-16), in which over 40 USFT affiliates organized Fair Trade and trade policy events, part of a larger network of over 300 Oxfam related events.
- A monthly Student Coffee Newsletter as a way to stay in communication and share information with Fair Trade coffee supporters. This reaches an estimated 1,500 students and allies each month.

## 2. *Community Organizing*

- Expanded campaign focus of roasters to one that includes retailers
- Launched the "Check Out Fair Trade" supermarket campaign in the Fall of 2004.
- Issued a report card on six national supermarket chains, which grades them on their Fair Trade availability, offerings, promotion, and store manager knowledge. Organized letter-writing campaign that sent 6,000 letters to Albertsons, Safeway, and Kroger encouraging them to carry more Fair Trade products.
- In Boston, canvassed over 1000 local grocery store buyers the weekend before Thanksgiving, encouraging them to look for and purchase Fair Trade Certified™ products.

## 3. *Advocacy*

- To help expand the demand for Fair Trade coffee and spread the system's benefits to more coffee farmers, Oxfam works with allies in the Fair Trade movement to educate the public about Fair Trade and encourage coffee companies to buy more Fair Trade coffee. As part of the worldwide "Make Trade Fair" campaign, Oxfam is calling for wider trade policies that will help the growers of coffee and other commodities protect their livelihoods.

#### 4. *Partner and Coffee Producer work*

- Funds training in business skills, marketing strategies, and technical assistance to improve the quality of the coffee grown by cooperatives. In some areas, Oxfam supports projects that help cooperatives diversify, so they can become less reliant on coffee.

*More details on Oxfam America's Fair Trade programs and policies can be found at [www.oxfamamerica.org](http://www.oxfamamerica.org)*

## APPENDIX C. Producer Snapshots from FTF and IFAT Members

**The following excerpts come from FTF and IFAT members who chose to share additional information and stories on their producer partners. We hope such stories will help to put a face behind the Fair Trade movement.**

### *Canaan Fair Trade*

At a Fair Trade educational workshop we held in the village of Asia in Palestine, a Palestinian farmer stepped up and said "I would do anything to support Fair Trade because it is good for the olive tree and those olive trees are very dear to me."

### *Higher Grounds*

We've recently travelled to Ethiopia where farmers continue to say (echoing farmers from Mexico and Nicaragua) that Fair Trade premiums are great but still not enough. That said, we visited two new schools, a clinic and coffee washing station all paid for by Fair Trade premiums to the Oromia cooperative in Ethiopia.

### *Indigenous Designs:*

The following is an excerpt from the evaluation of an independent auditor: "In conducting our research of product origins in Peru, we discovered an intact and beneficial model of community trade in sourcing of Indigenous Designs (IDC) products. Specifically, we visited with several impoverished communities in remote and desolate areas of the Andes, who depend upon the income derived from the production of IDC garments. In these communities, small-scale farming and handicraft production are the only sources of income."

"We were able to visit three community centers where men and women who are members of the knitting cooperative gather in clean spacious rooms during the week to learn design, sort organic alpaca and organic cotton fiber and raw material, and knit finished products. We were pleased to see many positive aspects

of sustainable trade. For example, use of natural dyes, no dyes, and organic fibers, equal distribution of responsibilities among men and women, training opportunities for artisans to improve their skills and understanding of quality control measures, and support from local non-profit organizations that enhance the community development activities of the cooperatives. The sourcing of IDC products in Peru demonstrates a true commitment to sustainable trade, environmental conservation, and respect for human dignity and economic opportunity for all.”

#### 'Kazuri' Ceramic Jewelry

Established in 1975, 'Kazuri' Ceramic Jewelry now employs over 80 women of the Kikuyu tribe creating small and beautiful high fired ceramic necklaces, earrings, and bracelets. Kazuri America was established in 1995 to distribute these unique adornments in North America. Now moving 15,000 pieces per year, we hope to continue our growth to employ more of these women.

#### Level Ground Trading

Doña Judith, one of our most committed, hard-working and grateful employees has the opportunity to leave Cazuca and buy this little two-story house. Cazuca is a very dangerous neighborhood, especially for her two young daughters. Famicafe (local NGO which works with Level Ground Trading to invest in producer communities) has lent her 25% of the total cost of this house, which is in a much safer neighborhood. A government grant is providing the rest. This is development through direct Fair Trade!

