Fair Trade - Key Topics

What is Fair Trade?

Fair trade is a movement, supported by various grass roots groups and governmental organizations, that strive to ensure marginalized farmers receive a fair wage for their work.

Reasons for why Fair trade is important:

1. Restorative Development
2. Second/Third world development.
3. Making sure cooperatives for farmers are in place
4. Addressing poverty and equality in the international trading system.
5. Respecting and ensuring the rights of children
6. Starbucks’s global operations, for example, noting that fair trade coffee make up less than 1% of its wholesale purchases (see http://www.organicconsumers.org).

A video that questions the validity of Fair Trade organizations and policies in the tea industry:


Organizations --which are the most influential-rank with reference to their roles and reputations.

1. FLO- Fair Trade Labeling Organization. This is the most important. It sets the standard for fair trade certification while at the same time providing market opportunities for companies involved in fair trade.
2. FLO-CERT- This is an organization that makes sure companies are abiding by and maintaining the standard that FLO has put in place.
3. FTF- Fair Trade Federation http://www.firstfairtradetownusa.org/ The Fair Trade Federation (FTF) is the trade association that strengthens and promotes North American organizations fully committed to fair trade. The Federation is part of the global fair trade movement, building equitable and sustainable trading partnerships and creating opportunities to alleviate poverty.

4. Fairtrade International http://www.fairtrade.net/about_us_0.html


7. Unin de Comunidades Indigenas del Region del Istmo (UCIRI) is a fair trade coffee cooperative in Oaxaca, Mexico, with a membership of over 2, 500 families.


Back in 2008, the OCA pressured Starbucks into selling milk that is rBGH-free a huge victory for U.S consumers who are unaware of the potential hazards to human health. The genetically engineered recombinant bovine growth hormone was administered by Monsanto in 1993 and approved by the FDA a year later. According to the Organic Consumers Agency, "approximately 10 percent of fluid milk in the U.S is now labeled rBGH-free". According to OCA, many customers mistakenly assume that all Starbucks coffee is fair traded, but in fact just 6% of the company’s coffee is certified Fair Trade. Institute for Agriculture and Trade Policy introduced the Farm Bill 2012, which aims at devising a comprehensive approach to ensuring fair trade policies are enacted. Peace Coffee. http://www.iatp.org/project/farm-bill-2012

FLO-CERT monitors and makes sure all criteria under the fair trade policies of FLO are being abided. This is an organization that makes sure companies are abiding by and maintaining the standard that FLO has put in place.

Starbucks: Key issues in relation to fair trade

Starbucks goals, come 2015: http://www.starbucks.com/responsibility/learn-more/goals-and-progress/coffee-purchasing#open

“Starbucks is one of the largest buyers of coffee in the world. But despite rising consumer demand for Fair Trade coffee, they currently offer a very limited number of Fair Trade options. Starbucks does sell Fair Trade coffee by the bag in their stores, but you can only buy a cup if you ask for a whole pot to be brewed for you. That means many people who would order Fair Trade coffee don’t, because of time constraints or because they’re reluctant to place that burden on the barista”, (Harju,2011, pg.1)

http://projectquinn.com/scalding-case-of-fair-trade-coffee/

Starbucks: Key issues in relation to fair trade

Main partners:

Green Mountain Coffee homepage: [http://www.greenmountaincoffee.com/?cm_mmc=Google-green%20mountain%20coffee&gclid=CMrB1e2hjqsCFQLBKgodVBjvQ](http://www.greenmountaincoffee.com/?cm_mmc=Google-green%20mountain%20coffee&gclid=CMrB1e2hjqsCFQLBKgodVBjvQ)

IMF

Federal elections committee

Signature Packing Solutions: [http://www.corpwatch.org/article.php?id=852](http://www.corpwatch.org/article.php?id=852)

FLO: [http://www.organicconsumers.org/articles/article_15377.cfm](http://www.organicconsumers.org/articles/article_15377.cfm)

