

## The History of Fair Trade

### How did the concept of Fair Trade originate?

A: The Fair Trade movement began in the late 1950s as alternative trade organizations (ATOs) emerged in Europe and the US to promote grassroots development through direct, equitable trade. These ATOs bought directly from Third World producers, eliminating the middlemen, and paid the producers a fair price while providing assistance in developing trading experience and market contacts. Such experiences helped producers raise their incomes while reducing their dependency on commercial middlemen. These first ATOs were primarily "Third World shops" which dealt mainly in handicrafts. Today, there are 3,000 of these shops in Europe organized in the Network of European World Shops, and about 100 in the US, organized in the Fair Trade Federation.

### How was the concept of Fair Trade Certification developed?

A: The first Fair Trade certification initiative, called Max Havelaar, was proposed in Holland in 1988. It marked an important departure from the ATO model. The Fair Trade seal was offered to mainstream coffee roasters who were willing to trade even a fraction of their total volume on Fair Trade terms. By bringing in larger coffee roasters and pushing Fair Trade into mainstream supermarkets, this seal exposed many more consumers to the benefits of Fair Trade coffee and greatly increased the number of farmers who benefit from Fair Trade.

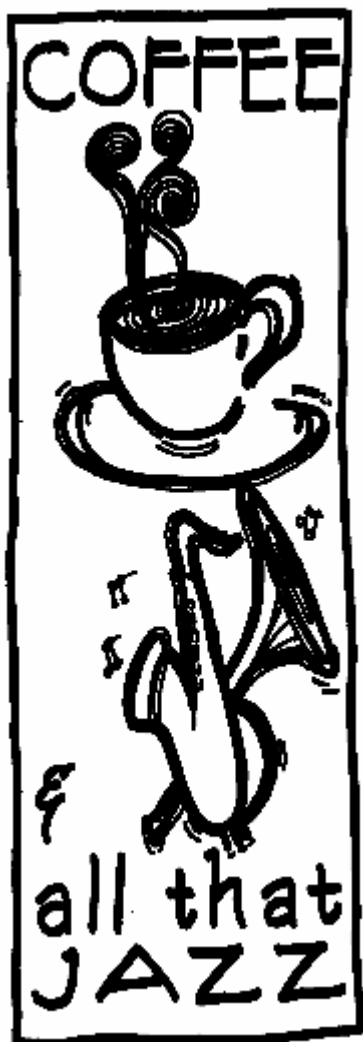
After the Fair Trade seal demonstrated itself as a viable marketing concept, several groups from other countries in Europe adopted the initiative, many under the name of TransFair. However, for most of their history, the Fair Trade labeling organizations remained a collection of independent, autonomous, nationally based initiatives that shared criteria and worked with the same farmers, but pursued common goals with different strategies. There are currently Fair Trade Certification seals in 17 different importing countries.

### How did the Fairtrade Labeling Organizations international originate?

A: In 1997, Fair Trade labelers formed an international umbrella group called Fair Trade Labeling Organizations (FLO) International. The 17-member organization follows a set criteria which defines Fair Trade for each product certified under the Fair Trade system, including coffee, tea, cocoa, sugar, honey, bananas and orange juice. For each commodity, there is a shared International Fair Trade Registry of farmers who have undergone a formal application process and have been approved to sell to the Fair Trade market. Monitoring and certification systems are maintained by FLO, which has field monitors in each producer region or country who annually visit all of the producer coops. Each member of FLO contributes to international monitoring costs with its annual dues.

### How did Fair Trade coffee in the US get started?

A: In 1986, Equal Exchange was established to import Nicaraguan coffee as an expression of solidarity with the people and revolution of Nicaragua, after the Reagan administration imposed an unfair trade embargo. Equal Exchange became the only ATO in the US to focus exclusively on Fair Trade coffee, trading according to the international standards before there was a monitoring agency in the US. In the



fourteen years since its inception, Equal Exchange has built a small but important niche for Fair Trade coffee, earning the respect and recognition of the specialty coffee industry and helping many farmers to keep their land during the low ebbs in the world coffee market. Other companies such as Peace Coffee in Minneapolis, Zapatista Coffee in Denver, Café Mam in Oregon, Café Campesino in Georgia, and Dean's Beans in Massachusetts have also been active promoting fair prices for farmers over the last five years, as well as promoting education about the coffee industry and the need for Fair Trade.

#### How did Fair Trade Certification in the US get started?

A: TransFair USA is the only FLO-affiliated, non-profit Fair Trade certification organization in the United States. TransFair USA was founded in 1996, but due to lack of funding was stagnant until 1998, when it incorporated in Oakland under the leadership of longtime coffee farmer advocate Paul Rice. Initially, the organization focused on certifying coffee importers who were willing to trade according to Fair Trade criteria. In 1999, that focus shifted to roasters. In 1999 they focused most of their energies on Bay Area companies, but many socially responsible roasters across the nation have become licensees, especially after the April 2000 SCAA conference where TransFair brought producers from a dozen different Fair Trade cooperatives to show their product. In the fall of 2000 their focus is on Boston and the greater Northeast. As of mid-2000, there were over 50 importers and roasters licensed to sell Fair Trade coffee with the TransFair USA label. In addition, TransFair is active around promotion and consumer education around Fair Trade coffee. See [www.transfairusa.org](http://www.transfairusa.org) for more information.