

The History of Fair Trade

Authentic



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No version of the history of Fair Trade would be possible, without expressing the deepest of respect, admiration, and appreciation to the small farmer organizations and their members, who despite all the odds often stacked against them, do the hardest work of all: producing the tasty, high quality food and beverages that we are so fortunate to have available to us. Too many to mention by name, I am most thankful for the inspiration, wisdom, confidences, friendship, and good humor of so many farmers with whom I have had the opportunity to meet and work. I hope that one day all they will receive a fair price for everything they produce, as well as all the acknowledgment and respect that they deserve.

Thank you for engaging with us to create a more just and green food system.

In cooperation,

Phyllis Robinson

Foreword

Dear Reader,

Fair Trade, like coffee, is complex, rich and fascinating. Books, academic courses and producer conferences have only begun to analyze the myriad ways it relates to international trade, economics, and sustainable agricultural policies; political systems and grassroots movements; food politics and agro-ecology; and race, gender, cross-cultural and class politics. This comic book attempts to present only some of those complexities and differences in our Fair Trade movement.

This is not the only version of Fair Trade, but it is a perspective shared by many Equal Exchange colleagues, allies, and partners. We believe the most promising hope for the future of small farmers, rural communities, sustainable eco-systems, and a healthy food system is to support small farmer organizations, educated and engaged consumers, and democratic social movements. By bringing producers and consumers closer together through greater mutual understanding and appreciation, and concretizing that through action, we can build and strengthen co-operative supply chains and a food system that serve the needs of “people not profit.” This is the defining characteristic of “authentic” Fair Trade.

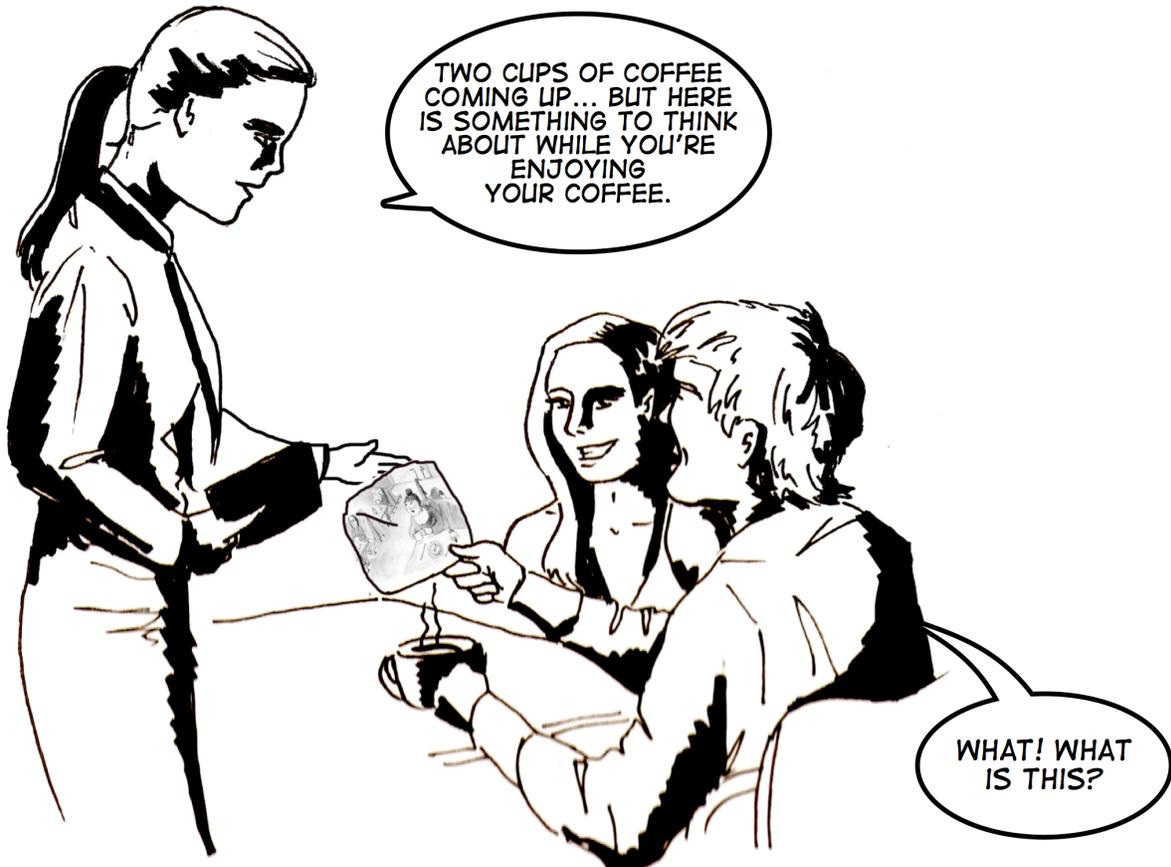
A comic book lets us tell this story through heroes and villains, condensing events and blending characters. We hope it serves to pique the reader’s curiosity so she will dig deeper, ask questions, and ultimately make a conscious decision about where she stands in relation to small farmers, co-operatives, and democratic movements, as well as corporations, certifying agencies, and alternative trade organizations. After all, it’s our time, energy, and consumer dollars that drive it all.

So sit back and enjoy a cup of Fair Trade coffee as you contemplate this comic book history of Fair Trade, and decide how it all fits together on your path to peace and social justice.

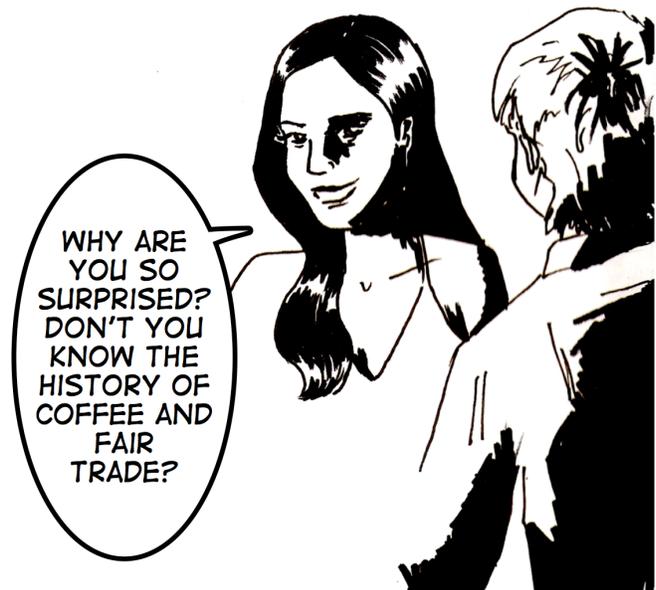
For more information about Equal Exchange, our products, producer partners, and Fair Trade, go to: www.equalexchange.coop and www.smallfarmersbigchange.coop

Additional information about Fair Trade can also be found at: www.fairworldproject.org

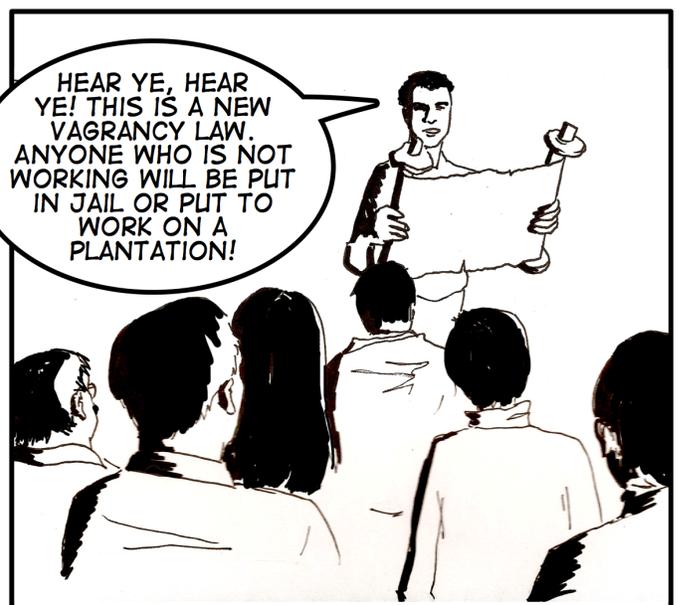
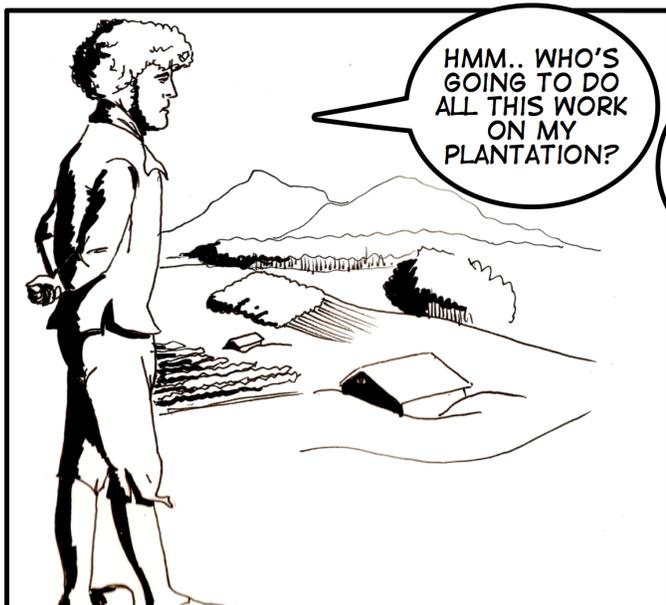
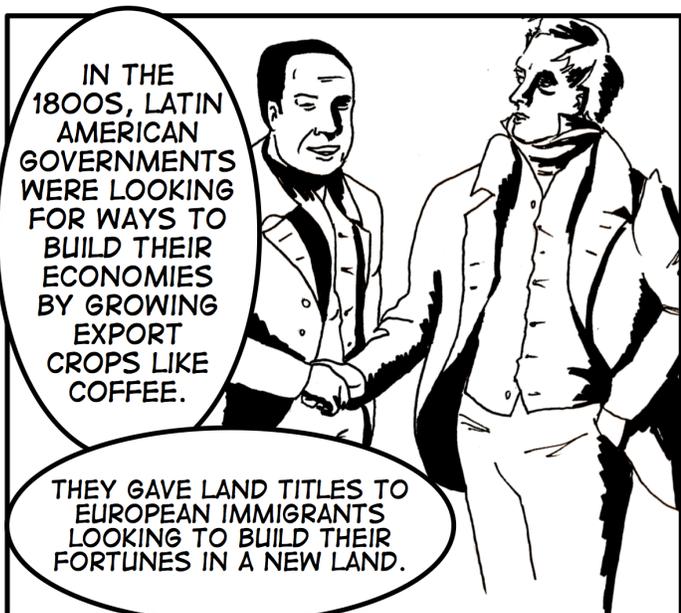
Introduction



"EXCUSE ME WAITER, THERE'S THE BLOOD AND MISERY OF A THOUSAND SMALL FARMERS IN MY COFFEE."



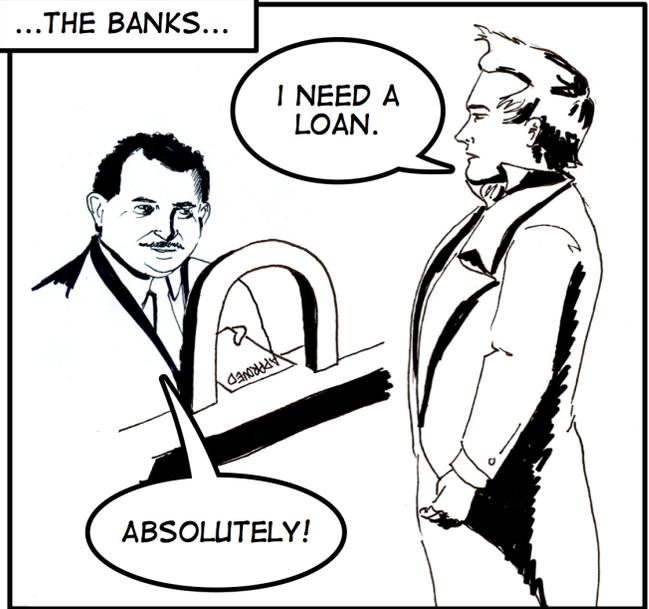
1 Growth of the Coffee Industry in Latin America: Mid 1800s - 1900s



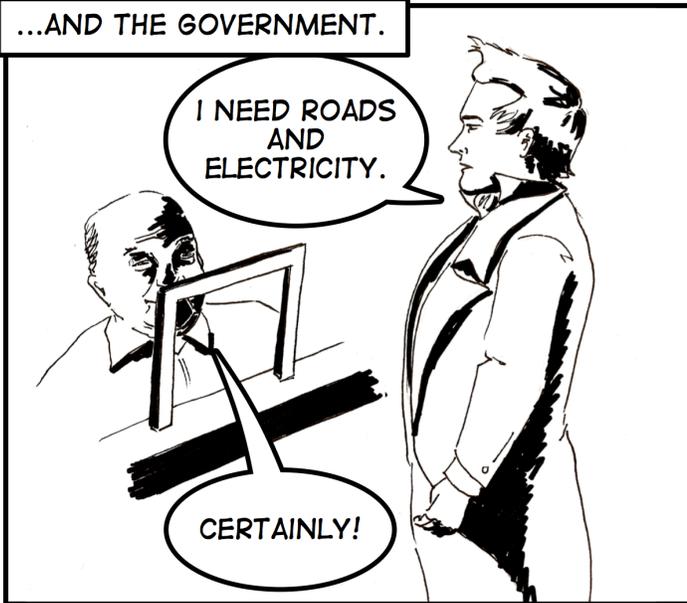
FROM THAT TIME THROUGH THE END OF THE 1900S, PLANTATION OWNERS WERE SUCCESSFUL WITH THE SUPPORT OF CHEAP FORCED LABOR...



...THE BANKS...



...AND THE GOVERNMENT.



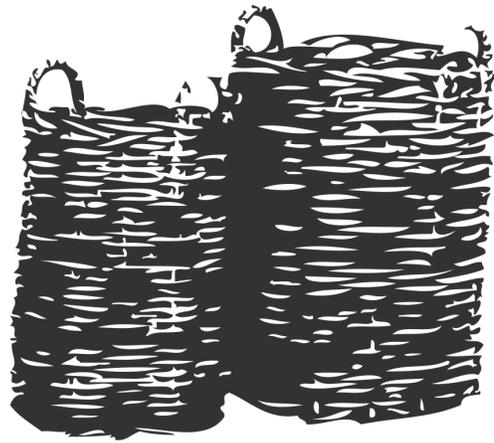
PLANTATION OWNERS GOT RICHER.