Fiscal 2010 Financial Highlights

- [External .pdf|https://wiki.geneseo.edu/?_task=mail&_action=get&_uid=1003&_mbox=INBOX&_part=2] Annual meeting of Shareholders

Links to C.A.F.E and SCS.


http://www.scscertified.com/index.php (SCS)

http://www.planetinc.com/certification.htm (SCS)


http://faircompanies.com/news/view/fair-trade-coffee-20/ This article illustrates how C.A.F.E is more of a label that denotes ethical practices, but does not necessarily mean it's fair trade in any way, shape, or form.

JAMES E. AUSTIN CATE REAVIS

Starbucks and Conservation International Aligning self-interest to social responsibility is the most powerful way to sustaining a company’s success. - Orin Smith, President and CEO, Starbucks Coffee Company

Here, are links to organizations or journalists that bring up C.A.F.E and its practices.

http://cafefanatic.com/cafedirect/
http://www.cafedirect.co.uk/
http://www.gtz.de/en/presse/28817.htm
http://www.puremothers.com/?p=1128
http://www.triplepundit.com/2008/10/starbucks-green-or-greenwashed/  Starbucks and C.A.F.E mentioned in this article.
http://www.conservations.org/sites/celb/Pages/main.aspx
http://www.organicconsumers.org/articles/article_7176.cfm

Articles that draw attention to Starbucks and Costa Rica:


However, this article seems to state a very different opinion. Also, note that according to the Starbucks financial statements, revenue jumped to $10.7 billion in 2010, up 9.5% from 2009.


For instance, Coffee farms in China? Why not just stay with farmers in Costa Rica? Maybe it's the 70% market share Starbucks has with China.

http://online.wsj.com/article/SB10001424052748704462704575609733431622088.html

"This creates a significant statement about our commitment to doing business in China and doing business the right way," Mr. Schultz said. The first beans will be harvested in three years. Mr. Schultz declined to offer financial details of the investment" (Howard Shultz, 2010).

http://www.nytimes.com/2011/01/14/business/global/14starbucks.html This is also going to start happening in India as well.

Starbucks criteria for fair trade is listed below:  [http://www.starbucks.com/responsibility/sourcing/coffee](http://www.starbucks.com/responsibility/sourcing/coffee)

**Fair Trade for a better quality of life**

Fair Trade Certified™ coffee empowers small-scale farmers organized in cooperatives to invest in their farms and communities, protect the environment, and develop the business skills necessary to compete in the global marketplace.

Starbucks began purchasing Fair Trade Certified™ coffee in 2000, helping grow the market for Fair Trade Certified coffee in the U.S.

Learn more about Starbucks Ethical Purchasing
Certified Organic - coffee that's better for the planet

Organic coffee is grown using methods and materials that have a lower impact on the environment. Organic farming practices help replenish and maintain soil health, reduce the use of toxic and persistent pesticides and fertilizers, and build biologically diverse agriculture.

Starbucks purchased 14 million pounds (6.4 million kilograms) of certified organic coffee in fiscal 2009. Our organic offerings include Organic Yukon Blend® and Organic Shade Grown Mexico.

Learn more about [Certified Organic](http://www.ams.usda.gov/AMSv1.0/nop)

Political Scope:

Neo Liberalism

Articles:

- **Fair Trade and Neoliberalism: Assessing Emerging Perspectives**
  Author(s): Gavin Fridell
  Source: Latin American Perspectives, Vol. 33, No. 6, Migration, the Global Economy, and Latin American Cities (Nov., 2006), pp. 8-28
  Published by: Sage Publications, Inc.

Emerging Perspectives include decomodification- challenge to capital structure of how goods are commoditized, shaped-advantage- assists local groups, alternative trade-incorporate poorest sectors into neo liberal policies.

