

1. DETERMINING A FAIR WAGE

The Fair Trade Certification model was designed for commodity products because the prices paid to producers can fluctuate greatly with changes in the world market. Having a price determined by the market works in the farmers' favor when prices are high but sometimes prices can drop drastically, and farmers' hard work can suddenly be worth very little—and there is no guarantee how long it will take to rise again.

The Fairtrade Labelling Organisation International (FLO) has determined that Fair Trade coffee farmers receive a guaranteed minimum floor price of \$1.21 per pound (\$1.31 for organic) plus a 10 cent social premium* (15-20 cents for organic). If the market price of the commodity rises above the Fair Trade floor price, Fair Trade buyers pay 10 cents (15-20 cents for organic coffee) more than the market price. The minimum price provides stability for farmers and communities and does not allow what occurs in the global market thousands of miles away to dictate their lives and wages.

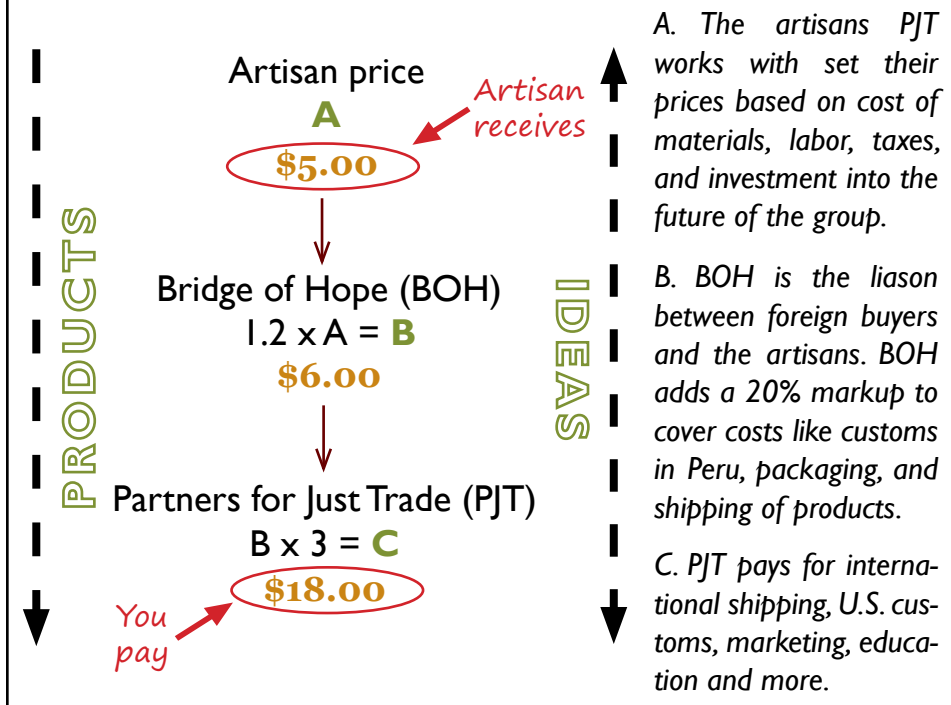
The Fair Trade Certification model for fair prices does not apply to crafts or items produced on a smaller scale because of the highly varied production processes. For crafts, a fair wage in the regional or local context is one that has been agreed upon through dialogue and participation. The living wage enables artisans to cover basic needs like food, shelter, education and health care for their families. For PJT, this means that artisans (not PJT) determine the price at which they sell their craft. This price includes a living wage as well as 5-10% profit so that the artisans' business can be investing in more materials, equipment, etc. One might expect that paying the producer such a fair wage would increase the cost to the consumer. However because Fair Trade is a direct relationship with the producer, it cuts out the profit-seeking intermediaries along the supply chain, and a justly produced product is delivered to the consumer at nearly the same cost as conventionally traded goods.

