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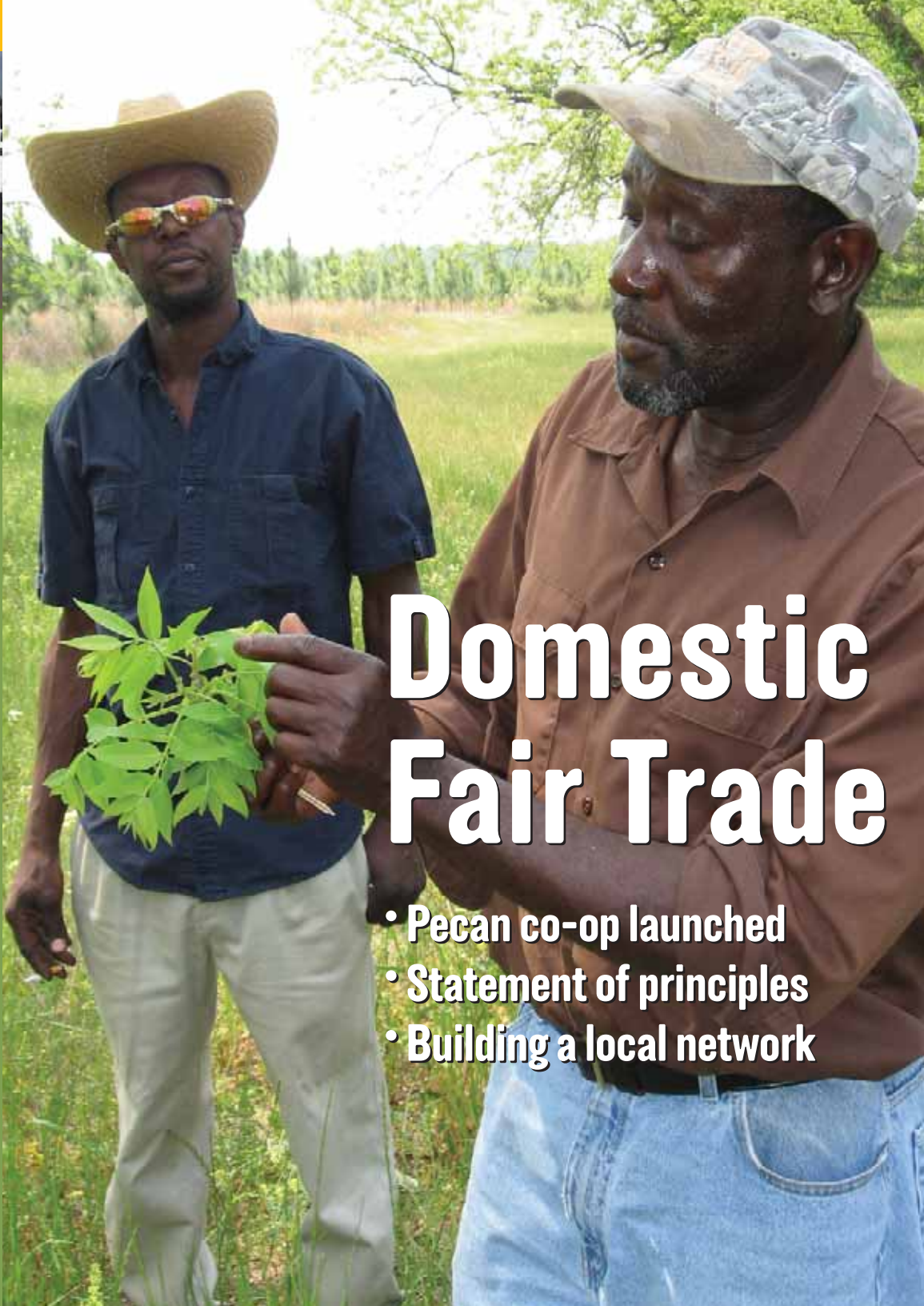
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Domestic Fair Trade

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Bringing Fair Trade *Home*

BY ERBIN CROWELL

Domestic or international? One of my most lasting memories from my visit with the Federation of Southern Cooperatives in Georgia last summer was a profound sense of commonality.

