

# WHAT'S FAIR?

## A NEW GUIDE TO FAIR TRADE LABELS

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“What’s the difference between all these fair trade labels?” It’s a question we get a lot at Fair World Project. Now, thanks to a global coalition of academics and fair trade organizations, the updated *International Guide to Fair Trade Labels* helps to answer this question.

Never has the term “fair trade” been more widely used — or misused — than in this moment. Last fall, the global fair trade movement launched the Fair Trade Charter, recommitting not just to fairer supply chains, but to a vision for sustainable, local development around the globe. At the same time, more of the Big Food companies have launched their own labels, branding their own corporate social responsibility plans with labels that are heavy on marketing, but light on transparency.

### CORPORATE-LED LABELS GET LOW MARKS

The *International Guide’s* analysis is rooted in the principles of fair trade and the vision enshrined in the Fair Trade Charter. The *Guide* makes clear: fair trade is a movement that has agreed to some collective definitions and goals. And some of the labels that call themselves “fair” or “ethical” do not meet those standards. Unfortunately, those labels are some of the most commonly spotted on grocery store shelves here in the United States.

The *Guide* distinguishes between “fair trade labels,” corporate-led “voluntary sustainability programs,” and “sustainable development labels.” The corporate programs vary greatly in requirements, methods (for example, how compliance is verified), and transparency — some of the standards are not even available for public review.

When looking at the rankings from high to low, there’s a clear overarching theme: corporate-led programs get low marks across the board. From C.A.F.E. Practices to Fair Trade USA to Rainforest Alliance, corporate-led or -developed labels exist to put a stamp of approval on the supply chain — not to meet the needs of the farmers and workers they are supposed to benefit.

Whether it’s a fair trade label or one claiming “sustainable development,” it is abundantly clear how important it is to have the intended beneficiaries (farmers and/or workers) involved at every step of standards writing and implementation to build a strong standard that has true impact for those beneficiaries.

### DOMESTIC FAIR TRADE: DIFFERENT DEFINITIONS IN DIFFERENT PLACES

Initially, the term “fair trade” was applied to products and crops made or grown in the so-called Global South and traded with the Global North. The *Guide* highlights the growing use of the term “fair trade” to describe products grown and consumed domestically. What that “domestic fair trade” looks like varies greatly depending on whether you look at India, France, or the United States — the three cases examined in the *Guide*.

In India, traditionally designated a “producing country” by fair traders and colonialists alike, farmers and artisans are developing domestic markets for their goods in dedicated fair trade shops. In France, several small-scale farmer-led initiatives are organizing to tackle low prices, price volatility, and other issues familiar to farmers the world over.

In the United States, instead of an emphasis on small-scale farmers, the focus is on labor protections on large-scale farms.

Farmworkers most definitely need labor protections. Indeed, farmworkers in the United States are exempt from many protections granted to other workers, including minimum wage and overtime laws, freedom of association, and child labor laws. Yet large-scale, plantation-style agriculture has direct roots in slavery and the colonial modes of farming that rely on free or exploited labor. By focusing on the hired labor on these farms, “fair trade” labels for products in the United States have taken the side of the very plantation owners and colonial powers that small-scale farmers globally have organized to combat.

### WHO BENEFITS: CORPORATIONS OR FARMERS AND WORKERS?

Often, articles on certification and labeling focus on the confusion that the abundance of labels create for shoppers. But the confusion is only part of the story. If a corporate marketer is able to convince you that Mondēlez’s CocoaLife program, which doesn’t include minimum prices for struggling cocoa farmers, is the same as a fair trade certification, that’s a victory for their bottom line — and for business as usual, with slightly better marketing. Unfortunately, too many corporate-friendly certifiers are willing to help cash in on the trend. The end result? More claims, but little change. Lots of pictures of happy farmers and workers, but few structures in place to ensure they have a voice in every aspect of setting standards and saying what’s truly fair.

That’s why the updated Reference Guide (page 19) includes a column that rates the involvement of the “intended beneficiary” in the standard setting process and in the corporate governance (board of directors and advisory councils) of the certifiers. Farmers, farmworkers, and factory workers all face unique challenges. And no one is better positioned to understand those specific concerns (and their solutions) than the farmers, workers, and their organizations themselves. The findings of the *Guide* are clear: standards are stronger when the intended beneficiaries are at the drafting table.

There is no single solution for transforming our food system, and no label that guarantees completely ethical production. But the differences between labels are real — instead of letting confusion be the story, it’s high time we ask the bigger questions about power, who writes the rules, and who benefits.

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