*Social Premium as defined by TransFair USA:

The Social Premium is a separate and additional payment to producer groups for investment in social and economic development in producer communities. Producer organizations decide democratically how to spend the Fair Trade premium funds.

SAMPLE FAIR TRADE SUPPLY CHAIN FOR CRAFTS

This flow chart shows how PJT arrives at its retail price. In Fair Trade, the producer (in PJT's case, the artisan) plays an integral part of the supply chain: they provide input on design, pricing, and much more.



A. The artisans PJT works with set their prices based on cost of materials, labor, taxes, and investment into the future of the group.

B. BOH is the liaison between foreign buyers and the artisans. BOH adds a 20% markup to cover costs like customs in Peru, packaging, and shipping of products.

C. PJT pays for international shipping, U.S. customs, marketing, education and more.

CONVENTIONAL TRADE

Ideally we would be able to show a flow chart for the supply chain in conventional trade as well but it varies greatly from product to product. In general in conventional trade, the producer receives 1-5% of the final price of a product.



The worker does not have any input on the price they receive or the design of the product and at any moment could lose their job.

2. IDENTIFYING AND FINDING FAIR TRADE



The **Fair Trade Federation (FTF)** screens businesses to verify that their members are fully committed to providing fair wages and good employment opportunities to economically disadvantaged artisans and farmers worldwide.

TransfairUSA audits transactions between U.S. companies offering Fair Trade Certified™ products and the international suppliers from whom they source, to guarantee that the producers behind the goods were paid a fair, above-market price.



The **International Fair Trade Association (IFAT)** ensures that standards are being implemented regarding working conditions, wages, child labor, and the environment by external verification.

Fair Trade Labelling Organization (FLO) is an umbrella organization, uniting labeling initiatives and Fair Trade producer organizations in Central and South America, Africa, and Asia.



Co-op America's Green Business Network consists of over 2,000 green businesses that are screened to verify that they are committed to environmentally and socially responsible practices.

What kind of Fair Trade products exist?

Fair Trade products include coffee, chocolate, tea, rice, sugar, fruit (bananas, mangoes, pineapples, and grapes), rice, vanilla, spices, wine, and sports accessories. You can purchase Fair Trade clothing, home furnishings, toys, bags and accessories, jewelry, decorations, and more.

Don't worry, you don't need to start from scratch (in most places). Several resources list where you can find Fair Trade products across North America. Here are some resources to help you out:

- www.transfairusa.org/content/WhereToBuy/index.php – Search by city or zip code to find Fair Trade Certified™ coffee, tea, chocolate, sugar, fruit, rice, and more near you. It also lists regional and national chains that carry Fair Trade Certified™ products.

- www.fairtradefederation.org – Lists all Fair Trade Federation business members who might be in your region or who have a web marketplace.
- www.greenpages.org – An online search engine of over 2,000 businesses who are screened members of Co-op America, some of whom carry Fair Trade products. (The National Green Pages™ is also available in hard copy and comes out each year. To order your copy call (800)58-GREEN.)

3. FAIR TRADE EDUCATIONAL RESOURCES

50 Reasons to Buy Fair Trade, Miles Litvinoff and John Madeley. Pluto Press: Ann Arbor and London, UK, 2007.

Helpful definitions and ideas and explains various aspects of Fair Trade. Purchase it from Amazon.com

Artisans and Cooperatives: Developing Alternative Trade for the Global Economy, Edited by Kimberly M. Grimes and B. Lynne Milgram, Tucson: University of Arizona Press, 2000.

Purchase it from the Fair Trade Resource Network, www.ftrn.org

“Black Gold,” Co-directors: Nick and Marc Francis, 2006.

Follow the amazing struggle of one man, Tedesse Meskela, to bring Fair Trade to Ethiopian coffee farmers.

Visit www.blackgoldmovie.com for more information or purchase it at Amazon Canada, www.amazon.ca

Conscious Consumer: Promoting Economic Justice Through Fair Trade, Rose Benz Ericson, 2006.

