

In All Fairness

Organic shoppers are viewing the USDA label as a starting point. The most successful products on the shelf today tackle not only organic, but also fair trade and sustainability.

By Melissa Kvidahl

Beginning in early childhood, it is common to be taught what is fair (sharing, playing by the rules at recess, telling the truth) and what is not (cheating, stealing and lying, among other things). Any child who has ever retorted "But it's not fair!" on some level knows that appealing to someone's sense of justice is far more convincing than uttering "But that's not what I want." This sense of right and wrong, fair and unfair, has been part of the conversation in many industries. And thanks to the efforts of organizations such as TransFair USA, the food industry is getting a heaping dose of integrity.

In 2009 alone, through TransFair USA, farmers and workers earned more supplementary income than ever before, to the tune of an additional \$45 million. The consumer retail sales of popular fair trade products such as coffee, bananas,

tea, cocoa and sugar yielded more than \$14 million in premium funds for social and economic development programs such as health care, scholarships, women's leadership initiatives and micro-finance programs for participating farmers and workers. By the end of 2009, over 850 farmer and worker organizations were registered as fair trade, and more than one million individuals were reaping the benefits of the program.

A Year of Change

"The fair trade movement in the United States has experienced considerable momentum in the past year," said Stacy Geagan Wagner, director of communications at TransFair USA. "We've launched new product categories, including Fair Trade Certified wine, flowers and spir-

its. In 2009, consumers purchased more than \$1.2 billion in Fair Trade Certified products, and for the first time in our 11 year history, we certified more than 100 million pounds of coffee."

According to Sandy Yusen, director of public relations for Green Mountain Coffee Roasters, Inc.'s (GMCR, Waterbury, VT) specialty

coffee business unit, three important trends have emerged with regards to fair trade in the past year. First, as TransFair USA's statistics have proven, sales of fair trade products continue to grow, despite the challenging economy. "Second, fair trade has become even more mainstream, and we are seeing a breadth and depth of commitment to fair trade, with a broader scope of companies taking a leadership role in expanding fair trade," she said. Indeed, international businesses like Starbucks, Cadbury and Ben & Jerry's have recently been certified. A third trend Yusen noted was the incorporation of fair trade at a community level. "The Fair Trade Towns USA campaign is an initiative led by TransFair USA to galvanize communities nationwide to raise consumer awareness of fair trade, grow the availability of fair trade products and drive sales in order to help lift millions of farming families out of poverty," Yusen explained.

Perhaps in thanks to these outreach initiatives, yet another trend emerging in fair trade is the focus on specific human experiences. "I do see a shift emerging in fair trade to tell more of a specific story and make the story a bigger part of the goal rather than just having the certification and mark," explained Alan Turanski, operations manager at GloryBee Foods (Eugene, OR).

Paul Comey, GMCR VP of environmental affairs, showcases the 100kW solar array at the company's Waterbury, VT distribution center.



GMCR staff meets with coffee farmers.

This is most arguably where organic retailers and other specialty stores fit into this equation. According to the Organic Monitor, organic food pioneers are leading the way in sustainability, as shoppers in these stores become more interested in climate change, third-world debt and ethical issues.

"Consumers are demanding more from organic foods," the organization said in a statement. "To these consumers, organic only meets part of a complex demand equation."

Indeed, organic shoppers are predis-



posed to look for fairly traded products, and retailers are wise to take notice. According to Geagan Wagner, more than 47 percent of Fair Trade Certified products are also USDA Certified Organic. "Fair trade should matter to organic shoppers because the foundational elements of organics are holistic in nature including caring about the earth and what we eat, and the care with which things are produced in communities," explained Turanski. "Fair trade definitely shares some of the core values held by organic shoppers."

"I think consumers are very intelligent shoppers with lots of information at their fingertips," said Gael Orr, communications manager at Once Again Nut Butter Collective, Inc. (Nunda, NY). "People want to know that not only are they consuming healthy products, but that people were not harmed to bring those foods to their table."

Playing Fair at Retail

For retailers looking to break into the fair trade market, contacting TransFair USA to become a licensee is a critical first step, said Wagner. "That allows them to sell Fair Trade Certified products from certified importers and producers," she said.

To ensure success, Geagan Wagner noted that the most accomplished fair trade retailers carry multiple product categories so that consumers can find the Fair Trade Certified label in every aisle. Beyond stocking the right products, Turanski suggested that organic retailers use the tools they already have to ensure success with receptive shoppers. "Organic retailers who are thriving are educating their customers through signage, ads, communications and even short classes," he said. "These principles can be applied to fair trade and I think the retailers who have thrived over the last five years are in a great position to do so."