When I embarked on developing a Domestic Fair Trade program at Equal Exchange, some people questioned whether small farmers in our own country really experience the same struggles as coffee growers in the developing world. While I knew intellectually that rural communities around the world are being devastated by globalization in similar ways, I wasn't prepared for the degree to which this was confirmed during my visit with Federation of Southern Cooperatives.

As I talked with farmers and we walked in their fields, I had to wonder: Was this Georgia? Or could it be Nicaragua, Tanzania, or Mexico? Around the world, the obstacles faced by small farmers are very similar, as is their pride in their land and the importance of cooperation in helping them to stay on their farms.

Back in 1986, Equal Exchange set out to change the way we think about food and trade. Our basic goal was to link consumers with small coffee farmers in the developing world through Fair Trade. Among our first partners in this concept were food co-ops across the country that shared our mission of building a more just, sustainable and democratic economy. Together, we laid the foundation for what Fair Trade has become in the U.S. and what it can be in the future.

Twenty years later, Fair Trade has entered the mainstream. While it wasn't so long ago that the coffee industry dismissed our vision of more equitable relationships with farmers as unrealistic, today there are some 400 companies purchasing at least a small portion of their coffee under Fair Trade terms. Now we also see fairly traded chocolate, tea and bananas, and the idea has expanded from the shelves of food co-ops and fair trade shops to the aisles of mainstream grocery stores. Meanwhile, Equal Exchange has grown into a thriving model of cooperative Fair Trade that has exceeded our founders' original vision. And the food co-ops that pioneered Fair Trade retailing in the U.S. continue to be leaders



Carrie Thomas, Ruby Hawkins, and Gussie Beth, members of the Southern Alternatives Cooperative.

in the movement for trade justice, economic democracy and sustainability.

Globalization—and suicide

At the same time, the obstacles faced by family farmers around the world have only become more severe. For example, recent press reports have drawn attention to the devastating psychological and social impact of globalization on rural communities in India, where suicide by farmers has become a national crisis.

Rarely mentioned is the fact that in many countries in the “developed” world, including the U.S. and Canada, suicide is the leading cause of death among farmers.

While such statistics may seem sensationalist, what they should tell us is that something is very wrong with how we grow, process, market, and distribute food on a local, regional, and global level. As control of agriculture has become more concentrated among an ever-shrinking list of large corporations, farmers



A Southern Alternatives Co-operative member demonstrates how pecans form on the trees.

around the globe are caught between declining prices for their products, the consolidation of processing, markets, and distribution, and tightening control over inputs such as seed. Today, just 10 corporations account for over 50 percent of the revenue generated globally by food retailing. Not surprisingly, as agribusiness profits have gone up, the share of the consumer dollar received by farming families has declined dramatically. By 2003, there were just 1.9 million working farmers in the U.S.—less

than the prison population.

For African American farmers, the challenge is even more severe. For example, in 1920, one in seven farmers were African American; by 1998, just one in 100—a loss rate more than three times that of white farmers. Like many of the small farmers that Equal Exchange works with across Latin America, Africa and Asia, black farmers in the U.S. have been shut out of markets, denied access to capital, and given racist treatment at an institutional level.

That many black farmers remain on their land is a credit to their own perseverance and to their commitment to cooperative action. This is where the Federation of Southern Cooperatives comes in. Founded in 1967, the Federation is dedicated to saving and enhancing the land resources owned by its family farmers of all races and ethnicities, and includes farmer co-ops, credit unions, and community organizations across the Southeast.

Recently Equal Exchange and the Federation began exploring a new idea: Domestic Fair Trade. The goal of the partnership is to bring the Federation's nearly 40 years of organizing for civil rights and community development together with Equal Exchange's 20 years of international Fair Trade experience and commitment to cooperation. The result will be healthy snacks grown, processed, marketed, and sold by cooperatives.

