

# The History of Fair Trade

## *Authentic*



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# Table of Contents

Introduction	
Growth of the Coffee Industry in Latin America: Mid 1800s–1900s	2
The Origins of Fair Trade: Europe, Mid 1900s	5
Revolutions, Land Reform, & the Rise of Co-ops in Latin America	7
The Rise of Alternative Trade Organizations in Europe: 1970s–1980s	11
The Founding of Equal Exchange in the U.S.: Cambridge, Massachusetts: Mid 1980s	13
Building Small Farmer Supply Chains	16
Fair Trade Takes off in the U.S.: 1990s	18
The Corporatization of Fair Trade	21
The Fight for Fair Trade Intensifies: 2010s	27
Appendix: Success Stories of Small Farmer Co-ops	30
CEPICAFE	31
CESMACH	33
CECOCAFEN	35
CEPIBO	37
Las Colinas	39





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Many thanks go to the members of Equal Exchange for their on-going efforts to build and strengthen small farmer supply chains and their long-standing commitment to support the ideals of workplace democracy and co-operative organizations, small farmers, and Authentic Fair Trade. Specifically, I would like to thank Rink Dickinson, Rob Everts, Meaghan Holmes, Jessica Jones-Hughes, Becca Koganer, Scott Patterson, Stephanie Souza, and Molly Zeff for their comments and suggestions.

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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](http://www.equalexchange.coop) and [www.smallfarmersbigchange.coop](http://www.smallfarmersbigchange.coop)

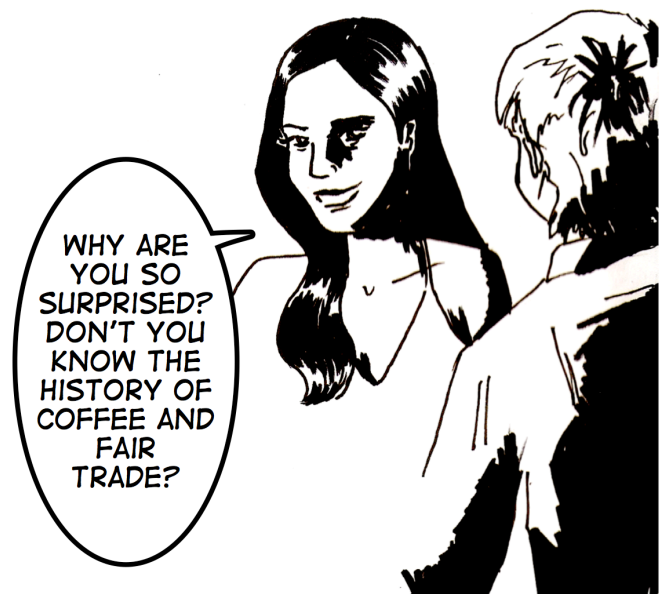
Additional information about Fair Trade can also be found at: [www.fairworldproject.org](http://www.fairworldproject.org)



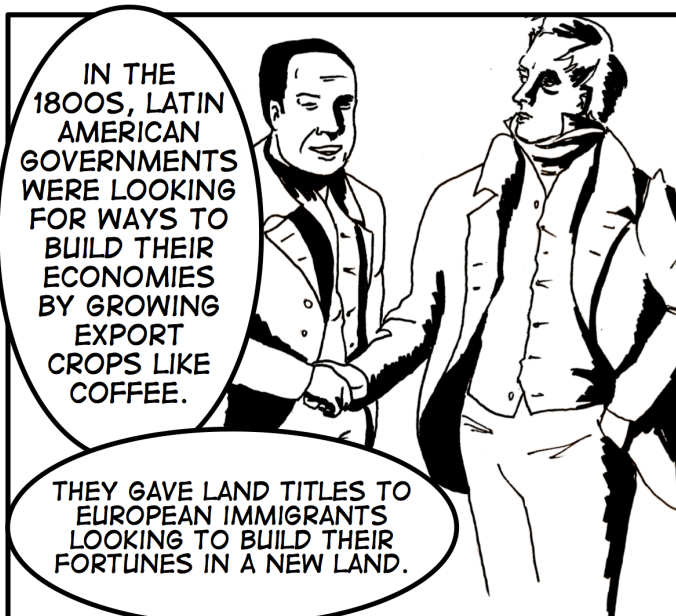
# Introduction



*"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



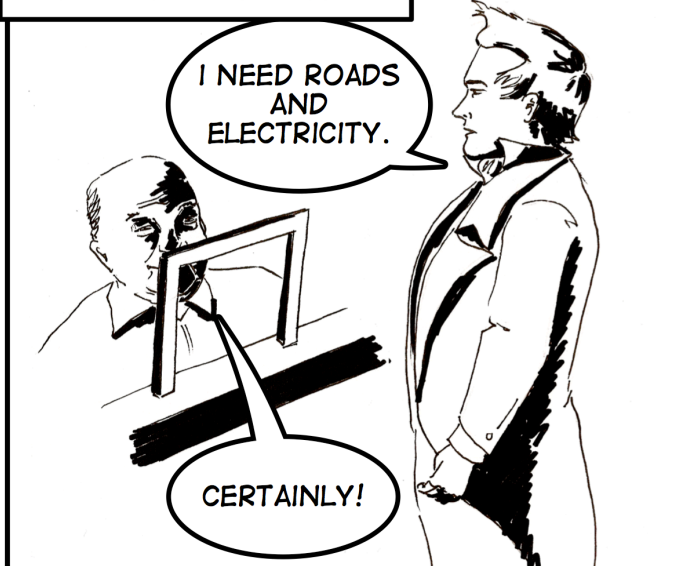
FROM THAT TIME THROUGH THE END OF THE 1900S, PLANTATION OWNERS WERE SUCCESSFUL WITH THE SUPPORT OF CHEAP FORCED LABOR...



...THE BANKS...



...AND THE GOVERNMENT.



PLANTATION OWNERS GOT RICHER.



THE WORKERS WERE GETTING POORER AND HUNGRIER BY THE DAY.







I NEED A DAY OFF TO TAKE MY SON TO THE HOSPITAL.



NO, AND BY THE WAY... YOU'RE FIRED!



I HAVE COME FOR YOUR WIFE TONIGHT.

NO!



THAT'S RIGHT. AND BY THE WAY... YOU'RE FIRED.



BUENOS DIAS SENORA. I NEED SOME MILK, COOKING OIL, AND DISH SOAP, BUT I DON'T HAVE ANY MONEY UNTIL PAY DAY.

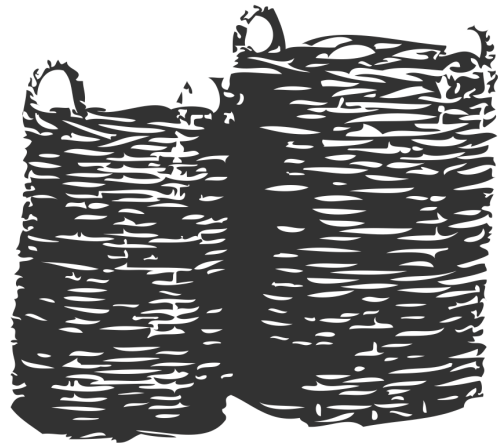
OF COURSE YOU DON'T. WELL, I'LL PUT IT ON YOUR TAB. THAT'S \$15. YOU NOW OWE THE PLANTATION \$1000.

\$15, WHAT A ROBBERY. BUT WHERE ELSE CAN I SHOP ON CREDIT? AT THIS RATE, I'LL HAVE TO WORK ON THE PLANTATION UNTIL I'M 150 YEARS OLD...

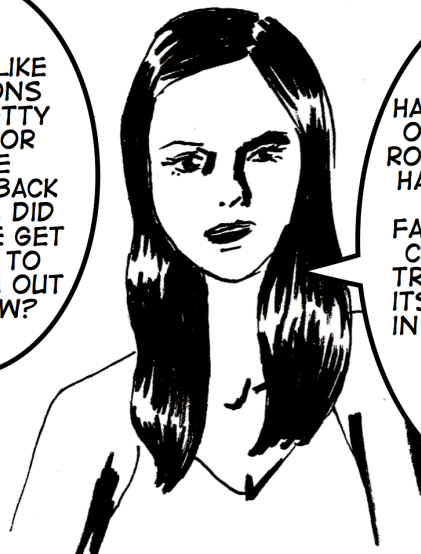
AND IT WASN'T JUST THAT THE WORKERS WERE FIRED. THEY WERE FIRED, MADE DESTITUTE, KICKED OUT OF THEIR HOMES, AND BLACKLISTED. IF THEY ORGANIZED FOR BETTER CONDITIONS, THEY FACED BEING DISAPPEARED OR KILLED. DESPITE EVERYTHING THE WORKERS TRIED, PLANTATION OWNERS RETAINED COMPLETE CONTROL AND CONDITIONS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



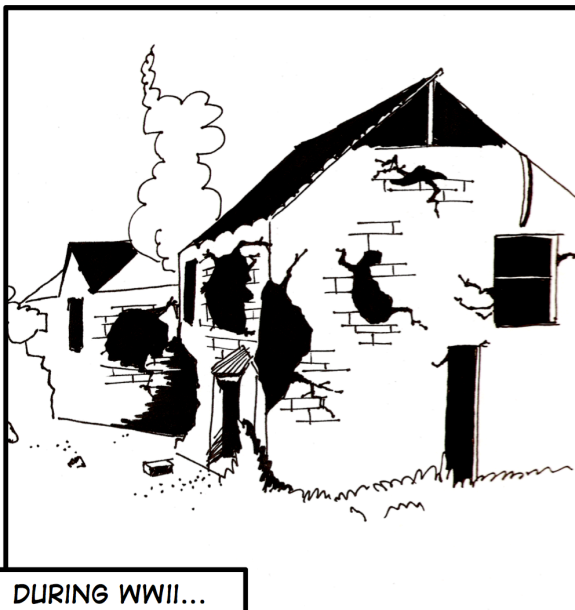
## 2 The Origins of Fair Trade: Europe, Mid 1900s



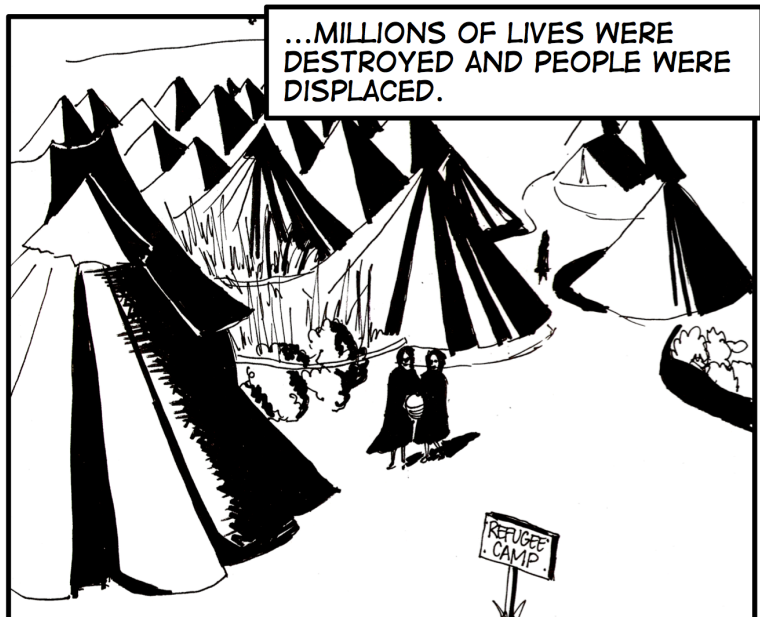
WOW!  
SOUNDS LIKE  
CONDITIONS  
WERE PRETTY  
ROUGH FOR  
COFFEE  
FARMERS BACK  
THEN! SO, DID  
FAIR TRADE GET  
STARTED TO  
HELP THEM OUT  
SOMEHOW?



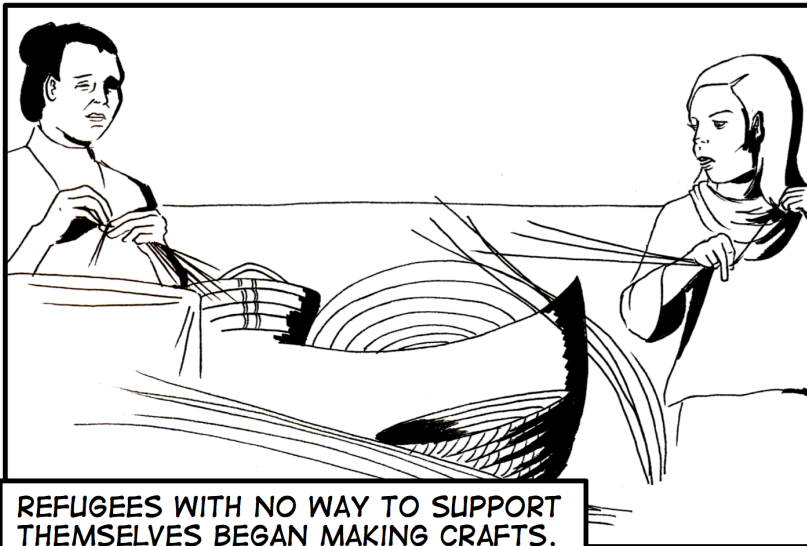
THINGS WERE  
HARD- REALLY  
HARD. BUT BELIEVE IT  
OR NOT, THE EARLY  
ROOTS OF FAIR TRADE  
HAD NOTHING TO DO  
WITH COFFEE  
FARMERS. THAT PART  
COMES LATER. FAIR  
TRADE ACTUALLY GOT  
ITS START IN EUROPE  
IN RESPONSE TO THE  
HUGE REFUGEE  
PROBLEM  
CREATED  
BY WWII.



