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# PRINCIPLES FOR DOMESTIC FAIR TRADE

Domestic Fair Trade Working Group • December 13, 2005

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## For Health, Justice & Sustainability

This declaration is our attempt to translate the principles of international Fair Trade, as expressed by organizations such as the International Fair Trade Association (IFAT) and the Fair Trade Federation (FTF), into the regional and local economic spheres. Our primary goals are to support family-scale farming, to reinforce farmer-led initiatives such as farmer co-operatives, to ensure just conditions for those who work in agriculture, to strengthen the organic farming movement, and bring these efforts together with mission-based traders, retailers and concerned consumers to contribute to the movement for a more equitable, diverse and sustainable agriculture in North America. It is our hope that we may help create a more holistic model of commerce that is consistent with the basic values of the international Fair Trade movement, and builds on the values of the organic and sustainable agricultural movements.

In recent years, the international Fair Trade movement has gained momentum, reaching more producers, traders and consumers with its message of fairness, equity and environmental stewardship in global trade. Representing a convergence of co-operative, solidarity, and social justice movements, Fair Traders focus on the empowerment and capacity-building of small-scale farmers, artisans and agricultural workers in the global South. By creating businesses committed to the principles of fairness and equity, Fair Traders provide concerned consumers in the North the opportunity to link with and support producers in the South through equitable trading relationships. Similarly, the organic and sustainable agricultural movements have grown in impact, focusing on the development and promotion of credible market-based claims for environmentally sound and humanely raised products produced by family farmers which meet consumer expectations for safe, healthy and nutritious products. Both movements have created positive change in the mainstream marketplace, influencing the conduct of conventional corporations by creating viable alternatives.

Today we can see that many of the challenges faced by producers in marginalized regions of the world are similar to those impacting family farmers in the North. In fact, many of these challenges are the result of the same global economic forces. As in the developing world, farmers, traders, workers and consumers have joined together to take action in often intersecting ways. In presenting these principles, we hope to affirm a set of values that will bring these various groups together into common cause to create a more socially just, participatory and sustainable economic system on the global, national, regional and local levels.

The principles we present below are not specific standards, but rather represent the values that underlie and guide our work together as organizations and individuals united for the promotion of “Health, Justice and Sustainability”:

- **Family Scale Farming.** Fair Trade focuses on reinforcing the position of small and family-scale producers that have been or are being marginalized by the mainstream marketplace, as a means of preserving the culture of farming and rural communities, promoting economic democracy, environmental and humane stewardship and biodiversity, and ensuring a more healthy and sustainable planet.
- **Capacity Building for Producers and Workers.** Fair Trade is a means of developing the producers and workers independence, strengthening their ability to engage directly with the marketplace, and to gain more control over their futures. The resources from trading relationships are directed toward this purpose in a participatory manner by those who will benefit from them.
- **Democratic, Participatory Ownership & Control.** Fair Trade emphasizes co-operative organization as a means of empowering producers, workers and consumers to gain more control over their economic and social lives. In situations where such organization is absent, mechanisms will be created to ensure the democratic participation of producers and workers, and the equitable distribution of the fruits of trade.
- **Rights of Labor.** Fair Trade means a safe and healthy working environment for producers and workers and conforms to all ILO Conventions and the Universal Declaration of Human Rights. The participation of children (if any) does not adversely affect their well-being, security, educational requirements and need for play and conforms to the UN Convention on the Rights of the Child as well as pertinent local/regional laws. Fair Trade ensures that there are mechanisms in place through which hired labor has an independent voice and is included in the benefits of trade through mechanisms such as living wages, profit-sharing, and cooperative workplace structures. Programs of apprenticeship are promoted to develop the skills of the next generation of farmers, artisans and workers.

- **Equality and Opportunity.** Fair Trade emphasizes the empowerment of women, minorities, indigenous peoples and other marginalized members of society to represent their own interests, participate directly in trade and to share in its economic benefits.
- **Direct Trade.** Where possible, Fair Trade attempts to reduce the intermediaries between the primary producer and the consumer, delivering more of the benefits of such trade to the producer and connecting consumers more directly with the source of their food and other products, and with the people who produced them.
- **Fair & Stable Pricing.** A fair price is one that has been agreed upon through dialogue and participation. It covers not only the costs of production but enables production which is socially just and environmentally sound. It provides fair pay to the producers, fair wages to laborers, and takes into account the principle of equal pay for equal work by women and men. Fair Traders ensure prompt payment and stable pricing that enables producers to plan for the future.
- **Shared Risk & Affordable Credit.** Farmers often bear the greatest risks of agriculture and an unstable marketplace. Fair Traders work to share these risks among producers, processors, marketers and consumers through more equitable trade partnerships, fair and prompt payment, transparent relationships and affordable credit. In situations where access to credit is difficult, or the terms of credit are not beneficial to producers, Fair Traders provide or facilitate access to such credit, or assist producers in creating their own mechanisms for providing credit.
- **Long-Term Trade Relationships.** Fair Trade fosters long-term trade partnerships at all levels within the production, processing and marketing chain that provide producers with stability and opportunities to develop marketing, production and quality skills, as well as access to new markets for their products.
- **Sustainable Agriculture.** Fair Trade emphasizes a holistic approach to agriculture, supporting sustainable agricultural strategies such as Organic, Biodynamic, non-toxic Bio-intensive Integrated Pest Management, farm diversification and small-scale farming that protect the environment, sustain farming communities, and provide consumers with quality, healthy food. Fair Trade emphasizes the biodiversity of traditional agriculture, supports the rights of farmers to their own seed, and preserves cultural diversity.
- **Appropriate Technology.** Fair Trade supports the use of traditional technologies, which are openly and freely shared in the public domain, and excludes plants and animals, and biological processes, which have been genetically engineered or modified.
- **Indigenous Peoples' Rights.** Fair Trade supports indigenous peoples' rights to land for cultivation, to freely exchange seeds and to retain rights to their germplasm. These rights are congruent with the Convention on Biological Diversity. We fully support the right of all peoples to food sovereignty.
- **Transparency & Accountability.** The Fair Trade system depends on transparency of costs, pricing and structures at all levels of the trading system. Fair Traders are accountable to each other and the wider community by openly sharing such information.
- **Education & Advocacy.** Fair Trade emphasizes education at all levels of the agricultural chain, engaging farmers, workers, traders and consumers in advocating for a more equitable, democratic and sustainable economy. Fair Traders in particular educate consumers about the inequities of the trading system and the need for alternatives, while sharing information with producers about the marketplace. Education strengthens the Fair Trade movement and empowers its stakeholders in creating a better world for everyone.

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The basis of these principles was established at the first meeting of the Domestic Fair Trade Working Group at La Farge, WI, August 23 and 24, 2005. The draft principles were further developed by the working group steering committee, which included Erbin Crowell (Equal Exchange), Jason Freeman (Farmer Direct Co-op/fairDeal), Michael Schneider, (Organic Valley/CROPP Co-operative), Michael Sligh (Rural Advancement Foundation International & the Social Justice in Agriculture Project), and Cecil Wright (Organic Valley/CROPP Co-operative). These principles, having been approved by the Working Group as a whole, are now being distributed to the wider community in an effort to encourage dialogue and action on these issues, as a declaration of support for like-minded organizations and individuals, and an invitation to join us with us in this work. This document represents the principles of Domestic Fair Trade as envisioned by the Domestic Fair Trade Working Group and will guide our work together toward a more socially just, democratically accountable and environmentally sustainable agriculture.

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