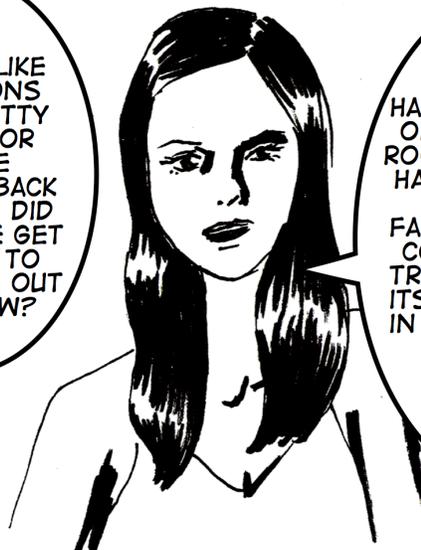


AND IT WASN'T JUST THAT THE WORKERS WERE FIRED. THEY WERE FIRED, MADE DESTITUTE, KICKED OUT OF THEIR HOMES, AND BLACKLISTED. IF THEY ORGANIZED FOR BETTER CONDITIONS, THEY FACED BEING DISAPPEARED OR KILLED. DESPITE EVERYTHING THE WORKERS TRIED, PLANTATION OWNERS RETAINED COMPLETE CONTROL AND CONDITIONS FOR THE WORKERS REMAINED DEPLORABLE. CHANGE SEEMED IMPOSSIBLE.

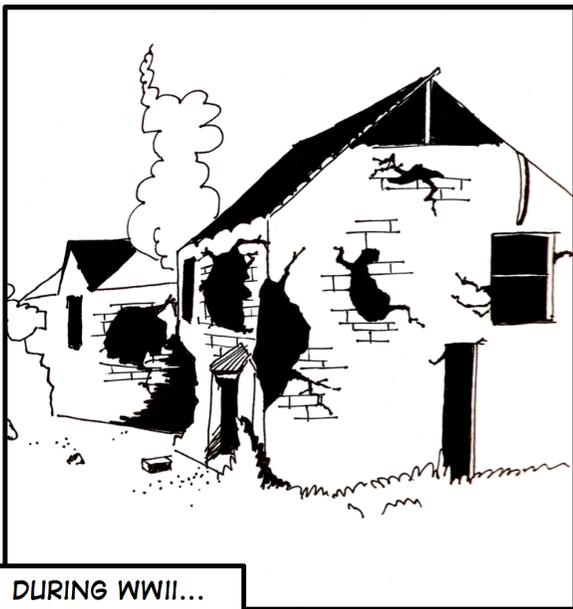
2 The Origins of Fair Trade: Europe, Mid 1900s



WOW!
SOUNDS LIKE
CONDITIONS
WERE PRETTY
ROUGH FOR
COFFEE
FARMERS BACK
THEN! SO, DID
FAIR TRADE GET
STARTED TO
HELP THEM OUT
SOMEHOW?



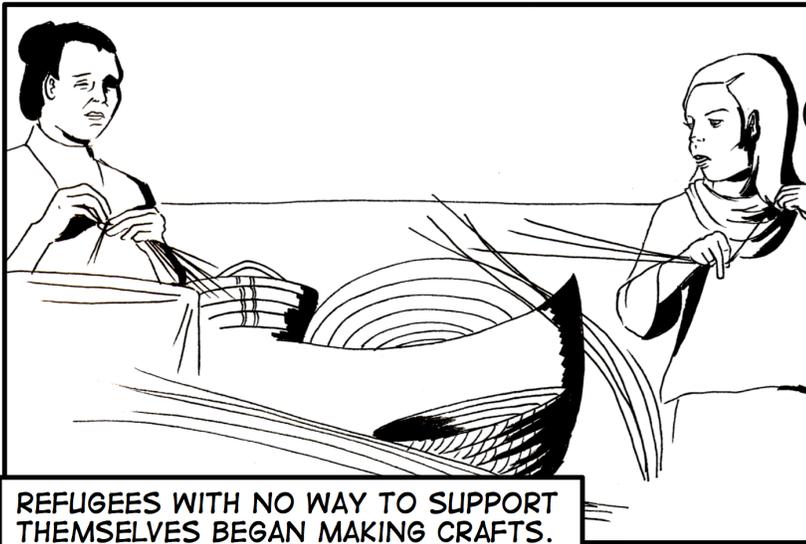
THINGS WERE
HARD- REALLY
HARD. BUT BELIEVE IT
OR NOT, THE EARLY
ROOTS OF FAIR TRADE
HAD NOTHING TO DO
WITH COFFEE
FARMERS. THAT PART
COMES LATER. FAIR
TRADE ACTUALLY GOT
ITS START IN EUROPE
IN RESPONSE TO THE
HUGE REFUGEE
PROBLEM
CREATED
BY WWII.



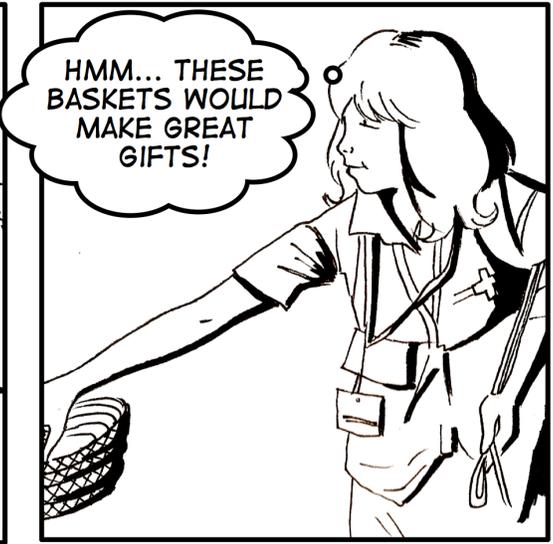
DURING WWII...



...MILLIONS OF LIVES WERE
DESTROYED AND PEOPLE WERE
DISPLACED.



REFUGEES WITH NO WAY TO SUPPORT THEMSELVES BEGAN MAKING CRAFTS.



HMM... THESE BASKETS WOULD MAKE GREAT GIFTS!



OK, SINCE YOU'RE A SILVER SMITH, WHY DON'T YOU MAKE BELT BUCKLES?

INTERNATIONAL AID ORGANIZATIONS HELPED REFUGEES SELL THEIR CRAFTS...

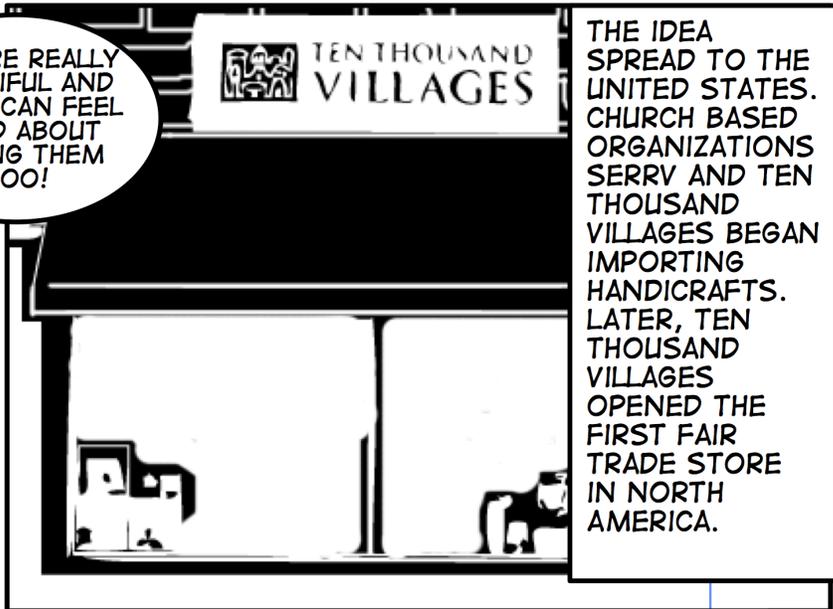


...AND CONSUMERS WERE INTRODUCED TO FAIR TRADE.



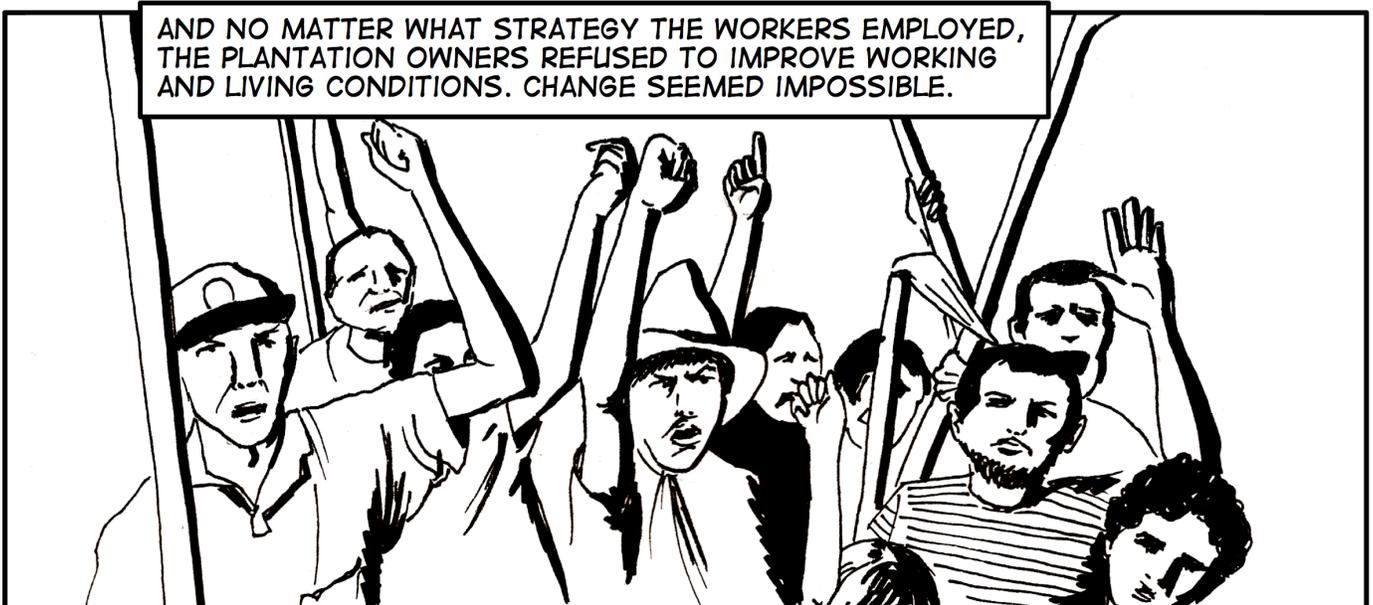
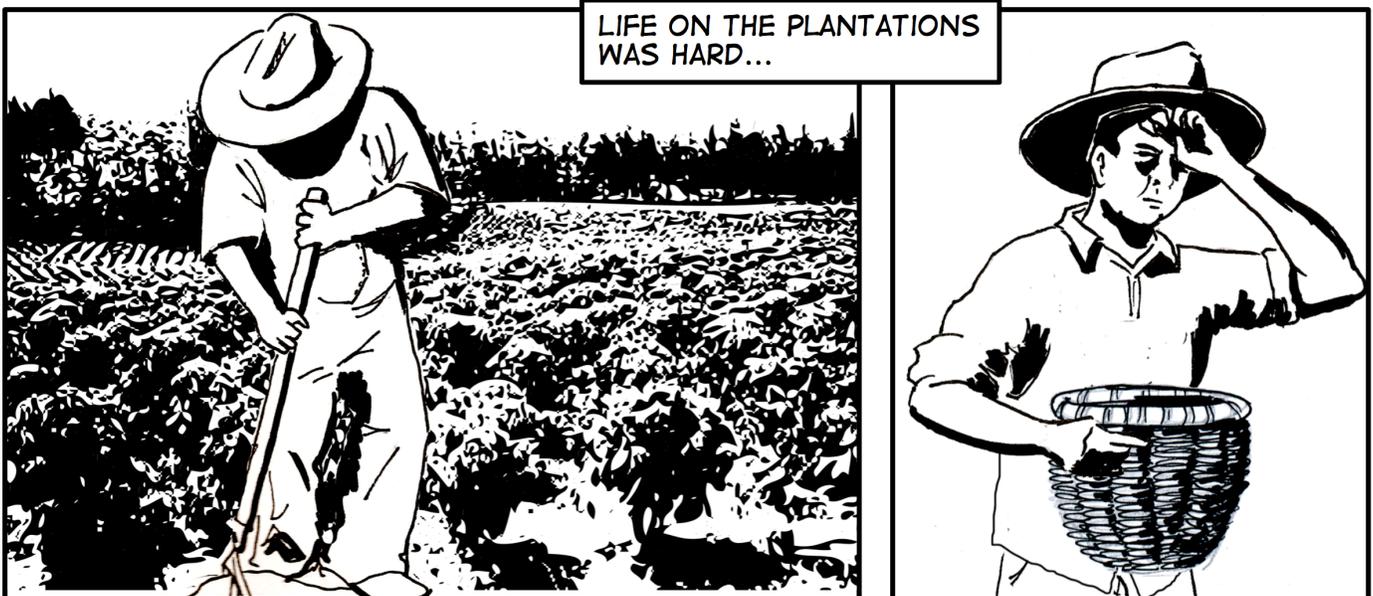
THEY'RE REALLY BEAUTIFUL AND FOLKS CAN FEEL GOOD ABOUT BUYING THEM TOO!

THESE ARE PERFECT FOR THE HOLIDAYS!

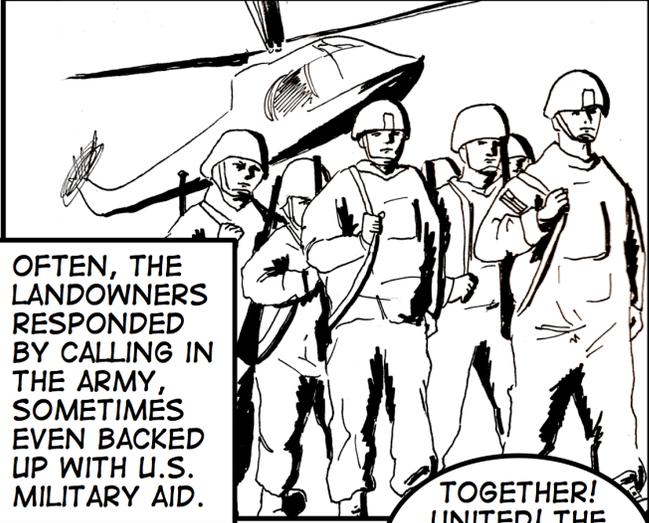


THE IDEA SPREAD TO THE UNITED STATES. CHURCH BASED ORGANIZATIONS SERRV AND TEN THOUSAND VILLAGES BEGAN IMPORTING HANDICRAFTS. LATER, TEN THOUSAND VILLAGES OPENED THE FIRST FAIR TRADE STORE IN NORTH AMERICA.

3 Revolutions, Land Reform, & the Rise of Co-ops in Latin America



THE CHURCH, LABOR ORGANIZATIONS, AND WOMEN'S GROUPS HELPED THE FARMERS ORGANIZE AND DEMAND THEIR RIGHTS.



