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The Fairtrade movement: Six lessons for the organics sector

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Abstract

Fairtrade retail sales increased by 12.1% in the UK while organics sales decreased by 12.9% in 2009. This paper examines the lessons that the organics sector might usefully draw from the successful experiences of the Fairtrade movement. Three lessons of exposition and three lessons of engagement are identified. Fairtrade has a common logo across markets, typically there is a narrative, and the provenance of the ingredients is stated. Fairtrade has successfully extended its branding to engage with places and educational and faith communities, and to publicly acknowledge such engagements. There are 500 Fairtrade Towns in the UK, along with 118 Fairtrade universities, a diversity of faith communities including over 6000 Fairtrade churches, and over 4000 UK schools are registered in the Fairtrade Schools Scheme.

Introduction

Organics and Fairtrade share much in common. They both differentiate their products in the marketplace, both offer third party certification of food and farming, both have appeal to the 'ethical consumer', and they both typically sell at a premium price.

Retail sales of Fairtrade products in the UK increased by 12.1% in 2009 (Fairtrade Foundation, 2010). Over the same period, retail sales of organic products in the UK decreased by 12.9% (Soil Association, 2010). It is tempting to attribute the decline in organics sales to the recession, however the increase in Fairtrade sales contradicts any such simple 'explanation'.

The stated goal of the organics movement is the worldwide adoption of organic agriculture (www.ifoam.org). If that is to be achieved then annual gains need to be consolidated year on year. Historically, the experience of the organics sector has been steady incremental growth. At the historical rates of increase, organics would require 39 years to triumph assuming a geometric rate of increase, like compound interest, or 544 years if the increase is arithmetic, like simple interest (Paull, 2010). A step backwards, as has just been witnessed for the UK organics market, and that in concert with a step forward for Fairtrade, invites consideration of the question: are there lessons for the organics sector to be learned from the Fairtrade movement?

Materials and methods

The practices, documentation and statistics of organics and Fairtrade, two third-party certification systems for food and agriculture that have developed independently, are compared and contrasted using longitudinal data and contemporary information with a view to drawing lessons that may be useful in advancing the organics cause.

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Results

Global Fairtrade retail sales are valued at €2.3B and there are 1.5 million producers in 58 countries (Fick, 2009). The Fairtrade certification mark is a trademark of Fairtrade Labelling Organisations International (FLO) which has 24 member organisations (Fick, 2009) and was founded in 1997. This compares to the global organics market valued at €37.2B, with 1.8 million producers in 160 countries (Willer & Kilcher, 2011). The International Federation of Organic Agriculture Movements (IFOAM) has 804 member organisations and was founded in 1972.

In the past twelve years organics sales in the UK have increased 372% (Soil Association, 2010). Fairtrade sales in the same period, coming off a much lower base, have increased 4600% (Fairtrade Foundation, 2010). UK organics sales decreased in 2009 while Fairtrade sales increased. In a study of consumers, 31% of British shoppers stated that they expect to purchase more Fairtrade products in the future, while, in contrast, only 9% expect to purchase more organic products (IGD, 2010).

There is some overlap of organic and Fairtrade certification schemes. For example, the global supermarket Lidl's 'Fairglobe' coffee, "Highland Coffee from Ethiopia, Peru and Papua New Guinea", bears certifications from both Fairtrade and the UK's Soil Association. The coffee prominently declares its provenance and such a declaration is a core element of the Fairtrade narrative. The 'Fairglobe' product also informs shoppers: "The Fairtrade Certification Mark is your independent guarantee that this product has been certified with the international Fairtrade standards. The purchase of this product enables the improvement of working and living conditions of producers in developing countries and encourages environmental protection. www.info.fairtrade.net" (Lidl, 2010, rear label). The product bears no corresponding organics narrative; the inscription "Økologikontrolmyndighed" is not a substitute for an explanatory narrative and will surely have low or zero informational value for British shoppers. Organic-certified products sold in the UK frequently omit their provenance. This omission makes sense from a producer point of view since the product may 'brag' of a positive attribute, such as its 'organic-ness', while suppressing what may be perceived as a negatively valued provenance, such as 'China' (Paull, 2009a).

Both Fairtrade and organic certified products rely on logos for product differentiation - their products are otherwise indistinguishable in the market. The approach to logos differs substantially. For Fairtrade food there is a common logo used in almost all markets. The same logo is used in markets as culturally and linguistically diverse as: Austria; Belgium; Czech Republic; Denmark; Estonia; France; Finland; Ireland; Italy; Japan; Latvia; Luxembourg; the Netherlands; Norway; Spain; and Sweden. Despite the diversity of languages across these markets, the linguistic element incorporated in the logo in each case is the English 'Fairtrade'.

