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Women picked tea at Makaibari Tea Estate in India. Fair-trade practices have allowed estate workers to buy livestock and benefit from educational programs. *Kaare Vemose*

## Value pacts

Dramatic growth seems on the horizon for fair-trade products

At top, a worker weighed bananas at a cooperative in the Dominican Republic. Above, coffee beans were sorted at Oromia Cooperative Union in Ethiopia. *Fairtrade Foundation (top), TransFair USA*

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ANAHEIM – Anthony Marek sounded optimistic, but he had his reasons: 1.4 million of them.

“Fair-trade certification is the next value-add,” he said in fluent Marketese. “It is the future.”

“Fair-trade” companies agree to pay minimum prices for coffee, chocolates, sugar and other staples sold by farmers in impoverished nations.



A variety of products receive fair-trade certification. Some of the main fair-trade crops are (from top) cocoa pods, used for chocolate; tea; and coffee beans. From top, Fairtrade Foundation, Kaare Viemosa, Jennie Payne

Certification also ensures that crops are raised without pesticides or forced child labor; that workers are represented in democratically elected councils; and that these councils invest dividends in health clinics, wells, schools and other improvements.

Marek works for TransFair, a nonprofit group that enforces fair-trade standards. Skeptics, then, would note that he is paid to predict this movement's inevitable triumph.

But skeptics might pause to consider the evidence. Marek preached the gospel of fair trade last month at the 27th annual Natural Products Expo West. The 1.4 million-square-foot Anaheim Convention Center was jammed with organic products from 3,400 exhibitors. They touted acai granola, goji berry-infused beer, sprouted-grain pizza, gluten-free rice crisps, mangosteen juice, even cosmetics made from frozen glop harvested in ecologically sound and morally pure ways.

“And, of course,” Alaska Glacial Mud Co.'s leaflet reassured potential customers, “all of our products are cruelty-free.”

Many of the 52,000 trade-show participants were trying to glimpse what lies over the smog-free, low-carbon-footprint horizon. Why not fair trade?

“This is the perfect industry for it,” said Jen Marshall, an Expo West spokeswoman. “People are really conscious of where their dollars go.”

That's a lot of money – the natural foods industry boasts annual revenues of \$57 billion, and supporters insist that even more dramatic growth is on the horizon.

“We're going to see organic foods become part of everybody's diet,” said Dr. Andrew Weil, the white-bearded prophet of holistic health. “What we see today as a fairly niche industry will become more and more part of the mainstream.”

The rising tide, some insist, will lift fair-trade products. “The organic industry took off about 20 years ago,” said Priya Haji, CEO of World of Good, a retailer of fair-trade housewares and accessories. “That's really where we are with fair trade right now.”

Marking its 10th anniversary in the U.S. marketplace, fair trade has won fans, critics and some recognition. Last year, a survey found that 27 percent of Americans recognized the logo TransFair bestows on fair-trade-certified products.

“That's up from seven percent in 2003,” Marek said.

That's progress. But is it enough to make fair trade the Next Big, Green, Cruelty-Free Thing?

## Taking flak

“Fair trade” sounds as laudable as “natural motherhood” or “organic apple pie,” but it takes flak from across the political spectrum. In an article titled “Grounds for Complaint,” Brink Lindsey of the libertarian Cato Institute noted that many consumers are willing to pay premium prices, but only for premium products.

Without superior flavor, Lindsey wrote, fair-trade coffee will become a “well-meaning dead end.”

Better solutions to poverty, he maintained, come from groups such as Technoserve “that work with farmers and help them move into high-quality, specialty coffee production.”

Liberals argue that fair traders include American conglomerates guilty of unfair labor practices at home. Wal-Mart's decision to sell fair-trade coffee is merely an attempt to “fair-wash itself,” charged Shawn Wozniak on the Web site Subter.

How committed is Wal-Mart's commitment to “fairness,” Wozniak asked, when “they refuse to pay their workers living wages and put local business owners out of work? Do we really want charity from the corporate mafia?”

Marek countered by noting that Sam's Club, a Wal-Mart subsidiary, now sells fair-trade-certified coffees in 628 stores. “That decision more than tripled the volume of fair trade-certified coffee from Brazil to the United States,” he said.