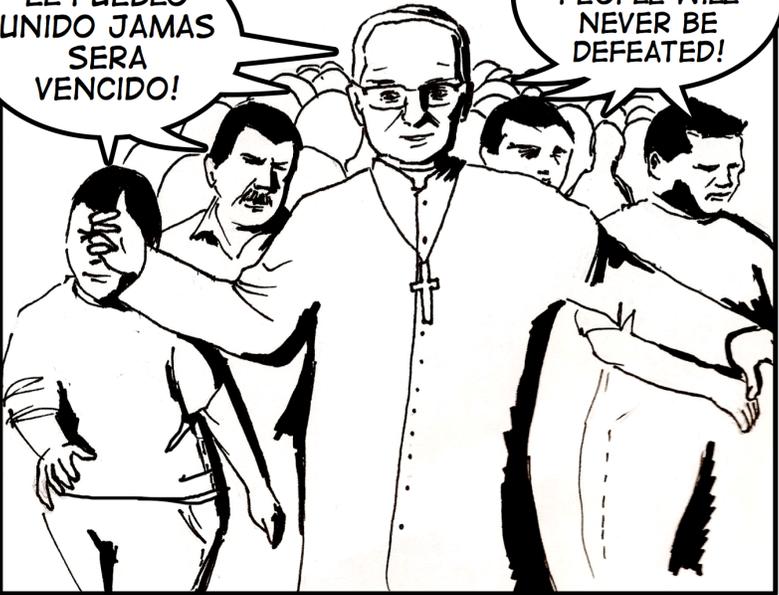
OFTEN, THE LANDOWNERS RESPONDED BY CALLING IN THE ARMY, SOMETIMES EVEN BACKED UP WITH U.S. MILITARY AID.

TOGETHER! UNITED! THE PEOPLE WILL NEVER BE DEFEATED!

FACED WITH OPPRESSION, VIOLENCE, DISAPPEARANCES, AND DEATH, THE WORKERS WERE OFTEN LEFT WITH NO OTHER RECOURSE THAN TO ARM THEMSELVES AND MEET VIOLENCE WITH VIOLENCE.



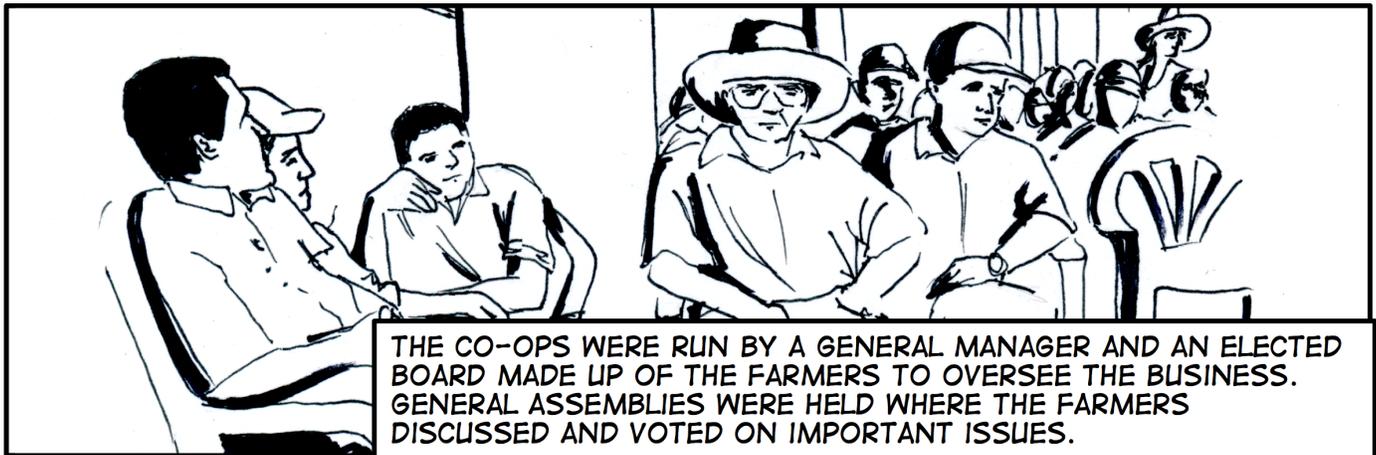
EL PUEBLO UNIDO JAMAS SERA VENCIDO!



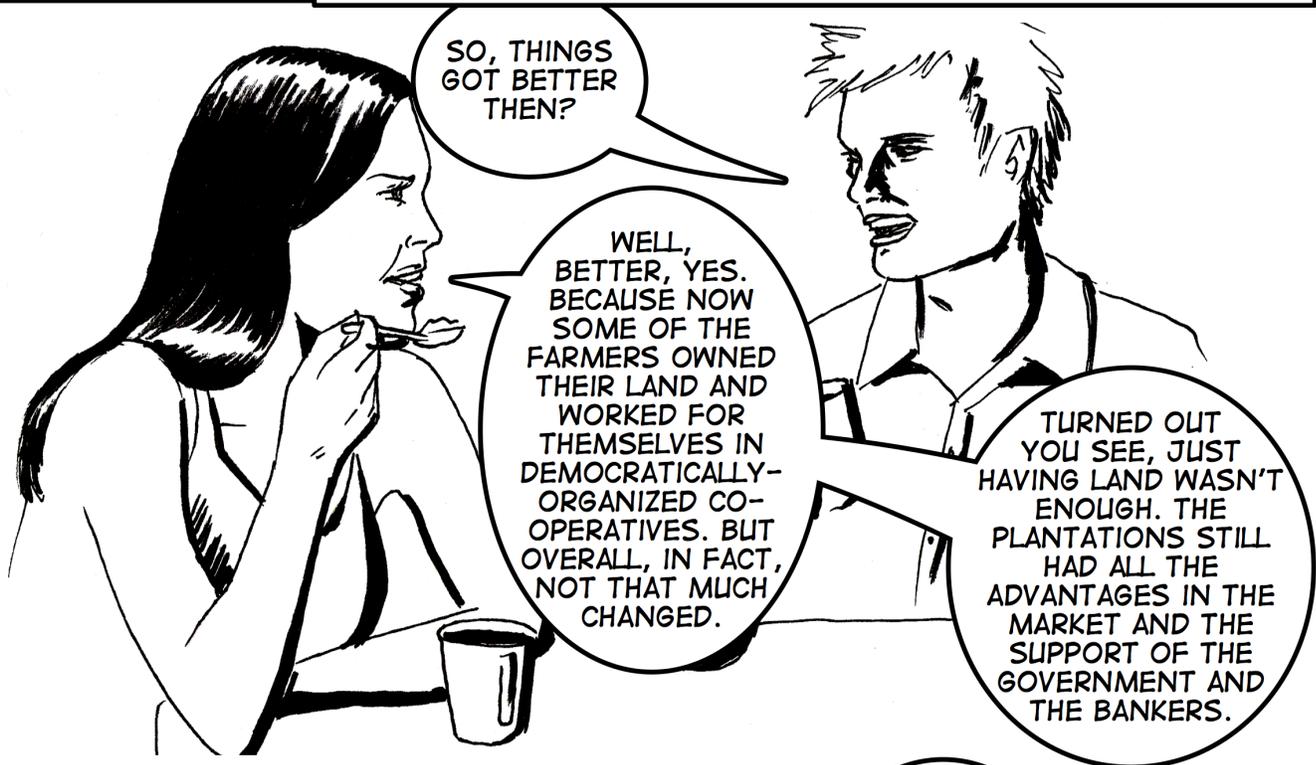
AFTER MUCH STRUGGLE, LAND REFORM IN SOME COUNTRIES EARNED MANY PEASANTS A CHANCE TO ONCE AGAIN BECOME INDEPENDENT SMALL FARMERS.

IN NICARAGUA, FOR EXAMPLE, THE SANDINISTA GOVERNMENT GAVE LAND TO THE FARMERS TO ORGANIZE CO-OPERATIVES. IN THIS WAY, EACH FARMER GOT A SMALL PARCEL OF LAND, BUT TOGETHER THEY WERE ABLE TO POOL THEIR RESOURCES AND MARKET THEIR CROPS AS ONE BUSINESS.





THE CO-OPS WERE RUN BY A GENERAL MANAGER AND AN ELECTED BOARD MADE UP OF THE FARMERS TO OVERSEE THE BUSINESS. GENERAL ASSEMBLIES WERE HELD WHERE THE FARMERS DISCUSSED AND VOTED ON IMPORTANT ISSUES.



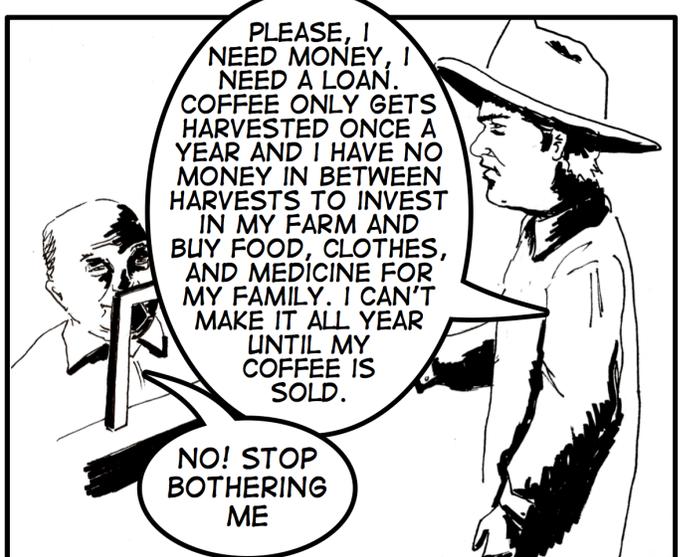
SO, THINGS GOT BETTER THEN?

WELL, BETTER, YES. BECAUSE NOW SOME OF THE FARMERS OWNED THEIR LAND AND WORKED FOR THEMSELVES IN DEMOCRATICALLY-ORGANIZED CO-OPERATIVES. BUT OVERALL, IN FACT, NOT THAT MUCH CHANGED.

TURNED OUT YOU SEE, JUST HAVING LAND WASN'T ENOUGH. THE PLANTATIONS STILL HAD ALL THE ADVANTAGES IN THE MARKET AND THE SUPPORT OF THE GOVERNMENT AND THE BANKERS.

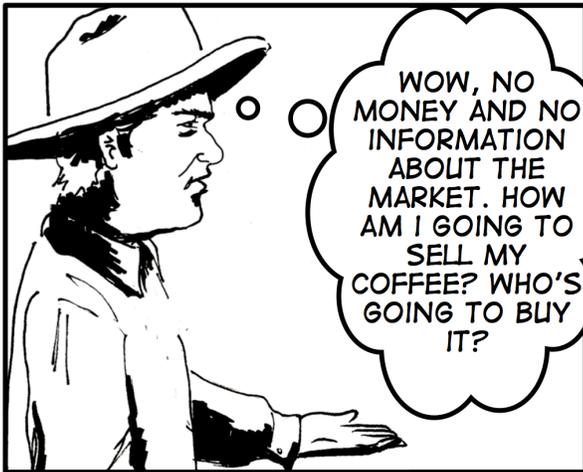


HACIENDA BUENA VISTA



PLEASE, I NEED MONEY. I NEED A LOAN. COFFEE ONLY GETS HARVESTED ONCE A YEAR AND I HAVE NO MONEY IN BETWEEN HARVESTS TO INVEST IN MY FARM AND BUY FOOD, CLOTHES, AND MEDICINE FOR MY FAMILY. I CAN'T MAKE IT ALL YEAR UNTIL MY COFFEE IS SOLD.

NO! STOP BOTHERING ME



WOW, NO MONEY AND NO INFORMATION ABOUT THE MARKET. HOW AM I GOING TO SELL MY COFFEE? WHO'S GOING TO BUY IT?

YOU SEE, THEY STILL HAD NO ACCESS TO LOANS, INFRASTRUCTURE, OR MARKET INFORMATION. COFFEE GROWING WAS HARD WORK ALL YEAR ROUND, BUT IT WAS VERY HARD TO MAKE ANY MONEY OR EVEN COVER COSTS.

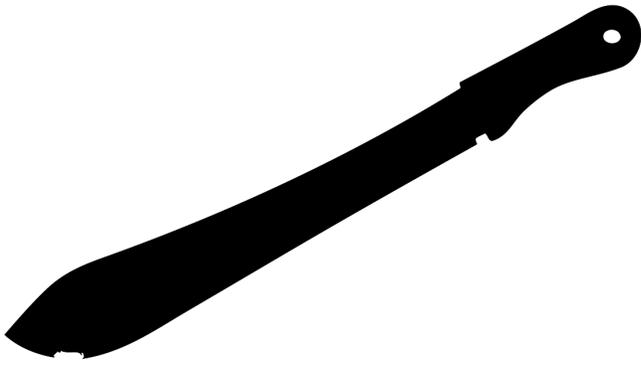


...THEY WERE FORCED TO RELY ON MIDDLE MEN, OFTEN CALLED COYOTES, TO SELL THEIR PRODUCT.

CAN YOU PLEASE TAKE THIS COFFEE BY PICK UP TRUCK?



OF COURSE MY FRIEND, BUT THERE'S A GLUT OF COFFEE ON THE MARKET RIGHT NOW SO I CAN'T EVEN PAY YOU 50 CENTS FOR A POUND OF COFFEE. BETTER LUCK NEXT YEAR CHUMP.



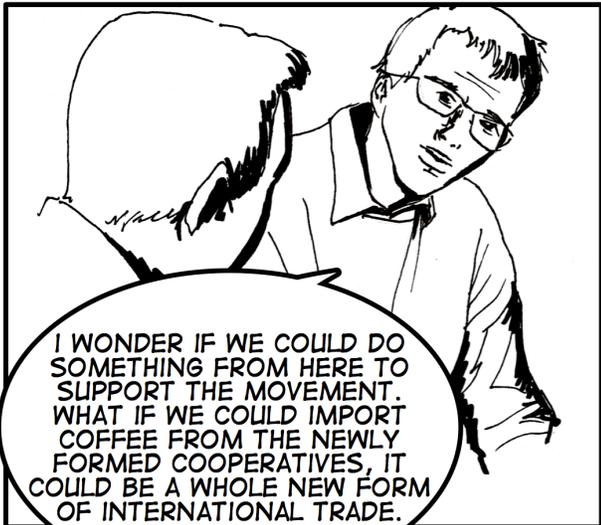
4 The Rise of Alternative Trade Organizations in Europe: 1970s–1980s



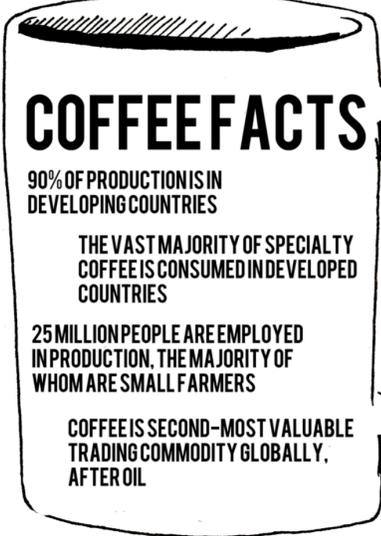
WE HAVE TO DO SOMETHING ABOUT THIS.



MY FRIEND JUST GOT BACK FROM A COFFEE BRIGADE IN NICARAGUA. FOLKS ARE DOING COOL STUFF SUPPORTING SMALL FARMERS AND THE NEW SANDINISTA GOVERNMENT.