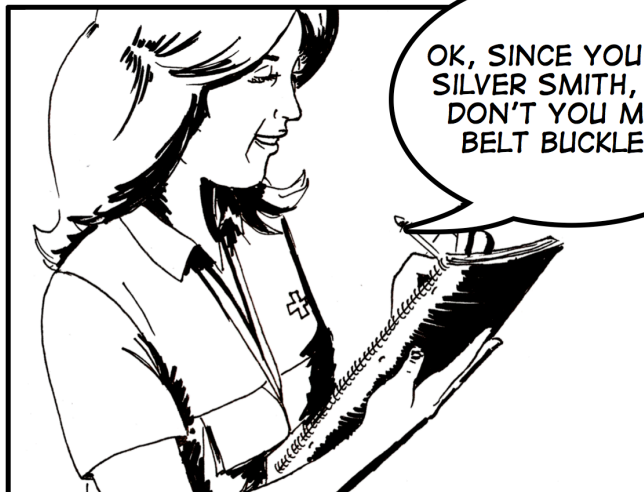
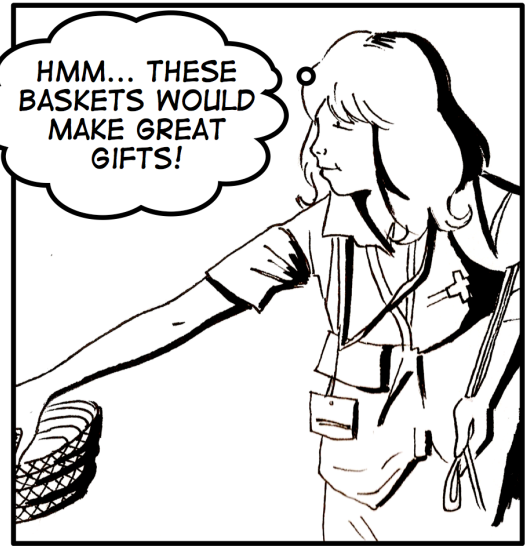
DURING WWII...



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



REFUGEES WITH NO WAY TO SUPPORT THEMSELVES BEGAN MAKING CRAFTS.



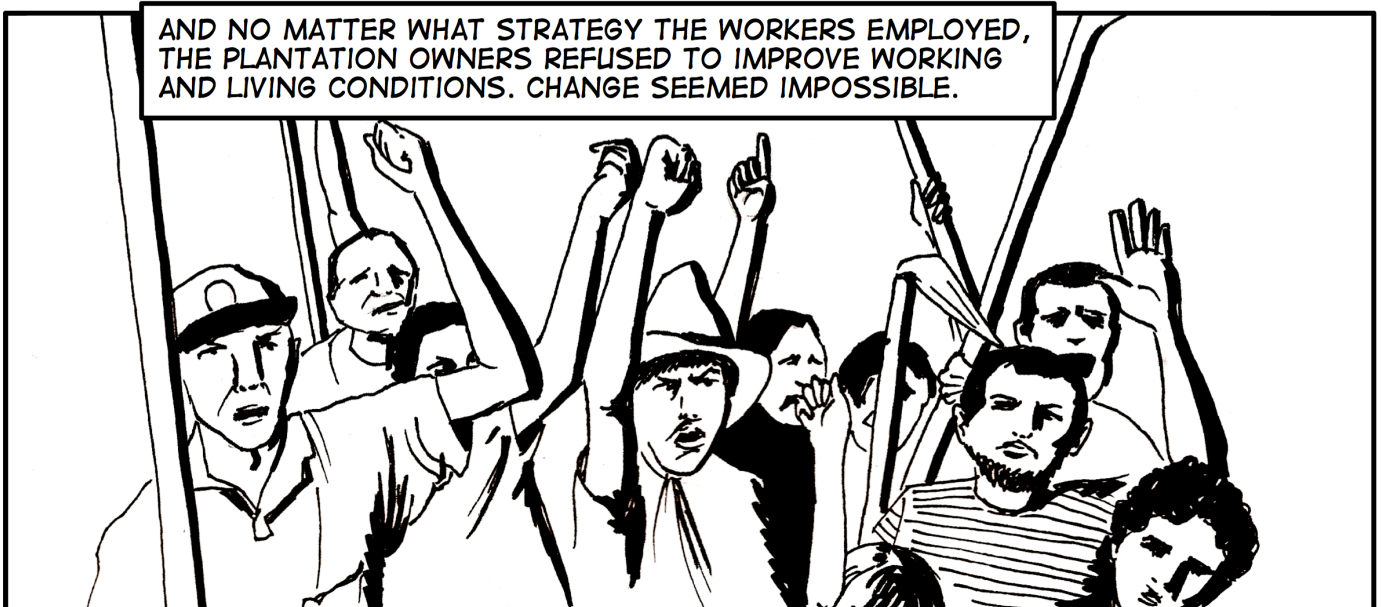
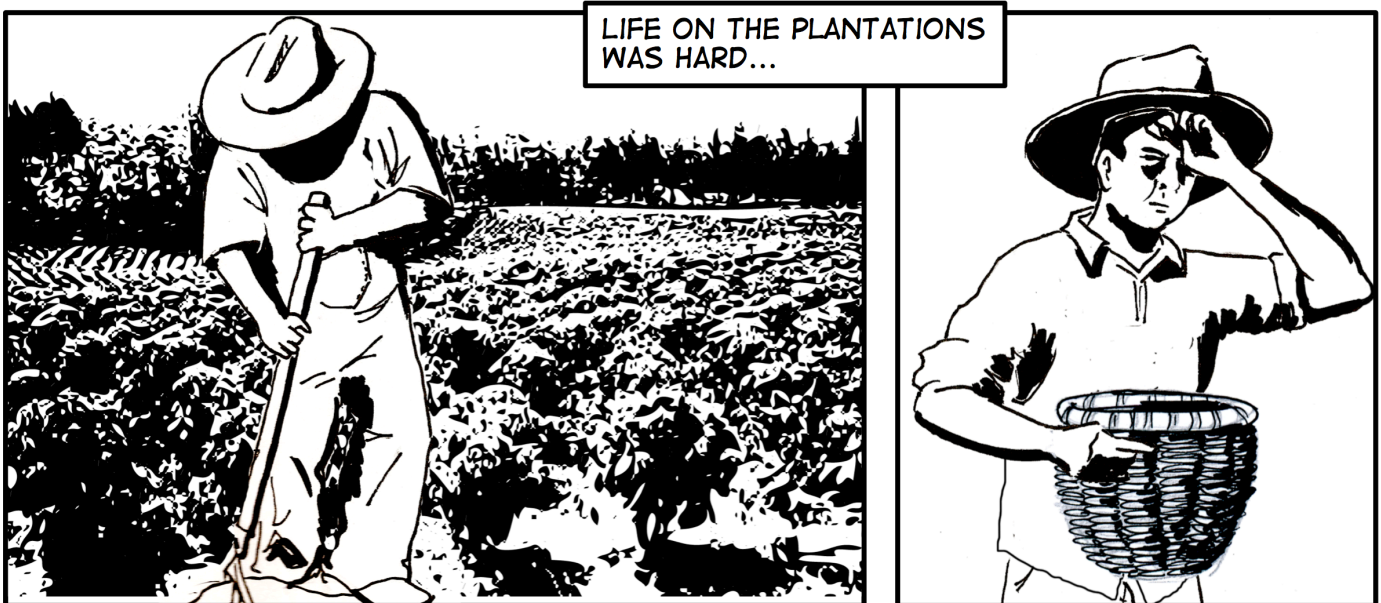
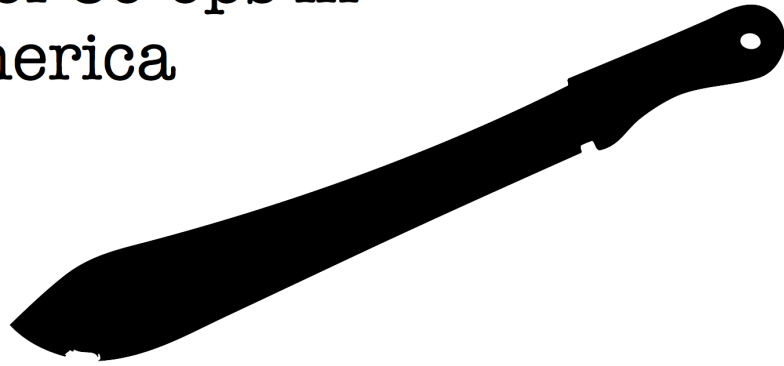
INTERNATIONAL AID ORGANIZATIONS HELPED REFUGEES SELL THEIR CRAFTS...

...AND CONSUMERS WERE INTRODUCED TO FAIR TRADE.



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

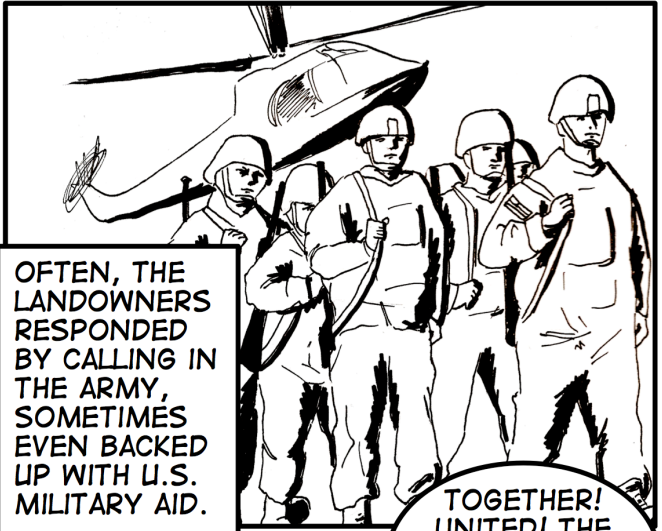




THE CHURCH, LABOR ORGANIZATIONS, AND WOMEN'S GROUPS HELPED THE FARMERS ORGANIZE AND DEMAND THEIR RIGHTS.



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

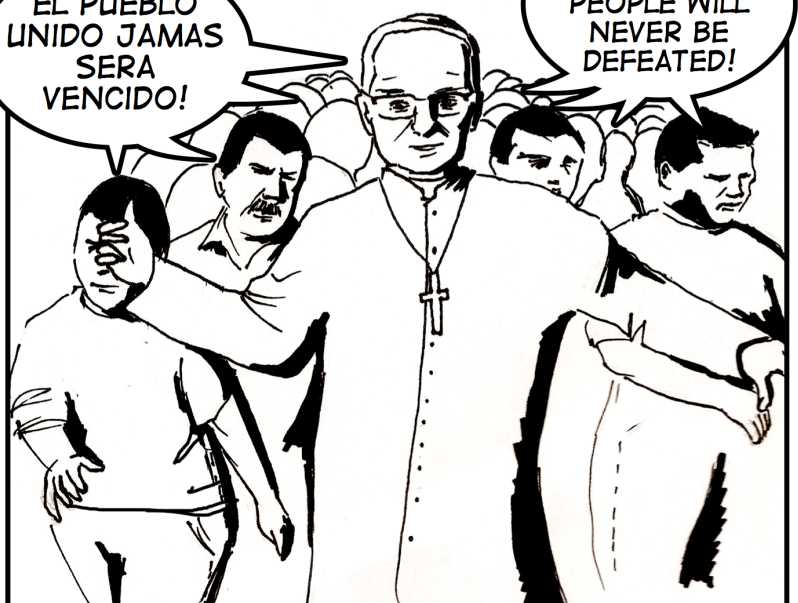


TOGETHER! UNITED! THE PEOPLE WILL NEVER BE DEFEATED!

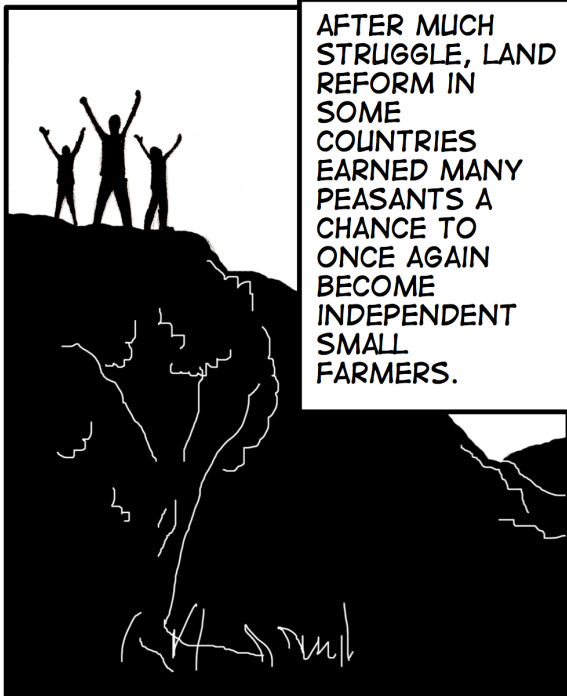
FACED WITH OPPRESSION, VIOLENCE, DISAPPEARANCES, AND DEATH, THE WORKERS WERE OFTEN LEFT WITH NO OTHER RECOURSE THAN TO ARM THEMSELVES AND MEET VIOLENCE WITH VIOLENCE.