#### Mercado Global:

*Coop in Focus: San Juan Adimat.* In the early 1990's, four women in the community of San Juan formed a small, informal women's association to support their community's efforts to rebuild in the wake of Guatemala's 36-year civil war. Ten years later, it has grown into an official cooperative providing employment to 36 women and recognized as a leader in promoting local development initiatives in the San Juan community.

In June 2004, the San Juan Adimat cooperative joined with Mercado Global to expand the market for their goods to the U.S. With the help of Mercado Global's staff, they created a scholarship program for promising children in their community who would otherwise be unable to attend school. The program is funded through Mercado Global student chapter sales. According to the cooperative's president, Miriam Dalila Navichoe Ujpan, the group has struggled for eight years to find a means of funding such a scholarship program. "Many children in San Juan do not attend school because their parents do not have the money to pay their school fees. This is especially a problem for single mothers," she said. Seventy-five percent of the cooperative's members are illiterate.

Through the sale of the San Juan Adimat cooperative's silk scarves this past holiday season, Mercado Global student chapters funded eight scholarships for children in the San Juan community. The Adimat cooperative members also run a community service and leadership training program for scholarship recipients.

## APPENDIX D.

### Discussion Points for Further Dialogue in Assessing Fair Trade Trends

In recognition of the growing scope of the Fair Trade movement, the FTF welcomes input from the movement's various actors on how to expand and improve our coverage of its evolution. To initiate this open dialogue, a number of comments and recommendations from Fair Trade experts who reviewed the 2005 report are listed below.

- Strengthen relations with Fair Trade partners in the Pacific Rim: To ensure that the report is complete and comprehensive as possible, Fair Trade actors in the Pacific Rim should be encouraged to play a more active role in the development of the Fair Trade trends report. There needs to be prior work on data collection and presentation to make it easier for everybody!
- More in-depth research on the role of NGOs is critical especially since they play such a key role in the Fair Trade movement through education, policy, and advocacy campaigns. Not only does this hard work increase people's awareness and strengthen links with producers but it also contributes to growing Fair Trade sales and irrevocable change in the marketplace.
- The producers' voice needs to resound throughout the report. There should be more direct information on the impact of Fair Trade from the producers themselves in the next report. A quantitative analysis of the estimated number of producers involved would also be valuable.
- Mexico is unique in its high profile as a Fair Trade supplier of coffee and crafts, and now as an emerging consumer market for Fair Trade. South Africa may be another new example of this producer-consumer or "Fair Trade Nation" phenomenon<sup>8</sup>. It would be interesting to understand how well the Mexican "Comercio Justo" model and consumer market is developing and if this can be replicated in other producing countries. This

<sup>8</sup> Living a Fair Trade Life; Creating Fair Trade Nations was the theme of the 2005 Fair Trade Futures Conference. For more information on the conference visit: [www.fairtradefutures.org](http://www.fairtradefutures.org)

would be an excellent research topic for graduates able to travel to the developing world in 2005/2006.

The resources for this report have come only from the FTF membership in 2005, i.e. from dues paid by our members. Of necessity this is a limited amount. We have hopes of building on this modest report to become a really valuable insight into progress in the Fair Trade world in North America and the Pacific Rim. There is a lot of work to be done to make this a reality however.

We would welcome assistance on a number of fronts for 2006!

Please consider joining our efforts in any of the following ways:

1. IDEAS AND COMMENTS WELCOME!

Please let FTF know what you think about this report by e-mailing your ideas and comments to [ptiffen@aol.com](mailto:ptiffen@aol.com).

2. RESEARCH COOPERATION

If you are an educator, higher education research associate or academic and would like to engage in work on Fair Trade subjects in cooperation with the FTF and its membership and networks please write to us indicating the areas of particular interest.

3. STUDENT RESEARCH OPENINGS

If you are a student interested in undertaking case studies, field work or other research to contribute to the 2006 FTF Trends Report please send us your personal profile and your outline proposal, together with the endorsement of your supervisor or department at your institution.

4. SPONSORS AND FUNDERS

We definitely need assistance. If you are a funder or sponsor and would like to support the work of the FTF in developing the report we would like to hear from you!

5. RESEARCH ASSOCIATES

We also welcome funded researchers i.e. individuals with grants or scholarships and who are able to offer resources for FT research that could be done in conjunction with the FTF or would directly or indirectly benefit individual members, product sectors or strategic considerations and policy.