

# FAIRTRADE AND SUSTAINABILITY



## MARKET ACCESS AND FAIRER TRADE

Fairtrade is about doing trade differently. It empowers farmers and workers to take control of their lives, businesses and communities through trade. Fairtrade also enables businesses – and through them, consumers – to understand the whole supply chain because it is tracked from producer to buyer.

The Fairtrade system creates strong relationships, combining direct links between producers and buyers with third-party assurance.

It encourages co-operatives to build multiple, direct relationships with different markets, reducing their dependency on just one buyer. Having access to market information and training in business and negotiation skills means co-operatives can negotiate directly and confidently with their buyers.

Fairtrade also promotes long-term partnerships which farmers highly value as they can predict their income and plan and invest for the future, encouraging economic sustainability.

FAIRTRADE SALES  
GENERATED MORE THAN  
**€944 MILLION**  
IN PRODUCER REVENUES



**IN 2012–13**

Challenging unfair trading practices is also a crucial part of what Fairtrade does. In the UK, the Fairtrade Foundation challenges governments and business to make changes to policy that would increase fairer trading, together with partners including the Trade Justice Movement and the Ethical Trading Initiative. Fairtrade also works closely with Fair Trade Advocacy Office to build an enabling environment for fair trade at a European level.

**'I don't think there is a future for humankind without fair trade.'** Jean-Claude Junker, President of the European Commission (speaking prior to his election)

**'Consumers are increasingly aware and informed about what they buy. They want to be sure that the products are produced under decent conditions, where people are paid a decent salary. Many surveys show that more and more consumers are also willing to pay more for fair trade products.'**

EC Trade Commissioner Cecilia Malmstrom, 23 June 2015 (Speech for European Trade Policy Day)

# CASE STUDIES

## BUILDING TRADE CONTACTS

Many co-operatives in Central America have built contacts with both Fairtrade and conventional buyers at trade fairs in the US, Latin America and Europe. That's positive for the co-operative because it reduces dependency on a single buyer and market, and it's also good for businesses buying from the co-operative as they can trade with trusted and entrepreneurial partners.

## FAIRTRADE MARKET

Research on the impact of [Fairtrade for orange juice farmers](#) in Brazil showed that the co-operatives were able to survive in a difficult market due to stable sales that covered the costs of production. Fairtrade was also shown to promote the improvement of the organisation's structure.



## CHALLENGING GOVERNMENTS ON TRADE JUSTICE

**'For 20 years, Fairtrade has helped some of the poorest people in the world receive a fair price for what they are producing.'** Secretary of State for International Development, Rt Hon Justine Greening MP, October 2014.

The UK government has championed the protection of aid spending and often talks up trade as a way to tackle global poverty. But the reality is that British and EU trade policies often seriously damage the livelihoods of hundreds of thousands of vulnerable farmers and workers in some of the world's poorest countries – including many that are part of Fairtrade. For example, changes in EU regulations risk pushing 200,000 sugar cane farmers from African, Caribbean and Pacific countries into poverty as they lose out to cheaper, subsidised European sugar beet producers. In 2015, Fairtrade asked supporters to [take action](#) and demand the EU take steps to protect the livelihoods of sugar farming communities.



Carlos Domingues, cane cutter, Belize

In 2014, the Fairtrade Foundation [published a report](#) and delivered a petition with over 72,000 supporters asking the government to take action to end unfair banana pricing in the UK and strengthen the powers of the Groceries Code Adjudicator (GCA) – a regulatory body that oversees the relationship between supermarkets and their suppliers. It also called for businesses to make sure farmers in their supply chains earn enough to cover their business and living costs, and workers to earn a living wage. In January 2015 the Prime Minister showed support for strengthening the GCA, including fining powers, which came into force in April 2015 – a small victory in a long battle to make businesses trade in ways that drive positive impact for farmers and workers.

In 2015, Fairtrade is [calling on the government](#) to back ambitious Sustainable Development Goals on trade, demanding indicators that drive fair and sustainable trade for poor communities, and to make sure that the whole government works better together to deliver poverty reduction through trade.



**'The sustainable development goals indicators must assess trade deals not by the gross domestic product forecasts alone, but by the medium to long-term impact on livelihoods for the poorest...'**

**If we are to achieve poverty reduction and environmental sustainability through trade, then fair prices must be paid...**

**Delivering the sustainable development goals require the voices of smallholder farmers and workers to be heard at the highest levels of government and commerce.'**

*Fairtrade International statement to UN ECOSOC on the SDGs, 1 June 2015*

## WHAT'S THE LINK TO THE SUSTAINABLE DEVELOPMENT GOALS?

The [Sustainable Development Goals \(SDGs\)](#) are a new set of global targets for future international development. They follow and expand on the Millennium Development Goals, which expire at the end of 2015. UN member states will be expected to use the SDGs to frame their agendas and policies over the next 15 years.

Fairtrade's work on market access and fairer trading delivers towards the following SDGs:

- Goal 8 - promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
- Goal 17 - strengthen the means of implementation and revitalise the global partnership for sustainable development