

EDUCATIONAL CARD on fair trade

 **A** Carefully read the following text.

Fair trade products, PLEASE!!!



Whether it is the banana you're eating or the coffee you're drinking, a series of commercial steps, part of the production-consumption cycle, regulate the price of each products. In fact, many intermediaries transform, transport, speculate, distribute and sell the goods, each with their part of the profit. The longer the route, the more ignorant, as customers, we are about the living conditions of the people producing the products.

Fair trade seems like the right choice to make sure our purchases do not contribute to the exploitation of workers in the South and the devastation of the environment. The use of less intermediary is the principal cause and is illustrated in the coffee example below:

Conventional trade route (coffee)

Producer - land owner - transformer - exporter - speculator - importer - roaster - distributor - shopkeeper - customer

Fair trade route (coffee)

Producer - co-operative - importer - fair trade organization - shopkeeper - customer

In addition to reducing the production-consumption cycle, fair trade aims to provide the producers in developing countries with a fair salary letting them live properly and invest in their family affair or in their community. As customers, agreeing to pay \$1-2 more for a 200 grams fair trade coffee bag, we contribute to the dignity of the producer and to the well-being of his community and the environment.

On their side, the producer agree to comply with fair trade principles on several environmental and social rules (ban on forced and children labour, show consideration for the International Labour Organization's policies on the fundamental rights of workers). Furthermore, many international organizations promoting fair trade affix a certification logo guaranteeing to customers that the products they're buying comply with fair trade regulations.



To increase in magnitude, fair trade needs us! As customers, it is our duty to request fair trade products from shopkeepers!

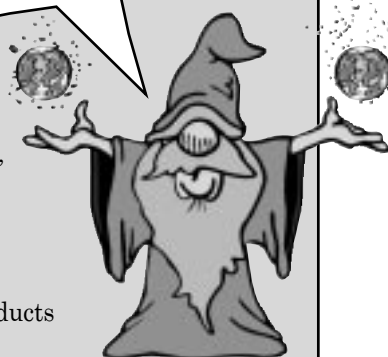
 **B** After reading the above text, answer this question.

Try to be creative and realistic, and write on a piece of paper the positive effects of fair trade on your life and on the life of the coffee producer and his community.

Did you know that..

Note these facts

- More than 5 millions farmers and artisans worldwide are involved in the fair trade network.
- The following fair trade products and many more are available on the market: coffee, tea, sugar, honey, chocolate, cocoa, bananas, oranges, orange juice, rice, nuts, wine, alcohol, aperitif, candies, toys, decorations, lumber wood, jewellery, clothes, arts and crafts, etc.
- Paying a fair price is a question of justice and not charity.
- All customers can ask the manager of their grocer's shop to fill the shelves up with fair trade products





D In the following table, link each principle to its signification. (FTO = Fair Trade Organizations).

I- A fair price	a) Fair trade organizations buy from co-ops and firms where the workers are unionized. This way they eliminate several intermediary and avoid speculations on the stock market.
II- Public awareness	b) Co-ops receive a cash advance for their merchandise or a loan with reasonable interest rates from northern buyers.
III- Democratic management	c) Co-ops can be assured that the fair trade organizations will buy their merchandise on a regular basis, this way they can better organize their operations.
IV- Direct commerce	d) The producers and the fair trade organizations work together to fix a price that will consider the needs of the producers in the South and the realities of the markets in the North. The fixed price will permit the producer to cover his production costs and meet his essential needs.
V- Environment protection	e) The majority of the co-ops implicated in fair trade carry out a biological agriculture and contribute to the conservation of biodiversity by cultivating the coffee under the shelter of the forests. The sales profits are reinvested in the development of community project such as, schools, clinics, roads, transports, etc.
VI- Credit	f) Fair trade organizations take on the responsibility to inform their customers on the general situation of the producers and the necessity of fair trade. Their financial statements must be transparent.
VII- Long term engagement	g) Producers assembled in groups, must divide the profits equally among themselves and all the employees must have a voice on the decision-making process and the management of the group. One peasant, one vote.



E For each statement, which principle of fair trade is not respected?

WHAT'S WRONG???

- The director of the coffee production group decides which projects will be funded with the sales profit.

- This year, the producer's group ignores if they will find someone to buy their production at a fair price.

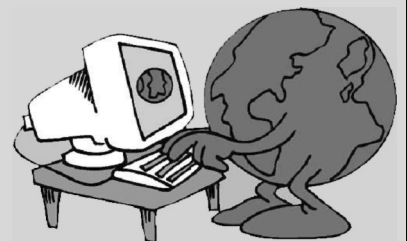
- The production cost of the banana is higher than its market cost. The producer's group will therefore loss money.

- Whether in fair or conventional trade, the number of intermediary remains almost the same.

- It is impossible, as a customer, to be aware of the living conditions of the producers in the South.

Don't hesitate to browse through the following references to learn more about fair trade.

- www.equiterre.qc.ca/english/home/indexfinal2.html
- www.oxfam.qc.ca/index_en.html
- www.lasiembra.com/home.htm
- www.fairtradefederation.com
- http://web.idrc.ca/en/ev-32925-201-1-DO_TOPIC.html



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