EL PUEBLO UNIDO JAMAS SERA VENCIDO!



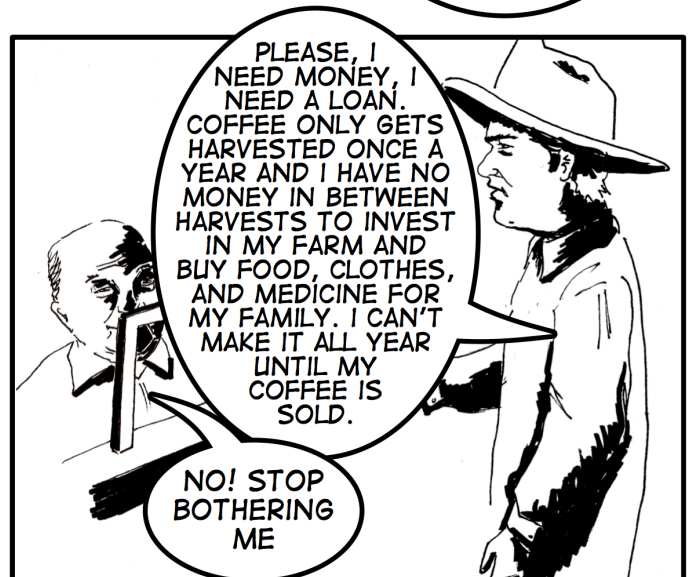
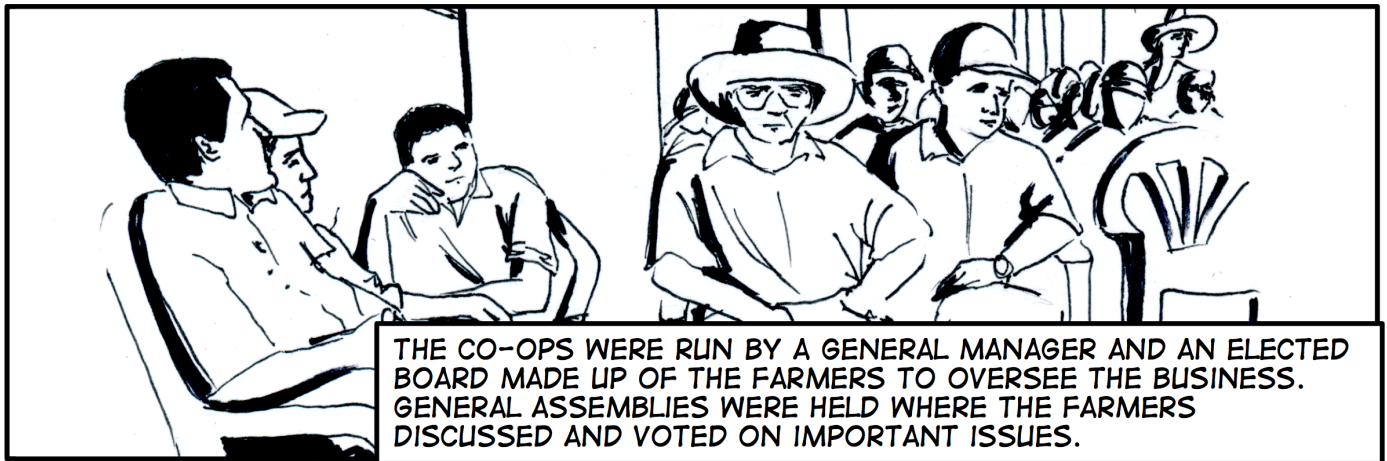
AFTER MUCH STRUGGLE, LAND REFORM IN SOME COUNTRIES EARNED MANY PEASANTS A CHANCE TO ONCE AGAIN BECOME INDEPENDENT SMALL FARMERS.

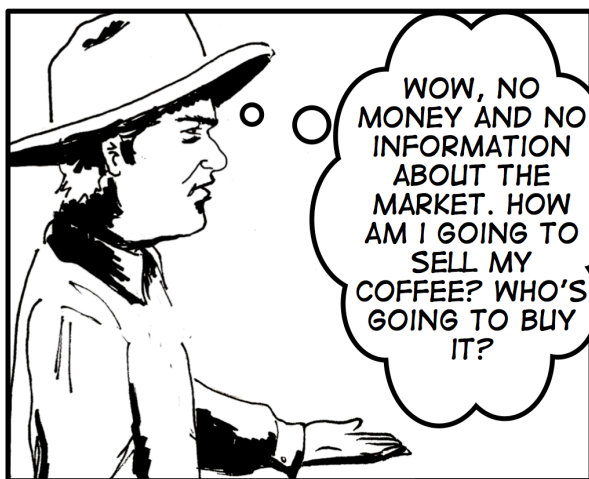


IN NICARAGUA, FOR EXAMPLE, THE SANDINISTA GOVERNMENT GAVE LAND TO THE FARMERS TO ORGANIZE CO-OPERATIVES. IN THIS WAY, EACH FARMER GOT A SMALL PARCEL OF LAND, BUT TOGETHER THEY WERE ABLE TO POOL THEIR RESOURCES AND MARKET THEIR CROPS AS ONE BUSINESS.









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.

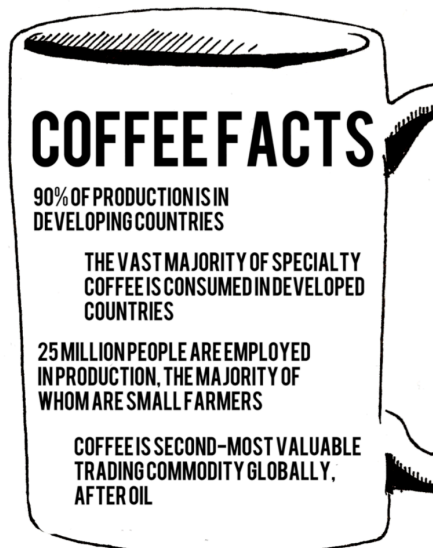
CAN YOU PLEASE TAKE THIS COFFEE BY PICK UP TRUCK?



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



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 SUMMIT



# 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

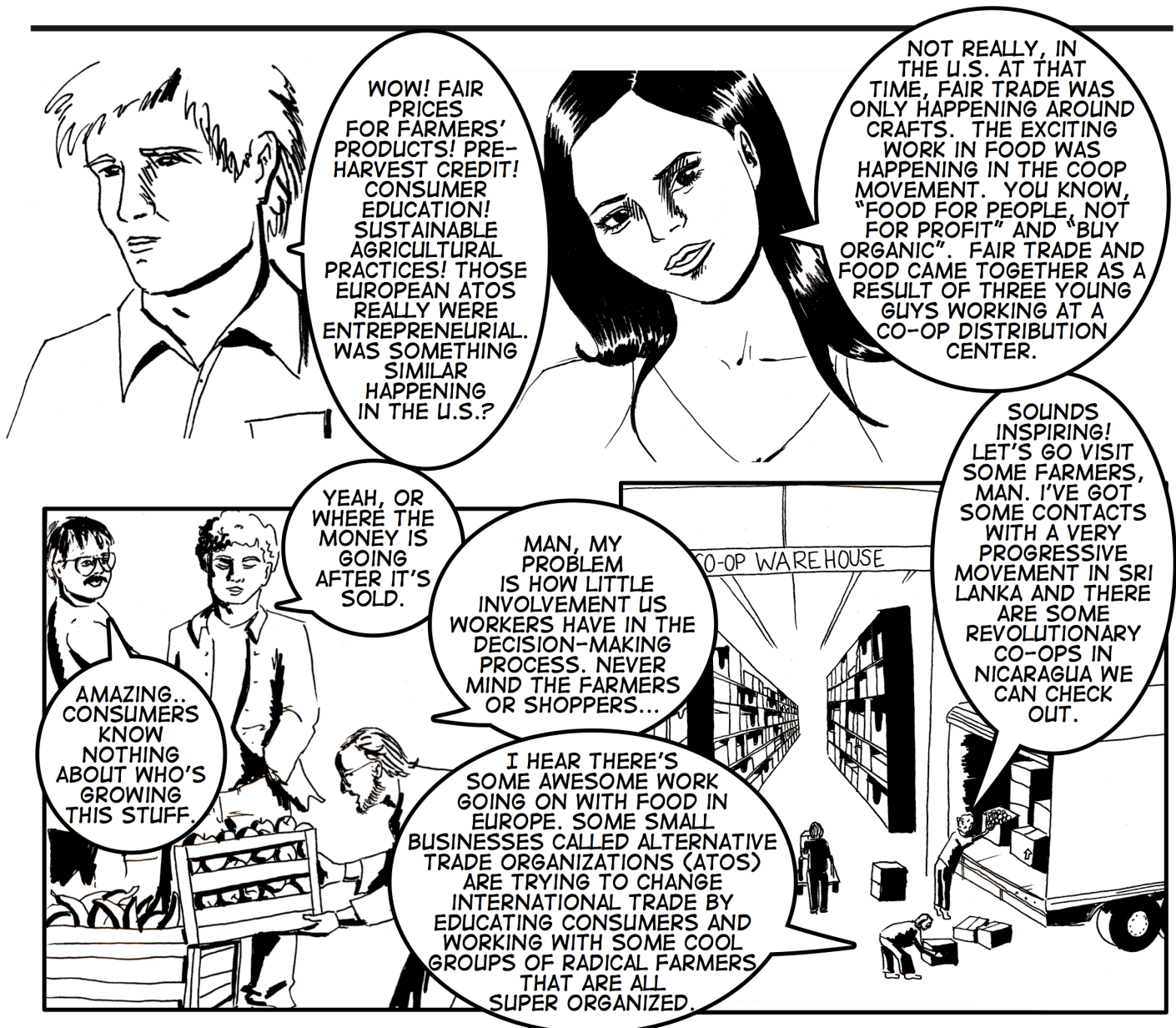


FAIR TRADE LABELING  
ORGANIZATION

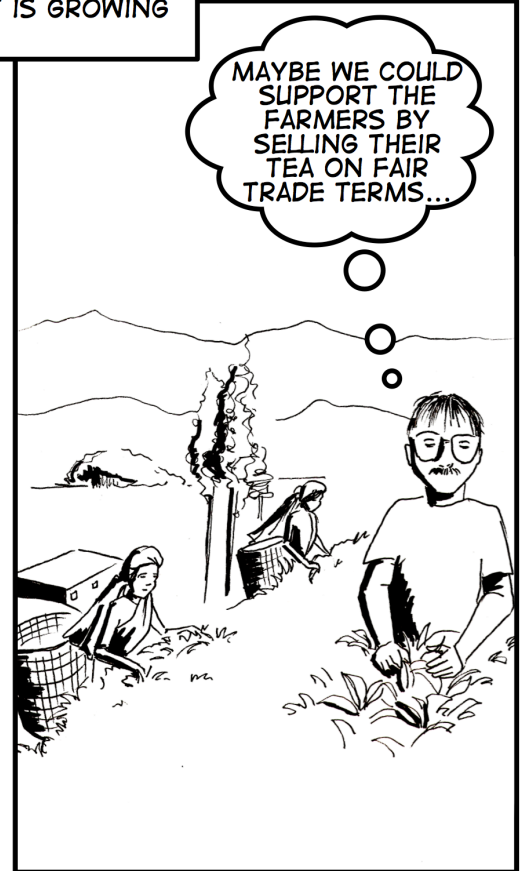
EVENTUALLY A THIRD-PARTY CERTIFICATION SYSTEM WAS SET UP TO VERIFY PRODUCERS AND TRADERS UNDER A SET OF AGREED UPON PRINCIPLES.



