

The Impact of FAIR TRADE and VALUE-ADDING

What is FAIR TRADE?

- (1) Farmers receive a fair and stable price for their products and, as a result, have the opportunity to improve their lives
- (2) Farming methods are sustainable and have greater respect for the environment
- (3) Small-scale farmers gain a stronger position in world markets and have closer links to consumers

How do we implement FAIR TRADE?

- (1) Provide growers with an *automatic* 10% markup on their sale price
- (2) *Guarantee* a minimum price
- (3) Access to market & price information
- (4) Technical assistance with quality and development

What is VALUE-ADDING?

- (1) Ensuring products are **grown, picked and packed** in the country of origin
- (2) Increases employment, especially in the poverty-stricken countryside
- (3) This allows all profits associated with growing, picking and packing to remain in the country
- (4) Assists social progress and financial reliance

TEA Examples

- ✓ Only 15% of supermarket tea prices goes back to the growers with no fair trade or value-adding
- ✓ However, Tradewinds' Superior tea bags and woven baskets consistently return some 30-35% to our partners as they are packed in Sri Lanka
- ✓ Tradewinds was the first big customer of the Dembadeniya Export Village. Our regular purchases of tea baskets over 30 years have been greatly valued and have encouraged the workers to continue
- ✓ Profits from our Sri Lankan teas are used to provide further educational and economic opportunities for tea workers in local communities like Dembadeniya

COFFEE Examples

- ✓ Without fair trade and value-adding, growers receive less than 10% of Australian retail coffee prices
- ✓ Value-added coffee (for example, our Papua New Guinea coffee) adds about 25% to the dollar amount that remains in PNG
- ✓ With fair trade and value-adding combined, almost 40% rather than 10% remains in the country of origin
- ✓ Currently no value-added coffee is exported from East Timor: Tradewinds is currently assisting local people to change this

