

Tipping the Balance



The Fairtrade Foundation's
Vision for Transforming Trade
2008-2012





Fairtrade tips the balance to make trade fair

In Ghana, an elderly cocoa farmer carries a sack of beans miles from his farm to the co-operative's store, where he knows the scales will be accurate and he will be paid for the full weight of his crop. This story could be repeated time and again around the world with farmers' use of Fairtrade premiums to buy their own scales a potent symbol of how Fairtrade enables them to take more control over their businesses and their lives.

Fairtrade is one of the most successful social change stories of recent times. From being the preserve of a committed few, the FAIRTRADE Mark is now recognised by three out of five people, and appears on thousands of food, drink and clothing items as well as other goods. In this decade alone, the value of Fairtrade sales has grown more than tenfold reaching nearly £500 million in 2007.

Through Fairtrade, millions of people working in certified producer organisations feel more secure and in control of their lives. In the UK, the potential of Fairtrade to make a difference to global poverty has enthused people in their roles as both consumers and citizens. And by working together in their communities, both ends of the Fairtrade movement have secured changes at national and international level from major businesses and governments.

But for all this remarkable progress, we still have a long way to go to make trade fair. Two billion people – a third of humanity – work hard to support themselves yet still struggle to survive on \$2 per day or less. Fairtrade is a response to this failure of conventional trade to deliver a better deal to people in the poorer countries of the world. It has shown trade can be a powerful driver to reduce poverty and promote sustainable development if only it is clearly directed to those ends.

It is by working together in a united movement for change that we have come this far. The challenge now is to take this successful model and scale up the reach and impact of Fairtrade so that it can begin to truly transform trade in favour of the poor and disadvantaged. Over the past year we have been listening to our many partners, in order to set out our vision for achieving this transformation over the next five years. With your continued support, we can take Fairtrade to new levels – to tip the balance, if you will – in the years to come.

Mike Gidney,
Chair of the Fairtrade Foundation's Board of Trustees.

Five big steps to tip the balance

Over the next five years as part of our goal of transforming trade, we will aim to tip the balance by:

1

Increasing Fairtrade's impact on producers' lives

2

Shifting public opinion and consumer lifestyles to make Fairtrade the norm

3

Expanding business engagement with Fairtrade from just compliance to deeper commitment

4

Growing Fairtrade's share of key markets to propel sales to a new level

5

Scaling up and developing the Fairtrade system



Fairtrade tips the balance in enabling trade to be sustainable

In the Amazon rainforest straddling Bolivia, Brazil and Peru, Fairtrade helps nearly 30,000 families earn a decent living from harvesting Brazil nuts. The fair and stable pricing and premium for investment at the heart of Fairtrade standards underpin sustainable development in these communities while protecting the precious natural resources of the rainforest.

The Fairtrade Foundation

Our vision

Our vision is of a world in which justice and sustainable development are at the heart of trade structures and practices so that everyone, through their work, can maintain a decent and dignified livelihood and develop their full potential.

To achieve this vision, Fairtrade seeks to transform trading structures and practices in favour of the poor and disadvantaged. By facilitating trading partnerships based on equity and transparency, Fairtrade contributes to sustainable development for marginalised producers, workers and their communities. Through demonstration of alternatives to conventional trade and other forms of advocacy, the Fairtrade movement empowers citizens to campaign for an international trade system based on justice and fairness.

Our mission

The Foundation's mission is to work with businesses, community groups and individuals to improve the trading position of producer organisations in the South and to deliver sustainable livelihoods for farmers, workers and their communities by:

- being a passionate and ambitious development organisation committed to tackling poverty and injustice through trade
- using certification and product labelling, through the FAIRTRADE Mark, as a tool for our development goals
- bringing together producers and consumers in a citizens' movement for change
- being recognised as the UK's leading authority on Fairtrade.



Fairtrade tips the balance in making trade work for development.