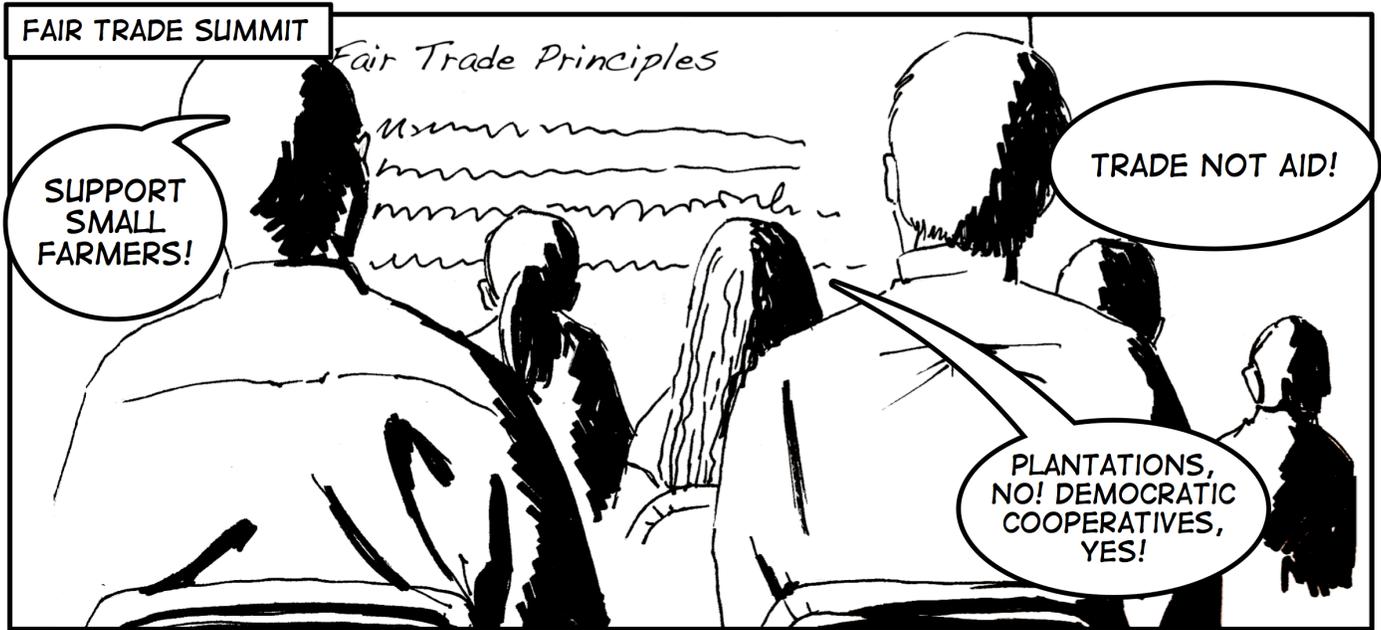
I WONDER IF WE COULD DO SOMETHING FROM HERE TO SUPPORT THE MOVEMENT. WHAT IF WE COULD IMPORT COFFEE FROM THE NEWLY FORMED COOPERATIVES, IT COULD BE A WHOLE NEW FORM OF INTERNATIONAL TRADE.



COFFEEFACTS

- 90% OF PRODUCTION IS IN DEVELOPING COUNTRIES
- THE VAST MAJORITY OF SPECIALTY COFFEE IS CONSUMED IN DEVELOPED COUNTRIES
- 25 MILLION PEOPLE ARE EMPLOYED IN PRODUCTION, THE MAJORITY OF WHOM ARE SMALL FARMERS
- COFFEE IS SECOND-MOST VALUABLE TRADING COMMODITY GLOBALLY, AFTER OIL

AND THE FAIR TRADE MOVEMENT EVOLVED FROM A CHARITY MODEL WITH NON-PROFITS PROVIDING HELP TO POOR REFUGEES TO A SUSTAINABLE BUSINESS MODEL WITH TRANSFORMATION AT ITS CORE. A WHOLE NEW CLASS OF BUSINESSES, CALLED ALTERNATIVE TRADE ORGANIZATIONS (ATOS) SPRUNG UP ACROSS EUROPE.



Fair Trade Principles

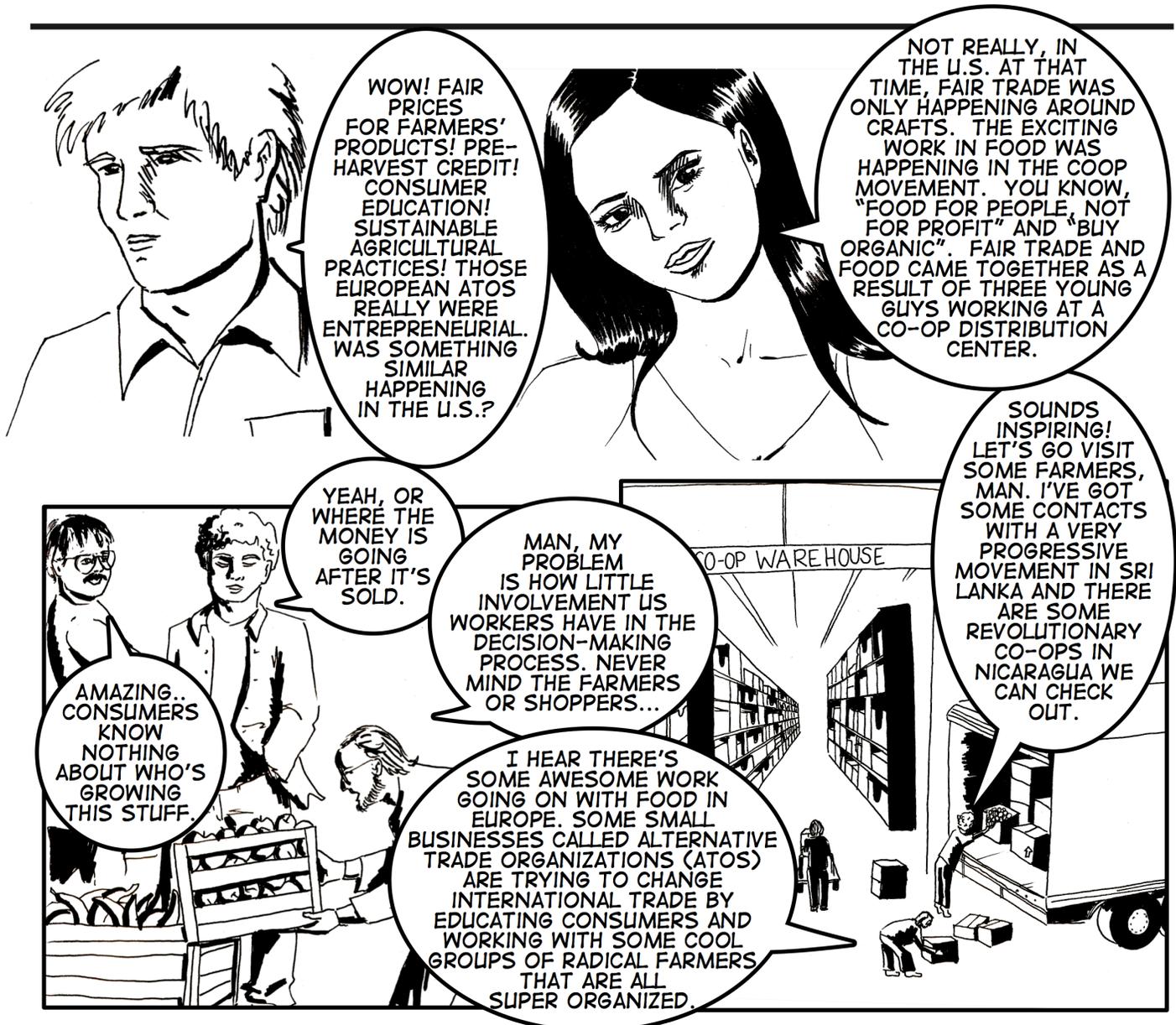
1. LONG-TERM, DIRECT RELATIONSHIPS WITH DEMOCRATICALLY-RUN SMALL FARMER CO-OPS BASED ON DIALOGUE, TRANSPARENCY, AND RESPECT
2. PAYMENT OF A MINIMUM, FAIR PRICE- ALWAYS HIGHER THAN THE INTERNATIONAL MARKET PRICE
3. ENSURING ADVANCE CREDIT IS GIVEN WHEN NEEDED (UP TO 60% OF THE PRICE OF THE CONTRACT)
4. PAYMENT OF A SOCIAL PREMIUM FOR COMMUNITY PROJECTS
5. TRANSPARENT FINANCES AND BUSINESS PRACTICES
6. SUSTAINABLE AGRICULTURAL PRACTICES
7. ENSURING NO CHILD LABOR OR FORCED LABOR
8. COMMITMENT TO NON-DISCRIMINATION, GENDER EQUITY, AND FREEDOM OF ASSOCIATION
9. ENSURING GOOD WORKING CONDITIONS
10. PROVIDING ORGANIZATIONAL CAPACITY BUILDING



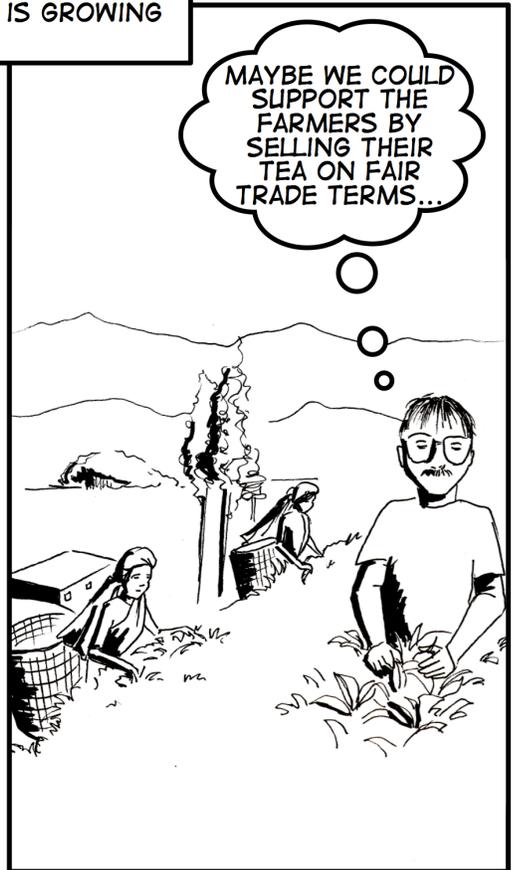
FAIR TRADE LABELING ORGANIZATION

EVENTUALLY A THIRD-PARTY CERTIFICATION SYSTEM WAS SET UP TO VERIFY PRODUCERS AND TRADERS UNDER A SET OF AGREED UPON PRINCIPLES.

5 The Founding of Equal Exchange in the U.S.: Cambridge, Massachusetts: Mid 1980s



LATER IN SRI LANKA... AMIDST A CIVIL WAR, A PEACE MOVEMENT IS GROWING AND GETTING INTERNATIONAL ATTENTION...



BACK IN CAMBRIDGE, THE THREE FRIENDS MET EVERY WEEK UNTIL THEIR CRAZY IDEAS HAD TAKEN SHAPE IN THE FORM OF A BUSINESS PLAN...



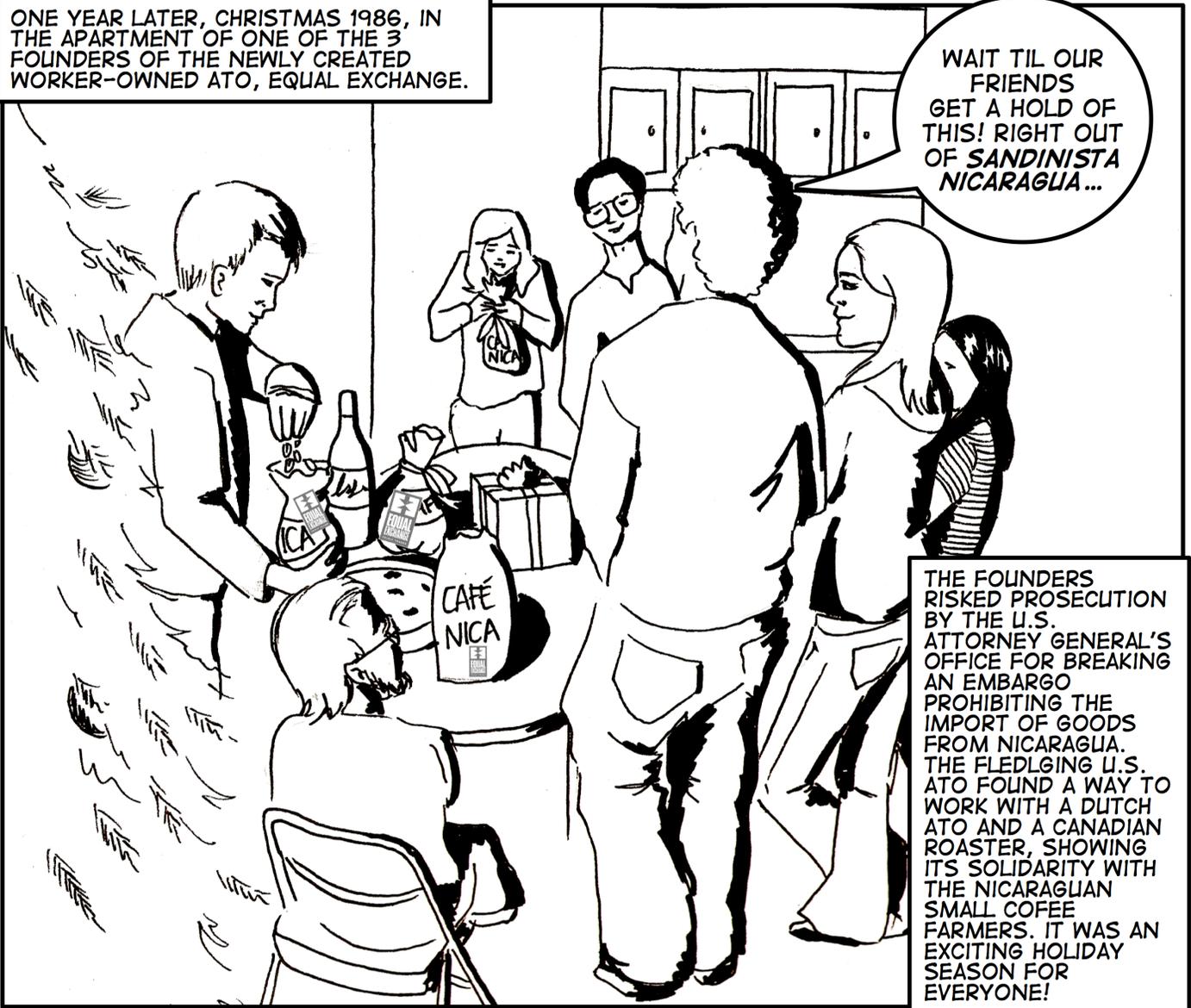
LET'S STRUCTURE OURSELVES AS A NON-PROFIT, THEN WE CAN GET GRANT MONEY, BESIDES, A LOT OF OUR WORK IS GOING TO BE ABOUT EDUCATING CONSUMERS.

