

## What is Fairtrade?

Fairtrade is about better prices, decent working conditions, local sustainability, and fair terms of trade for farmers and workers in the developing world.

By requiring companies to pay above market prices, Fairtrade addresses the injustices of conventional trade, which traditionally discriminates against the poorest, weakest producers.

It enables them to improve their lot and have more control over their lives.

## What does Fairtrade mean for third world producers?

For 500,000 workers and farmers in the developing world, Fairtrade means better terms of trade and decent production conditions.

The Fairtrade Foundation, with its partners, maintains these standards by regularly inspecting third world suppliers, and checking contracts and trade terms.

## What is the difference between fair trade and ethical trading?

Ethical trading means companies are involved in a process of trying to ensure that the basic labour rights of the employees of their third world suppliers are respected.

The FAIRTRADE Mark, which applies to products rather than companies, aims to give disadvantaged small producers more control over their own lives. It addresses the injustice of low prices by guaranteeing that producers receive fair terms of trade and fair prices – however unfair the conventional market is.

## Key facts:

- Fairtrade mark means a farmer or producer in the developing world will receive a minimum price that covers the cost of production and an extra premium that is invested in the local community. It allows individuals and communities to earn their way out of poverty
- Sales of Fairtrade-certified products increased from £140 million in 2004 to £195 million in 2005 and are predicted to grow again this year
- DFID, Comic Relief, the Body Shop and others gave money and advice to Ghanaian cocoa producers co-operative Kuapa Kokoo to set up and expand their business including the launch of their own chocolate marketing company, The Day Chocolate Company, which promotes the chocolate to UK consumers.
- The farmers are paid a premium price for the cocoa they grow. The premium is invested in community-agreed projects to improve living and working conditions, like building schools, corn mills and supplying clean water.
- 1 out of every 14 bars of premium dark chocolate bought in the UK is sold under the Divine brand.
- In 2004 the amount of cocoa beans bought from Kuapa at the Fairtrade price more than doubled year on year to 750 tonnes, giving the cooperative \$112,500 of social premium in 2005 to invest in their farms and communities.