In the remote Karakoram Mountains of Northern Pakistan, a Fairtrade dried fruit group provides the only opportunity in the region for women to work outside the home and to have a voice in decision making. Fairtrade's insistence on democratic organisations in which women and men can decide together how to use the Fairtrade premium, leads to practical grass-roots initiatives in education, health and support for small businesses that multiply the development impact of even small sums of money.

Tipping the balance: Producer impact

1

We will develop Fairtrade to extend and deepen its benefits for farmers, workers and their communities by:

- Helping existing producer groups sell a greater proportion of what they grow via the Fairtrade system (at the moment, many certified Fairtrade groups can only sell a small proportion of what they produce on Fairtrade terms)
- Opening the door for more new producers to come into the Fairtrade system and sell their goods into a growing UK Fairtrade market – especially from the most disadvantaged groups in the very poorest countries
- Working with producer organisations to enable them to play a larger part in governing and developing the Fairtrade system – so making it more accountable to them
- Making it as easy and accessible as possible for farmers and workers to be part of the Fairtrade system – especially small-scale producers – while maintaining the rigorous standards so essential to its success
- Developing specific plans for countries and products to ensure the most disadvantaged producers reap the most benefits
- Improve the monitoring and evaluation of the benefits generated by UK sales of Fairtrade-labelled products so that we can better demonstrate the impact of Fairtrade for producers.



By 2012 we want twice as many producers to be benefiting from selling Fairtrade goods in the UK, while those already supplying the UK market are able to double the proportion of the crop they sell via the Fairtrade system.

Tipping the balance: Public opinion and consumer lifestyles

2

We will further build support for Fairtrade across UK society so that it becomes the norm by:

- Raising people's understanding of the problems of unfair trade, what Fairtrade does to tackle it and how they can make a difference by supporting it
- Increasing the number of people who recognise the FAIRTRADE Mark, the proportion of shoppers who buy Fairtrade products regularly, and the range of the products they buy
- Embedding a shift in consumer expectations of how companies should behave towards producers in developing countries and ensuring producers' voices are heard where trade is unfair
- Retaining consumers strong trust in the FAIRTRADE Mark as a vehicle for tackling poverty by raising the profile of the Fairtrade Foundation as the independent organisation behind the Mark and the country's lead authority on Fairtrade
- Working closely with the thousands of Fairtrade supporters and their networks who have been so vital to the growth of Fairtrade, giving them more say in shaping its future and holding it to account
- Developing the impact of the Fairtrade movement in wider campaigns for fairer world trade rules, and ensuring the need to tackle poverty and achieve trade justice is heard in public debates on climate change, sustainability and corporate responsibility.



By 2012 we want three-quarters of people in Britain to recognise the FAIRTRADE Mark and what it stands for, and people from all parts of society to feel part of a vibrant people's movement for change.

Tipping the balance: Business engagement

3

We will work with business to ensure more companies sell Fairtrade products, and that those who do, move from just complying with the standards to a deeper commitment to the overall system. We will do this by:

- Working strategically to harness the knowledge and skills of key companies in each sector, at a level proportionate to their resources and abilities, in line with our targets for particular product categories and developing countries
- Doing more to promote the role of dedicated fair trade businesses as examples of best practice and pioneers of Fairtrade innovation
- Promoting the unique qualities of Fairtrade as a model for change and development and ensuring the differences between Fairtrade and other 'ethical' schemes are clearly understood
- Retaining the FAIRTRADE Mark as the cornerstone of our work but broadening the business model with complementary innovations to our approach where they can deliver significant benefits to producers.



By 2012 we want there to be a huge diversity of companies in Britain producing and selling Fairtrade goods in all areas of the market – including thriving new and established companies dedicated to Fairtrade, restaurants, high street fashion stores, multiple retailers, small businesses and a growing group of household brands converting to Fairtrade.