Still, Sam's Club sells literally tons more coffee *without* the fair-trade label. Ditto Starbucks, where fair-trade coffees now make up a scant 6 percent of sales.

“Would we like them to pour all fair-trade-certified coffee? Yes,” Marek said. “Is it important? Yes.”



**Complex and controversial**

“Fair trade” is a simple phrase with complex – and controversial – implications. For an overview from key American supporters, visit [transfairusa.org](http://transfairusa.org), Web site of the nonprofit group behind fair-trade certification, or call (510) 663-5260.

**Recent books on the issue include:**

“**Fair Trade: A Beginner's Guide**” by Jacqueline Decario (Oneworld Publications, 2007)

“**Fair Trade Coffee: The Prospects and Pitfalls of Market-Driven Social Justice**” by Gavin Fridell (University of Toronto Press, 2007)

Two critiques from different political viewpoints:

“**Grounds for Complaint**” by Brink Lindsey, online at [adamsmith.org/pdf/groundsforcomplaint.pdf](http://adamsmith.org/pdf/groundsforcomplaint.pdf)

“**What's Wrong With Fair Trade**” by Shawn Wozniak, online at [subter.com/15/?p=17](http://subter.com/15/?p=17)



Some 52,000 people attended the Natural Products Expo West in Anaheim to get a glimpse of the latest trends in the industry.

While coffee was the sole fair-trade commodity a decade ago, that's no longer true. Of the 50 fair-trade companies at last month's Natural Products Expo, only a handful sold coffee.

“There's a high percentage of consumers who are looking for fair trade,” said Jennifer Hargrove, assistant marketing manager for Sunspire, a Northern California chocolate company. “We're focusing on bulk items that are organic and fair trade.”

“We use fair-trade-certified green tea in every bottle,” said Steven Kessler, co-founder of Steaz, Pennsylvania-based purveyors of organic sodas and energy drinks.

World of Good's fair-trade wallets, purses and jewelry are fashioned by women's cooperatives in India, the Philippines and Latin America. Haji, the company's founder, argued that her customers aren't buying something inferior to feel superior.

In fact, Haji said, they're not buying *anything* inferior.

“The product has to be just as trendy, just as good. We want people to realize there is no trade-off in quality.”

Haji, who holds an MBA from Berkeley's Haas School of Business, disagreed with critics who maintain that fair trade, with its premium prices and dividends shelled out to farmers, violates the free market's laws of supply and demand.

Many consumers want to shop well *and* do good, she said, “even if it means paying above the standard market price.”

“This is the reality of an evolving industry.”

### **Industry standard?**

Shoppers who invest in sustainable products will eventually become invested in the folks raising these crops, Marek predicted: “We can't take care of the planet without taking care of the people.”

The sugar in Pauline McKee's kitchen didn't come from some anonymous factory. She has traveled to Malawi and met the farmers who harvest sugarcane for her employer, Wholesome Sweeteners. The Texas company has bought African sugar since 2005, and every three months sends the 3,000-member cooperative an additional check, a premium.

The last premium: \$40,000.

“That's a lot of money in Malawi,” McKee said.

The money has paid for better farming equipment, wells and an AIDS clinic. “When I go there,” McKee said, “it's humbling to see the conditions that people live in.”

Kathryn “Kiki” Kane confessed to similar emotions from her meetings with cacao farmers in Africa and South America. Their crops are used to make chocolate bars for Theo, a Seattle company that last year won *Food & Wine* magazine's “Eco-Epicurean Award.”

Theo's five Origin bars are all vegan – but only three carry the “Fair-Trade-Certified” label. The other two?

“They are not fair trade,” Kane said, “but they are from small local farms. They are fair trade in that we know the people are getting a fair price and are well taken care of.”

TransFair's label may be the industry standard, but it's not the only label in the organic marketplace. Some Celestial Seasonings coffees and teas are marked “Fair-Trade-Certified;” others carry the “Ethical Trade” logo, a sketched handshake and the written assurance that “By buying this product, you're supporting ethical trading practices that benefit the people and areas that produce our ingredients.”

A decade, TransFair's Marek said, is not long enough to establish new standards and habits in something as complex and vast as the American supermarket.

How much time would be enough? In Anaheim, the evidence was all around him – or so this optimist hoped.

“Twenty years ago,” he said, “organic was a fringe movement. Now, it's pretty much ubiquitous.”