## Fair trade article

Environment, Air



## What is Fairtrade?

Fairtrade is about better prices, decent working conditions, local sustainability, and fair terms of trade for farmers and workers in the developing world. By requiring companies to pay sustainable prices (which must never fall lower than the market price), Fairtrade addresses the injustices of conventional trade, which traditionally discriminates against the poorest, weakest producers. It enables them to improve their position and have more control over their lives.

## What is the Fairtrade Foundation?

The Fairtrade Foundation is a development organisation committed to tackling poverty and injustice through trade, and the UK member of Fairtrade Labelling Organisations International (FLO). The Foundation works with businesses, civil society organisations and individuals to improve the position of producer organisations in the South and to help them achieve sustainable improvements for their members and their communities. Certification and product labelling (through the FAIRTRADE Mark) are the primary tools for our development goals. The backing of organisations of producers and consumers in a citizen's movement for change is fundamental and integral to our work.

## What is the FairtradeMark?

The FairtradeMark is an independent consumer label which appears on UK products as a guarantee that they have been certified against internationally agreed Fairtrade standards. It shares internationally recognised Fairtrade standards with initiatives in 20 other countries, working together globally

with producer networks as Fairtrade Labelling Organisations International (FLO). The Mark indicates that the product has been certified to give a better deal to the producers involved – it does not act as an endorsement of an entire company's business practices.

Who is Fairtrade Labelling Organisations International?

The international body comprising the Fairtrade Foundation and its partner organisations around the world which has overall responsibility for developing Fairtrade standards, supporting producers, and operating global certification and auditing systems.

FLO is based in Bonn, Germany and is composed of two separate organizations: 1. FLO International eV. is a non-profit multi-stakeholder association involving 23 member organizations, of which 20 are Labelling Initiatives across Europe, North America, Japan, Australia and New Zealand. 3 members are regional producer networks in Africa, Asia, Latin America and the Caribbean representing over 600 Fairtrade certified producer organisations in the South. FLO develops and reviews international Fairtrade standards and assists producers in capitalizing on market opportunities. 2. FLO-CERT GmbH is a limited company that coordinates all tasks and processes all information related to the inspection and certification of producers and traders. Operating independently of any other interests, it follows the international ISO standard for certification bodies (ISO 65). For more information about FLO and FLO-CERT, please visit their website at www. fairtrade. net.

What is a Fairtrade registered licensee?

In the Fairtrade system, a licensee is a company that has signed a Licence Agreement with the Fairtrade Foundation and is therefore entitled to apply the Fairtrade Mark to specific products covered by the Agreement.

What are Fairtrade standards?

Fairtrade standards comprise both minimum social, economic and environmental requirements, which producers must meet to be certified, plus progress requirements that encourage continuous improvement to develop farmers' organisations or the situation of estate workers.

What is a Fairtrade certified producer group?

This term is used for either an association of farmers or a company dependent on hired labour that produces one or more commodities for which there are Fairtrade standards and that has been certified to meet those standards. Once certified, they are added to the Fairtrade product register and registered companies can buy from them under Fairtrade terms.

Some Fairtrade certified producer groups are able to sell their entire production under Fairtrade terms, while others sell only a very small percentage and badly need more buyers to offer a Fairtrade deal. It is only by increasing the amount sold as Fairtrade that producer groups are able to receive a steady stream of additional income to improve their lives.

What is the Fairtrade minimum price?

The Fairtrade minimum price defines the lowest possible price that a buyer of Fairtrade products must pay the producer. The minimum price is set based on a consultative process with Fairtrade producers and traders and

guarantees that producers receive a price which covers the cost of sustainable production. When the market price is higher than the Fairtrade minimum price, the market price is payable.

What is the Fairtrade premium?

Money paid on top of the Fairtrade minimum price that is invested in social, environmental and economic developmental projects, decided upon democratically by a committee of producers within the organisation or of workers on a plantation.

What is a Fairtrade Town (or School, University, Faith Group)? The Foundation does not certify towns or other groups, only products. However, we do run campaigns with local community groups aimed at boosting awareness and understanding of trade issues, and promoting the purchase of Fairtrade products as a way that ordinary people can make a difference to the lives of producers. These campaigns have a set of goals, and receive a certificate of congratulation from the Fairtrade Foundation when they are reached. Once a local community declares its status as a Fairtrade Town (or university etc), they must be committed to continuing their campaigning and awareness raising. Find out more by visiting our Get Involved section.