

Press Release

Embargoed to 01.00H, Wednesday 28 June 2006

Worldwide sales of Fairtrade products rise by a third as Fairtrade sales in the UK reach £200m

New figures released today by the Fairtrade Labelling Organisation (FLO) International reveal that global sales of Fairtrade certified products reached €1.1 billion in 2005. This represents an increase of 37% over 2004.

Meanwhile in the UK, the Fairtrade Foundation recently announced that sales topped £195m for 2005 – a 40% rise in one year - and are now running at a rate of £200m a year. The Fairtrade Foundation is the UK member of FLO which unites 20 national initiatives across Europe, Japan, North America, Mexico and Australia/New Zealand. Global Fairtrade trade figures are unveiled to coincide with the publication of FLO's annual report for 2005.

The speed at which the sales are growing shows an increasing demand from consumers for a positive model of trade which is fairer and more sustainable for farmers and is helping them to bring development to their communities.

“Fairtrade's significant worldwide growth in 2005 also shows that more and more producers, traders and suppliers trust the Fairtrade Certification Mark and look to join the system. Increasingly companies are knocking on the door of the labelling organizations because they want to have the Certification Mark on their products. In the past year alone, the number of companies offering Fairtrade Certified products increased by 29%. The certification system behind the cheering person in the Certification Mark is absolutely independent from any interest, and this is what people trust”, says Luuk Zonneveld, managing director of FLO International.

One of the more recent companies to join is Marks & Spencer, one of the largest food and clothing retailers in the UK. The entire range of Marks & Spencer's coffee switched to Fairtrade in March 2006 in a move which is estimated to increase the value of all Fairtrade instant and ground coffee sold in the UK supermarkets by 18%. Work now underway to repeat the 100% switch with their tea looks set to increase the value of Fairtrade tea by approximately 30%. But Marks and Spencer is only one of almost 300 companies around the world that have become involved in Fairtrade in 2005, which has grown from 1151 in 2004 to 1483 in 2005.

The increase in the Fairtrade range and Fairtrade sales means that more producer organizations are able to sell to the UK Fairtrade market. The number of producer groups who supply the UK has risen to 301, up from 197 last year, with a particularly welcome increase in the numbers of groups from Africa. Globally, the number of certified producer organizations has grown by 127% since 2001 to 508 groups in 58 countries and the number of registered traders has increased by 132% in the same period.

“The Fairtrade system encourages farmers in Africa, Asia and Latin America to organise into democratically run groups and implement changes in agricultural practice. This ensures that the gradual improvements which Fairtrade makes possible are sustainable, giving communities a real chance to build a brighter future”, Luuk Zonneveld added.

Silver Kasoro-Atwoki from the Mabale Growers Tea Factory Ltd in Uganda, who toured the UK this Fairtrade Fortnight, explained what Fairtrade means to tea growers in his country: “Through Fairtrade, we have been able to change our agricultural techniques to improve the quality and quantity of our teas. We have opened new access roads to benefit all in the community, assisted in providing primary healthcare through construction of health clinics and added a new block to the local secondary school. Fairtrade is significantly contributing towards the social improvement of our community and providing a better future for our youngsters.”

And Tadesse Meskela, General Manager of Oromia Coffee Farmers' Co-operative Union in Ethiopia, explained: “With Fairtrade coffee, farmers in Ethiopia are getting their deserved reward. Fairtrade is not just about selling and buying. It is creating a global family.” Mr. Meskela told how the collapse in coffee prices has affected farmers. For most of the last six years coffee prices have remained below the cost of production, causing immense hardship for millions of farmers. In 2001, prices plummeted to just 45 US cents per lb and farmers in Ethiopia were forced to sell the corrugated iron roofs from their homes. Thanks to Fairtrade there is now hope for some of the farmers who have lived through such desperate times.

FLO is investing ever more resources back into producer organizations, and in 2005 set up the Producer Business Unit to increase the support to Fairtrade-certified producer organizations. The Unit now numbers 10 people in Bonn, Germany, with a growing number of locally-based “Liaison Officers” to work directly with certified organisations and those seeking to enter the system. Thanks to a partnership with the Dutch business advisory organization SNV, there are now 25 liaison officers on the ground and this is expected to increase to 30 by the end of 2006.. It is expected that 370 producer organizations, representing 600,000 families, will benefit from the cooperation between SNV and FLO.

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1. All figures for retail values are estimates, calculated from reported wholesale values.
2. The Fairtrade Certification Mark is a certification mark and a registered trademark of Fairtrade Labelling Organisations International (FLO) of which the Fairtrade Foundation is the UK member. This independent consumer label appears on products as a guarantee that disadvantaged producers are getting a better deal. 1 in 2 adults in the UK recognize the Fairtrade symbol and correctly associate it with giving producers in developing countries a better deal, according to the latest TNS Omnimas study (April 2006).
3. Today, more than five million people - farmers, workers and their families - across 58 developing countries benefit from the international Fairtrade system. The Fairtrade Foundation is an independent certification body which awards the Fairtrade Certification Mark to products which meet international Fairtrade standards.
4. The full range of Fairtrade products now includes coffee, tea, chocolate, cocoa, sugar, bananas, apples, pears, grapes, plums, lemons, oranges, satsumas, clementines, lychees, avocados, pineapples, mangoes, fruit juices, quinoa, peppers, green beans, coconut, dried fruit, rooibos tea, green tea, cakes and biscuits, honey, muesli, cereal bars, jams, chutney and sauces, herbs and spices, nuts and nut oil, wine, beer, rum, flowers, sports balls, rice, yoghurt, babyfood, sugar body scrub, cotton wool and cotton products.
5. Fairtrade Fortnight is the annual promotional event of the Fairtrade Foundation. During Fairtrade Fortnight 2006 just under 10,000 events took place all over the country – from Fairtrade fashion shows and fairs, to wine tastings and school assemblies.

For information about Fairtrade in the UK, or to interview the Fairtrade Foundation, please phone 020 7440 7695/ 7686 or mobile 07770 957 451 or email: martine.julseth@fairtrade.org.uk or eileen.maybin@fairtrade.org.uk.

For copies of the 2005 FLO annual report, please contact Verónica Pérez, Communication Officer, at FLO International, Tel:++49 228 949 2314 email: v.perez@fairtrade.net Website: www.fairtrade.net