The Fairtrade mark is recognized by 82% of UK consumers and, of these, 94% report that they trust the mark (Fick, 2009). The logo is distinctive and readily recognizable with colourful graphical elements and accompanying the graphic is the single word 'Fairtrade'. Without compromising the integrity of the logo, the Danish and Belgian Fairtrade labels add 'Max Havelaar' in a smaller font (www.maxhavelaar.dk; www.maxhavelaar.be) and the Spanish logo adds 'Comercio Justo' (www.sellocomerciojusto.org). In contrast, there is no universal organics logo. Organics certifiers, of which there are over 500, each impose their own logo (www.ifoam.org) which lack any commonality of shape, graphic elements, or text. China has its own national organics logo which bears bilingual text in Chinese and English (Paull, 2009a). The European Union from 1 July 2010 has mandated an EU-wide

organics logo which may be accompanied by a certifier logo. However, the EU organics logo has no text, and this renders it intrinsically indecipherable - a dozen white stars on a green ground can be 'read' as 'organic' only by the initiated.

Fairtrade has been very successful in engaging places and communities in its vision. Garstang in Lancashire was the first Fairtrade Town in 2001. The Oxfordshire town of Bicester has recently become the 500th 'Fairtrade Town' in the UK (Mall, 2010). Oxford Brookes University became the world's first Fairtrade university in 2003, and there are now 118 Fairtrade universities and colleges in the UK. Faith communities are well engaged with Fairtrade; and include: over 6000 Fairtrade churches; 39 Fairtrade synagogues; a Fairtrade mosque; and a Fairtrade Hindu temple. There are more than 4000 UK schools registered in the Fairtrade Schools Scheme (Mall, 2010).

In contrast, proposed extensions of organic certification have frequently met with resistance. The Soil Association, in partnership with Garden Organic, is heavily involved in the 'Food for Life' programme and 2850 schools are enrolled. The website asks: "So what is the Food for Life Partnership award scheme all about? The Food for Life Partnership Mark is an action framework and award scheme to help schools and their communities transform their food culture. Food for Life Partnership schools are committed to serving freshly prepared, well sourced food and linking pupils with the farms where it was produced, while inspiring them to cook and grow food for themselves" (www.foodforlife.org.uk). This may all be commendable but any mention of 'organic' in the name of the programme, or this stated rationale, is entirely absent.

Discussion

Sales of Fairtrade and organics have both exhibited substantial growth over the past decade, however, with Fairtrade sales advancing and UK organics sales in retreat most recently, it is timely to consider what lessons might be drawn. There are "barriers" to "shopping ethically" and any lessons that can be drawn may most usefully be viewed in the light of these. Consumers identify four such barriers: "too expensive" is cited by 52% of shoppers; "lack of availability" by 31%; "lack of trust" by 14%; and "lack of knowledge" by 17% (IGD, 2008).

There are at least six lessons that can be drawn and they fall into two categories - exposition and engagement. Three exposition lessons pertain to logo, narrative and provenance. Three engagement lessons pertain to places, faith and schools.

The first exposition lesson relates to product differentiation. In the case of Fairtrade, with only a few exceptions such as USA and Mexico, there is a common Fairtrade logo shared across geographic and linguistic boundaries. The logo text is in English, implicitly acknowledging English as the universal language of our times. In contrast, the new text-free European organics mark has near to zero intrinsic meaningfulness, and even the experienced semiotician has no key to unlock its cryptic 'message'. A single universal organics logo would make organic certified produce more readily visible in the marketplace, it would ease the label-reading burden on shoppers, and it would be a demonstration of sector unity. A common organics logo would add visibility and credibility to the organics project, and this can address three of the barrier issues: availability, trust and knowledge.

Two further exposition lessons are to add a narrative message and the provenance to organics products. Aldi Australia, for example, add the message "grown as nature intended with no chemicals or additives, altogether a better way to eat" to their organic products, and the organic honey label clearly states the provenance as "Kangaroo

Island, South Australia". Such narrative and provenance elements address two consumer barriers by adding knowledge and potentially enhancing trust

Fairtrade has been very effective in engaging geographic, social and age cohorts in their vision. The organic sector has been slow and reluctant to extend its 'organic' designation beyond food and farm. The Fairtrade movement, in contrast, identifies and engages key social constituencies and enables the public declaration of that engagement. These initiatives include recruiting towns and universities, a diversity of faith communities, plus primary and secondary schools are being actively and very successfully recruited into the Fairtrade vision. Today's school children are potentially tomorrow's ethical and eco-aware consumers. The vision of engaging children into an organic vision dates back at least to the organics pioneer Henry Shoobridge and the Living Soil Association of Tasmania in 1946 (Paull, 2009b), and yet the recruitment of children into the organics vision of the world remains elusive, and meanwhile at their AGMs, for example, we witness the aging cohort of certain organics advocacy groups.

Conclusions

There are lessons to be drawn from comparing the recent experiences of Fairtrade and organics. Such lessons, drawn from the experiences in one domain and applied to another, are, of necessity, at best indicative rather than definitive. Nevertheless there is substantial commonality of principles, practice, and propositions shared across these two movements and this argues for the potential value and transferability of lessons. With Fairtrade surging ahead and the most recent experience of the UK organics sector contracting, the adoption of any such lessons may be timely, although, admittedly, their novelty may require some mind-set changes. In this study the lessons identified are of two types - exposition and engagement - and their implementation may serve to enhance the consumer offering, to address three of the consumer-barriers to ethical consumption, and to recruit and cohere constituencies.

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