



Fair Trade 101

Use this information to educate yourself and others about how Fair Trade works and its impact on communities around the world.

“Fair Trade is a trading partnership, based on dialogue, transparency, and respect, that seeks greater equity in international trade. It contributes to sustainable development by offering better trading conditions to, and securing the rights of, marginalized producers and workers.” – World Fair Trade Organization

Fast Facts

- There are **over 2,000** Fair Trade producer organizations in more than **70 countries**.
- There are **tens of thousands** of Fair Trade products on the market, including coffee, tea, chocolate, flowers, fruits and vegetables, grains, apparel, artisan crafts, and more.
- Fair Trade began with the sale of handicrafts and artisan goods in the **1940s**. The first Fair Trade certification launched in **1988**, with coffee as the first Fair Trade certified product.

How Fair Trade Works

- Economic, social, and environmental **standards** provide sustainable livelihoods, promote safe and healthy working conditions, protect the environment, enable transparency, ensure gender equity, and empower communities.
- **Third-party certifiers** develop and certify against standards, with regular audits to ensure the standards are being met. The primary third-party certifiers in the U.S. are Fair Trade USA, Fairtrade America, and IMO’s Fair for Life label.
- Fair Trade is “market-based” because it relies on the combination of business and **socially-conscious consumers** to support the movement by purchasing Fair Trade products.

What Fair Trade Does

- **Fair prices and credit:** Farmers and workers receive a guaranteed minimum price for their products (or the market price if it’s higher). Depending on the product and quality, there may be other premiums and bonuses, for example if the product is certified organic.
- **Fair labor conditions:** Fair Trade farmers and workers enjoy freedom of association and safe working conditions. Forced child and slave labor are strictly prohibited.
- **Direct trading relationships:** Importers purchase from Fair Trade producer groups as directly as possible to eliminate unnecessary middlemen and empower farmers and workers to develop the business capacity necessary to compete in the global marketplaces.
- **Democratic and transparent organizations:** Fair Trade farmers and workers decide democratically how to invest Fair Trade premiums, which are funds for community development. Fair Trade committees provide opportunities for leadership regardless of gender.
- **Community development:** Fair Trade farmers and workers invest Fair Trade premiums in social and business development projects like scholarships, schools, leadership training, and organic certification.
- **Environmental sustainability:** Harmful agrochemicals and GMOs are strictly prohibited in favor of environmentally sustainable practices that protect workers’ health and preserve valuable ecosystems.

Fair Trade Premium Projects

- Farm workers at Wholesum Harvest in Sonora, Mexico, **purchased a school bus** to improve access to the local elementary school.
- COSURCA, a coffee cooperative in Colombia, invested in building a cupping lab to **empower farmers** to understand and improve the quality of their coffee, and ultimately fetch higher prices.
- Workers at CORA, a Fair Trade sugar producer in Paraguay, **purchased an ambulance** – the only one in the municipality.
- Loans from the Fair Trade premium have enabled workers at the Maud Tea Estate in Assam, India, to start small dairy businesses, **diversifying their income**.