- **Finding Strategic Corporate Citizenship: A New Game Theoretic View Source**
  Author(s): Craig J. Thompson and Zeynep Arsel
  Source: Journal of Consumer Research, Vol. 31, No. 3 (December 2004), pp. 631-642
  Published by: The University of Chicago Press

This article highlights the influence of groups in Europe after WWII that helped Latin American coffee growers establish alternative trade networks. They pretty much set up the standard of fair trade pricing for poor marginalized farmers.

Demographic:

The marketing success of starbucks is paramount to any other coffee shop. "The Starbucks revolution transformed gourmet coffee from a yuppie status symbol into a mainstream consumer good, and it essentially created the American coffee shop market" (Craig J. Thompson and Zeynep Arsel). In 1990, there were around 200. Today there are over 14,000 with starbucks owning 30% of all those coffee shops.

Good quote "The global structures of common difference that emanate from Starbucks’s market dominance correspond to the quintessential qualities of “third-places” (Oldenburg 1989, pg.45). He explains "Third-places (e.g., diners, taverns, pubs, café’s, coffee shops) exist between the formality and seriousness of the work sphere and the privacy and familial intimacy of the domestic sphere (pg. 46). According to another source, "Third-places are conducive to informal conversations and casual friendships, where patrons imbibe a comforting sense of community, camaraderie, and social engagement, (Thompson and Arsel pg. 1989, pg. 633). So the art work, background music and general layout of the coffee house is designed to meet the criteria of a upscale third place destination. So more middle, upper class people are the main customer base which might explain the urbane appeal that starbucks has created. But the important question is, if mostly educated people are going to Starbucks, why then is fair trade inchoate with both the customers and Starbucks.

Funny but truthful quote about Starbucks demographics "I was managing editor of the newspaper in Utica, N.Y., a lovely blue-collar city in the center of the state that is oozing population. The median family income is less than $30,000 a year. There is no Starbucks here. The closest Uticans get is the Starbucks coffee served in the Barnes & Noble bookstore at a mall in the richest suburb", (Bowman September 11, 2008), [http://mije.org/bobbibowman/starbucks](http://mije.org/bobbibowman/starbucks)

FAIR TRADE IN HISTORICAL CONTEXT

During the Bretton Woods Era (1940’s-50’s) regulations were placed on monetary management-this included all the major industrial states. Keynesian economics and government intervention lead to national and international capital controls. "During the 1990s, trade in fresh horticultural products has become increasingly global, a trend that has led to claims that the fresh fruit and vegetable sectors are ‘truly transnational’ (Bonnano 1994; Friedland 1994). During the 1990's Globalization and international exchange were confined to the imperatives of capitalism and what some economists refer to as “Regeanomics”. So by the 1990’s big business and biotechnology companies had already formed nepotisms that remained solidified by accessibility to the free market.

Regulation of markets. What organizations are in place to promote competition, especially when dealing with marginalized farmers. For example, during the 1990’s public marketing agencies and public firms that monitored potential monopolies were wiped out due to liberalization of the free market. This happened mainly in Africa with cotton farmers and the firms or ginneries that gave them incentives.
Context and Contingency: The Coffee Crisis for Conventional Small-Scale Coffee Farmers in Brazil


This article examines the neoliberal policies (import substitution industrialization) that contributed to increase coffee production but a decrease in state intervention such a development initiatives. It reduces the relationship between the global and local, therefore inflating poverty and inequality in those regions. The fair trade movement resembles a reconfiguration of the breakdown in state intervention and incorporates the market-based reform that will improve the lives of those effected by deregulation.

Rough Draft: History of Fair Trade Article

The fair trade movement, propelled by human rights organizations since the early nineteen forties, provides coffee drinkers the chance to make an impact on the lives of marginalized farmers. However, for coffee drinkers in Geneseo, the fair trade movement is tentative. This is astounding, and as consumers at the university we ought to be aware of this issue. But perhaps, awareness is the issue at hand.

