Fair Trade Up, Charitable Giving Down

Fair Trade USA Announces Partial Import and Premium Data for 2010; Data Suggests Consumer Preference for Sustainable Development over Traditional Charity

OAKLAND, Calif., Nov. 17, 2010 /PRNewswire/ -- Fair Trade USA, the leading third-party certifier of Fair Trade products in the United States, today announces U.S. import and premium data from the first six months of 2010. Overall, Fair Trade's approach to community empowerment and sustainable development continues to demonstrate strong growth across the board, with increases in additional income generated, farmers and workers served and imports certified. And, while Fair Trade awareness and sales also continue to grow, The Center on Wealth and Philanthropy at Boston College reports that charitable giving by Americans declined for the second straight year, falling five percent in 2009 and six percent in 2008.

"At the heart of Fair Trade is sustainable development. Our goal is to empower communities with trade opportunities versus simply giving aid. With access to international markets and credit, plus the business skills to produce high-quality products and negotiate higher prices based on quality, farmers become their own agents of change, empowered with the tools necessary to lift themselves from poverty," said Paul Rice, President and CEO of Fair Trade USA.

Community Investments

During the first six months of 2010, Fair Trade USA's business partners enabled producer organizations to invest more than $7 million in Fair Trade premiums to support community-elected development projects. Fair Trade standards require that cooperative members or workers collectively decide how to invest premium money earned. Some of the projects include building schools, funding scholarships, finding ways to increase environmental sustainability, improving business skills, providing health care and financing micro-credit programs.

Additional Income

In just under 12 years, more than $214 million dollars in estimated additional income has reached farmers and workers in developing countries through Fair Trade certification. Additional income includes both the Fair Trade premium, and an estimate of the additional income created by the difference between a farmgate price and the market price. For example, Fair Trade producers received an average price of $1.70 per pound for their coffee during the first six months of 2010, well above the Fair Trade minimum price of $1.35 per pound and inclusive of premium. The average market price for green coffee during the same time period was $1.37.

Farmers and Workers Served

Globally, the Fair Trade system has grown to support 1.2 million farmers and workers in 60 countries. During the first six months of 2010, Fair Trade certified 52 additional producer organizations. Nearly 30 percent of the new producer groups are in coffee, driven in part by new Fair Trade supply from Indonesia.

Imports Certified

The first half of 2010 marked a period of increased growth of Fair Trade Certified products in the U.S. market. Seven out of 10 categories displayed growth, five of which (Honey, Vanilla / Spices, Sugar, Grains and Tea) grew by over a third. The standout categories were Grains (1752%) and Honey (266%), with Tea (46%) and Sugar (52%) also showing impressive growth. Tea and Sugar were the categories that demonstrated sustained growth over the same period last year. Notably, coffee, Fair Trade USA's flagship product, experienced a 37 percent increase in organic imports during this period.

Awareness & Sales

Fair Trade awareness increased rapidly in just five years, experiencing a four-fold increase, up from nine percent in 2005 (Parthenon Group) to 34 percent in 2010 (GlobeScan). Today, more than one-third of American consumers are aware of and familiar with Fair Trade. And, eight in 10 consumers (78%) aware of Fair Trade claim to have purchased Fair Trade products.

Today, Fair Trade USA works with more than 700 companies to certify more than 9,000 products as Fair Trade. And in 2009, Fair Trade Certified products generated an estimated $1.2 billion in retail sales.

Additionally, data suggests a strong correlation between awareness and producer impact. In 2005, with nine percent of Americans aware of Fair Trade, certified products generated approximately $15 million in additional income for producers. Leaping forward to 2009, with awareness up to 33 percent, Fair Trade generated $48 million in additional income.

Sustainable Development: Trade, Not Aid
Fair Trade empowers consumers to vote with their dollars for fair prices, better working conditions, environmental stewardship, and brighter futures for the people who make the high-quality products that they buy every day. For each $1 spent since 1999, Fair Trade USA has generated more than $5 in additional income for farmers and workers. In addition to supply chain certification, Fair Trade USA also builds global supply chains for Fair Trade products, educates consumers and builds market demand in the United States, brings new manufacturers and retailers into the Fair Trade system, and provides farmers with tools, training and resources to thrive as international businesspeople. Fair Trade USA is currently working with international industry and local partners to support Haitian mango farmers’ efforts to rebuild, to empower thousands of Latin American sugar farmers with U.S. market access and to secure the future of 6,000 Brazilian coffee growers with the advanced coffee quality training. To support the expansion of Fair Trade’s sustainable approach to community empowerment in poor farming communities, visit www.FairTradeUSA.org or www.Facebook.com/FairTradeCertified to use your Paypal account or credit card to make a secure contribution and help Fair Trade USA make your money make an even greater difference around the world.

About Fair Trade USA

Fair Trade USA (previously TransFair USA), a nonprofit organization, is the leading third-party certifier of Fair Trade products in the United States. Fair Trade USA audits and certifies transactions between U.S. companies and their international suppliers to guarantee that the farmers and workers producing Fair Trade Certified goods were paid fair prices and wages. The organization also educates consumers, brings new manufacturers and retailers into the Fair Trade system, and provides farmers with tools, training and resources to thrive as international businesspeople. Visit www.FairTradeUSA.org for more information.

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