# 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...



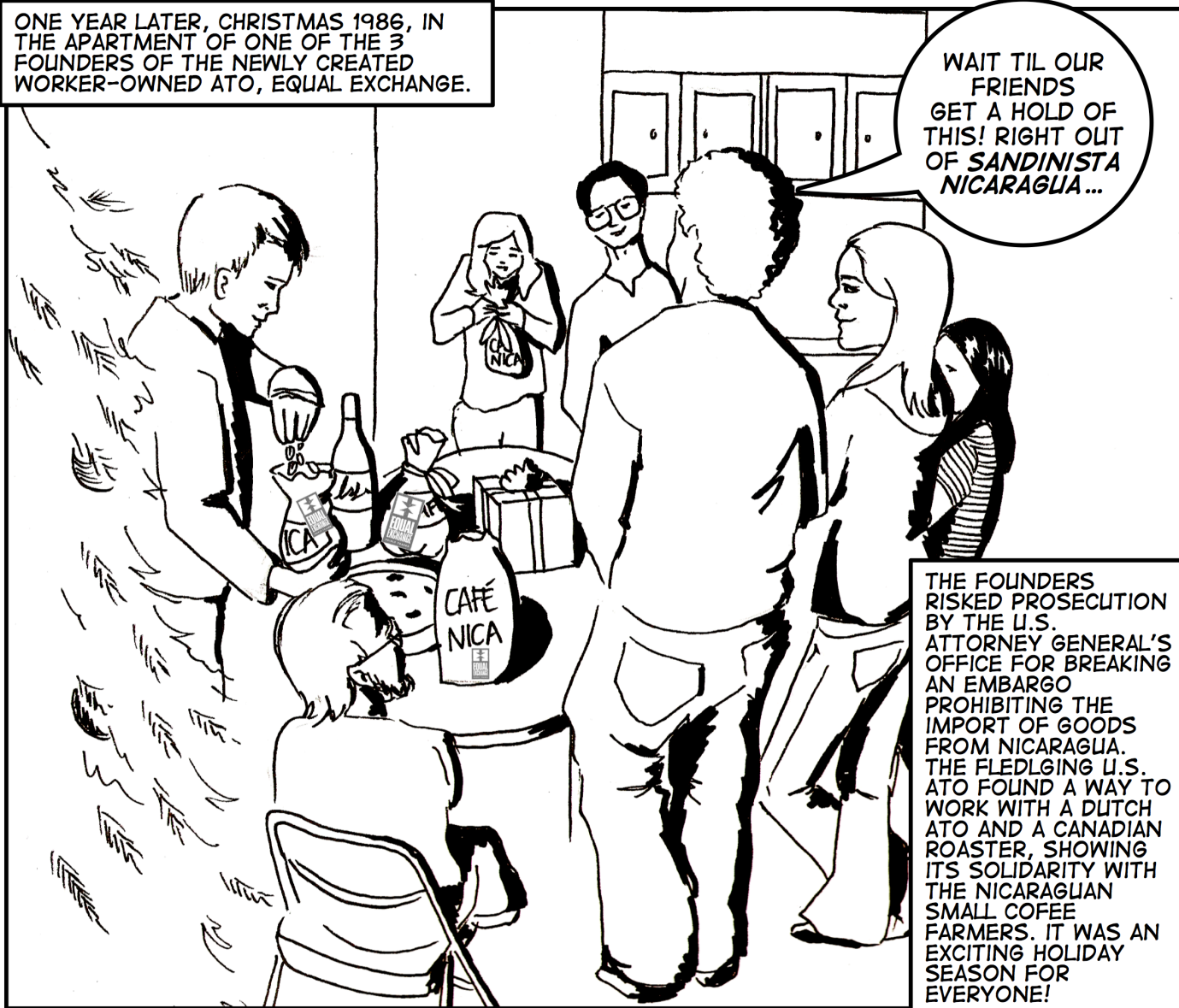
BACK IN CAMBRIDGE, THE THREE FRIENDS MET EVERY WEEK UNTIL THEIR CRAZY IDEAS HAD TAKEN SHAPE IN THE FORM OF A BUSINESS PLAN...



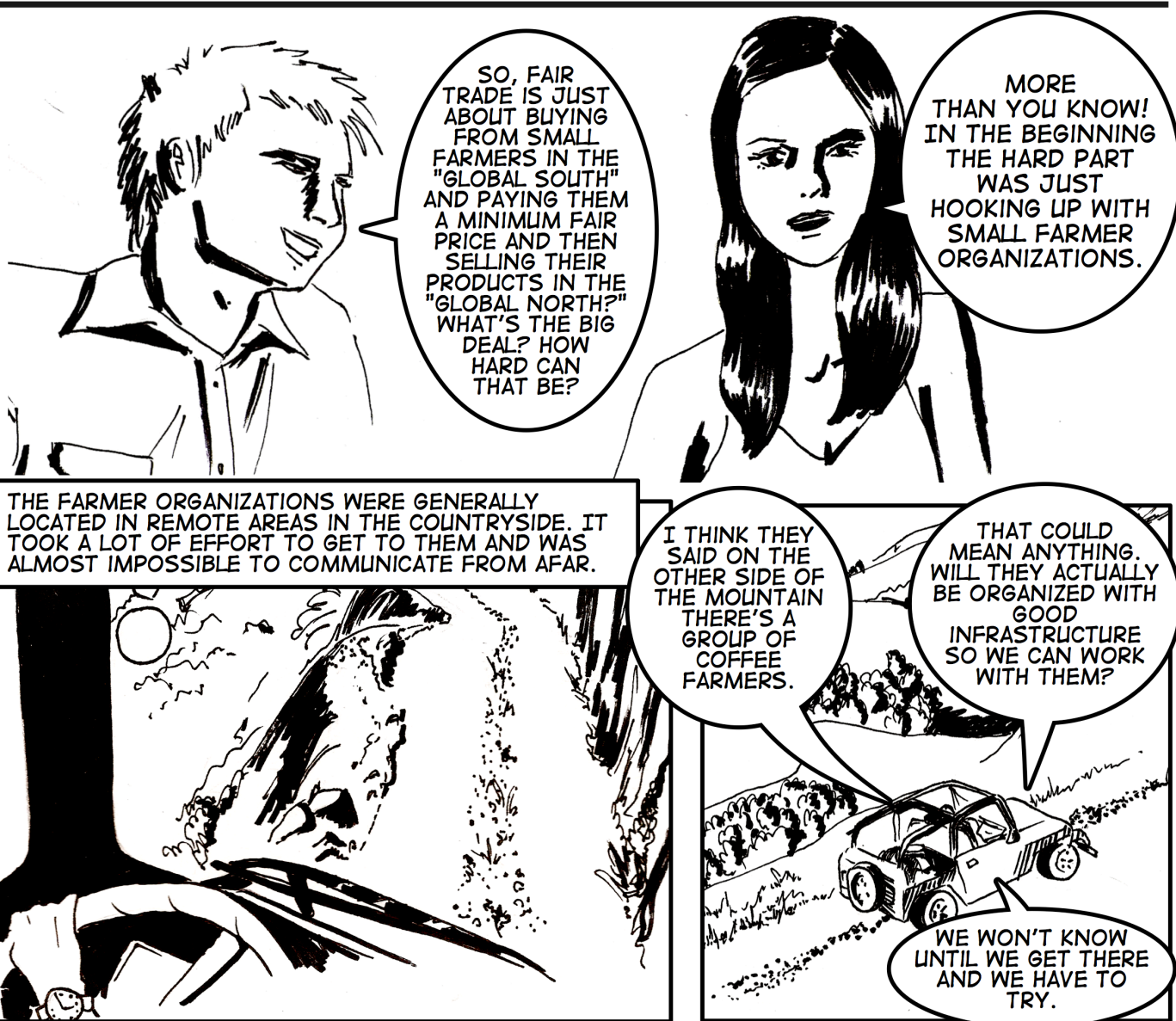
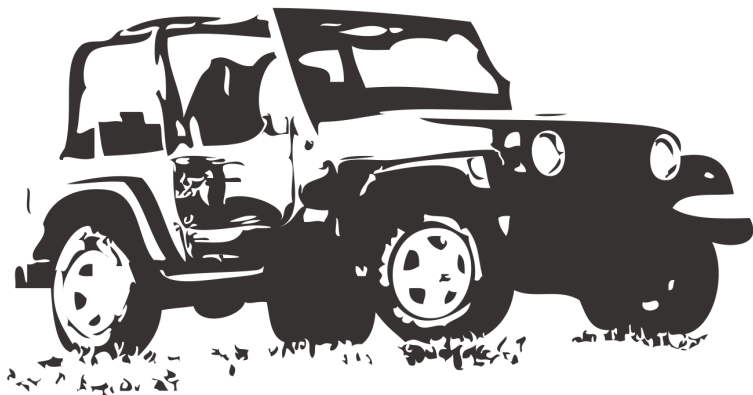


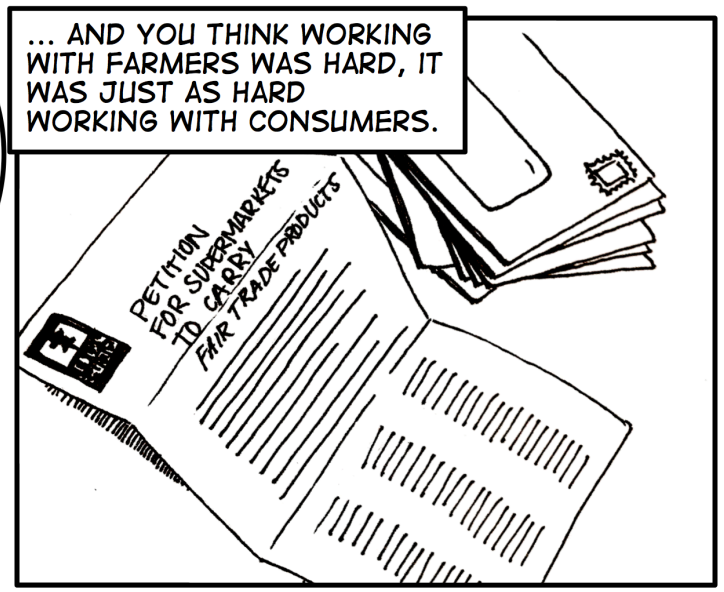
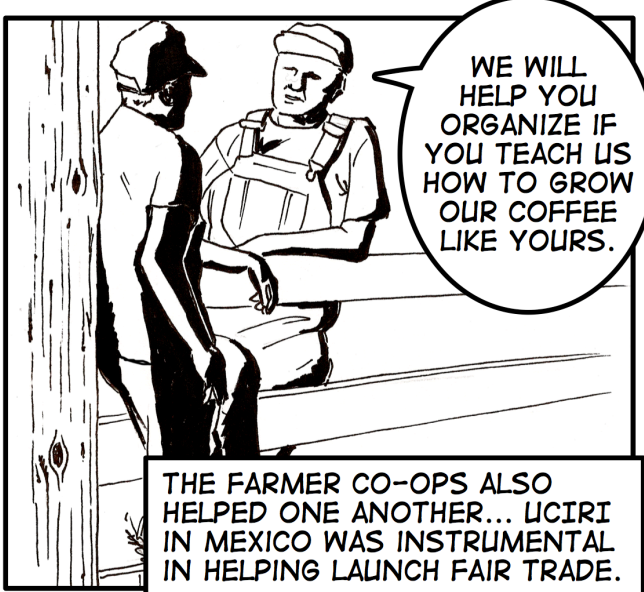


ONE YEAR LATER, CHRISTMAS 1986, IN THE APARTMENT OF ONE OF THE 3 FOUNDERS OF THE NEWLY CREATED WORKER-OWNED ATO, EQUAL EXCHANGE.



## 6 Building Small Farmer Supply Chains







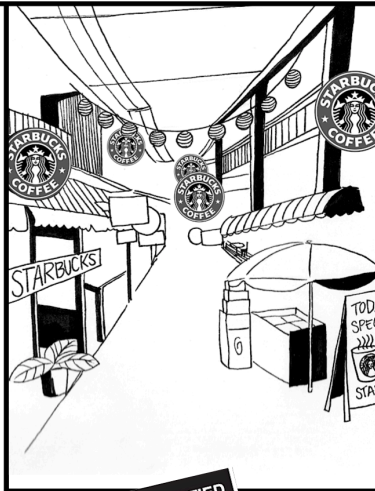
# 7 Fair Trade Takes off in the U.S.: 1990s



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



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



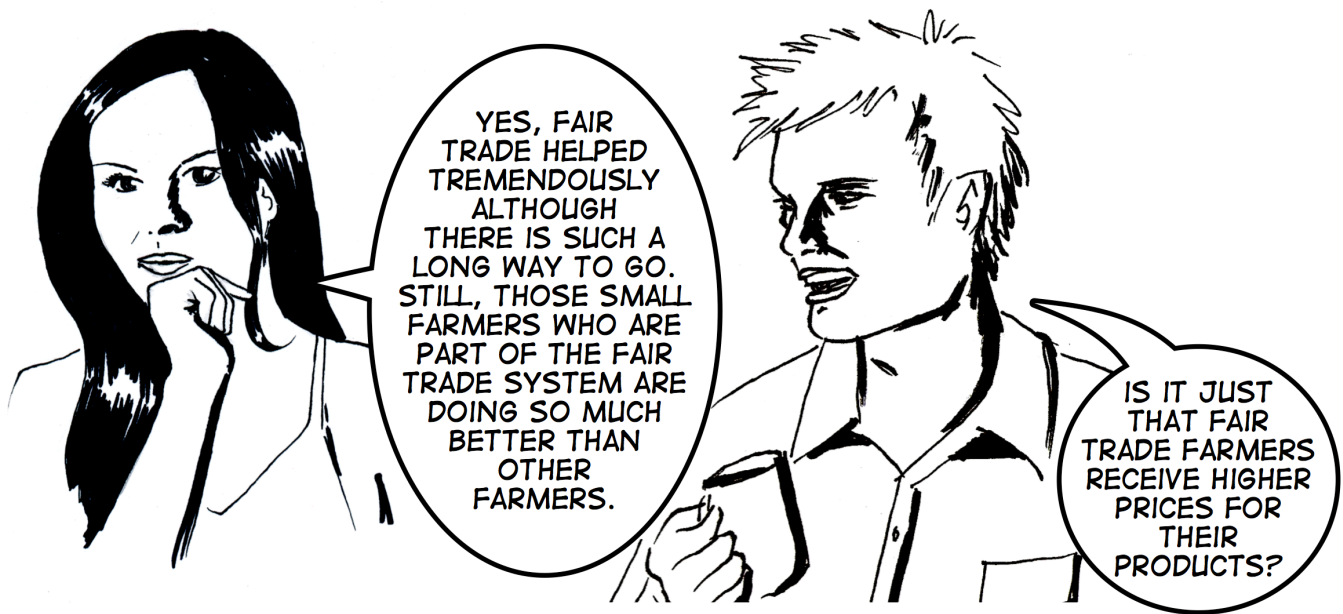
HUNDREDS OF SMALL ROASTERS OPENED SHOP ALSO DOING FAIR TRADE.