NO MAN, LET'S BE A BUSINESS. THEN WE CAN PAY OUR WORKERS SOLID WAGES, PAY THE FARMERS HIGHER PRICES... AND SHOW THAT BUSINESSES CAN CARE ABOUT MORE THAN JUST THE OLD BOTTOM LINE. WE'LL PROVE THERE'S A NEW WAY TO DO BUSINESS.



HEY WE WANT TO BUY FROM ORGANIZED FARMER CO-OPS... SO, I THINK WE SHOULD ORGANIZE OURSELVES AS A CO-OP ALSO, A WORKER CO-OP. IT'S MORE DEMOCRATIC THAT WAY.

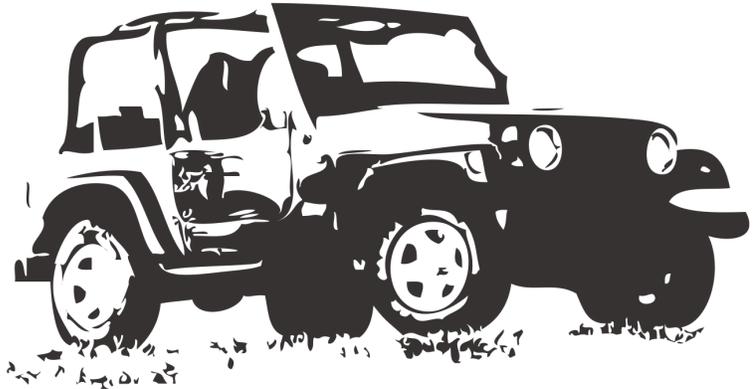
ONE YEAR LATER, CHRISTMAS 1986, IN THE APARTMENT OF ONE OF THE 3 FOUNDERS OF THE NEWLY CREATED WORKER-OWNED ATO, EQUAL EXCHANGE.



WAIT TIL OUR FRIENDS GET A HOLD OF THIS! RIGHT OUT OF SANDINISTA NICARAGUA...

THE FOUNDERS RISKED PROSECUTION BY THE U.S. ATTORNEY GENERAL'S OFFICE FOR BREAKING AN EMBARGO PROHIBITING THE IMPORT OF GOODS FROM NICARAGUA. THE FLEDGLING U.S. ATO FOUND A WAY TO WORK WITH A DUTCH ATO AND A CANADIAN ROASTER, SHOWING ITS SOLIDARITY WITH THE NICARAGUAN SMALL COFFEE FARMERS. IT WAS AN EXCITING HOLIDAY SEASON FOR EVERYONE!

6 Building Small Farmer Supply Chains



SO, FAIR TRADE IS JUST ABOUT BUYING FROM SMALL FARMERS IN THE "GLOBAL SOUTH" AND PAYING THEM A MINIMUM FAIR PRICE AND THEN SELLING THEIR PRODUCTS IN THE "GLOBAL NORTH?" WHAT'S THE BIG DEAL? HOW HARD CAN THAT BE?



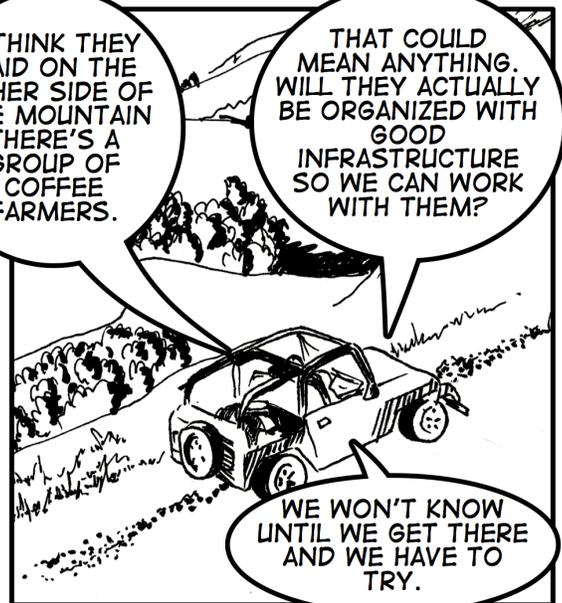
MORE THAN YOU KNOW! IN THE BEGINNING THE HARD PART WAS JUST HOOKING UP WITH SMALL FARMER ORGANIZATIONS.

THE FARMER ORGANIZATIONS WERE GENERALLY LOCATED IN REMOTE AREAS IN THE COUNTRYSIDE. IT TOOK A LOT OF EFFORT TO GET TO THEM AND WAS ALMOST IMPOSSIBLE TO COMMUNICATE FROM AFAR.



I THINK THEY SAID ON THE OTHER SIDE OF THE MOUNTAIN THERE'S A GROUP OF COFFEE FARMERS.

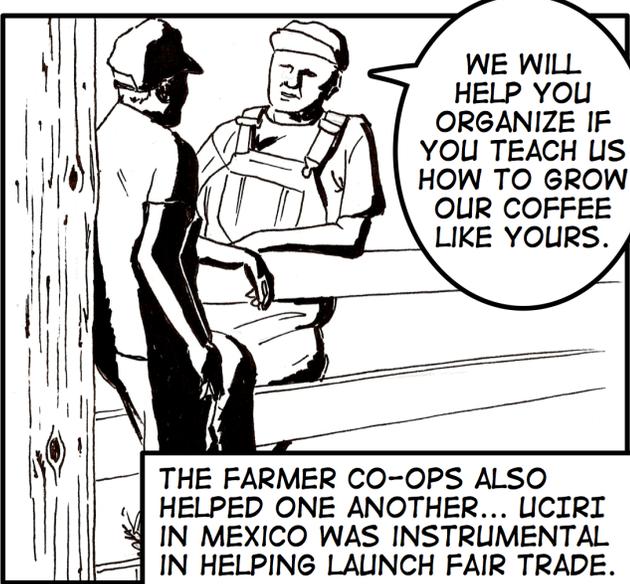
THAT COULD MEAN ANYTHING. WILL THEY ACTUALLY BE ORGANIZED WITH GOOD INFRASTRUCTURE SO WE CAN WORK WITH THEM?



WE WON'T KNOW UNTIL WE GET THERE AND WE HAVE TO TRY.

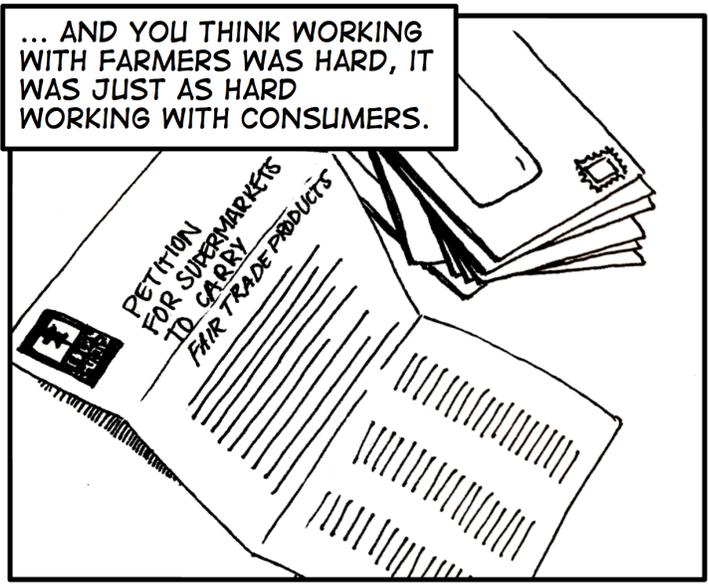


THROUGH THE 1990S AND BEYOND, FAIR TRADERS HAVE WORKED WITH FARMERS TO IMPROVE COFFEE QUALITY...



WE WILL HELP YOU ORGANIZE IF YOU TEACH US HOW TO GROW OUR COFFEE LIKE YOURS.

THE FARMER CO-OPS ALSO HELPED ONE ANOTHER... UCIRI IN MEXICO WAS INSTRUMENTAL IN HELPING LAUNCH FAIR TRADE.



... AND YOU THINK WORKING WITH FARMERS WAS HARD, IT WAS JUST AS HARD WORKING WITH CONSUMERS.



EXCUSE ME MISS, DO YOU KNOW ABOUT FAIR TRADE?

7 Fair Trade Takes off in the U.S.: 1990s



THE HARD WORK PAID OFF AND FAIR TRADE COFFEE GAINED MOMENTUM.



IT DIDN'T HURT THAT SPECIALTY COFFEE IN GENERAL WAS BOOMING.



HUNDREDS OF SMALL ROASTERS OPENED SHOP ALSO DOING FAIR TRADE.



EQUAL EXCHANGE HELPED CREATE TRANSFAIR USA, A NATIONAL FAIR TRADE CERTIFIER WHICH JOINED THE INTERNATIONAL FAIR TRADE LABELING ORGANIZATION (FLO). FLO CERTIFIES THE PRODUCER ORGANIZATIONS AND TRANSFAIR USA CERTIFIES THE U.S. COMPANIES WHICH SELL THE PRODUCTS. COMPANIES PAY TRANSFAIR TO CERTIFY THEIR PRODUCTS AND IN RETURN, TRANSFAIR LETS THEM PUT A SEAL ON THEIR PRODUCTS.





YES, FAIR TRADE HELPED TREMENDOUSLY ALTHOUGH THERE IS SUCH A LONG WAY TO GO. STILL, THOSE SMALL FARMERS WHO ARE PART OF THE FAIR TRADE SYSTEM ARE DOING SO MUCH BETTER THAN OTHER FARMERS.

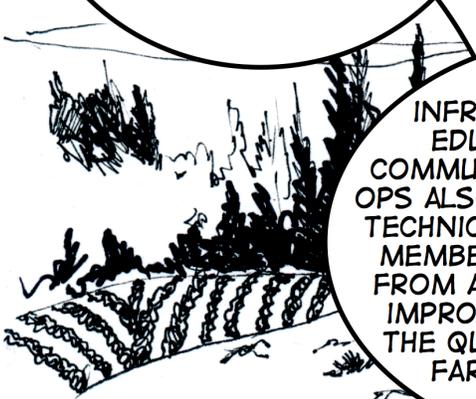


IS IT JUST THAT FAIR TRADE FARMERS RECEIVE HIGHER PRICES FOR THEIR PRODUCTS?

WELL, NO, THAT IS VERY IMPORTANT, BUT FAIR TRADE ALSO MAKES SURE THAT FARMER CO-OPS GET CREDIT TO TIDE THEM OVER FROM PLANTING THROUGH THE HARVEST UNTIL THEIR CROPS ARE SOLD; AND A SOCIAL PREMIUM THEY CAN USE FOR...



INFRASTRUCTURE, HEALTH, EDUCATION, AND OTHER COMMUNITY BENEFITS. THE CO-OPS ALSO PROVIDE BADLY NEEDED TECHNICAL ASSISTANCE TO THEIR MEMBERS, SUCH AS TRAININGS FROM AGRONOMISTS WHO HELP IMPROVE YIELD AND INCREASE THE QUALITY, WHICH NETS THE FARMERS MORE MONEY.





ACTUALLY, THE REAL SUCCESS OF FAIR TRADE FOR SMALL FARMERS GOES FAR BEYOND ALL OF THIS... IN MANY OF THESE CASES, THE CO-OPS' MEMBERS STARTED OFF AS WORKERS ON SOMEONE ELSE'S COFFEE PLANTATION. OTHERS STRUGGLED AS INDIVIDUAL FARMERS TRYING TO FIND A MARKET FOR THEIR COFFEE.

NOW INSTEAD OF BEING WORKERS, OR MERE SUPPLIERS, THEY ARE BUSINESS PEOPLE WHO OWN THEIR COOPERATIVE BUSINESSES. WITH OWNERSHIP COMES CHOICES, DEMOCRATIC DECISION-MAKING, OWNERSHIP OF THE CONSEQUENCES OF THOSE DECISIONS, GROWTH AND DEVELOPMENT, PRIDE AND SELF-DETERMINATION.



AND SO THE MOST IMPORTANT CONTRIBUTION OF FAIR TRADE, AND THE ONE THAT'S THE MOST DIFFICULT TO COMMUNICATE, IS THAT THESE BENEFITS HELP KEEP FARMERS ORGANIZED. BUT ONCE THEY'RE ORGANIZED, THERE'S SO MUCH MORE THAT CAN HAPPEN. BECAUSE OF FAIR TRADE, SMALL FARMERS NOW HAVE A SEAT AT THE TABLE. WHERE ONCE THEY WERE MARGINALIZED AND FORCED TO TAKE WHATEVER WAS GIVEN THEM, TODAY MANY FAIR TRADE COOPS ARE SETTING PRICES, CHOOSING BUYERS, AND SUPPORTING OTHERS. THEY HAVE GAINED ECONOMIC POWER AND THAT OFTEN LEADS TO POLITICAL POWER. FARMERS ARE BECOMING LEADERS. FAIR TRADE LEADERS ARE GETTING ELECTED TO POLITICAL OFFICE. BIG CHANGE IS POSSIBLE.



THAT'S FASCINATING! I HAD NO IDEA THAT FAIR TRADE COULD DO ALL THAT. SO IT SOUNDS LIKE THESE BENEFITS GIVE FARMERS THE STABILITY KNOWING THAT THEIR IMMEDIATE NEEDS WILL BE TAKEN CARE OF AND WITH THIS STABILITY OF NOT HAVING TO WORRY ABOUT PUTTING FOOD ON THE TABLE AND GETTING THEIR KIDS SHOES AND MEDICINE... WELL THEN... THE SKY'S THE LIMIT!



THAT'S EXACTLY RIGHT! AND AT THE END OF THE STORY, YOU CAN READ JUST SOME EXAMPLES OF HOW SMALL FARMER CO-OPS ARE MAKING BIG CHANGE.

8 The Corporatization of Fair Trade



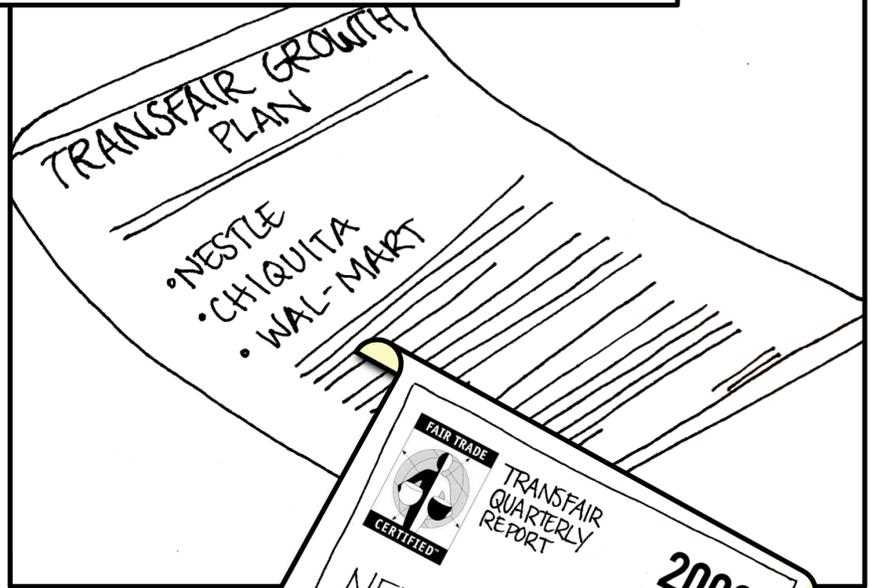
YET, WHILE SMALL FARMER ORGANIZATIONS HAVE EXPERIENCED COUNTLESS BENEFITS FROM FAIR TRADE, THEY HAVEN'T BEEN ABLE TO STOP THE TREND TO CORPORATIZE THE FAIR TRADE SYSTEM. TO MEET THE NEEDS OF BIG COMPANIES THAT ARE NOT NECESSARILY INTERESTED IN DEEP STRUCTURAL CHANGE, AND CERTAINLY DO NOT NEED HELP ACCESSING THE MARKET, THE CERTIFYING AGENCIES HAVE INCREASINGLY TAKEN ACTIONS THAT THREATEN TO WIPE OUT ALL THE ADVANCES SMALL FARMERS HAVE MADE.

