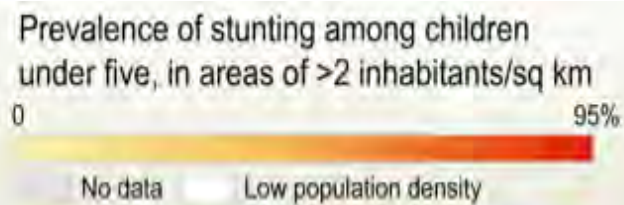
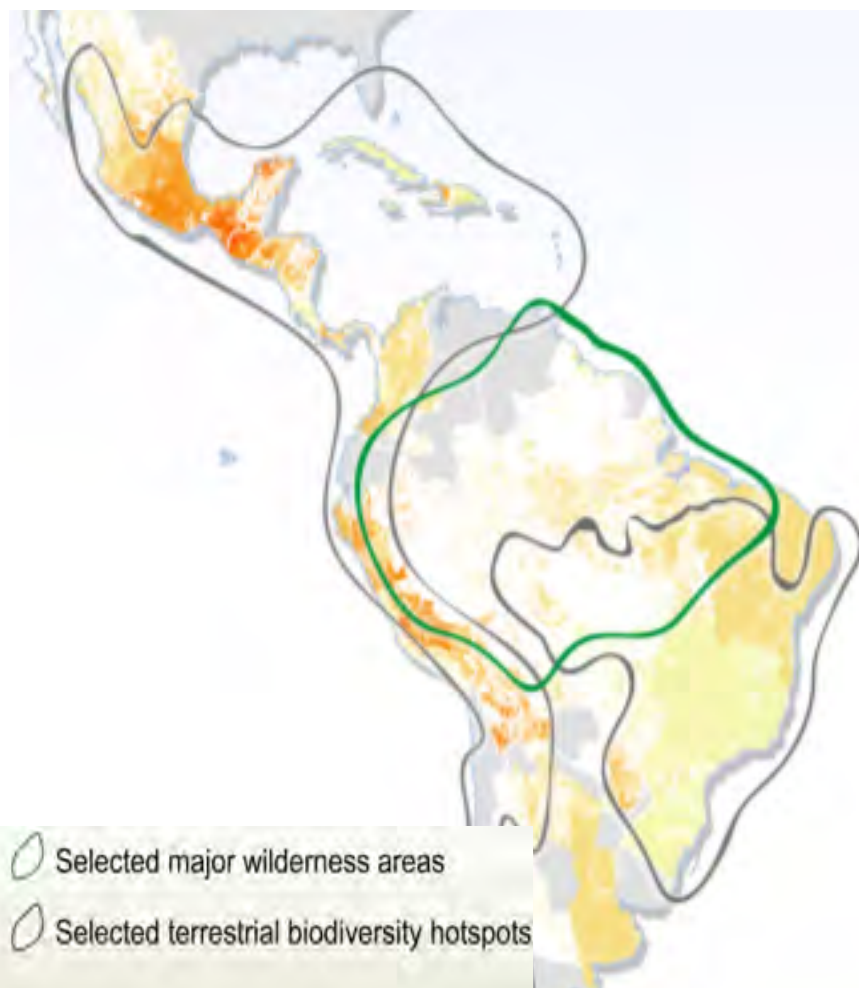




FAIR TRADE CERTIFICATION:
A TOOL FOR MORE SUSTAINABLE SUPPLY CHAINS

POVERTY & BIODIVERSITY

Our collective fate depends on an integrated approach to sustainability



WHAT IS FAIR TRADE?

- Within the Fair Trade movement there are many voices, many definitions of Fair Trade and many approaches to Fair Trade. Fair Trade USA's approach is grounded in the belief that Fair Trade is a **market-based approach to poverty alleviation** which relies on three pillars of sustainability:
 - Social
 - Environmental
 - Economic
- Fair Trade certification offers business and consumers **assurance** that the **quality products** they purchase **improve lives** and **protect the environment**.



WHAT MAKES A PRODUCT FAIR TRADE CERTIFIED?

- Comes from a Fair Trade Certified farm
- Fair Trade price and/or community development premium was paid
- Bought and sold via Fair Trade Certified supply chain
- Bears the Fair Trade Certified label



FAIR TRADE FARM STANDARDS



Social

- Safe working conditions
- Fair wages
- Maternity & sick leave
- Access to health care



Environmental

- Preservation of ecosystems
- Energy efficiency
- Reduction in quantity & toxicity of agrochemicals
- Protection of water & forests



Economic

- Fair price for growers
- Community development premium

Three Pillars of Sustainability

COMMUNITY DEVELOPMENT

Education



Biodiversity



Health Care



Housing



Sustainability



Micro-Lending

Farmers or workers vote on their priorities and manage the projects themselves.

DRIVEN BY CONSUMER DEMAND

Believe in the model

- Want companies to pay farmers & workers fairly (91%)
- Believe 3rd party certification is the best way to verify product claims (54%)

Think highly of companies selling FT products

- Have an improved brand perception for products that are Fair Trade (75%)
- Want to buy Fair Trade products at supermarkets (51%) and mass outlet stores (47%)

Act on their belief with purchases

- With appropriate in-store education, increase purchases of Fair Trade products 10%¹ to 40%
- Nearly 8 in 10 who recognize the label have bought Fair Trade Certified products



CASE STUDY #1: HAITIAN MANGOES



CASE STUDY #2: MEXICAN BELL PEPPERS



Poverty Headcount -2002

- 27.0%
- 37.0%
- 53%
- 68.4%
- 75.9%

Data from "Poverty in Mexico: Conditions, Trends, and Government Strategy"
World Bank Poverty Assessment -2004



IS FAIR TRADE CERTIFICATION A GOOD FIT FOR YOU?

Some questions to consider:

- Are your products/ingredients imported?
- From which origins? (Differing levels of risk)
- Do you have visibility back to the farm level?
- What do you know about labor conditions & environmental practices?
- What assurance do you have that those practices are consistently applied?
- What happens if you feel a supplier is not meeting your standards?
- What do you know about the price that is paid to the farmers?
- Is there financial support for community development?