These communications should relay two very important messages, he added: that fair trade supports a social movement to help people who have less, and that the extra money they spend is really a gift which directly impacts the people who are producing the product and making a living from it.

And while a common concern among shoppers is elevated prices, Edouard Rollet, co-founder of Alter-Eco (San Francisco, CA), explained that organic shoppers will be less inclined to let that stop them from buying. Similar to how

organic products might have a higher price tag along with their heightened health benefits, fair trade products boast a higher quality in addition to their social benefits. "If you tell farmers that you're going to pay them three or five times more than what they'd normally be paid, you're going to get a better quality product," he added.

"The biggest benefit is customer loyalty, as these customers are supporting a cause and a group of people, and that is a deep connection that goes beyond price," Turanski said, adding that this is beneficial to the organic retailer in that shoppers will make this connection between social change and the store, furthering their loyalty.

Walking the Walk

Organic Products Retailer tapped into the expertise of many organic companies for this article. Below are some of the fair trade and sustainable efforts they've accomplished.

Gael Orr, communications manager at Once Again Nut Butter Collective:

"About 17 years ago, 501c3 charity Jubilee House contacted Once Again Nut Butter's co-founders, Jeremy Thaler and Constance Potter, regarding growing sesame seeds for Once Again. Jeremy and Jubilee House began working with three honey producing cooperatives: Las Flores, San Ramon and COSAP in Mateare, Nicaragua (started by a group of nuns). Once Again supported their work through an interest-free micro-lending initiative that was used to expand the co-ops' production, add hives and build a processing room, along with the investment in some equipment. Later, upon the success of the bee co-ops, Once Again purchased their honey and donated the balance of the loaned funds to set up the bee farms' expansion needs. In addition, we participate in farming projects in countries such as Nicaragua. We pay US prices for [sesame, peanuts and honey] and a portion of our Tahini

Butter sales supports the Jubilee House in Nicaragua, which creates employment for Nicaraguans by starting sewing co-ops, farming initiatives and providing medical care."

Alan Turanski, operations manager at GloryBee Foods:

"We process and pack organic fair trade honey from COMAPI in the Simplicio Mendes in the Piaui region of Northeastern Brazil. We traveled to Brazil to meet with the cooperative and a few of the beekeeping families and communities. We inspected the land and the facilities they use as well as learned about how their cooperative and communities operate. They showed us how they support each other and how the income impacts their quality of life with water cisterns, transportation, animals, etc. We agreed to purchase their honey and gave them some extra funds to help with the drought and thus poor crop they had this year. In addition, we are partnering with them to help them improve their beekeeping practices so they can produce more honey with the same effort and increase their income."

Jennifer Collier, marketing communications manager at Pacific Natural Foods:

"Recognizing that consumers want to know where their food comes from, we work closely with our partner farmers to grow fresh, wholesome, all natural and organic ingredients through our Certified to the Source® program. It's important to us and our consumers to connect the food we eat with its roots."

Sandy Yusen, director of public relations for Green Mountain Coffee Roasters' specialty coffee business unit:

"Today, GMCR offers one of the largest selections of double-certified fair trade organic coffees in the country, with over 45 varieties available. We have always believed that our highest quality coffees come from coffee communities with a healthy quality of life. In 2000, we signed the fair trade licensing agreement with TransFair USA. We committed to grow our fair trade line of coffees, with the goal of bringing fair trade to mainstream consumers. Since that time, fair trade organic coffee has been one of the fastest-growing segments of our business. In 2002, we began sourcing and roasting Fair Trade Certified organic coffees for Newman's Own Organics."



Sustainable Confusion

For Rollet, it's hard to talk and think about fair trade without examining its close buzzword counterpart: sustainability. Yet unlike fair trade, sustainability does not come with a formal certification or is as easily understood by shoppers.

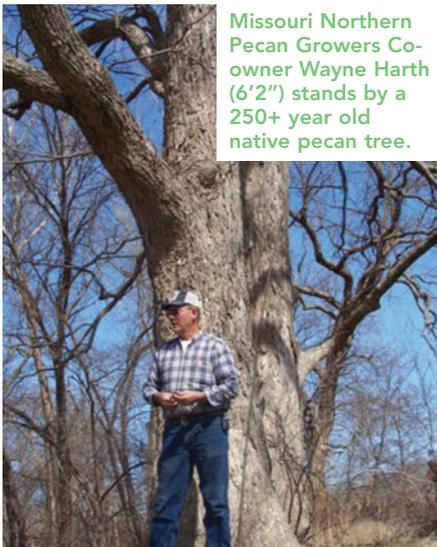


Edouard Rollet, co-founder of Alter-Eco, visits the Acopagro cacao cooperative in the Peruvian Amazon.

