



FAIR TRADE

Selective Purchasing Guide

BACKGROUND

Where does the coffee in your “coffee hour” come from? Do you know anything about how or where it’s grown, how it’s processed and who profits? Churches, as they became more aware of the poverty and human rights abuses that occur in coffee production and supply, began to search for ways to buy coffee that would support the lives of coffee growers. Thus many churches have connected with the fair-trade movement.

ELCA SOCIAL TEACHING

[Sufficient, Sustainable Livelihood for All](#), 1999 social statement

“Developing countries that have opened their economies to global markets have generally reduced poverty over time more than those that have not, but the terms of trade often work to the disadvantage of developing countries. Seeking more just exchanges ‘for all’ through investment and trade is a significant challenge. The danger is that less developed parts of the world, or less powerful groups within a country, will be exploited or excluded from participation in global markets” (p. 6).

“No one should be coerced to work under conditions that violate their dignity or freedom, jeopardize their health or safety, result in neglect of their family’s wellbeing, or provide unjust compensation for their labor” (p. 9). Calls for “changes to make policies of economic growth, trade, and investment more beneficial to those who are poor” (p. 6).

[Church in Society: A Lutheran Perspective](#), 1991 social statement

“As a community of moral deliberation, the Church seeks to ‘discern what is the will of God — what is good and acceptable and perfect’ (Romans 12:2). Christians struggle together on social questions in order to know better how to live faithfully and responsibly in their callings. Processes of deliberation need to inform and guide this church’s corporate witness in society. In dealing openly and creatively with disagreement and controversy, this church hopes to contribute to the search for the individual as well as for the common good in public life” (p. 6).

[Faith, Sexism and Justice: A Call to Action](#), 2019 social statement

Calls on the church to “advocate for and support economic policies, regulations, and practices that enhance equity and equality for women and girls, with special concern for raising up women and girls who experience intersecting forms of

Corporate Social Responsibility in the ELCA uses the tools of screening of investments, shareholder advocacy and community investing to work with corporations, calling them to ensure that people are treated fairly and with dignity and to create sustainable communities.

More at [ELCA.org/CSR](https://www.elca.org/CSR).

oppression” (p. 10).

HOW IT STARTED

The fair-trade movement could be considered to be more than half a century old, dating back to the 1950s, when U.S. and European travelers, noting the financial struggles of local artisans, would return to these artisans the profits from any of their goods if they sold them. In the 1990s fair-trade organizations began working to standardize fair-trade certification. Read more here about fair-trade certifications.

WHY DO WE NEED FAIR TRADE?

Small-scale farmers and artisans often lack the financial leverage to demand fair wages for their work. Fair trade seeks to create sustainable communities to address key global issues such as poverty, workers’ rights, gender equality, climate change, and child and forced labor. Here is one page that describes the impact fair trade has on all these issues.

WHAT IF FAIR TRADE IS NOT ENOUGH?

Fair trade is a step in the right direction of transparency of the supply chain and dignity for small-scale laborers. But it’s not a guarantee of just practices. Standards can still be fragmented and incomplete, and profit margins for farmers are often very slim. The people bearing the cost of fair-trade certification may be the people who have the least economic power.

To address such inadequacies, social entrepreneurs engaging in production of chocolate and coffee have developed direct-trade relationships. *Direct trade* is an effort to have a relationship with everyone in the supply chain for a product: whereas fair trade may have four to 10 different entities involved in production, direct trade would seek to have two to three entities in the supply chain between farmer and consumer. The result? More money going into the pockets of small-scale farmers.

The direct-trade movement is younger than the fair-trade movement. Direct trade is happening across a spectrum, and the well-funded systems of oversight that fair trade enjoys thanks to its longevity are not in place yet for direct trade.

HOW DO I FIND DIRECT-TRADE PRODUCTS?

Direct-trade products will often indicate on their packaging “bean-to-bar chocolate” or “craft chocolate.” If packaging cites a particular country of origin, whether for coffee or cocoa, that indicates a close relationship between the supplier of raw materials and the producer. Packaging stating a single source is even more desirable. Keep in mind that economies of scale will not apply; direct-trade products will, in fact, be more expensive, but more money is going back to the artisan.

WHAT ARE SOME DIRECT-TRADE PRODUCTS?

- [Latitude Chocolate](#) (works with LWR)
- [Mountain Harvest Coffee](#) (LWR investee)
- [Raaka](#) chocolate
- [Marou](#) chocolate
- [Ritual](#) coffee

WHAT ARE SOME OF THE FAIR-TRADE HALLMARKS?

- Click here for a [Guide to Fair Trade Labels](#) that explains some of the options.
- [Rainforest Alliance](#) gives its seal to agricultural products, forestry products and tourism businesses. Rainforest Alliance focuses its energies on forests and responsible land management, the rights of rural and Indigenous people, and sustainable livelihoods.
- [Fair Trade Certified](#) certifies products in numerous categories. Working with more than 1,400 companies, it guarantees a minimum price for farmers and producers; employs standards that ensure safe and healthy working conditions, the elimination of forced/child labor, fair and consistent compensation, and environmental protections and product traceability; and disburses funds through community development funds.
- [Fair for Life](#) is another, smaller standard of fair-trade certification for fair trade in agriculture, manufacturing and trade. Fair for Life strives for “responsible supply chains”: having a long-term vision, making a sincere commitment and acting responsibly throughout the supply chain.

There are other fair-trade organizations — look to see if the one you’re considering is a member of the [World Fair Trade Organization](#).

WHERE CAN I BUY FAIR-TRADE ITEMS?

- [SERRV International](#) offers products from coffee and tea to clothing.
- [Equal Exchange](#) focuses on coffee, tea and snacks.
- [Divine Chocolate](#) began as a cooperative owned by cocoa bean farmers in Ghana and now sells chocolate products in the U.S. and UK.
- [Ten Thousand Villages](#) offers fair-trade housewares and clothing.

Many stores, such as Whole Foods, sell fair-trade produce. Check your product label for fair-trade symbols.

FAIR-TRADE/DIRECT-TRADE PURCHASING POLICY TEMPLATES

- [Fair-trade policy for universities](#)