Our first project is with Southern Alternatives, a pecan processing cooperative in southern Georgia. Through collective action and persistence, this group has managed to accomplish something inspiring: a black-owned, cooperatively organized pecan processing facility that includes farmers and workers. With the support of the Federation, workers in the facility kept the business alive as a strategy for preserving jobs in a rural area devastated by the modern agricultural economy and abandoned by the textile mills that have moved overseas. What they need now is a trading partner that shares their goals and is committed to fairness and building long-term trade partnerships.

As this article goes to press, the members of Southern Alternatives Co-op are harvesting, cleaning and shelling the pecan harvest. Shortly, Equal Exchange will be roasting, packing and marketing these pecans along with other products from small farmer co-ops here in the US and around the world. Community food co-ops will help us close the circle by offering these products to their customers. If your co-op would like to be part of taking cooperative Fair Trade to the next level, please contact Erbin Crowell at Equal Exchange (erbin@equalexchange.coop) or visit www.equalexchange.coop/dft. ■

Principles of Domestic Fair Trade

IN RECENT YEARS, the international Fair Trade movement has gained momentum, reaching more producers, traders and consumers with its message of fairness and equity in global trade. Representing a convergence of co-operative, solidarity, and social justice movements, Fair Traders focus on the empowerment and capacity-building of small-scale farmers, artisans and agricultural workers in the global South, and linking these producers with concerned consumers in the North through equitable trading relationships. By creating businesses committed to principles of fairness and equity and leading by example, Fair Trade Organizations have also created positive change in the mainstream marketplace by influencing the conduct of conventional corporations.

Today we can see that many of the challenges faced by producers in marginalized regions of the world are not dissimilar from those affecting family farmers in the North. In fact, many of these challenges are largely the result of the same global economic forces. As in the developing world, farmers, traders, workers and consumers have joined together to take action in many often parallel ways. One question has been what values might bring these groups together into common cause to create a more socially just, participatory and sustainable economic system on the global, national, regional and local levels.

What follows is our attempt to translate the traditional principles of international Fair Trade, as expressed by organizations such as the International Fair Trade Association and the Fair Trade Federation, into the domestic, regional and local economic spheres. Our primary goal is to support family-scale farming, to reinforce farmer-led initiatives such as farmer cooperatives, and to bring these groups together with mission-based traders, retailers and concerned consumers to contribute to the movement for sustainable agriculture in North America. It is our hope that in maintaining a consistent approach that shares basic values with those of international Fair Trade, we may help create a more holistic model that can be applied wherever trade takes place. These principles are not specific standards, but rather represent the values that underlie and guide our work together as

For Health Justice and Sustainability

organizations and individuals committed to “Health, Justice and Sustainability.”

The principles and goals that unite our organizations in this effort are:

1. Family Scale Farming. Fair Trade focuses on reinforcing the position of small and family-scale producers that have been marginalized by the mainstream marketplace as a means of preserving the culture of farming and rural community, promoting economic democracy and diversity, and ensuring a more healthy and sustainable planet.

2. Capacity Building for Producers. Fair Trade is a means of developing the producers’ independence, strengthening their ability to engage directly with the marketplace, and gaining more control over their futures. Resources from trading relationships are directed toward this purpose in a participatory manner by those who will benefit from them.

3. Democratic and Participatory Ownership and Control. Fair Trade emphasizes co-operative organization as a means of empowering producers, workers and consumers to gain more control over their economic and social lives. In situations where such organization is absent, mechanisms will be created to ensure the democratic participation of producers and workers, and the equitable distribution of the fruits of trade.

4. Rights of Labor. Fair Trade means a safe and healthy working environment for produc-

ers. The participation of children (if any) does not adversely affect their well-being, security, educational requirements and need for play and conforms to the UN Convention on the Rights of the Child as well as the law and norms of the local situation. Fair Trade ensures that there are mechanisms in place through which hired labor has an independent voice and is included in the benefits of trade. Programs of apprenticeship are promoted to develop the skills of the next generation of farmers, artisans and workers.

5. Equality and Opportunity. Fair Trade emphasizes the empowerment of women, minorities, indigenous peoples and other marginalized members of society to represent their own interests, participate directly in trade and to share in its economic benefits.

