



MEDIA INTRODUCTION - FAIRTRADE INDIA

FAIRTRADE Mark India launch 21st November 2013

Indian farmers and workers have been key contributors to the thriving international Fairtrade movement of small holder producers, workers, unique brands and exporters. Fairtrade saw sales of 4.8bn Euros globally in 2012, benefitting smallholder farmers and workers across the world. An additional 2.4 million Euros (approx. Rs.19.4 crores) was received by Indian farmers and workers as Fairtrade Premium above what they would otherwise have received in the market.

Fairtrade is an alternative approach to conventional trade and is based on a partnership between producers and consumers. Fairtrade offers producers a better deal, ensures protection of the environment and empowerment of the vulnerable in the rural societies. It allows producers the opportunity to improve their lives and plan for their future. Fairtrade offers consumers a powerful way to reduce poverty through their everyday choices.

When a product carries the FAIRTRADE Mark it means the producers and traders have met Fairtrade Standards. The Standards are designed to address the imbalance of power in trading relationships, unstable markets and the injustices of conventional trade.

The success of Fairtrade has demonstrated that consumers are willing to make active ethical choices in the market that have direct impact on poverty reduction.

Fairtrade India is now aiming to build on the success of the export model, to sell Fairtrade products directly to the growing Indian market to further benefit the most vulnerable and marginalised producers, while helping the environment, and raising awareness.

“This is an exciting opportunity for India to demonstrate that it can actually lead on ethical consumption and show its support for our small farmers. Buying Fairtrade is an immediate way for us to directly support the poorest farmers, and the environment,” said Abhishek Jani, CEO of Fairtrade India.

“Fairtrade has made a tangible difference in the lives of Indian farmers. We’ve been able to invest in our communities, and have greater power in our trading relationships thanks to the Fairtrade movement. With the launch of Fairtrade India, we now have a chance to increase the impact much further,” said Tomy Matthew, Chair of Association of Indian Fairtrade Producers.

History of Fairtrade India

Fairtrade India has been set up as a Section 25, not-for-profit company. The official launch date is 21st November, 2013, at Alliance Francaise in Bangalore.

Fairtrade was first launched in 1988 by Dutch company Max Havelaar to respond to unbalanced terms of trade for poor small scale producers and low commodity prices. Fairtrade International is now a global movement of producers, brands and civil society with over 1.3 million farmers and workers worldwide, and 4.8 billion Euros in sales globally in 2012.

Fairtrade started working with Indian producers almost 19 years ago, helping them gain access to European markets on better terms of trade. The initial basket of Fairtrade products from India included tea, spices, coffee, cotton and nuts.

There are now 121,400 workers and farmers working with Fairtrade in India, with 72 Fairtrade certified producer organisations, exporting Fairtrade certified products around the world. Indian producers are a part of the 1.3 million farmers and workers globally. In 2012, an additional 2.4 million Euros (approx. Rs. 19.4 crores) was received by Indian farmers and workers as Fairtrade Premium above what they would otherwise have received in the market.

The FAIRTRADE Mark is an independent consumer label which appears on products as a guarantee that they have been certified against Fairtrade Standards. The Mark indicates that the product has been certified to give a better deal to the producers involved and that the environment is also protected. The Fairtrade Standards provide both a minimum support price for producers, that protects them from volatile commodity prices. It also provides an added benefit – the Fairtrade Premium, which enables producers to invest in production, the environment and their communities.

Moving beyond the south-north trade model, Fairtrade Marketing Organisations have now been established successfully in Brazil, South Africa and Kenya.

With the launch, Fairtrade India now joins the global family, focussing on selling Indian-produced products into the Indian market.

In March 2013, Abhishek Jani was appointed its first Chief Executive and its Board members now include producers and Fairtrade experts alike.