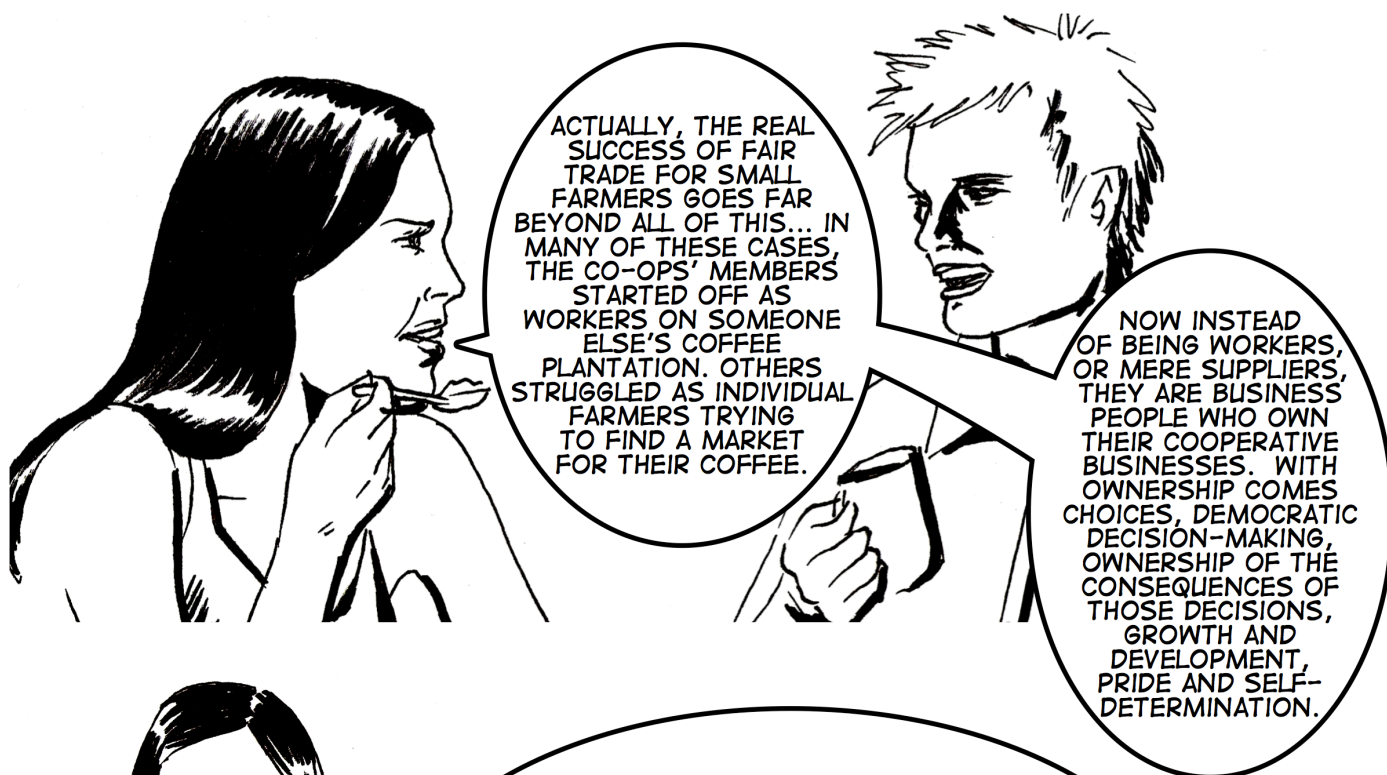
EQUAL EXCHANGE HELPED CREATE TRANSFAIR USA, A NATIONAL FAIR TRADE CERTIFIER WHICH JOINED THE INTERNATIONAL FAIR TRADE LABELING ORGANIZATION (FLO). FLO CERTIFIES THE PRODUCER ORGANIZATIONS AND TRANSFAIR USA CERTIFIES THE U.S. COMPANIES WHICH SELL THE PRODUCTS. COMPANIES PAY TRANSFAIR TO CERTIFY THEIR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



THAT'S A LOT OF HARD WORK AND A LOT OF MONEY... SO HAS FAIR TRADE ACTUALLY HELPED MAKE A DIFFERENCE TO FARMERS?







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



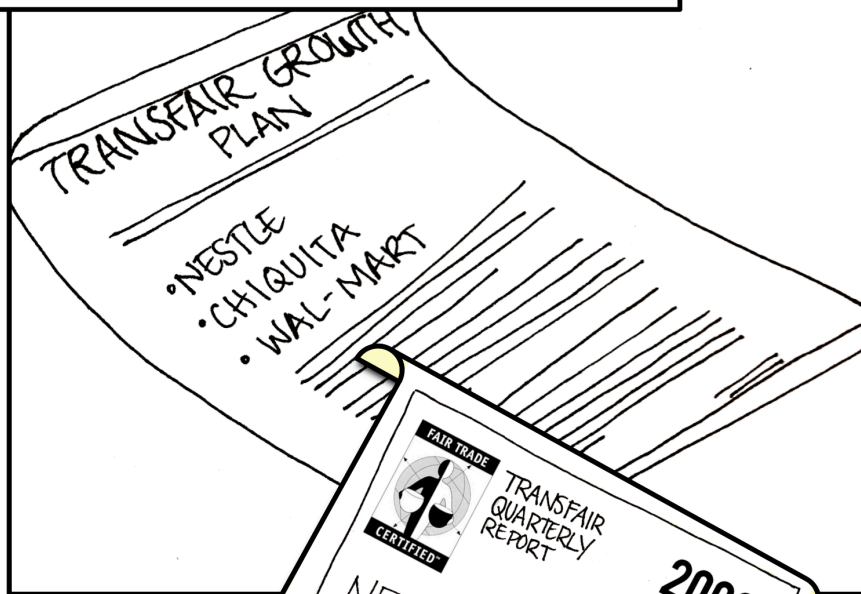
YET, WHILE SMALL FARMER ORGANIZATIONS HAVE EXPERIENCED COUNTLESS BENEFITS FROM FAIR TRADE, THEY HAVEN'T BEEN ABLE TO STOP THE TREND TO CORPORATIZE THE FAIR TRADE SYSTEM. TO MEET THE NEEDS OF BIG COMPANIES THAT ARE NOT NECESSARILY INTERESTED IN DEEP STRUCTURAL CHANGE, AND CERTAINLY DO NOT NEED HELP ACCESSING 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.

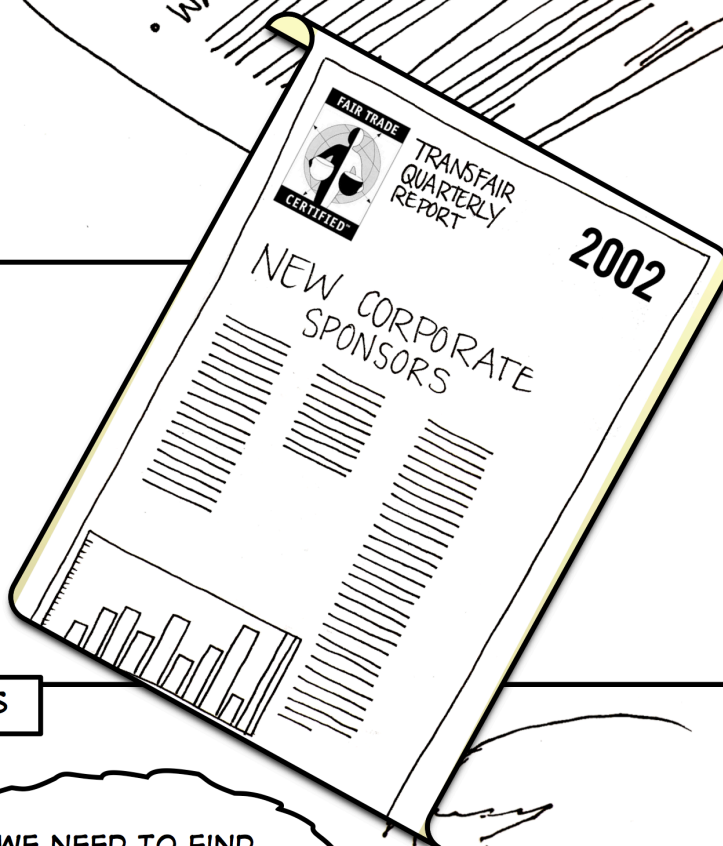


**CERTIFIÉ ÉQUITABLE**

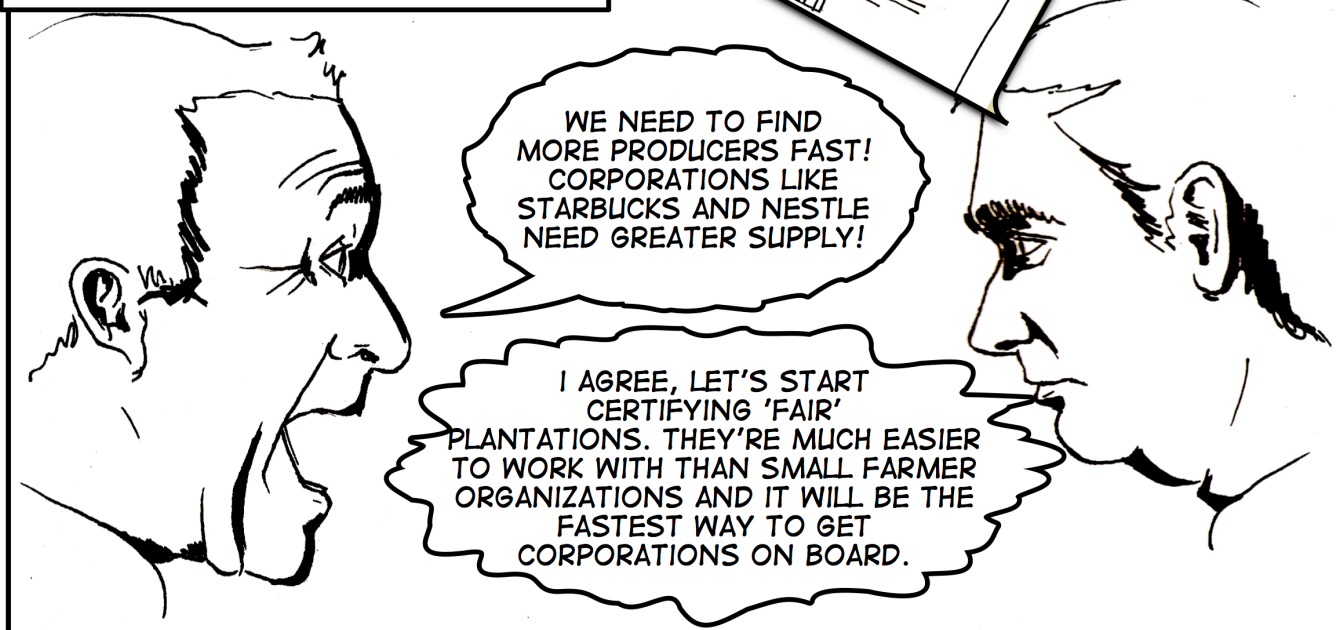
**LOOK FOR THIS LOGO**



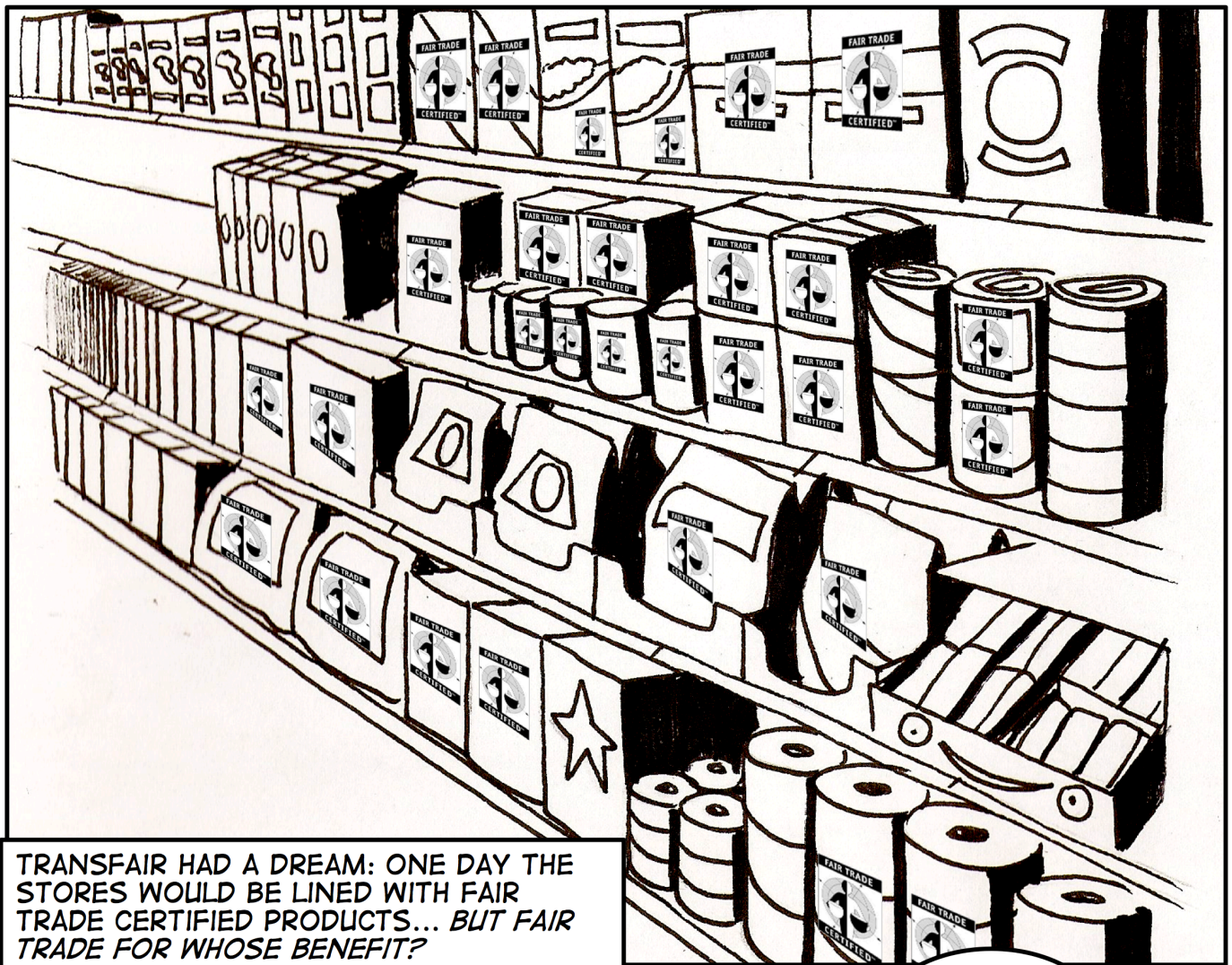
THIS MEANT COURTING  
LARGE CORPORATIONS  
AND PLANTATIONS.