"The definition of sustainability is not clear to consumers, and there is certainly confusion around the term," explained Michael Dupee, vice president of corporate social responsibility at GMCR. "It's not clear as a meta-definition to anyone, and one person's or company's definition is different from the next one's." Turanski added that for many companies, their concept of sustainability is focused solely on an environmental aspect, so shoppers' values either completely connect or disconnect with the message.

Retailers, because they are on the front lines interacting with shoppers, are in a prime position to clear up some of this confusion.

First, suggested Drew Kimmell, managing partner and part owner of Missouri Northern Pecan Growers (Nevada, MO), retailers can define sustainability and give examples. "In our



Missouri Northern Pecan Growers Co-owner Wayne Harth (6'2") stands by a 250+ year old native pecan tree.

case, we can send you a picture of our pecan trees that have been producing since the 1700s—this tree has been producing for 300 years without any help from man," he added.

Jennifer Collier, marketing communications manager at Pacific Natural Foods (Tualatin, OR), suggested that if retailers choose, rather than defining sustainability, they can highlight products and companies that they know are doing good work and be specific about the actions that the company is taking. This way, retailers can leave it up to the shopper to determine if that fits their definition of sustainability. "For example, if a company has great relationships with local, organic farmers, a retailer can help tell that story, rather than just calling the company sustainable," she added.

In terms of merchandising, retailers can promote and discount local and organic products, or educate about more seasonal eating, said Turanski. "Retailers can teach classes on how to cook more for yourself, or they can encourage buying more bulk foods," he continued. "This is a difficult thing to do, but not impossible. It must, however, be a strategic initiative for the retailer and supported and promoted throughout the store."

Finally, retailers can also assist the suppliers themselves in relaying the most effective message. Through feedback, companies can be sure that the message they're putting out is the right one.

"What we want to do as a supplier is communicate sustainable attributes of products clearly," said Yusen. "Retailers can connect back to suppliers and communicate that consumers aren't interested in certain attributes but want to know more about others, or that consumers don't understand how we're communicating. So retailers can be helpful middlemen to connect the needs of consumers with the capacity of suppliers to communicate, explain and deliver what consumers want."

Leading By Example

Committing to sustainability does not end with the products on the shelf, however. For retailers who want to make their own businesses a bit more sustainable, manufacturers stepped up to offer some simple suggestions, as a starting point.

"An organic retailer can work toward becoming a more sustainable business by considering its triple bottom line," said Collier. "The retailer can look at the wellbeing of its employees and community, its carbon footprint (including energy efficiency and waste) and its economic viability."

More specifically, Rollet suggested eliminating the use of plastic bags in the store, or rewarding customers who bring their own bags to encourage the habit, in addition to using as much renewable energy as possible.

"Retailers can watch their own greenhouse gas and waste footprint, and work to reduce the impact of what it means to be in business," agreed Yusen. "They can reach backward into the supply chain to hold suppliers accountable for improvements to their own sustainability goals, engage with suppliers on these goals and let them know it's important. They can also reach forward by raising awareness with their customers and let them know about the sustainability impact of their purchasing choices."

And while running a sustainable business might be more costly in the short term, Rollet urged retailers to consider not only the environmental and social implications of their sustainability, but the benefits for business: "If you wait for everyone to take on these sustainable measures, it will be less costly, as with everything—but you will be just like everyone else. If you're the first one to do this, you are a pioneer and a leader. Do you want to be a follower at a lower cost or a leader at a higher cost of entry? Retailers can choose what they want to be." 🍏

Extra! Extra!

Visit www.oprmagazine.com to learn more about the Fair Trade Towns initiative and how to bring the program to a town near you.

For More Information:

- Alter-Eco, (415) 701-1212
- GloryBee Foods, (541) 689-0913
- Green Mountain Coffee Roasters, Inc., (888) 879-4627
- Missouri Northern Pecan Growers, (417) 667-3501
- Once Again Nut Butter Collective, Inc., (585) 468-2535
- Pacific Natural Foods, (503) 692-9666
- TransFair USA, (510) 663-5260

