



# Visualizing Fair Trade Coffee

The fair trade certification world has entered a period of major change. The recent departure of Fair Trade USA from the international certification system led by Fair Trade International (formerly FLO), and its decision to develop separate U.S. standards that permit certification of plantation-produced coffee, cocoa, and other crops, has thrown the meaning of the U.S. fair trade label into question. The recent appearance of a new certification—The Institute for Marketecology (IMO) “Fair For Life” label—has made the panorama even more complex. These developments follow a decade of struggles within the fair trade movement over the nature of its relationship to large (often transnational) corporate firms, some of which have contributed to the dramatic growth of fair trade sales.

These graphics represent an effort to capture the level of involvement by large corporate firms in the U.S. and global fair trade coffee markets. Because Fair Trade International and Fair Trade USA do not divulge data on the volumes of fair trade certified products purchased by individual companies—deeming the information a trade secret—basic figures on companies’ participation are challenging to find. This lack of transparency, critics charge, allows companies to engage in “fair-washing”—that is, to use low levels of engagement with fair trade to persuade consumers that they are socially responsible, and/or to distract attention from other socially or environmentally harmful practices. It also blurs the distinction between 100% fair trade companies (many of which have long histories of involvement with producer communities and organizations) and those firms participating in fair trade at merely token levels.

For the U.S. fair trade market, these figures may offer one of the last reliable “snapshots” of large companies’ coffee purchases from fair trade small farmer organizations.

Because Fair Trade USA’s new standards will allow roasters to certify coffee from plantations and estates beginning in 2012, it will no longer be possible to distinguish between sources. Companies purchasing little or no smallholder-grown coffee could even have up to 100% of their coffee bearing the fair trade label. Thus, comparisons between the U.S. market and the rest of the world may no longer be possible.

The data in these charts are drawn from a range of sources: firms’ annual reports and social-responsibility reports; NGO reports on the coffee industry; media coverage; interviews with roaster staff; and responses by companies to email queries for information. Note that there are many more firms purchasing fair-trade certified coffee in the U.S. than portrayed in these charts. We included information for all companies that responded to our information requests, or for which we could find publicly available data; many firms that did not respond to requests are not represented here. All figures represent purchases of green (unroasted) coffee. One important note: for these charts we include as “fair trade certified” coffee certified under either the FLO/Fair Trade International system (including Fair Trade USA as of 2010), or the new IMO “Fair For Life” system, to which many 100% fair trade firms have recently switched.

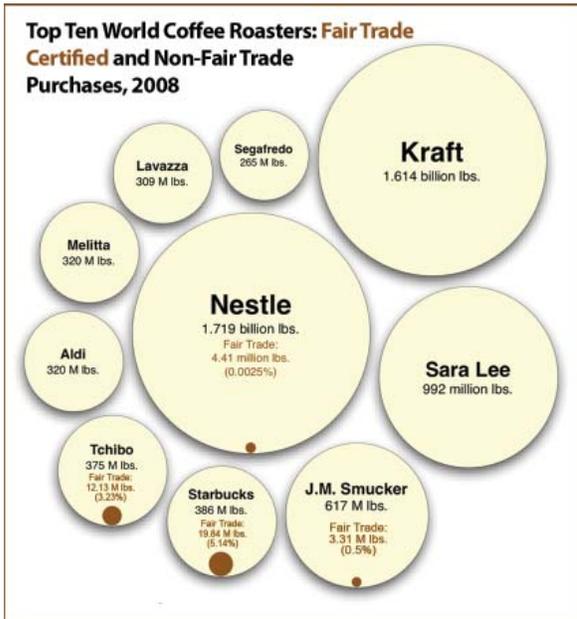


Figure 1 shows the world’s 10 largest coffee roasters and the levels of their fair-trade certified coffee purchases, as of 2008 (the last year for which these data are available). Only four of the top 10 firms purchased any fair-trade certified coffee at all: Nestlé, Tchibo, Starbucks, and J.M. Smucker (Smucker purchased fair trade Millstone coffee, part of the Folger’s line, from Procter & Gamble in 2008). Nestlé, which received fair trade certification in 2005 from the Fairtrade Foundation in the U.K. for its “Partner’s Blend” line (a controversial decision within the movement), had the lowest percentage of fair trade purchases, at only 0.0025 percent. Number-two Kraft and number-three Sara Lee sold no fair trade-certified coffee as of 2008.