IN ADDITION TO AUDITING AND CERTIFYING THE TRANSACTIONS BETWEEN COMPANIES AND THEIR INTERNATIONAL SUPPLIERS, TRANSFAIR BEGAN TAKING ON AN AGGRESSIVE MARKETING ROLE... WITH AN EYE TOWARD FAST GROWTH.



CERTIFIÉ ÉQUITABLE

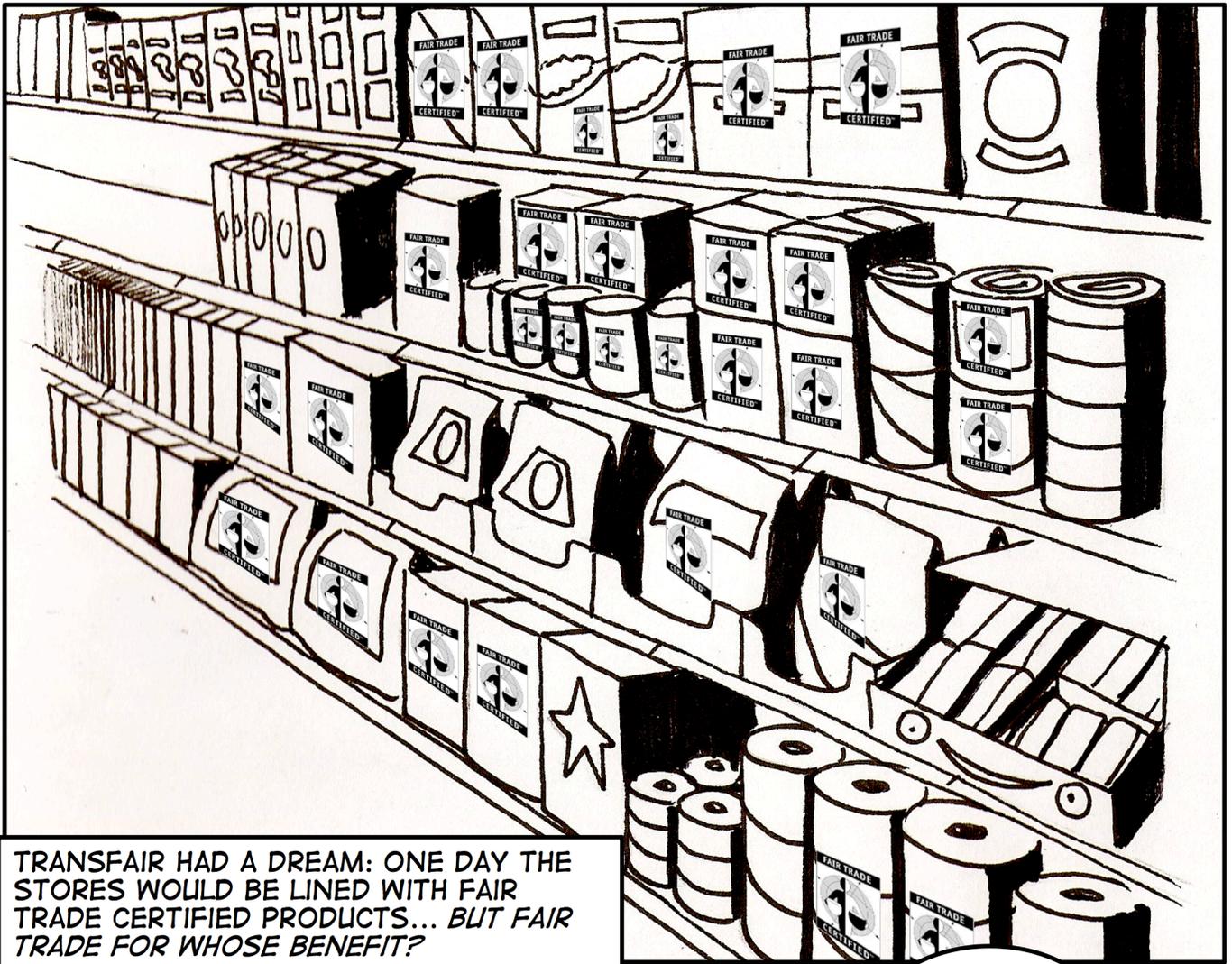
LOOK FOR THIS LOGO



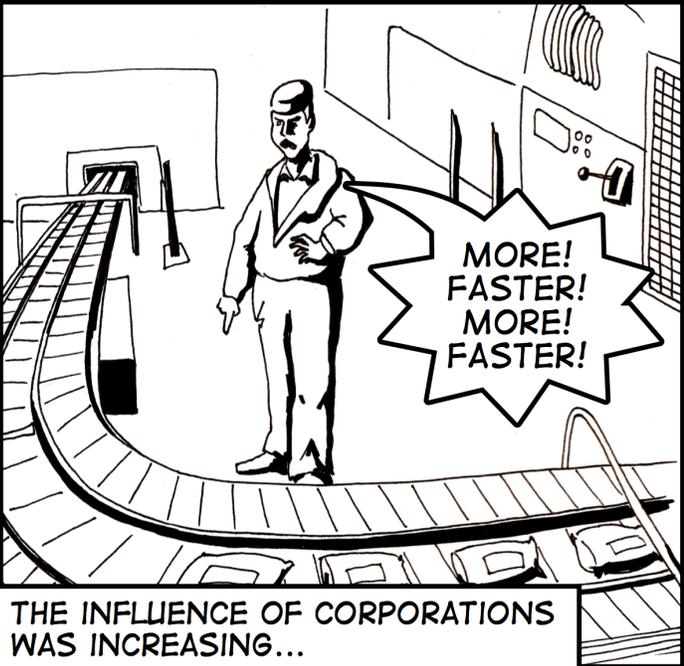
THIS MEANT COURTING LARGE CORPORATIONS AND PLANTATIONS.

INSIDE TRANSFAIR USA HEADQUARTERS

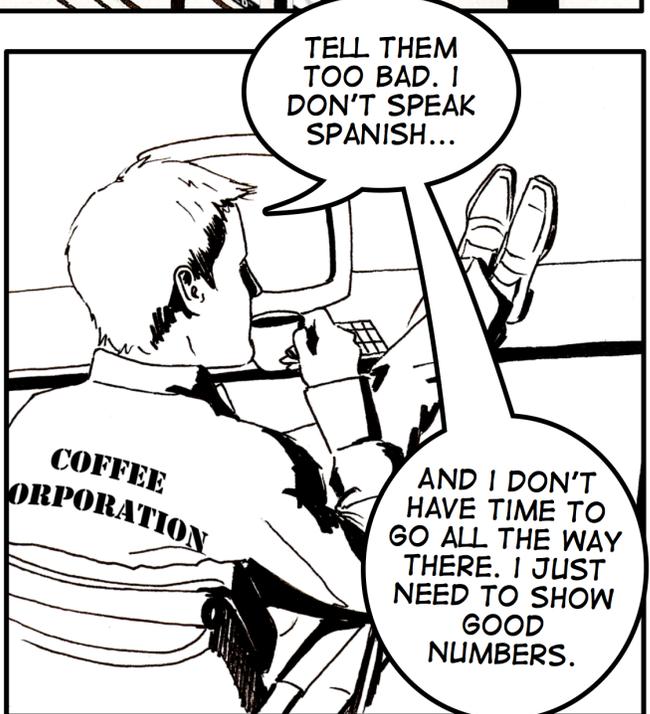




TRANSFAIR HAD A DREAM: ONE DAY THE STORES WOULD BE LINED WITH FAIR TRADE CERTIFIED PRODUCTS... BUT FAIR TRADE FOR WHOSE BENEFIT?



THE INFLUENCE OF CORPORATIONS WAS INCREASING...



TELL THEM TOO BAD. I DON'T SPEAK SPANISH...

AND I DON'T HAVE TIME TO GO ALL THE WAY THERE. I JUST NEED TO SHOW GOOD NUMBERS.



COMPANIES LIKE STARBUCKS STARTED TELLING FARMERS HOW TO RUN THEIR BUSINESSES AND WHAT TO DO WITH THE FAIR TRADE PREMIUMS.

NESTLE STARTED SOURCING FAIR TRADE CHOCOLATE...



TRANSFAIR PRESENTATION
SPECIALTY COFFEE ASSOCIATION OF AMERICA (SCAA)
BOSTON, 2003



THINGS ARE GOING WELL ATTRACTING CORPORATIONS INTO FAIR TRADE.

NOW IT'S TIME TO BRING PLANTATIONS INTO COFFEE AND CACAO. OTHERWISE WE'LL NEVER MEET THE DEMANDS OF CORPORATIONS FAST ENOUGH.



IT'S PREPOSTEROUS... HE'S GOING TO BRING PLANTATIONS INTO THE VERY SYSTEM WE DESIGNED TO HELP SMALL FARMERS COMPETE IN A MARKET WHERE PLANTATIONS ALREADY HAVE UNFAIR ADVANTAGES!

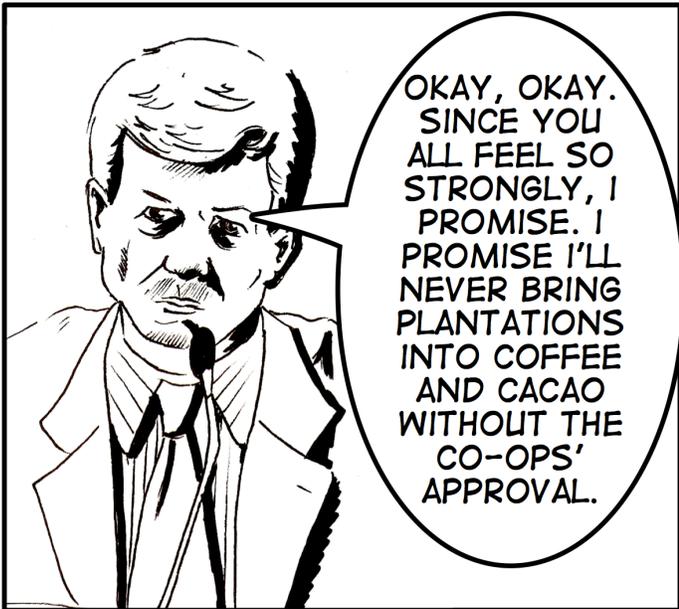


WE WORKED HARD TO BUILD THIS SYSTEM! WE'RE JUST STARTING TO SEE BIG CHANGES. IT ISN'T HIS TO GIVE AWAY!

IT'S BAD ENOUGH THE DOORS HAVE ALREADY BEEN OPENED TO CORPORATIONS WITH SKETCHY REPUTATIONS. HOW IS THIS FAIR TRADE?



FAIR TRADE IS ABOUT JUSTICE, NOT CORPORATE PROFITS!



OKAY, OKAY. SINCE YOU ALL FEEL SO STRONGLY, I PROMISE. I PROMISE I'LL NEVER BRING PLANTATIONS INTO COFFEE AND CACAO WITHOUT THE CO-OPS' APPROVAL.

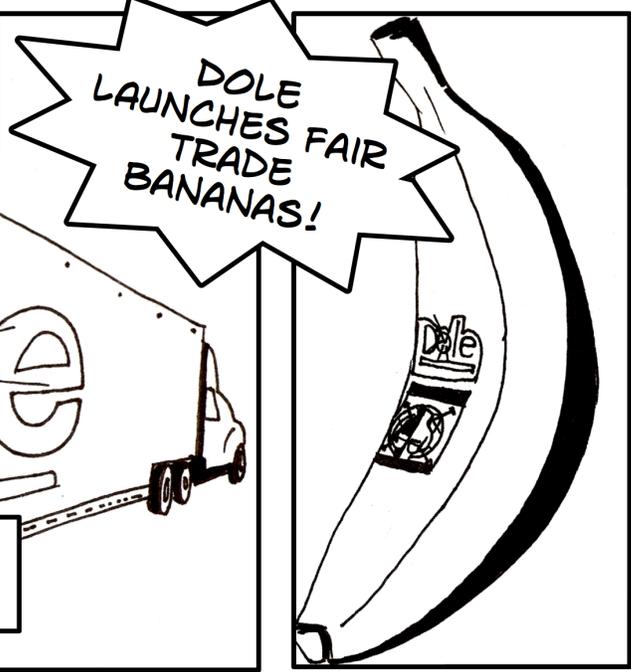
STILL, THE TREND TO CORPORATIZE FAIR TRADE CONTINUED... IN ENGLAND DESPITE MANY PROTESTS, THE FAIR TRADE FOUNDATION (TRANSFAIR'S UK COUNTERPART) CERTIFIED NESTLE.