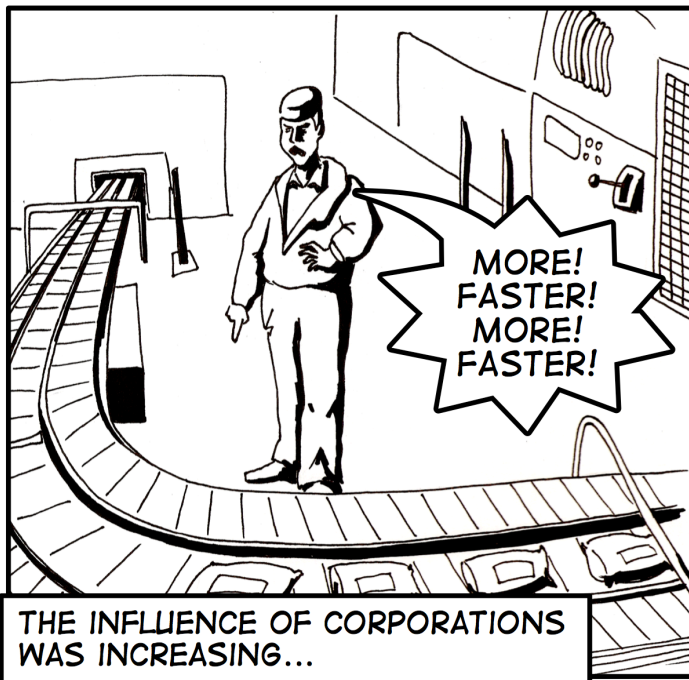
INSIDE TRANSFAIR USA HEADQUARTERS



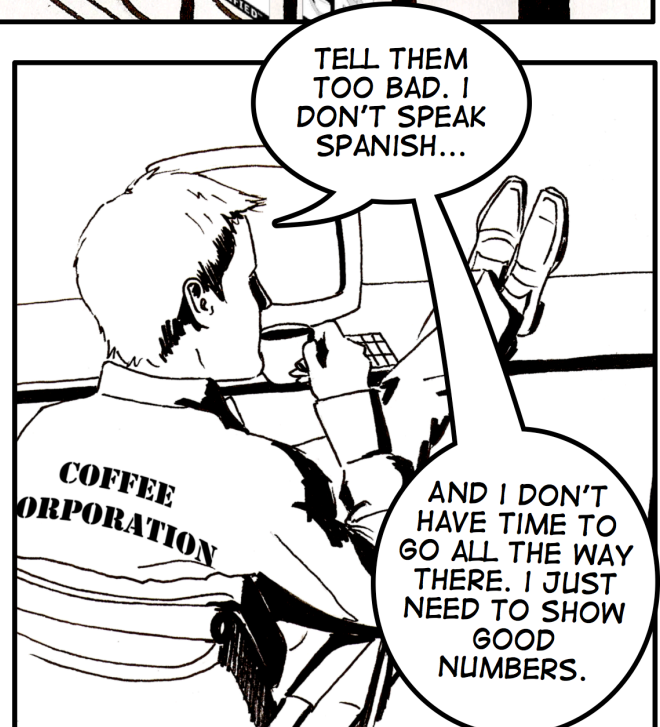




TRANSFAIR HAD A DREAM: ONE DAY THE STORES WOULD BE LINED WITH FAIR TRADE CERTIFIED PRODUCTS... BUT FAIR TRADE FOR WHOSE BENEFIT?



THE INFLUENCE OF CORPORATIONS WAS INCREASING...

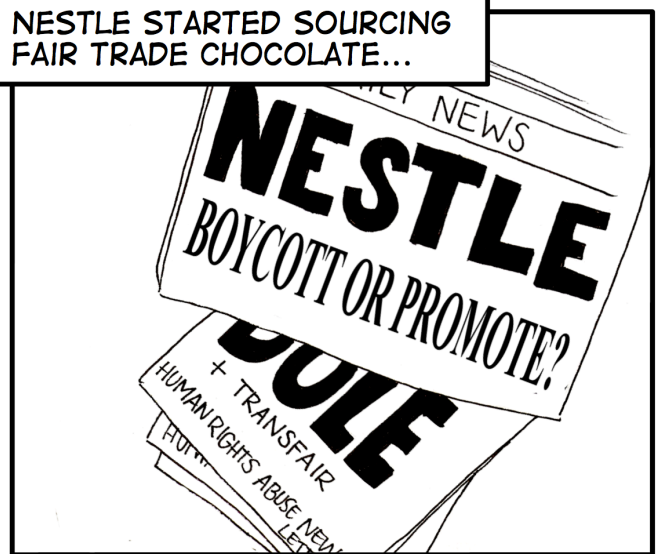






COMPANIES LIKE STARBUCKS STARTED TELLING FARMERS HOW TO RUN THEIR BUSINESSES AND WHAT TO DO WITH THE FAIR TRADE PREMIUMS.

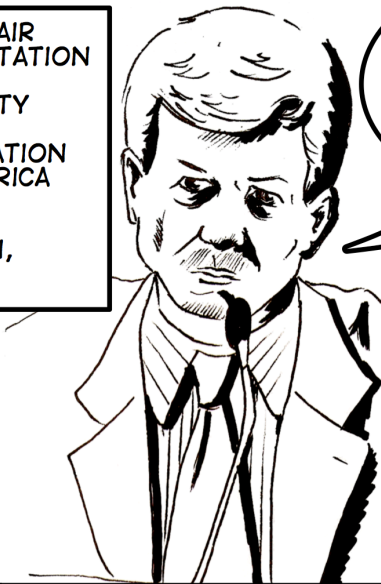
NESTLE STARTED SOURCING FAIR TRADE CHOCOLATE...



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.

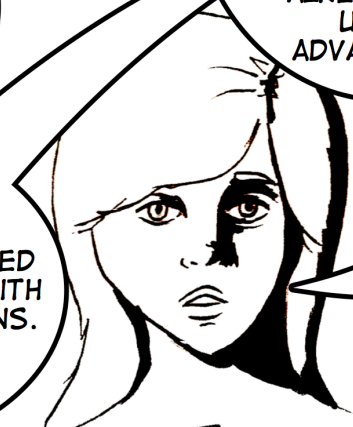


IT'S PREPOSTEROUS... HE'S GOING TO BRING PLANTATIONS INTO THE VERY SYSTEM WE DESIGNED TO HELP SMALL FARMERS COMPETE IN A MARKET WHERE PLANTATIONS ALREADY HAVE UNFAIR ADVANTAGES!



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

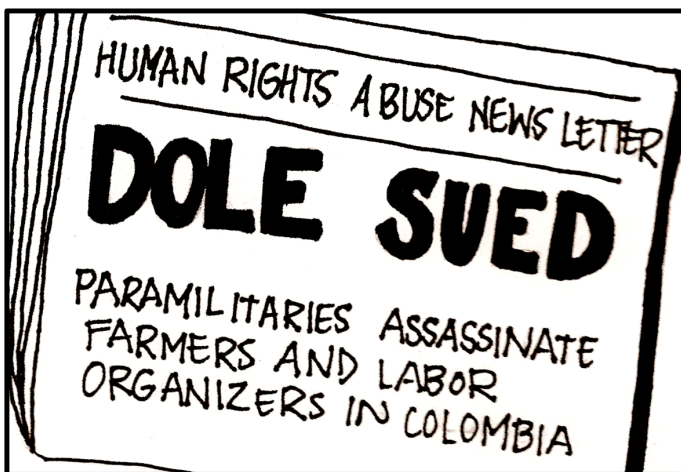
IT'S BAD ENOUGH THE DOORS HAVE ALREADY BEEN OPENED TO CORPORATIONS WITH SKETCHY REPUTATIONS. HOW IS THIS FAIR TRADE?



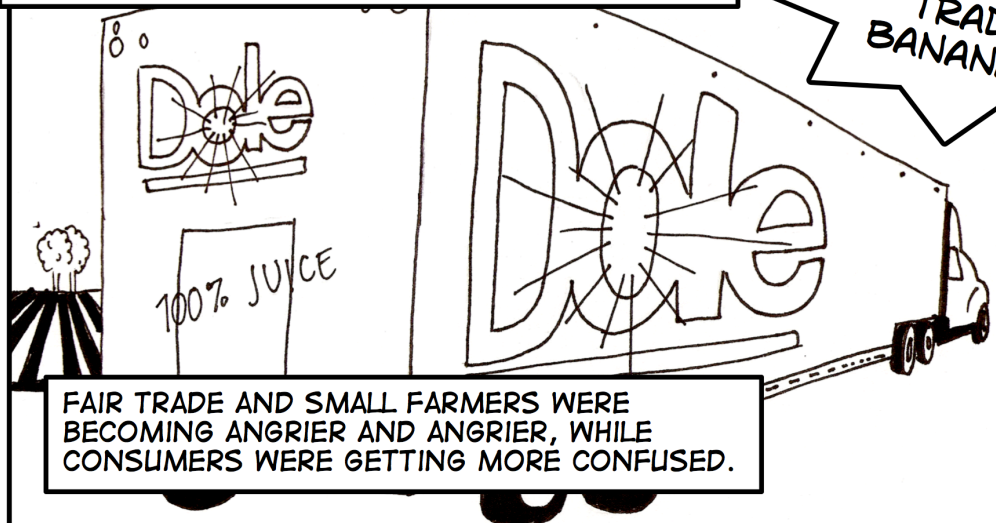
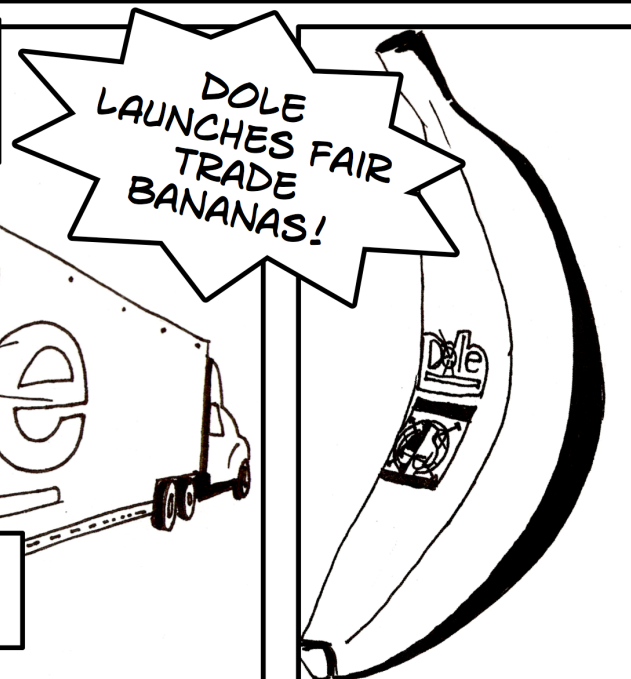
FAIR TRADE IS ABOUT JUSTICE, NOT CORPORATE PROFITS!



