

What is Fair Trade Certification?

Fair Trade certification is a market-based model of international trade that benefits over one million farmers and farm workers in 58 developing countries across Africa, Asia and Latin America. Fair Trade certification enables consumers to vote for a better world with their dollars, simply by looking for the Fair Trade Certified label on the products they buy. Fair Trade Certified agricultural products including coffee, tea and herbs, cocoa and chocolate, fresh fruit, sugar, rice, flowers, honey and spices (vanilla) are currently available at over 35,000 retail establishments in the U.S.

Fair Trade empowers farmers and farm workers to lift themselves out of poverty by developing the business skills necessary to compete in the global marketplace. By guaranteeing minimum floor prices and social premiums, Fair Trade enables producers to invest in their farms and communities and protect the environment. But Fair Trade is much more than a fair price.

Fair Trade principles include:

- **Fair prices:** Democratically organized farmer groups receive a guaranteed minimum floor price and an additional premium for certified organic products. Farmer organizations are also eligible for pre-harvest credit.
- **Fair labor conditions:** Workers on Fair Trade farms enjoy freedom of association, safe working conditions, and living wages. Forced child labor is strictly prohibited.
- **Direct trade:** Importers purchase from Fair Trade producer groups as directly as possible, eliminating unnecessary middlemen and empowering farmers to strengthen their organizations and become competitive players in the global economy.
- **Democratic and transparent organizations:** Fair Trade farmers and farm workers decide democratically how to use their Fair Trade premiums.
- **Community development:** Fair Trade farmers and farm workers invest Fair Trade premiums in social and business development projects like health care, new schools, quality improvement trainings, and organic certification.

Environmental sustainability: The Fair Trade certification system strictly prohibits the use of genetically modified organisms (GMOs), promotes integrated farm management systems that improve soil fertility, and limits the use of harmful agrochemicals in favor of environmentally sustainable farming methods that protect farmers' health and preserve valuable ecosystems for future generations.

Do Fair Trade Certified products cost more than conventional products?

Not necessarily. Fair Trade Certified coffees and chocolates are generally priced competitively with other gourmet, specialty coffees and chocolates. They are, though, more expensive than mass-produced, low quality coffees and chocolates. Fair Trade Certified bananas, on the other hand, can cost much more than conventional bananas because small cooperatives lack the extensive shipping and logistical capabilities of vertically-integrated, multinational fruit companies and incur higher costs to transport their products to market. Furthermore, the same Fair Trade Certified product can have different prices in different retailers across the country.

In the end, product manufacturers and retailers set their own prices and TransFair does not control or influence retail pricing of Fair Trade Certified products in any way. As Fair Trade expands to ever more companies and retailers, consumers increasingly have more choice of where to buy their Fair Trade Certified products. This increased competition will most likely drive down retail prices of Fair Trade Certified products.