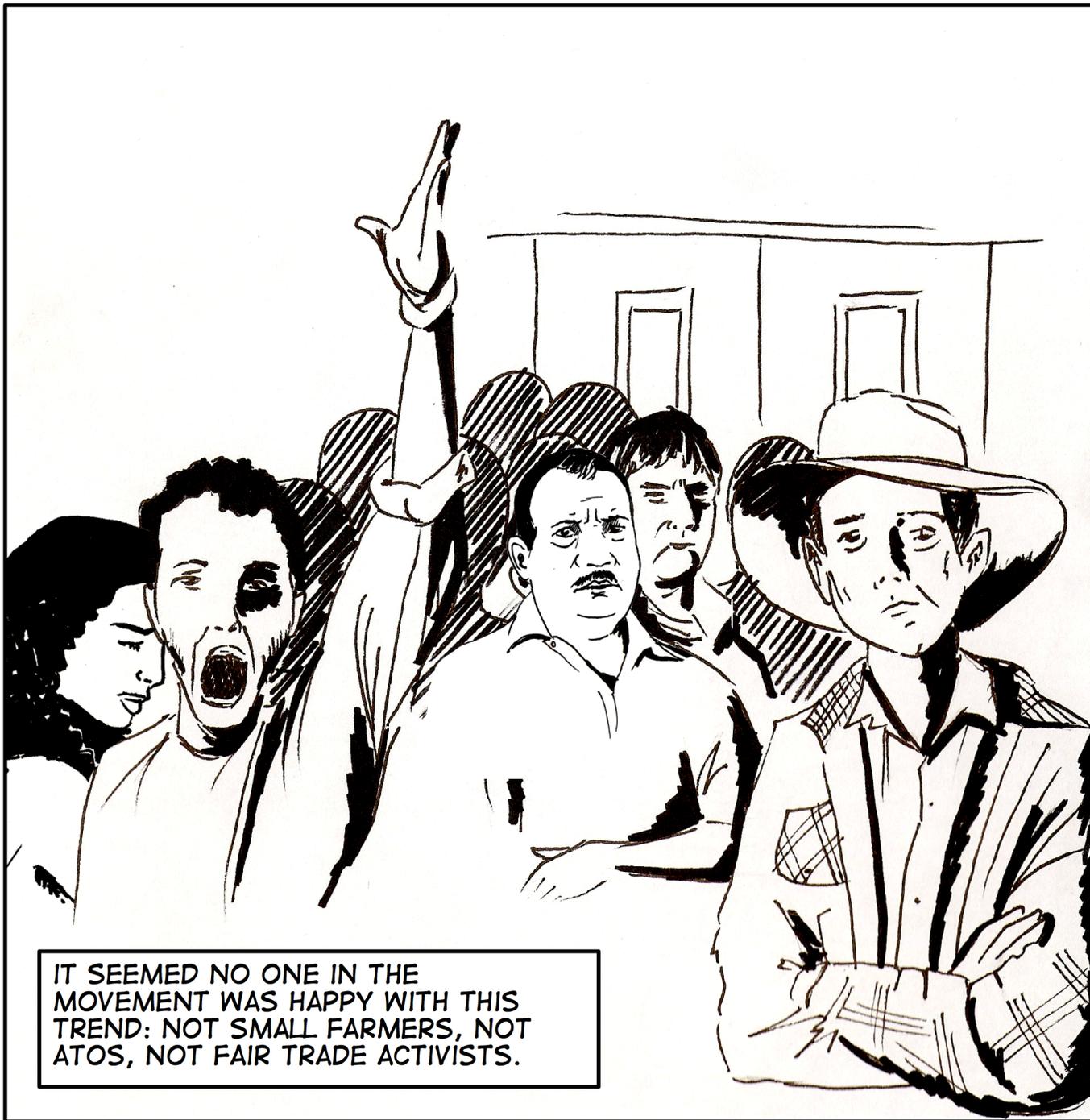
FAIR TRADE CHOCOLATE FROM...NESTLE? BUT, I'VE BEEN BOYCOTTING NESTLE... SHOULD I BUY THIS CHOCOLATE OR BOYCOTT IT? IS FAIR TRADE ACTUALLY STILL A GOOD THING?



AND ON THE SAME DAY NEWS OF THE LAWSUIT AGAINST DOLE CAME OUT IN THE PAPERS... TRANSFAIR ALLOWED FAIR TRADE BANANAS FROM PLANTATIONS INTO THE SYSTEM.



FAIR TRADE AND SMALL FARMERS WERE BECOMING ANGRIER AND ANGRIER, WHILE CONSUMERS WERE GETTING MORE CONFUSED.



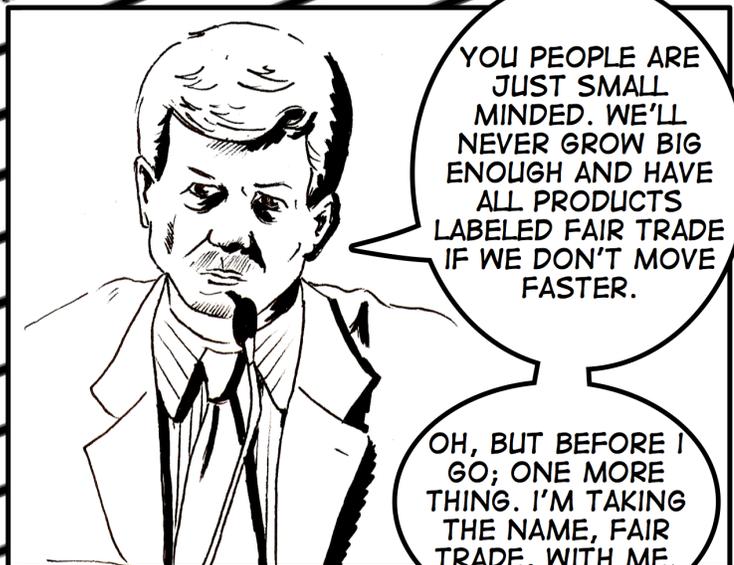
IT SEEMED NO ONE IN THE
MOVEMENT WAS HAPPY WITH THIS
TREND: NOT SMALL FARMERS, NOT
ATOS, NOT FAIR TRADE ACTIVISTS.

9 The Fight for Fair Trade Intensifies: 2010s



Press Release

Transfair is now leaving the International Fair Trade System, FLO. We are taking on a new name: Fair Trade USA. We are launching a new certification system which allows coffee and cacao plantations into the system.



IN 2006 IN A MEETING OF THE COORDINATING BODY OF LATIN AMERICAN AND CARIBBEAN (CLAC) FAIR TRADE PRODUCERS...

WOW, IF THEY ARE STEALING THE NAME FAIR TRADE AND MAKING IT MEANINGLESS, SHOULD WE ABANDON THE TERM AND CALL OURSELVES SOMETHING ELSE?

NO WAY! FAIR TRADE IS OURS. WE CREATED IT THROUGH OUR BLOOD AND SWEAT.



WELL, IF THE DIRECTION OF FAIR TRADE IS TO BRING US RIGHT BACK TO WHERE WE STARTED, CORPORATE CONTROL OVER EVERYTHING AND NOTHING FOR US, LET'S JUST START OUR OWN CERTIFICATION SYSTEM: THIS TIME CLEARLY FOR SMALL FARMERS.

DID THE FARMERS' NEW CERTIFICATION SYSTEM, THE SMALL PRODUCER SYMBOL (SPP) PUT SMALL FARMERS BACK IN THE DRIVER'S SEAT? DID THE FAIR TRADE MOVEMENT COALESCE BACK AROUND ITS ORIGINAL MISSION: TO SUPPORT SMALL FARMERS AND THEIR DEMOCRATIC ORGANIZATIONS?

DID SMALL FARMERS CONTINUE TO HAVE INCREASED MARKET ACCESS THROUGH THE FAIR TRADE SYSTEM? DID FAIR TRADE HELP THEM GAIN ECONOMIC AND POLITICAL POWER? WERE THEY ABLE TO COMPETE WITH PLANTATIONS IN A WORLD WHERE GOVERNMENT TRADE AND AGRICULTURE POLICIES HAVE ALWAYS FAVORED CORPORATIONS AND PROFIT-MOTIVES?



I GUESS THAT DEPENDS ON WHAT WE AS FAIR TRADE ACTIVISTS, CONSUMERS, AND OTHER ALLIES DO TO SUPPORT SMALL FARMERS AND AUTHENTIC FAIR TRADE. IT'S ALWAYS BEEN UP TO US TO DECIDE WHAT'S RIGHT AND TO WORK ALONGSIDE THE FARMERS AND MAKE IT HAPPEN. I THINK WE CAN! DON'T YOU?

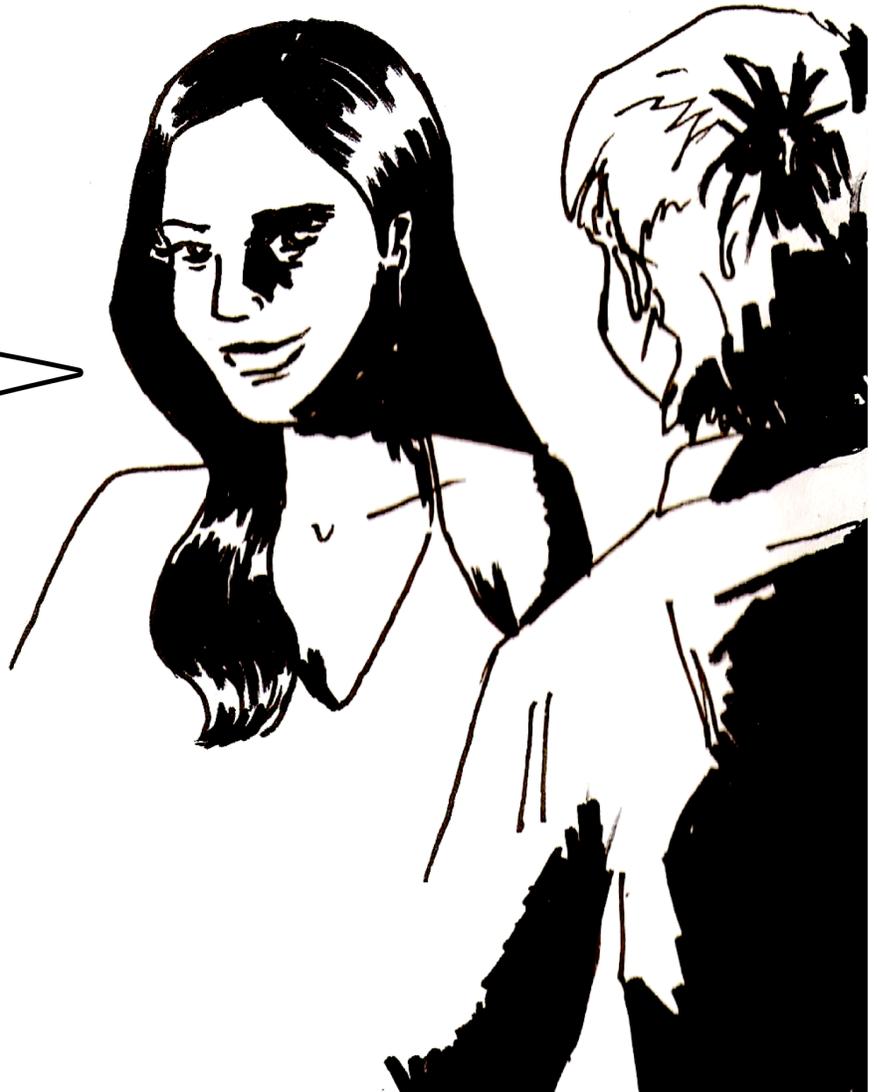


Appendix:

Success Stories of Small Farmer Co-ops



WOW... WITH SO MUCH BAD NEWS, CHALLENGES TO FAIR TRADE, ETC., TAKE A LOOK AT THESE GREAT SMALL FARMER ORGANIZATIONS MAKING BIG CHANGE!



CEPICAFE

(The Organization of Piuran Coffee Farmers), Peru

Founded March 25, 1995 in Piura

Represents 6600 coffee, sugar, and fruit producers

Secondary co-op of 90 separate organizations in northwestern Peru

Exported products: coffee, panela (raw brown sugar), jams, cocoa

Founded a Credit and Finance Department to help organize community banks to extend credit to members



ESPINOZA IN CONGRESS



ESPINOZA LATER WENT ON TO BECOME VICE PRESIDENT ALONGSIDE PRESIDENT OLLANTA HUMALA.



NOW IN THE PERUVIAN WHITE HOUSE, SHE CONTINUES TO USE HER POWER TO SUPPORT SMALL-SCALE FARMERS.

CESMACH

(The Organization of Ecological Farmers of the Sierra Madre Region in Chiapas, Mexico)

Founded in 1994.

The 225 small scale farmers who form CESMACH are located in the buffer zone of El Triunfo, a U.N.-designated biosphere reserve.

Besides growing coffee, CESMACH is also involved in reforestation, women's leadership development, and food & income diversification projects.

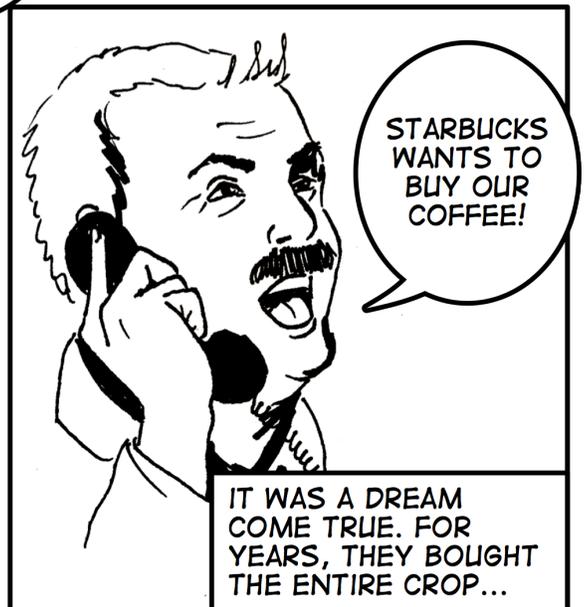
Fair Trade premiums have been used to buy land and to build a new dry processing plant, thereby enabling CESMACH to further control for quality and reduce costs.



FOR YEARS THE FARMERS WHO LIVED NEAR THE U.N. PROTECTED BIOSPHERE IN CHIAPAS, EL TRIUNFO TRIED HARD TO MAKE A LIVING BY CULTIVATING DIFFERENT PRODUCTS. NOTHING WAS WORKING...



NOW THAT WE'RE GROWING ORGANIC COFFEE IT'S SELLING A LITTLE, BUT I CAN ONLY SELL TO COYOTES.





OVER TIME, STARBUCKS BEGAN TELLING THE COOP MORE AND MORE WHAT TO DO AND HOW TO DO IT, WHERE TO PROCESS THEIR COFFEE, WHOSE WAREHOUSE TO USE, ETC.



LET'S DRAW STRAWS.

WHICH ONE OF US IS GOING TO CALL STARBUCKS?



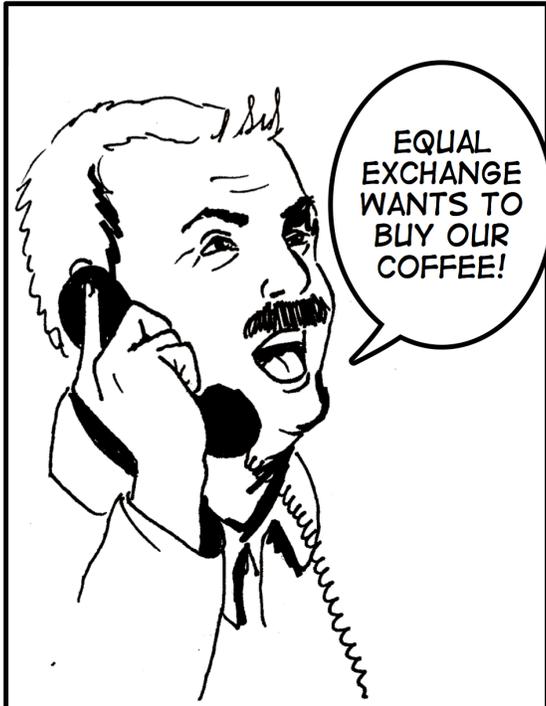
SIRS, WE LOVE DOING BUSINESS WITH YOU. WE'LL KEEP DELIVERING HIGH QUALITY COFFEE, BUT WE WANT TO RUN OUR BUSINESS OUR OWN WAY.

NO!