6. Direct Trade. Where possible, Fair Trade attempts to reduce the intermediaries between the primary producer and the consumer, delivering more of the benefits of such trade to the producer and connecting the consumer more directly with the source of their food and other products, and the people who produced them.

7. Fair and Stable Pricing. A fair price is one that has been agreed through dialogue and participation. It covers not only the costs of production but enables production which is socially just and environmentally sound. It provides fair pay to the producers and takes into account the principle of equal pay for

DOMESTIC FAIR TRADE WORKING GROUP

equal work by women and men. Fair Traders ensure prompt payment and stable pricing that enables producers to plan for the future.

8. Shared Risk and Affordable Credit. Farmers often bear the greatest risks of agriculture and an unstable marketplace. Fair Traders work to share these risks among producers, processors, marketers and consumers through more equitable trade partnerships, fair and prompt payment, transparent relationships and affordable credit. In situations where access to credit is difficult, or the terms of credit are not beneficial to producers, Fair Traders provide or facilitate access to such credit, or assist producers in creating their own mechanisms for providing credit.

9. Long-Term Trade Relationships. Fair Trade fosters long-term trade partnerships at all levels within the production, processing and marketing chain that provide producers with stability and opportunities to develop marketing, production and quality skills, as well as access to new markets for their products.

10. Sustainable Agriculture. Fair Trade emphasizes a holistic approach to agriculture, supporting sustainable agricultural strategies such as Organic, Biodynamic, Integrated Pest Management, farm diversification and small-scale farming that protect the environment, sustain farming communities, and provide consumers with quality, healthy food. Fair Trade emphasizes the biodiversity of traditional agriculture, supports the rights of farmers over their seed, and preserves cultural diversity.

11. Transparency and Accountability. The Fair Trade system depends on transparency of costs, pricing and structures at all levels of the trading system. Fair Traders are accountable to each other and the wider community by openly sharing such information.

12. Education and Advocacy. Fair Trade emphasizes education at all levels of the agricultural chain, engaging farmers, workers, traders and consumers in advocating for a more equitable, democratic and sustainable economy. Fair Traders in particular educate consumers about the inequities of the trading system and the need for alternatives, while sharing information with producers about the marketplace. Education strengthens the Fair Trade movement and empowers its stakeholders in creating a better world for everyone.

The basis of these principles was established at the first meeting of the Domestic Fair Trade Working Group at La Farge, Wis., on August 23 and 24, 2005. The draft principles were further developed by the working group steering committee, which included Erbin Crowell (Equal Exchange Co-op), Jason Freeman (Farmer Direct Co-op/FairDeal), Michael Schneider (Organic Valley/CROPP Cooperative), Michael Sligh (Rural Advancement Foundation International and the Social Justice in Agriculture Project), and Cecil Wright (Organic Valley/CROPP Co-operative). This approved document represents the principles for Domestic Fair Trade as envisioned by the Domestic Fair Trade Working Group and will guide our work together toward a more socially just, democratically accountable and environmentally sustainable agriculture. They are now being distributed to the wider community in an effort to encourage dialogue and action on these issues, as a declaration of support for like-minded organizations and individuals, and an invitation to join with us in this work.

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Beyond Organic

Fair Trade in the Heartland

BY BARTH ANDERSON

Organic food is still growing at a remarkable clip, especially now that this “pure product” has made the leap from food co-ops to megastores like Wal-Mart, which is infamous for driving down wholesale prices and paying nada wages to workers.

But with no social justice component in sight for USDA organic standards, many co-op customers and other ethical shoppers are turning their attention to Fair Trade. These consumers would like to know that U.S. farmers, along with international Fair Trade coffee growers, are making a decent profit on the food they grow and that farm laborers have been paid well for their hard work.

Unfortunately, that’s easier said than done: Inexpensive food is financed by cheap labor in this country. According to the USDA’s own study, “About 45 percent of all hired farm workers 25 years and older...earn less than the poverty threshold for a family of four. Over one-third have annual family incomes of less than \$15,000.” And according to another recent study, most farmers who work 100 acres or fewer have an average net profit of minus 20 percent.

