

Lesson 5 – How to make trade fair (part 1)?



1. Look at the pictures and complete the hard, harder, hardest below...

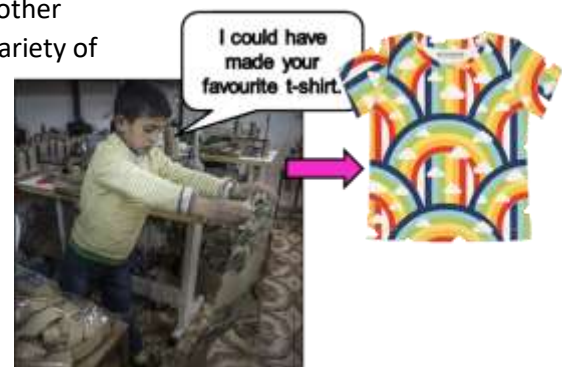
Hard = Can you name these products?

Harder = What is this company called and how is it different to other food companies?

Hardest = How does this company link to the lessons we have been learning?

Most of things we buy has been made in another country. For example, several countries are involved in making a pair of jeans. Also, tropical fruits are grown in other countries. This is good for us because it means we can buy a large variety of products and cheaper. However, many of the people who manufacture or grow the things we buy often receive a low wage and work in poor conditions.

Fairtrade is a NGO (non-governmental organisation), which pays farmers a fair price for their crops and helps reduce poverty in areas. If you buy Fairtrade products, you are reducing a negative impact of globalisation. You will have probably seen Fairtrade products in the supermarket. Many people buy them, but argue isn't enough variety.



Fairtrade farmers get a better price for their crops

Fairtrade products



Let's unwrap the chocolate bar:

A chocolate bar costs £1 in the store. The following are all responsible for the production of the chocolate bar:

Cocoa Farmer: work for 14 hours a day in very hot temperatures and poor working conditions

Importer: Has warehouses to store the cocoa beans Has to pay transport companies to move chocolate and pays import tax.

The Supermarket

Pays wages, lorries for transport and also needs to make a profit on what they sell.

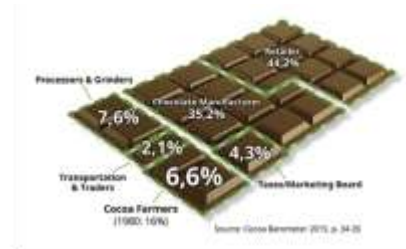
Shipper: Buys expensive cargo ships. Pays shipyards to dock ships. Usually international companies

Plantation Owner: pays wages and provides tools and equipment for workers.

- Write the job titles in order from where the cocoa bean begins until the consumer buys the chocolate bar. Next to each title, decide what portion of the £1 you think each job deserves

When we look at the actual breakdown of where the money is spent we get the following

Cocoa Farmer	1p
Plantation Owner	5p
Shipper	15p
Supermarket	44p
Importer	35p



LIC (Poor)	6p
HIC (Rich)	94p

Thinking task: Is this Fair? Explain your answer based on the roles and responsibilities of each job.

- Write these two headings in your book and leave four lines between each.

Fairtrade Minimum

Fairtrade Premium

Watch the video (click on the image for the video) and make bullet point notes under the two headings.



4. Read through the articles below. Evaluate the effectiveness of the benefits?
Remember effectiveness means if it has been successful (so you need to give a judgement from available evidence)

Success Criteria

Use keywords (including VIP)

3 points with evidence

Chain of reasoning (Explain in detail)

Judgement (Overall opinion on success)

Dorothy Agard – Farmer, St Lucia

About Dorothy

Dorothy Agard has been a banana farmer **for 10 years and produces 75 cartons** (1.4 tonnes) of bananas a week with the help of five full-time workers. Dorothy is a member of her local Fairtrade group.



Fairtrade Partnership

More than **85% of bananas grown in St Lucia are Fairtrade certified** and it is access to the UK Fairtrade market. Fairtrade Standards ensure farmers receive a price per box of bananas that covers their costs of production. In addition, St Lucia receives the Fairtrade **Premium of \$1.00 per box to fund community improvements** and business development.

Why Fairtrade Is Needed

These bananas are on the frontline of a 10-year supermarket price war in the UK which has resulted in loose bananas today selling for almost 40% less in 2014 than 10 years ago, while production costs have risen. As well as devaluing the fruit in the eyes of shoppers, this

continuous downward pressure on prices squeezes the incomes and living standards of banana farmers and workers who are caught in the crossfire.

Low retail prices mean farmers like Dorothy struggle to cover the costs of running small family farms that use more socially and environmentally friendly methods with fewer agrichemicals than many plantations.

How Farmers have invested the Fairtrade Premium

- Farm improvements to meet food safety standards, installing pit toilets and lunch rooms for workers.
- Health: medical equipment for rural clinics, construction of a medical store, annual health checks for workers on members' farms.
- Education: computers for schools, scholarships for secondary school students.
- Infrastructure: improvement of farm access roads and bridges.
- Contributions to farmers' pension funds.
- Reduced use of agrichemicals has led to an increase in wildlife.
- Buffer zones between banana plots and rivers/roads have reduced soil erosion, protected fruit from traffic pollution and provided space to plant other fruit trees for domestic consumption.

Natural Disasters Also Threaten the Industry

The worst drought in living memory helped the spread of Black Sigatoka fungal disease, which ravaged banana crops.

Following the devastation caused by Hurricane Dean in 2007, banana production throughout St Lucia was totally destroyed by Hurricane Tomas in 2010, estimates 36% of banana production on St. Lucia was affected.

Alexis Martinez Palacios - Agrosiete, Colombia



Alexis Martinez Palacios is a full-time worker in the packing facility of Agrosiete, a banana plantation located in Colombia.

About Alexis

Alexis has worked for Agrosiete since 2007. Alexis studied agronomy – the science of growing plants for food and other uses at university and has taken a number of other courses

ranging from firefighting to labour, law and import/export procedures.

Fairtrade Partnership

Agrosiete produces approximately **220,000 boxes of bananas a year**, depending on growing conditions. Each standard box is 18.14kg so this equates to **4,000 tonnes**.

Agrosiete was Fairtrade certified in 2007 and Fairtrade sales now account for 85% of the total. These sales include a payment based on the Fairtrade Minimum Price, which covers costs of production, and an additional Fairtrade **Premium of \$1.00 per box for workers to invest in community development.**

Other benefits

Housing projects

- Two important projects are being funded to improve workers' housing. Five new, high quality houses were built and allocated to workers in 2013.
- The second scheme provides loans for workers to buy land and build a house or to extend, improve or repair existing property.

Education

- Scholarships and travel allowances for children; student loans.
- Provision of schoolbooks, school equipment and new clothing for children of low-income families.
- IT and English classes for adults

Social Welfare

- Contributions to medical expenses including: glasses and dental work.
- Various training programmes for JB members in areas such as Fairtrade Standards and accounts.