A quick read offering a comprehensive overview of the North American Fair Trade movement.

Purchase it from the Fair Trade Resource Network, www.ftrn.org

Fair Trade: A Beginner's Guide, Jacqueline DeCarlo. Oneworld Publications, 2007.

A book that offers a solid overview of all things Fair Trade, from its history to key players and challenges.

Purchase it from the Fair Trade Resource Network, www.ftrn.org

Fair Trade Futures: Living a Fair Trade Life, Fair Trade Federation and Fair Trade Resource Network, 2005.

A guide that helps you integrate Fair Trade into your personal life, work-

place, school, community, and church.

Download a free copy at www.ftrn.org

Guide to Fair Trade, Co-op America, 2007.

This 30 page guide helps you learn more about Fair Trade, shift your spending to support it, and take action locally and nationally.

Download it or order it for free from www.coopamerica.org

4. ONLINE RESOURCES

www.partnersforjusttrade.org – Download resources on Fair Trade and learn about the producers involved in Fair Trade.

www.pcusa.org/trade/resources – Downloadable resources on Just and Fair Trade from Presbyterian Church (USA).

www.pcusa.org/trade/action.htm – Information from Presbyterian Church (USA) about trade justice.

www.traidcraftinteractive.co.uk – An interactive Web from Traidcraft, a Fair Trade organization in the UK. It is full of ideas, discussions, and campaign on how to become involved in Fair Trade.

www.e-alliance.ch/media/media-3834.doc – A briefing paper by Dr. Christoph Stüchelberger for the Ecumenical Advocacy Alliance in Geneva, Switzerland. It includes Biblical examples of how trade supports human rights.

www.lwr.org/chocolate/documents/worshipresources.pdf – Liturgy, Music, and Prayers for Justice from Lutheran World Relief.

www.lwr.org/fairtrade/docs/FT_HR.pdf – Lutheran World Relief explains how Fair Trade and Human rights work hand in hand.

www.lwr.org/fairtrade/docs/womenandfairtrade.pdf – Information about how Fair Trade impacts women's lives from Lutheran World Relief.

www.crsfairtrade.org/resources/download.cfm – Various Fair Trade resources from Catholic Relief Services.

www.equalexchange.com/ifPDF/umc.resolution.5.04.pdf – United Methodist's resolution on the use of Fair Trade coffee.

www.responsible shopper.org – Learn about the practices of larger corporations.

www.ftrn.org – Read articles on Fair Trade, learn what communities are doing across the country and how to link up with the Fair Trade movement.

5. TAKE ACTION

Adopt-a-supermarket Campaign – www.fairtradeaction.org
Co-op America and Oxfam America have teamed up to help you bring more Fair Trade to more supermarkets across the country. Download a free Fair Trade toolkit and more by visiting their website.

Fair Trade Towns USA – www.fairtradetownsusa.org
Your hometown can pave the way in the fight for global economic justice by becoming a Fair Trade town! Fair Trade Towns USA provides you with the tools and resources to do so.

Fair Trade Alliance – www.fairtradeaction.org
Across the country, faith groups, individuals, businesses and more make a commitment to Fair Trade. Receive Fair Trade resources, e-mail updates, and discounts at Fair Trade businesses.

Host a Partnership Sale – www.partnersforjusttrade.org/pb
Bring Fair Trade to your congregation by selling Fair Trade products at your church during Christmas or at any time of the year.

Presbyterian Coffee Project – www.pcusa.org
Build fellowship among members of all ages and bring justice to coffee farmers around the world by selling and purchasing coffee through PC(USA)'s coffee project.

United Students for Fair Trade – www.usft.org
Meet youth working in solidarity with cooperatives to promote Fair Trade principles, products, and policies.

World Fair Trade Day – www.ftrn.org
Celebrate Fair Trade with your church and others across the world on the 2nd Saturday of each May. The Fair Trade Resource Network will help you plan your own event or find one that's already planned in your area.