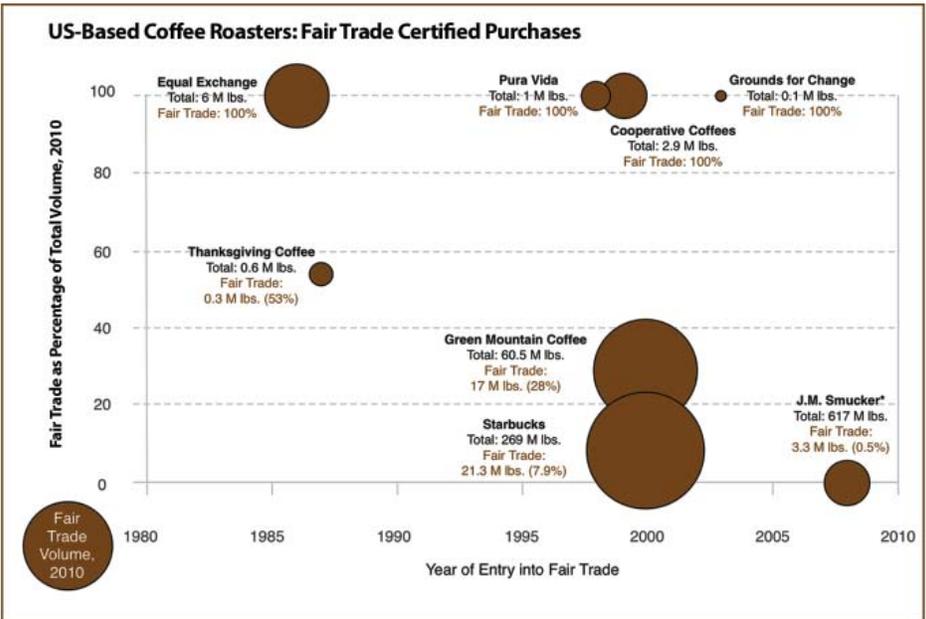


Figure 2 shows selected U.S. coffee roasters based on the year of their entry into fair trade, the percentage of their total coffee purchases that were fair-trade certified as of 2010, and the total volume of their fair trade-certified coffee purchases. For example, the U.S. movement pioneer Equal Exchange began selling fair trade coffee in 1986 (well before formal certification began in the U.S.), and purchased 6 million pounds of fair trade beans in 2010, all of them fair-trade certified.

\*2008 data; J.M. Smucker acquired Folger’s in 2008; Folger’s Millstone Brand established a Fair Trade line in 2003

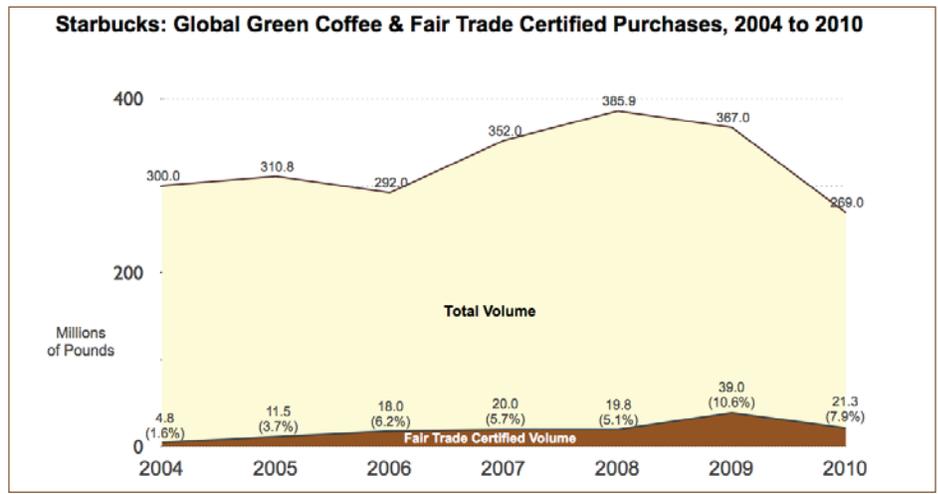
Data: GMCR Social Responsibility Report 2010; Starbucks Global Responsibility Report 2010; TCC Coffee Barometer 2009; Transfair USA/Fair Trade USA Almanac 2010; personal communication 2011

Data: Tropical Commodity Coalition, Coffee Barometer 2009

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**Figure 3** focuses on the specialty-coffee giant Starbucks, which was the first large corporate entrant into the fair trade market in 2000. The firm has for several years been the largest purchaser of fair trade coffee worldwide, but it has also placed far greater emphasis on its own, first-party certification system, Café Practices. Starbucks' engagement with fair trade peaked in 2009 at 39 million pounds, and then declined substantially in 2010 to 21.3 million pounds, just under eight percent of its total green coffee purchases.

Data: Starbucks Global Responsibility Reports 2009-2010; Social Responsibility Reports 2001-2008



**Figure 4** portrays the ownership, licensing, roasting, and branding relationships between various firms selling fair trade-certified coffee in the U.S. It also distinguishes between 100% fair trade firms and those selling less than 100% fair trade (often far less, as Figures 1, 2, and 3 indicate). For example, Thanksgiving Coffee roasts the beans for Global Exchange's 100% fair trade-branded coffee. Restaurant and store-brand sales represent a growing proportion of fair trade sales. Starbucks wholly owns Seattle's Best Coffee, and roasts the coffee for Costco's Kirkland store brand. Green Mountain Coffee has roasting and/or licensing arrangements with McDonald's, Bruegger's Bagels, Newman's Own, and Caribou Coffee. Cooperative Coffees is a 23-roaster association with members in the U.S. and Canada that purchases coffee collectively.



We hope these graphics will serve as a tool for consumers, and also contribute to ongoing debates within the fair trade movement regarding the benefits and challenges of corporate participation; how best to manage the relationships between fair trade activists, NGOs, certifiers, corporate licensees, and 100% fair trade firms; and the future direction of fair trade.