To address these unsustainable elements in our marketplace, groups like the Local Fair Trade Network (LFTN) in the Twin Cities are gathering co-op groceries, sustainable farmers, and farm labor organizations together in order to create a label that will be meaningful to consumers.

Furthermore, LFTN is acting as the Fair Trade “pilot program” for the Agricultural Justice Project (AJP) out of North Carolina. The goal is to construct a set of standards that would give credibility to a Domestic Fair Trade label. “[Agricultural Justice Project] has been creating the standards for Fair Trade for years,” says Erik Esse, Director of LFTN, explaining how that partnership came about. “Now they’re working with a small group of farmers that they will be able to certify as truly Fair Trade next growing season.”



Greg Reynolds of Riverbend Farm.

PHOTOGRAPH BY DAVID VAN ECKHOUD

Don't wait. Cooperate!

Esse, who also serves as the merchandising and marketing coordinator for North Country Cooperative in Minneapolis, says that grocery co-op buy-in is essential for the good intentions of this Fair Trade movement to gel into a marketplace force. “Consumer co-ops are where the resources are. They have their own publicity and marketing departments and can coordinate in ways that no individual co-op could do.” Plus, says Esse, co-ops have expertise in presenting abstract concepts like sustainability and social justice to the consumer—a real boon for the burgeoning Fair Trade movement.

“Co-ops have always been the forefront of any food movement,” says Joe Riemann, the National Cooperative Grocers Association’s liaison on Domestic Fair Trade. He also serves on the steering committee for the LFTN pilot project. “Our shoppers care where their food comes from, where it’s produced. This is something that fits well within [our] principles.”

But paying a living wage to farm workers and a return of profit to farmers is going to cost—and that money has to come from somewhere.

Greg Reynolds of Riverbend Farm in Delano,



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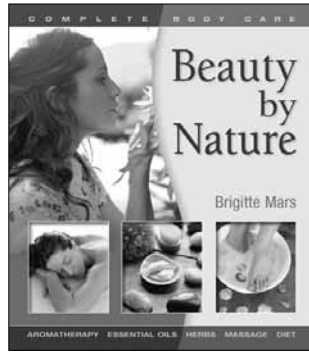
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Minnesota, is a strong supporter of Domestic Fair Trade, but says that customers and co-ops should understand what a Fair Trade label might require. According to Reynolds, if he were to pay his workers a living wage, his produce prices would increase anywhere from 15 to 30 percent.

Will co-op shoppers pay more for Domestic Fair Traded produce? Riemann says, "People are already paying a premium for local so they already understand the implications of buying direct and making sure we have a sustainable food system."

Sean Doyle, general manager of Seward Co-op in Minneapolis, says that Domestic Fair Trade will resonate with his shoppers and members. "I think ethical shoppers would like the assurance that the product is Fair Trade, but if they have that assurance, they'll buy the product regardless of price." Doyle also says that creating a certification process will make the label more transparent and resonate with a broader grocery market.

"The good news is that there's a precedent with organics," says Esse. "People said paying more for their groceries never would have worked—and that did work."

Then there's democracy and fairness in the workplace to consider, especially for farm workers who aren't often in a position to act collectively. "For them to be full partners is a real challenge," Esse says, referring to cultural, language, and political barriers. As a result, LFTN has begun working with and seeking guidance from Centro Campesino, a regional farmworker organization.

There's a particular road, of course, that's been paved with good intentions. Avoiding that road, as Doyle suggests, will require stringent, credible standards. Big Organic's clean reputation has been smudged, after all, because USDA organic standards were perceived to have been eroded.

But so far, the Domestic Fair Trade effort seems genuine, with players like Organic Valley, Equal Exchange, and NCGA all taking an active interest in a meaningful label. "It's successful to bring all these people and farm workers into the same room," Says Riemann. "All these people who are practicing Fair Trade in various capacities—lots of heavy lifting. That's a success in itself." ■

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