Home grown brands are already available providing rice, tea, coffee, spices and cotton for Indian consumers and businesses (see FAQ's for further information). A range of wholesale Fairtrade products are also available, including cotton, coffee, rice, sugar, spices, dried fruit, cocoa and coconut, amongst others.

The following stores currently stock Indian Fairtrade products:

Auchan (Bangalore): <http://www.auchanindia.com> - Auchan is the first supermarket store in India to have an exclusive shelf for Fairtrade products.

Elements (Calicut): <http://www.elementsindia.net>

Modern Bazaar (Delhi): <http://modernbazaar.org>

Media Stories

1. Case Study of Impact - producer

The Chetna Organic & Fairtrade Agriculture (Cotton) Supply Chain Intervention Programme India [<http://www.chetnaorganic.org.in>] was launched in 2004 to improve the livelihoods of small, marginalised (& predominantly Adivasi/Tribal) Indian farmers from rainfed regions of Northern Andhra Pradesh (Telangana), Eastern Maharashtra (Vidarbha) and South Western Odisha.

Chetna farmers produce 100 percent organic and Fairtrade certified cotton without synthetic pesticides and fertilizers, or GMOs. Farmers have a direct role in decision-making throughout the production and selling processes rather than being mere recipients.

Farmers are organized into local/village level farmer self help groups, and larger cooperatives. The cooperatives have promoted two national level farmers owned & managed institutions: the Chetna Organic Farmers' Association (COFA) and the Chetna Organic Agriculture Producer Company (COAPCL), a wholly (100%) small farmers-owned, one-of-a-kind trading company in India - both of which work towards ensuring that the benefits of Fairtrade reach farmers and farm workers directly.

Farmers are extensively trained in quality control and certification standards. In six years, the project expanded from 240 to more than 6,000 farmers mainly from tribal belts in India.

In 2008, Chetna Organic, through its cooperatives, picked up a 10% stake in Rajlakshmi Cotton Mills Pvt. Ltd (RCM), India's only Organic and Fairtrade certified garment manufacturer with producer ownership. This relationship provides farmers many additional benefits including the creation of contracts from the beginning of the season to secure bank loans for farmers, access to pre-financing of up to 30% of cotton harvest, and importantly active participation in community development projects such as supporting schools, vocational training centres, eco-centres, women enterprises (incl. tailoring units), or creating revolving funds in remote villages.

"Earlier we were not getting a remunerative price for our cotton and we were also not aware where our cotton was going and what was being made of our cotton. This programme has helped us to understand the supply chain better, and increased our negotiating power with buyers," said **Kusum Rao**, a tribal farmer from Adilabad, now the President of COFA and representing COFA on the board of RCM.

In Adilabad district, Andhra Pradesh, where there are now 3000 small holder cotton farmers across 145 villages, primarily Adivasi, participation in Fairtrade

has gone beyond just the Fairtrade premium. It has helped to strengthen the skills and influence of the local producers, and enhanced their ability to negotiate in the marketplace.

Previously, farmers had to risk their families' health and safety by storing cotton in their small homes and usually got caught in the trap of distress selling, leading to either low profits or losses. Fairtrade Premiums have been used to make immediate part payments to the member farmers in times of need, or to enable farmers to store their cotton collectively in order to sell when prices are higher. This has had the added advantage of eliminating the threat of various insects and fungi from storing cotton at home, as well as farmers no longer having to face the danger of a lurking fire hazard in their living spaces.

Farmers spend nearly 50% of cotton cultivation expenditure on seed, and in 2010, there was a shortage of non-GM cotton seeds in areas where Chetna works. In response, Pragathi MACS, a Chetna cooperative, developed a 'Seed Kit' with the Fairtrade premium, with vegetables, pulses and oilseeds, for each and every member farmer, so that they could diversify their farming and not just rely on cotton. Revolving funds have also now been set up with the Fairtrade Premium, enabling farmers to borrow money at a reasonable rate if seed prices are high.

