

**September 20, 2013**

**Andreas Kratz and Catherine David**

Managers of the “Fairtrade Sourcing Partnership (FSP) for Cacao and Sugar” Project,  
Fairtrade International

**Harriet Lamb**

CEO, Fairtrade International

**Carlos Eugenio Vargas**

President, Global Operations Team (GOT), Fairtrade International

**Hans Theyer**

Executive Director, Fairtrade America

**Bama Athreya**

Board President, Fairtrade America

Dear Fairtrade International representatives, FSP Project Managers, and Fairtrade America,

We are writing to express our collective concerns about your Fair Trade Sourcing Partnership initiative and to ask you to commit to not implementing it until these concerns have been addressed. While we support the idea of working to create innovative ways to better serve producer groups to help build a just system of trade, we are concerned with the ideology behind this new initiative and are not convinced it will create greater impact for current certified producer groups. Our concerns can be categorized under the two umbrellas of impact and process.

New Business Opportunities, as it was originally known, was a surprisingly transparent name for this initiative as it is an initiative that apparently will benefit only new businesses entering the system. We have not heard from any producers or alternative trade organizations that have asked for this initiative or supported it. In fact, it will not benefit producers or alternative trade organizations that have been leaders in the fair trade system from the beginning. As alternative trade organizations or even producer groups opt out or are outnumbered by larger, less committed businesses that may now find fair trade attractive, the whole system loses credibility for those who are left.

Producers who are currently part of the system fear that this initiative will not create more opportunities for them, as new-entry businesses may decide to help current suppliers get certified. This in turn could lead to unfair competition for alternative trade organizations. Because the trajectory of new businesses maintaining and certifying current suppliers would be in line with the fair trade principle of maintaining long-term relationships with suppliers, the solution we propose is not to interfere with these relationships, but rather to request that Fairtrade International develop initiatives that effectively help producers and

brands currently in the system increase market share before opening it up to new participants. We fully support new businesses converting current volume (and thus suppliers) to fair trade, but only under current conditions that apply to small-holder coffee, cacao, sugar, so that risk unfair competition is minimized and fair trade's core principles and values are upheld. A compromise may be to allow those new businesses approaching Fairtrade International with a request to certify a supplier of a single ingredient to use only an off-pack designation and no product label.

We have now been asked to trust that this initiative will succeed as the name is optimistically changed to FairTrade Sourcing Partnership, even though most stakeholders have been left out of this "partnership". For example, in the US market we have seen credible research pointing to the fact that current fair trade labels are confusing. There is concern that introducing a new labeling system would add to the confusion. We understand there has been research done that shows the FairTrade International proposal will not be confusing to consumers. However, that full research data and methodology have not been shared so that we can assess independently that the results satisfy our concerns nor has comparable research been conducted in the US where the full mark is still new and introducing a "program" mark could be especially confusing.

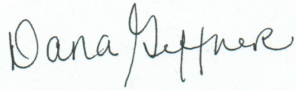
Similarly, we understand that there is a risk assessment that was conducted but not shared. Without full information about assessments, research, and stakeholder input received, this is a flawed process and must be slowed down.

Therefore, as stated at the start of this letter, we the undersigned are requesting a commitment from Fairtrade International to refrain from implementing this initiative until the following conditions have been met:

- The majority of producer groups currently certified by FLO-Cert have formally shown support of this initiative.
- No one producer sector (e.g. sugar producers) or region have a standing objection to the impact this initiative will have on them; for example the recent concerns expressed by CLAC in their letter to Fairtrade International must be fully addressed to their satisfaction.
- The majority of fully committed alternative trade organizations who are currently Fairtrade International licensees have formally endorsed the proposal.
- All research and analysis conducted by or on behalf of Fairtrade International related to this initiative, including any risk assessments and consumer research, have been made fully available to any interested stakeholder.
- All alternative options for meeting similar goals have been given consideration, including restriction to off-package disclosure for single ingredient certifications, have been given consideration.

We believe that a solution for market growth that benefits fair trade producers, alternative trade organizations, and the integrity of the Fairtrade International system can and must be found.

Sincerely,



Dana Geffner  
Executive Director, Fair World Project



Rob Everts  
Co-President, Equal Exchange



Erin Gorman  
Chief Executive Director, Divine Chocolate



Mathieu Senard  
Co-Founder, Alter Eco



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