SO CESMACH CAME TO FAIR TRADE TO FIND A NEW PARTNER.

Dear Fair Trade,
Starbucks is not working out... is there a Fair Trade buyer out there who would respect us as business people?



EQUAL EXCHANGE WANTS TO BUY OUR COFFEE!

TODAY THE CO-OP AND COMMUNITY ARE THRIVING. WITH THEIR ORGANIC FARMING PRACTICES, THE FARMERS ARE PROTECTING THE BIOSPHERE AND ITS ENDANGERED SPECIES, EVEN REINTRODUCING NATIVE PLANTS. THEY HAVE MANY SOCIAL PROJECTS TO DIVERSIFY THEIR FOOD, TRAIN YOUTH, AND EMPOWER WOMEN.



CECOCAFEN

(The Organization of Northern Coffee Co-ops), Nicaragua

Founded on April 29, 1997

Represents 2,600 producers (of which over 700 are women)

428 children have benefitted from CECOCAFEN's high school, technical training and university scholarship programs.

26 women's groups have created community micro-lending societies.



IN 2001, THERE WAS A COFFEE CRISIS. THE PRICE OF COFFEE ON THE GLOBAL MARKET PLUNGED TO 42 CENTS PER POUND. FARMERS COULDN'T COVER THEIR COSTS AND PLANTATION OWNERS WERE ABANDONING THEIR FARMS. THOUSANDS OF WORKERS LOST THEIR JOBS. ALL OVER CENTRAL AMERICA, COFFEE WORKERS WERE GOING HUNGRY AND MANY WERE SUFFERING FROM MALNUTRITION. EMERGENCY HEALTH CLINICS WERE SET UP BY NON-GOVERNMENTAL ORGANIZATIONS. IN NICARAGUA, DOZENS OF PEOPLE DIED FROM MALNUTRITION. TRYING TO DRAW ATTENTION TO THEIR PLIGHT, WORKERS TOOK OVER THE PAN-AMERICAN HIGHWAY, STOPPING TRAFFIC FOR A NUMBER OF DAYS.



EUROPEAN NON-GOVERNMENTAL AID AGENCY



ANOTHER LOAN? THIS TIME TO BUY LAND FOR OUT-OF-WORK COFFEE FARMERS? I WISH WE COULD HELP, BUT IN THE PAST WE SENT A LOT OF MONEY TO NICARAGUA, AND THE COUNTRY DOESN'T HAVE THE BEST TRACK RECORD OF PAYING BACK THESE TYPES OF LOANS. I'M SORRY, BUT MY AGENCY WON'T LET ME LEND ANY MORE MONEY TO YOUR COUNTRY.

CECOCAFEN OFFICE



WE'RE SO LUCKY THAT WE HAVE FAIR TRADE ALLIES AND SECURE CONTRACTS DURING THIS COFFEE CRISIS. FIVE YEARS EXPERIENCE SELLING OUR COFFEE TO THE FAIR TRADE MARKET HAVE PAID OFF, EH?

YES, THANKS TO THE FAIR TRADE MINIMUM PRICE OF \$1.41 PER POUND, WE OWE ALL OUR STABILITY AND WELL-BEING TO THEM RIGHT NOW. IT FEELS GREAT KNOWING THAT AS LONG AS OUR QUALITY REMAINS HIGH, WE'LL HAVE A STABLE MARKET.



SOME PLANTATION WORKERS TRIED TO ORGANIZE...

IF WE COULD JUST GET SOME LOANS TO BUY OUR OWN LAND AND GROW OUR OWN COFFEE AND SUBSISTENCE FARM...

BUT NO ONE WILL GIVE US LOANS.

WELL WE HAVE TO TRY SOMETHING.

PEDRO HASLAM, GENERAL MANAGER OF THE CO-OP CECOCAFEN

CECOCAFEN IS DOING WELL. WE NEED TO HELP OUT THOSE UNEMPLOYED COFFEE FARMERS WHO CAN'T FIND WORK. WE WILL GUARANTEE A LOAN!

CECOCAFEN HAS A GREAT REPUTATION... YOU ARE EXCELLENT BUSINESS PEOPLE. YOU ARE THE ONLY ORGANIZATION WE WOULD TRUST TO BACK UP THIS LOAN. WITH YOUR GUARANTEE, WE CAN MAKE THE LOAN.

SOME YEARS LATER...

I VOTE YES! MORE SUPPORT FOR SMALL FARMERS!

Senator Haslam



CEPIBO

(The Organization of Piuran Organic Banana Growers), Peru

In 2008, CEPIBO successfully exported its first container of Fair Trade certified and organic bananas.

In 2010, Equal Exchange became CEPIBO's first U.S. partner.

CEPIBO is comprised of 800 small farmers, many of whom are considered "micro-producers," meaning that they own less than 2.5 acres of land and are typically considered to be among the poorest farmers.

As participants of the Fair Trade system, CEPIBO receives a social premium of \$1.00/box (40 pounds) for their bananas with which they have built a packing shed, washing stations, pulley systems to bring the bananas to the washing stations. The premium also goes toward the farmers' health care and other important social services.

DURING THE 1990S, DOLE WAS IN NORTHERN PERU TEACHING FARMERS TO GROW BANANAS; THEY INSTALLED WASHING STATIONS AND DUG WELLS FOR THEM.

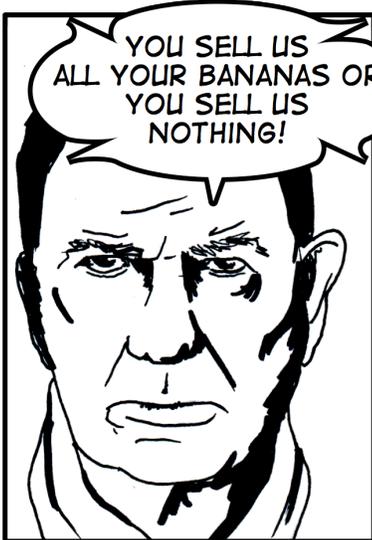
CO-OP ASSEMBLY MEETING

WHY IS IT WE JUST GROW THE BANANAS AND SELL THEM TO DOLE AND THEN DOLE GETS ALL THE PROFITS WHEN THEY SELL TO THE NORTH?

WHAT IF WE LEARNED ALL THE STEPS AND SOLD TO THE NORTH OURSELVES?

HEY, WHAT IF WE SOLD YOU A PART OF OUR BANANAS JUST LIKE ALWAYS, BUT WE SEPARATED OUT SOME AND WE TRIED OUR HAND AT SELLING DIRECTLY TO THE NORTH?





YOU SELL US ALL YOUR BANANAS OR YOU SELL US NOTHING!



THEY DECIDED TO GO AHEAD ANYWAY...

WE'VE NEVER DONE ANYTHING LIKE THIS BEFORE... WHAT IF IT FAILS? BUT WE MUST TRY...

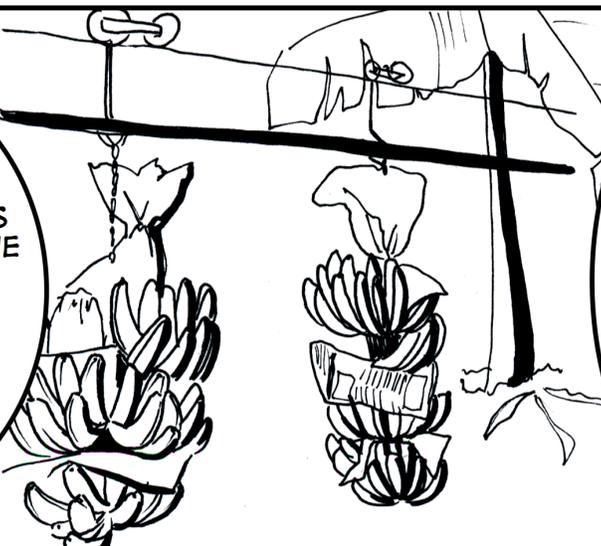
DOLE CEMENTED OVER THEIR WELLS AND PULLED OUT THEIR WASHING STATIONS. BUT CEPIBO DIDN'T LET THAT STOP THEM.

WE ARE PART OF THE FAIR TRADE NETWORK. THE EXTRA DOLLAR PER CASE OF BANANAS WE RECEIVE AS PART OF THE FAIR TRADE PREMIUM HAS GONE TO FUND SOCIAL PROJECTS IN OUR COMMUNITIES, SUCH AS YOUTH SCHOLARSHIPS, HEALTH INSURANCE, SOCIAL "SAFETY NETS," AND...

IN THE MEANTIME, EQUAL EXCHANGE HELPS START A NEW FAIR TRADE ORGANIZATION IN THE U.S. DEDICATED TO BUILDING SMALL FARMER BANANA SUPPLY CHAINS, CALLED OKE USA.



...INFRASTRUCTURE IMPROVEMENTS LIKE THIS PULLEY SYSTEM FOR BRINGING BANANAS FROM THE FARMS TO THE WASHING STATION. NO LONGER DO FARMERS HAVE TO CARRY 100 POUND BUNCHES OF BANANAS FOR LONG DISTANCES OVER THEIR SHOULDERS.



NOW WE'RE FULL BUSINESS-PEOPLE MAKING ALL OUR OWN DECISIONS. WE'VE REDUCED THE CHAIN BY ONE LINK. WE'RE NOT JUST DOLE BANANA SUPPLIERS, BUT ARE ALSO EXPORTERS. WE'RE IN CHARGE OF OUR BUSINESS, GETTING BETTER PRICES, AND MAKING IMPROVEMENTS IN OUR COMMUNITY.

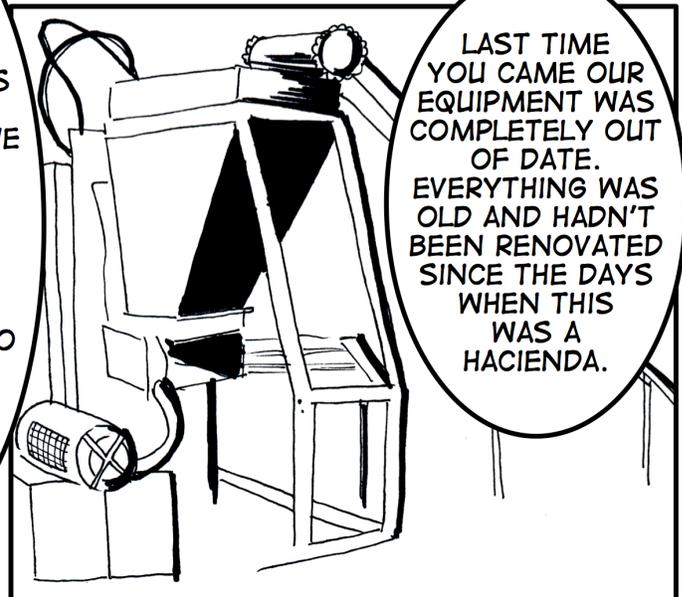
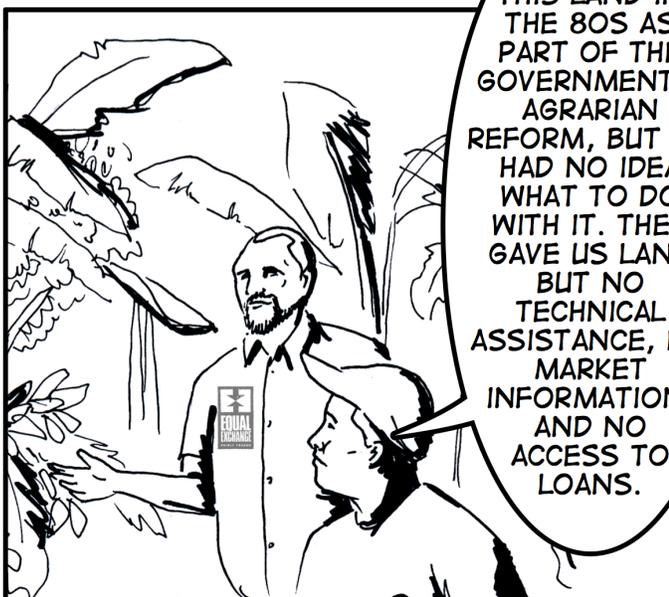
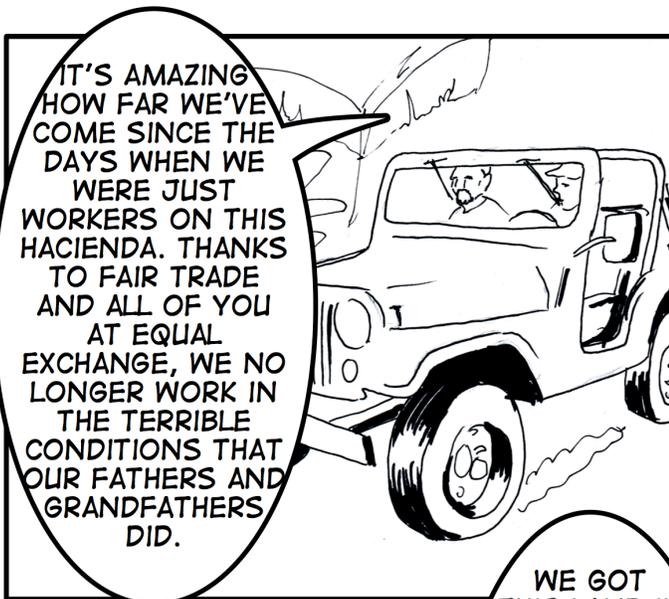
Las Colinas, El Salvador

The 89 members of Las Colinas today own the 500-acre co-op collectively. The farmers, their fathers & grandfathers, worked the hacienda when it was run by one owner.

In 1980, the government turned the plantation over to the farmers. With low levels of formal education, no experience managing a coffee farm or export business, no technical assistance, or access to loans, the farmers had a difficult time paying off the land debt and making ends meet.

Equal Exchange began partnering with Las Colinas in 1996. Since that time, the farmers have gained higher prices for their coffee, and have improved education and health care for their members.

Most importantly, they have been able to repay their debt, convert to organic, renovate their processing equipment, install water saving depulpers, and protect El Imposible National Park which they border, as well as the watershed that serves eight local communities in the area.





WE COULDN'T AFFORD TO MAKE OUR LAND PAYMENTS AND WE WERE DROWNING IN DEBT.



NOW, OUR BUSINESS IS THRIVING. WE EVEN RECEIVED A GRANT FROM CATHOLIC RELIEF SERVICES TO UPDATE OUR EQUIPMENT AND RECYCLE THE WATER WE USE.

WE ARE PROTECTING THE FRAGILE UNDERGROUND SPRINGS THAT PROVIDE WATER TO 8 MUNICIPALITIES IN THE AREA,

AND WITH EQUAL EXCHANGE'S HELP, WE'VE TRANSITIONED ALL OUR COFFEE TO ORGANIC IN ORDER TO PROTECT THE IMPORTANT NATURE RESERVE, EL IMPOSIBLE THAT BORDERS OUR COFFEE FARM.





For more information on Equal Exchange, our products,
producer partners, and Fair Trade, go to:

www.equalexchange.coop
www.smallfarmersbigchange.coop

Additional information on Fair Trade can be found at:
www.fairworldproject.org