In the Kelveili village, located in the Akola district of Maharashtra, Fairtrade Premiums were used to clear thorny plants from an area where animals grazed. Funds were also used to construct a women's restroom. These projects have resulted in important quality of life improvements for farmers and their families.

2. Business: Hospitality sector leads in promoting better livelihood for cotton producers in Orissa

Orange County Resorts in Karnataka (<http://www.orangecounty.in>) are leading the way in social responsibility and are promoting Fairtrade products through its shops in two hotels in Coorg and Kabini. They also have plans to extend the line to include Fairtrade linen in the guest rooms.

"Fairtrade is a well-known brand today. The FAIRTRADE Mark appears on a fine line of products and stands for intrinsic value; that of fairness and equity." said Jose Ramapuram, the Director of Marketing for the House of Ramapuram, the promoters of Orange County resorts.

Orange County has a long history in promoting ethical business. Under Orange County's Responsible Tourism agenda, they aim to source ethically as much as they can, such as the organically grown produce for the resort's kitchen, with a view to supporting sustainable farming for the local economy.

Their inspiration to promote Fairtrade extends beyond traditional corporate social responsibility, which is about normally about providing funds to charity. For Orange County, it's about being part of a wider movement for change as well

as their brand image. “The association with Fairtrade is the first attempt on the part of our company to be associated with a global movement for agricultural sustainability and social equity. We think that by working with Fairtrade we can take a stand for agriculture that is both green and fair. We can also inspire our customers to become more aware of such movements, which seek to bring about economic, social and environmental change for the better,” said Mr. Ramapuram.

Such efforts create a virtuous circle – by procuring Fairtrade products, Orange County seeks to support both their business and that of producers, who can also develop long-term sustainable business model for others to support and emulate. This in turn, creates a better market for everyone.

Mr. Ramapuram, said, “The House of Ramapuram has been firmly rooted in coffee and spice plantations for the past hundred years. As a family, we have never seen land or the people who work simply as a means to an end. This spirit of responsible stewardship has guided the managerial practices and policies of the House of Ramapuram for the last century and now, with Orange County Resorts, an eco tourism destination. Fairtrade is in perfect harmony with the values of the House of Ramapuram.”

Orange County is working with another Fairtrade partner, **Dibella India**, which offers luxurious and fashionable clothing and home textile products with Fairtrade and organic certified cotton through its brand, Fair and Green.

“We are proud to be one of the pioneering organisations offering Fairtrade certified fashion products in the Indian market,” said **Sreeranga Rajan**, the CEO of Dibella India.

Cotton was procured from Pratima Agro, a Fairtrade certified farmers group in South Western Odisha where some of the poorest producers in India live. Through Fairtrade, they have improved the livelihoods of this marginalised farming community by increasing efficiencies, lowering input costs and raising income.

Currently, most consumers are unaware of the processes and impacts involved in the creation of a garment. The workers and farmers in the value chain are forgotten in the glamour of fashion and the glitter of corporate marketing. Fair & Green's brand philosophy is to put people and the environment central to doing business. Their focus is to provide beautiful, well-crafted products that are made ethically using Fairtrade and organic certified cotton. But quality of the product is utmost – not morals. “We created a brand that is covetable regardless of its mission.”

As the Fashion industry as a whole is moving towards using sustainable raw materials and adhering to more ethical practices, Dibella wants Indian mainstream retailers to start thinking about innovative ideas to use the power of fashion to be a catalyst for change. At the moment, however, current practices in the garment and textile industry are considered unsustainable because of the damage done to the environment and the exploitation of people in the value

chain.

“We are excited about the launch of Fairtrade because it provides an innovative opportunity for ethical businesses like ours to credibly demonstrate our commitment and to create tangible positive impact on cotton farmers and workers' lives. We strongly believe that Indian consumers are ready to exercise their power and act as change agent through their daily purchases.”

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Our website will be officially launched on 21st November

<http://www.fairtradeindia.org>