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

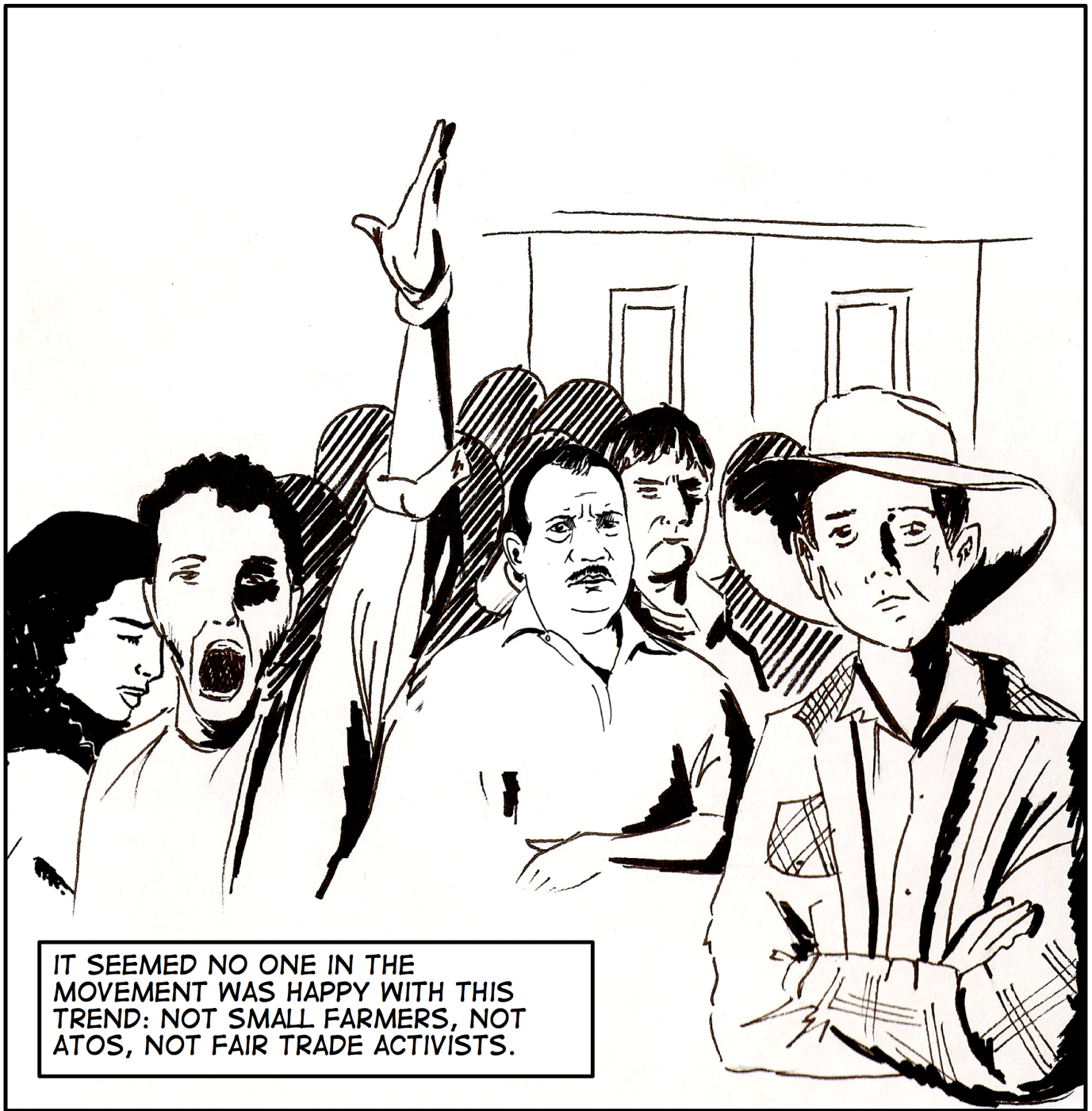


AND ON THE SAME DAY NEWS OF THE LAWSUIT AGAINST DOLE CAME OUT IN THE PAPERS... TRANSFAIR ALLOWED FAIR TRADE BANANAS FROM PLANTATIONS INTO THE SYSTEM.



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





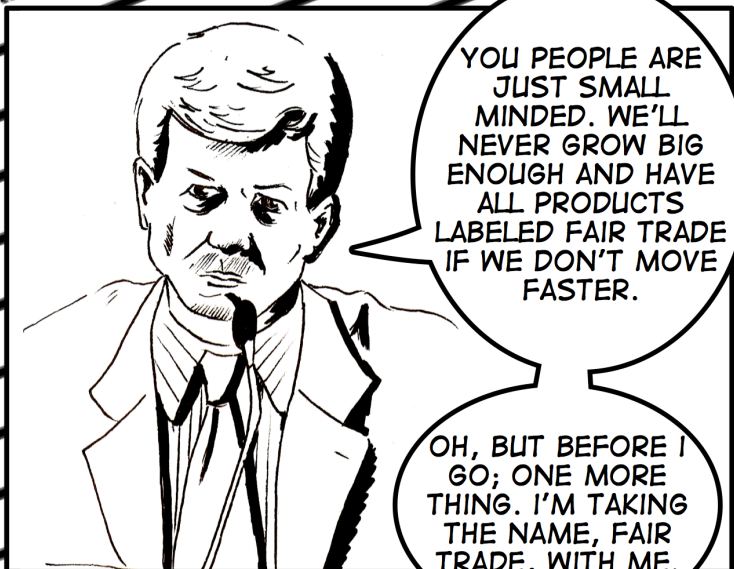
IT SEEMED NO ONE IN THE  
MOVEMENT WAS HAPPY WITH THIS  
TREND: NOT SMALL FARMERS, NOT  
ATOS, NOT FAIR TRADE ACTIVISTS.

## 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?



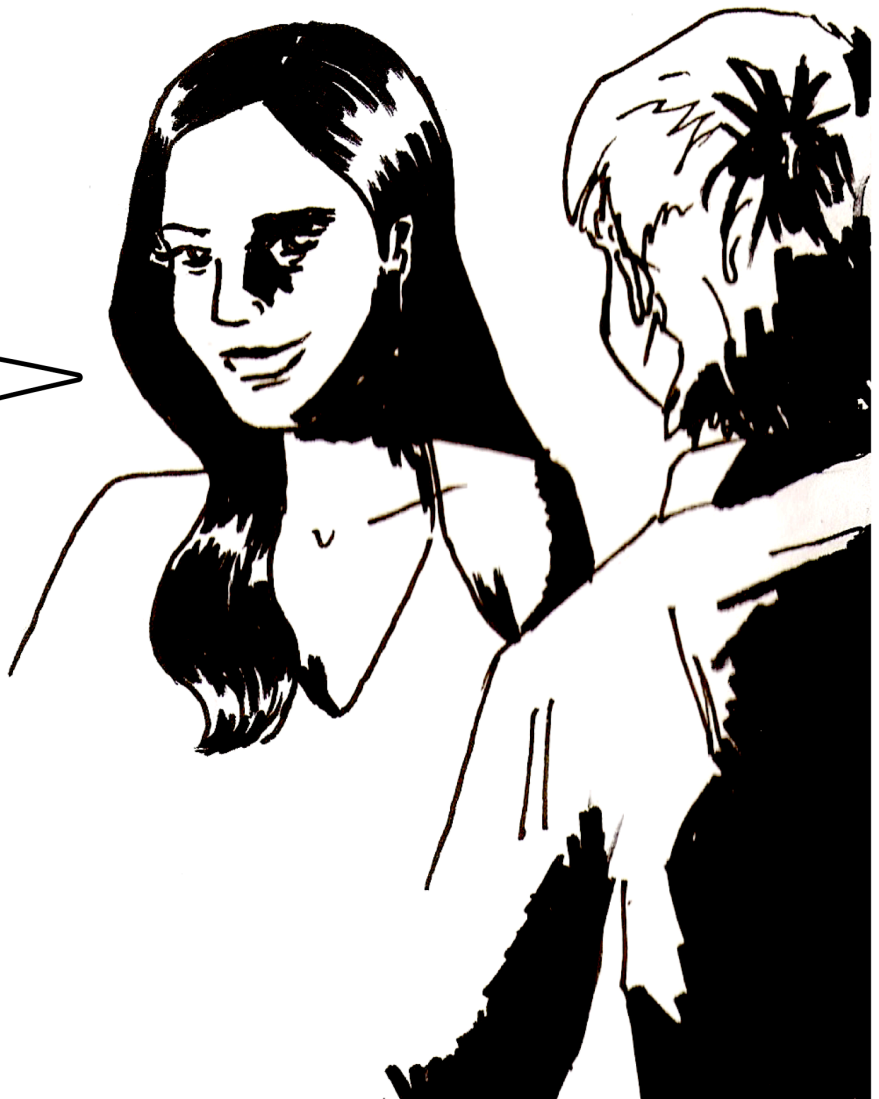
I GUESS THAT DEPENDS ON WHAT WE AS FAIR TRADE ACTIVISTS, CONSUMERS, AND OTHER ALLIES DO TO SUPPORT SMALL FARMERS AND AUTHENTIC FAIR TRADE. IT'S ALWAYS BEEN UP TO US TO DECIDE WHAT'S RIGHT AND TO WORK ALONGSIDE THE FARMERS AND MAKE IT HAPPEN. I THINK WE CAN! DON'T YOU?



# 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!



## CEPICAFAE

(The Organization of Piuran Coffee Farmers), Peru

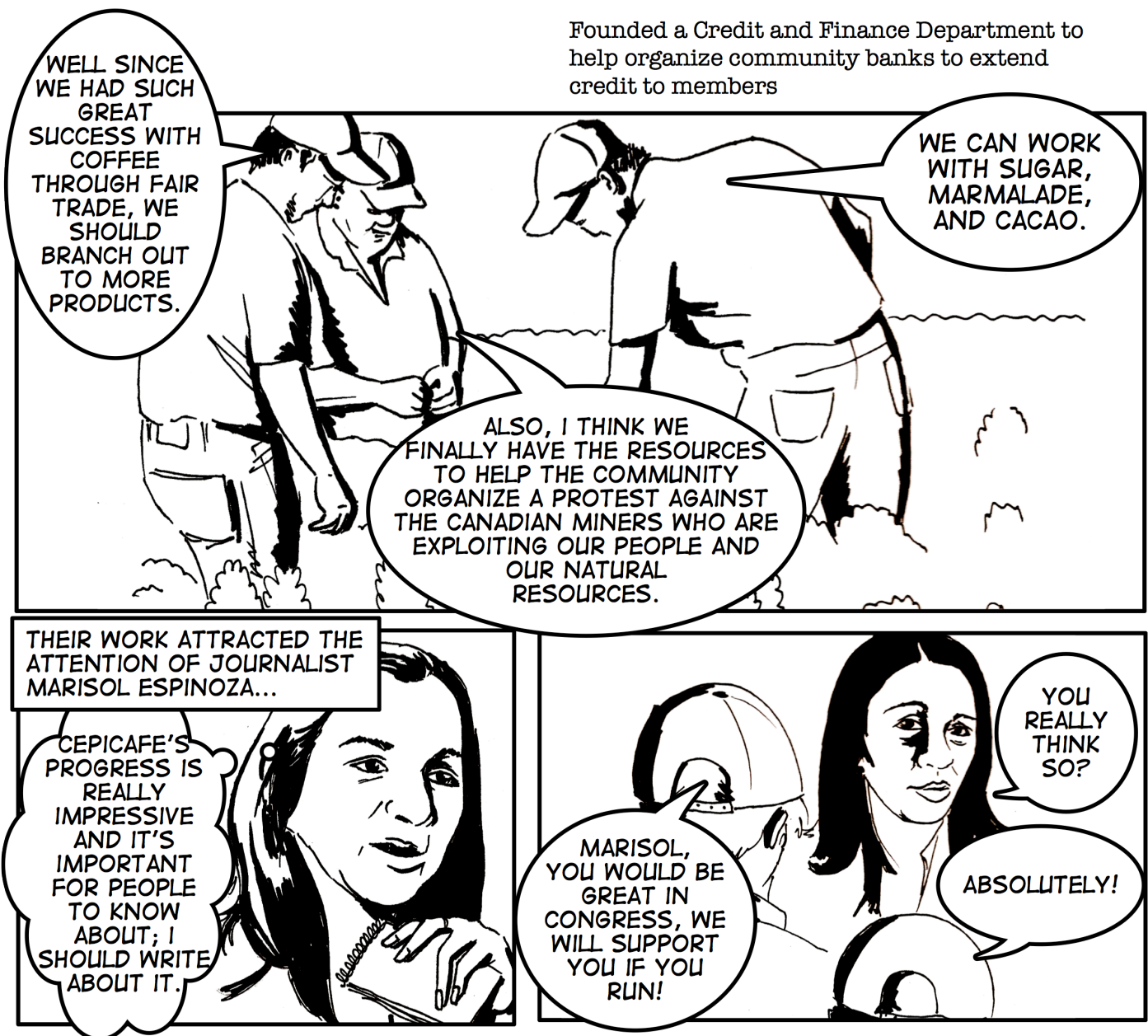
Founded March 25, 1995 in Piura

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...



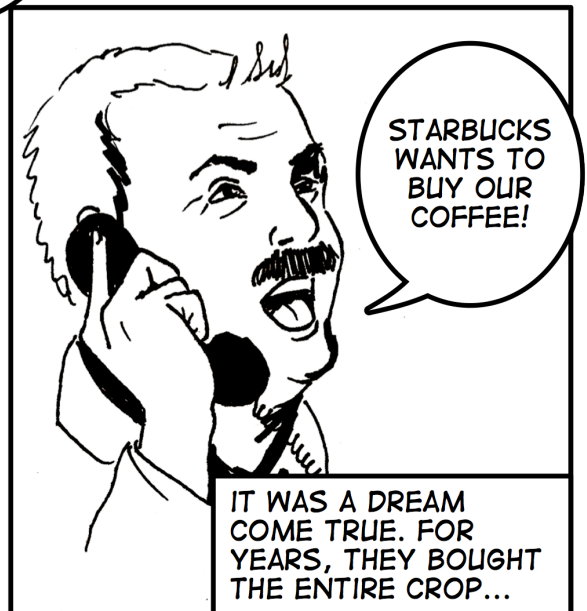
NOW THAT WE'RE GROWING ORGANIC COFFEE IT'S SELLING A LITTLE, BUT I CAN ONLY SELL TO COYOTES.



THIS GUY HAS NO IDEA HOW MUCH THIS HIGH QUALITY COFFEE SHOULD BE SOLD FOR...

I'LL TAKE IT TO MARKET, BUT I CAN ONLY PAY YOU 50 CENTS PER POUND.