Free trade, or “market liberalism” incorporates exchange as a process where three or more people are required to promote competition that relies on market forces, not human intervention as a means of trade. Fair trade, unlike free trade, works to establish market regulations that ensure all parties involved are compensated fairly through human intervention. It associates human intervention as a moral enforcer for marginalized farmers who may be inadequate to compete with big business. “The Fair Trade movement grows out of a variety of North American and European initiatives which have since the 1940s sought to help disadvantaged groups by creating alternative trade networks” (Reynolds, Long 2006:pg.2). However, in its nascent form, government policy and fair trade incentives were devised for international regulation that monitored independent countries. “The origins of the fair trade movement can be found in various attempts to control international commodity markets during the inter-war period, 1918 to 1939”, says Gavin Fradell, professor of politics at Trent University, in Ontario, Canada.

“Most of the participants at the negotiations viewed the inter-war system, based on protectionism and “beggarmy-neighbor”-trade policies, as having been responsible for the economic chaos of the 1930s and the rise of fascism and militarism. Thus, they sought to create a new international order based on a stable monetary system and liberal trade regulations” (Fridell, 2994; pg.413). It wasn’t until after WW2 when the Bretton Woods system established the International Monetary Fund and the International Bank for Reconstruction and Development (ie, World Bank) that antagonists to the fair trade movement began to come to life. In fact, Bretton Woods ushered in an era of world prosperity because it was the unwitting midwife of a return to a free economy, says Pedro Schwartz, one of Europe’s leading economists. In other words, industrial nations clandestinely laid the groundwork for free trade, setting up fixed rates that favored capitalist buying countries instead of protecting independent selling countries from their exploitation. Some could argue that the fair trade movement was a response to the lack of protection in countries that were vulnerable to an abuse of the Bretton Woods system.

Leading into the 1980’s, the United States, pressured by inflation from the nineteen seventies oil crisis, the dissatisfaction of business policy, and high employment rates of early eighties rendered an economic policy that further decentralized the market. It was known as neo liberalism, and is still with us today. “Neo” means we are talking about a new kind of liberalism”, says Elizabeth Martinez and Arnoldo Garcia, of the National Network for Immigrant and Refugee Rights. Regarded as the hallmark of capitalism, neo liberalism is “liberal” for its aspects taken from earlier liberalism such as what John Smith refers to as “Laissez Faire”. It is new, or “neo”, in the sense that it is structured as a philosophy for advanced economies operating in the global market. Most importantly, Neo liberalism allowed for powerful countries to amass their control over less developed countries by empowering an ideology that came to be a primary policy in third world countries.

2) Fair Trade at Geneseo currently: Article # 2 Research.

1) Ask around and interview kids on how they feel about Starbucks being on campus.

2) Find out if Starbucks, the one on campus, is promoting their fair trade coffee to students, if not try to ask around and figure out if it is? Are any students here demanding fair trade coffee?

3) How many other Suny Campuses have Starbucks, is there a trend or some sort of glamour that just attracts students? Basically elaborate more by asking students what is it about Starbucks that is so appealing. Perhaps it is simply a matter of convenience.

4) What are Starbucks current marketing strategies, particularly on campus? Is fair trade a part of that strategy?

Questions to ask Students about how they feel about Starbucks being on campus:

1. Are you a coffee drinker? If so, where do you purchase your coffee? (Starbucks, Muddy Watters, Milne, Dinning Hall, Perhaps they brew their own).

2. How do you feel about Starbucks being on campus? What is it that you like/dislike about Starbucks being on campus?

3. Do you know about fair trade coffee? What is that you know about fair trade? And if you do know about it, do you ever purchase a cup of fair trade if it is available?

4. What is it about Starbucks that appeal to you? Is more than just the coffee? For example, is it the atmosphere they provide? Do you think Starbucks is a responsible company that promotes fair trade coffee? Do you think that the majority of Starbucks coffee is fair trade?