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## Paying a fair price

By SALLY KIDSON - The Nelson Mail    Last updated 12:33 16/05/2009

Every bean Nelson coffee roaster Andy Budd has sold since starting his business has been organic and fair trade.

"I felt there wasn't a point to doing anything else," he says.

When Budd started Kush Coffee, fair trade beans were a big point of difference, but 4 1/2 years later, more and more roasters are offering at least one line of fair trade beans. "These days, it's much more mainstream."

Budd says Nelsonians are tuned in to ethical shopping decisions, so it hasn't been a hard sell to get them to switch fair trade coffee. "It sells itself, really."

Coffee is probably one of the most visible areas where consumers are switching to fair trade varieties, with a large number of cafes and roasters in the Nelson region serving blends that meet fair trade standards.

But an increasing range of fair trade goods, including chocolate, bananas, sugar, dried fruit, spices, sports balls and cotton, is available in New Zealand.

It remains a tiny proportion of overall retail spending, but it's growing. Figures released by the Fair Trade Association of Australia and New Zealand for Fair Trade fortnight, which ends this weekend, show more than \$40 million in retail sales of fair trade-certified products in New Zealand and Australia last year, compared with \$22.5 million in 2007.

Defining "fair trade" isn't necessarily straightforward, and many of the people interviewed for this story struggled to describe it succinctly.

It could be summed up as an alternative approach to international trade that aims, as the name suggests, to promote a fairer approach, especially for sellers and producers in poor countries. It pays them a fairer price for their goods, cutting out middlemen, and provides them with long-term trading opportunities. It promotes decent conditions for the workers producing the goods, and investment in developing their communities.

Like Budd, Pomeroy's Coffee and Tea Company general manager Hayden Thompson is a keen supporter of fair trade.

He admits he has become more committed to it the longer he has been involved in it. "I guess some people would say I'm a bit more aggressive about it," he laughs.

Thompson says his company is experiencing big growth in its fair trade coffee range, sold under its Toxic label, which now accounts for one-third of all the coffee it sells.

He says that 10 years ago, coffee growers used to sell their green beans for less than the cost of producing them. Fair trade buyers offer a price that ensures they make a profit, enabling them to form cooperatives and put money back into their businesses and communities.

Budd and Thompson say there are sceptics who say the system doesn't work, but Thompson has met growers and heard a lot of stories about how they couldn't, for example, afford to send their children to school until their goods were bought by fair trade dealers.

He says that as fair trade coffee has become more mainstream, plenty of people are jumping on the bandwagon, so consumers need to look for the fair trade logo.

"Most people fully into fair trade will be using that logo."

In the past, one of the barriers to getting people to buy fair trade coffee was a perception that it tasted inferior and was of a lower grade, but Thompson says this has changed.

He entered a Toxic blend in the New Zealand coffee awards and it was judged third overall, also winning the fair trade section.

Price might still be a barrier to some roasters using fair trade beans. By choosing to buy fair trade coffee, Thompson probably pays twice as much for beans. Like other fair trade roasters, it's a cost he chooses to absorb rather than pass on to customers.

He says the fair trade industry is still just scratching the surface in New Zealand, a bit like the organics industry a few years back. In Europe, supermarkets have entire aisles devoted to fair trade products.

If New Zealand consumers want to buy more fair trade products, they need to lobby their supermarkets, cafes and restaurants to stock and use more of them, he says.

"It's fully driven by the public."

While fair trade coffee is now as accessible as free range eggs, the cocoa industry is firmly on the fair trade radar.

Tracey Walker, who owns Nelson's Zatori Cafe de Chocolat, says that while she would love to use fair trade chocolate or cocoa, so far she hasn't been able to source the cocoa butter she needs to the standard she requires

Nelson's Fresh Choice supermarket sells about 50 fair trade products across a range of lines, including olive oil, dried fruit, chocolate, and herbs and spices.

Grocery buyer Helen Miles says customers approach the store and ask for specific products, which she tries to source.

It hasn't been too hard for her to find them she either approaches Trade Aid or looks online.

She says demand for fair trade products has picked up as consumers have become more aware of the movement and she doesn't see any barriers to stocking fair trade products.

Miles, like spokesmen from supermarket giants Progressive Enterprises and Foodstuffs, says that if consumers ask for certain products, supermarkets will consider stocking them.

Groups like Oxfam and New Zealand's Trade Aid have been battling for fairer conditions for growers and producers in developing nations for decades.

Nelson's Trade Aid shop manager Margaret Court says people are much more aware of fair trade than they were a few years ago. "We don't have to explain it too much people get the essential thing, that it's paying a fair price for goods

Court says coffee and chocolate are the two main products that consumers are most familiar with in relation to fair trade, but awareness is growing around other products like sugar and drinking chocolate.

Part of this has been Trade Aid's desire to normalise fair trade products by trying to make them more widely available through supermarkets and organics shops rather than something people have to go to Trade Aid to buy.

Trade Aid runs school education programmes, and has started a push to get businesses to stock their canteens with fair trade coffee and sugar.

As well as improving the living and working conditions of the people involved in producing fair trade products, choosing those products often has environmental spinoffs, Court says.

Trade Aid has been promoting fair trade bananas as one product consumers should lobby for during Fair Trade fortnight.

Court points out that bananas have been selling for about \$2 a kilogram for about 10 years which can only mean that someone is not making money from selling them. She doubts that the importer is missing out. "It will be the person picking them, earning less than \$3 a day."

## THE PRODUCTS

**Chocolate:** Seventy per cent of the world's cocoa is grown in West Africa, where various reports have exposed appalling working conditions on many cocoa farms, including children being forced to work as actual or near-slave. World Vision says 600,000 children work on cocoa plantations in Ivory Coast alone. Trade Aid says millions of cocoa farmers face economic ruin because the price they are paid for their crops is often less than the cost of production

**Bananas:** New Zealanders eat more bananas per head of population than any other nation, and the world banana trade is fifth in scale after cereals, sugar, coffee and cocoa.

Trade Aid says most banana plantation workers do not earn enough to live on and support their families some earn less than \$3 a day. Sales and demand have soared, but banana prices have plummeted.

**Coffee:** World coffee prices are volatile and typically very low, regularly leaving growers facing economic ruin. Often the price growers receive is lower than the cost of production.

**Sugar:** Sugar is produced in more than 100 countries, but producers in developing countries say they can't compete with Western producers, who are heavily subsidised and protected by high tariffs. The combination of subsidies and tariffs has led to overproduction, depressing prices and making it hard for small-scale growers to survive. Sugar production is blamed for more environmental damage than any other crop, through land clearance and chemical use.