SEEMS LOW, BUT WELL, I GUESS SO. WHAT ELSE CAN I DO? UMM, OKAY.



STARBUCKS WANTS TO BUY OUR COFFEE!

IT WAS A DREAM COME TRUE. FOR YEARS, THEY BOUGHT THE ENTIRE CROP...



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?



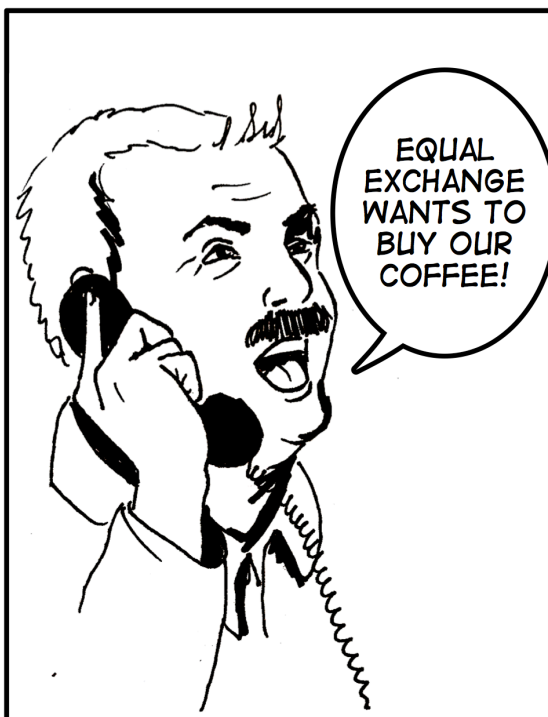
SIRS, WE LOVE DOING BUSINESS WITH YOU. WE'LL KEEP DELIVERING HIGH QUALITY COFFEE, BUT WE WANT TO RUN OUR BUSINESS OUR OWN WAY.

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.



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.



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.

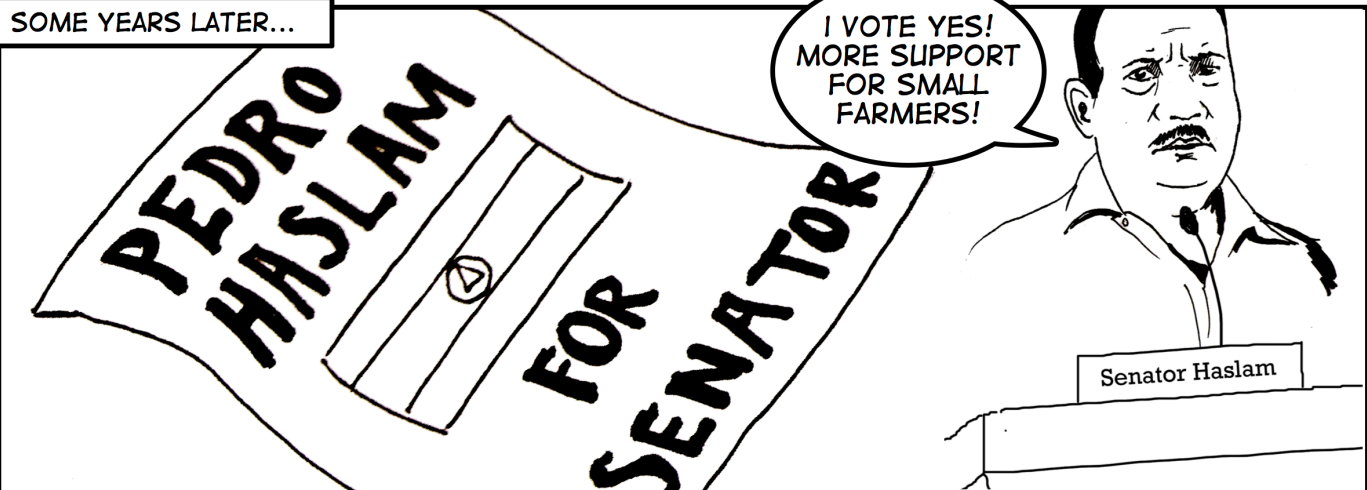


PEDRO HASLAM,  
GENERAL MANAGER OF  
THE CO-OP CECOCAFEN



CECO-CAFEN 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...





## 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

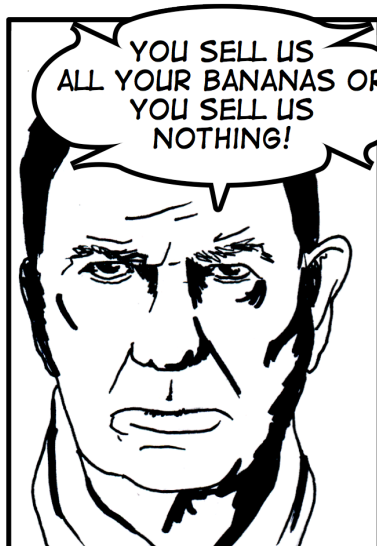
WHY IS IT WE JUST GROW THE BANANAS AND SELL THEM TO DOLE AND THEN DOLE GETS ALL THE PROFITS WHEN THEY SELL TO THE NORTH?

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!



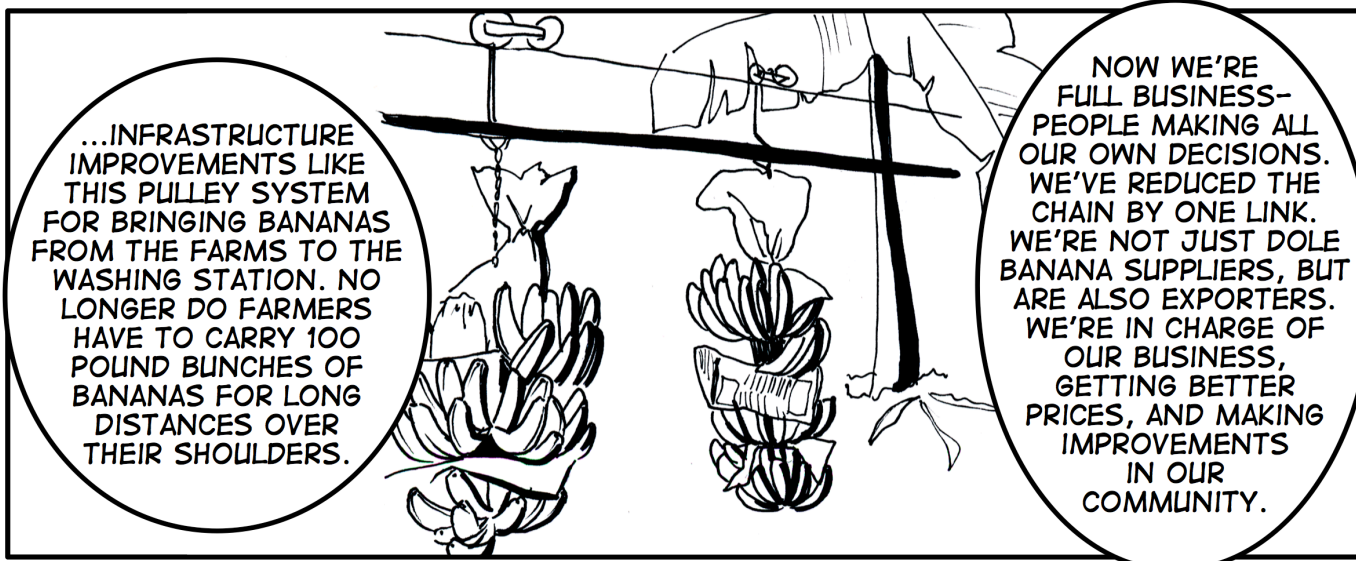
THEY DECIDED TO GO  
AHEAD ANYWAY...

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.



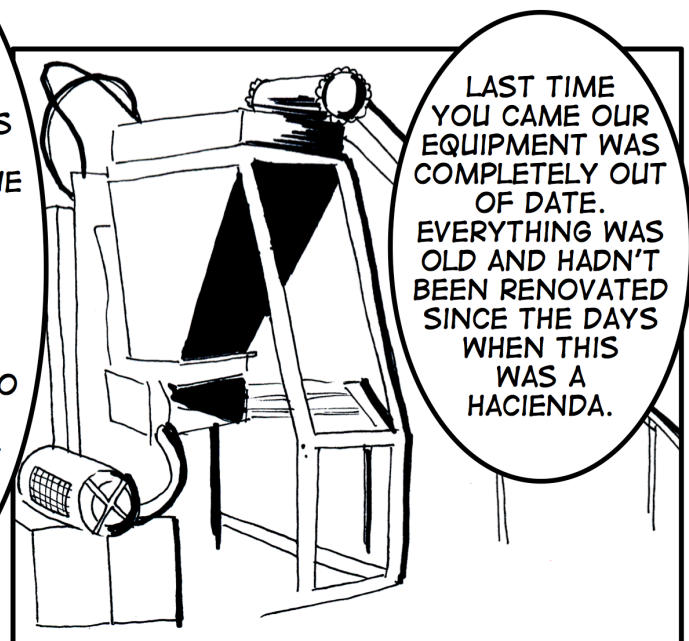
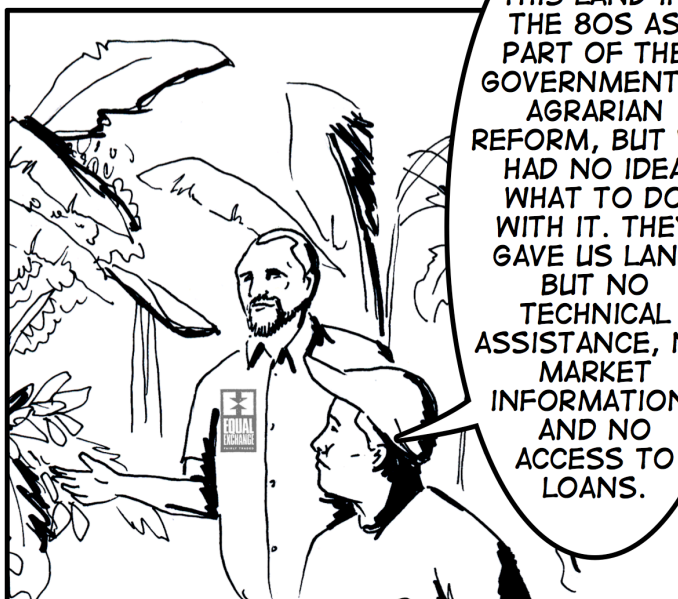
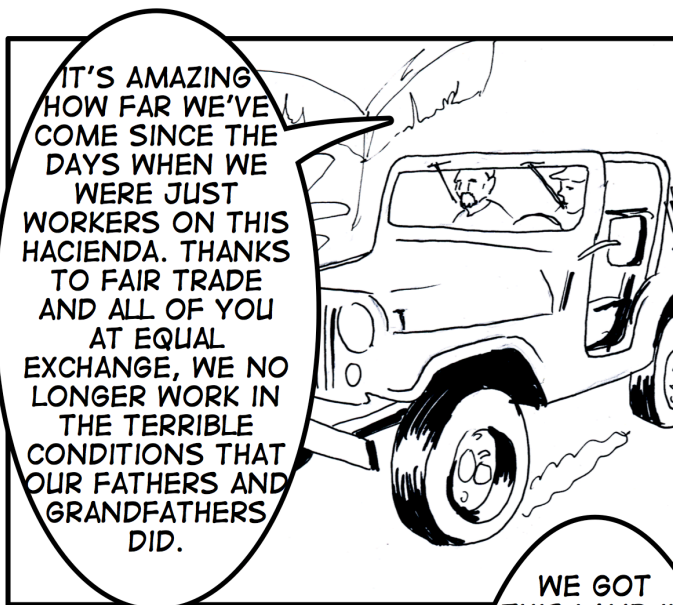
## Las Colinas, El Salvador

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.

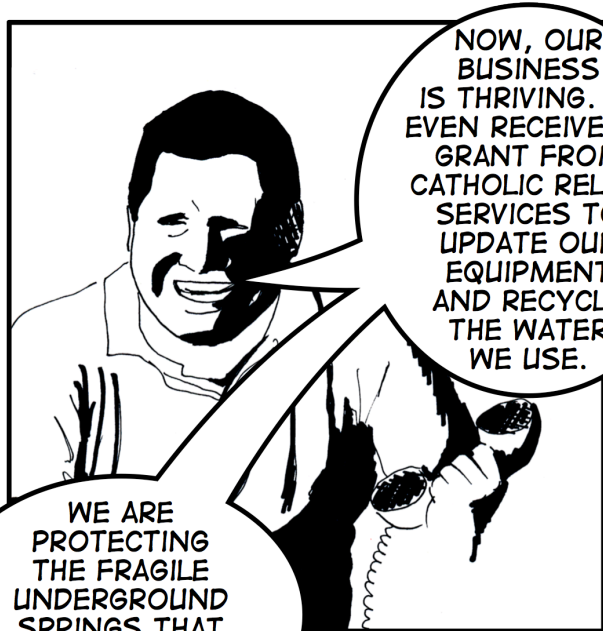
Most importantly, they have been able to repay their debt, convert to organic, renovate their processing equipment, install water saving depulpers, and protect El Imposible National Park which they border, as well as the watershed that serves eight local communities in the area.







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](http://www.equalexchange.coop)  
[www.smallfarmersbigchange.coop](http://www.smallfarmersbigchange.coop)

Additional information on Fair Trade can be found at:  
[www.fairworldproject.org](http://www.fairworldproject.org)