Tipping the balance: Expanding the Fairtrade market

4

We will propel Fairtrade sales and market share to a new level by:

- Ensuring that the majority of consumer purchases are Fairtrade in at least three of the major product categories for which Fairtrade is already famous – such as bananas, coffee and tea
- Concerted strategies to achieve more than 10% Fairtrade market share in at least six other food and drink categories amongst Fairtrade products launched successfully in recent years, but where market share is still below 5% – such as rice, nuts and chocolate
- Creating new opportunities for producers to sell their products as Fairtrade by launching two new product categories every year, one of which will significantly increase the reach of Fairtrade amongst the poorest producers
- Broadening the reach of Fairtrade by opening the market for poor producers currently totally untouched by Fairtrade labelling and extending the FAIRTRADE Mark's reach into new product and market sectors where these complement our existing product range. This includes leading on the development of Fairtrade into sectors such as seafood, soya and handcrafts
- Adapting our model to make a difference in a wider range of business sectors including through the creation of standards for more complex products and in scaling up Fairtrade to work effectively in whole categories
- Seeking an optimum rate of growth that balances our objectives to deepen impact for existing partners with realising new opportunities for disadvantaged producers to sell their products through Fairtrade labelling.



By 2012 we want the UK market for Fairtrade products to have reached £2 billion a year – four times the current level.

Tipping the balance: Scaling up the Fairtrade system

5

We will scale up our activities, our systems and work with our partners.

In the UK, we will:

- Further strengthen the Foundation's certification processes, reinforcing our credibility by being more transparent and accountable
- Enhance our communications capacity, focussing on a powerful core message around the impact of Fairtrade but better tailoring our strategy for different business, consumer and public audiences
- Develop the Foundation's staff, strengthening both management and operational capacity, and improve internal communication and co-ordination
- Streamline procedures and invest in systems that will enable us to deliver a better service with improved response times.

Internationally we will:

- Work actively as part of the international Fairtrade labelling system embodied by FLO, acknowledging our responsibility as one of the largest and most successful members to play a leading role in its further development
- Ensure the Foundation and FLO (across membership, governing structures and staff bodies) are aligned on strategic direction, priorities and plans so that we can have the greatest impact in working together
- Seek investment and improvements in all aspects of FLO's core work (setting standards, issuing and monitoring Fairtrade certificates and supporting producers) to ensure that how the system engages with producers is wholly focused on being a partnership for development
- Assist FLO to become a truly global organisation fit for the scale and scope to which we aspire, through stronger representation of and accountability to people in the global South



and greater involvement of producer networks in core activities such as standard setting and producer support

- Encourage and support the development of Fairtrade Labelling initiatives in emerging Fairtrade markets such as South Africa, India and Brazil
- Foster a culture of innovation over the longer term, seeking to secure funds to invest in research and development.

By 2012 we want the global Fairtrade system to be known as a beacon of good practice in trade and development, enabling the voice of the poorest to be heard at the highest level.



Coffee, tea, herbal teas, chocolate, cocoa, sugar, bananas, grapes, pineapples, mangoes, avocados, apples, citrus & other fresh fruits, dried fruit, juices, smoothies, biscuits, cakes & snacks, honey, jam & preserves, chutneys & sauces, rice, quinoa, herbs & spices, seeds, nuts & nut oil, wines, spirits, ale, confectionery, muesli, cereal bars, yoghurt, ice cream, flowers, sports balls, sugar body scrub, cotton products including clothing, homeware, cloth toys and cotton wool

Thank you for helping us

Our strategic review was a major project conducted between February and December 2007. We are grateful to everyone who contributed to the review. We would especially like to thank:

- Graham Young
- Impetus Trust and Grant Masom
- OC&C partners and consultants

In less than fifteen years Fairtrade has become one of Britain's most extraordinary social change success stories.

It has forged a unique alliance for change between millions of producers in poor countries and consumers in rich countries. It has provided a living model of trade that works through the conventional market – and yet challenges its unfair rules.

The task now is to take this successful model to radically extend the reach and impact of Fairtrade – to tip the balance of our trade with poor producers decisively in their favour.

This summary of the Fairtrade Foundation's five year strategy sets out a vision of how this could be achieved. And it calls on all the partners in Fairtrade to commit to working together to make this vision a reality.

www.fairtrade.org.uk

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Registered Charity No. 1043886

A company limited by guarantee, registered in England and Wales No. 2733136

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