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Fair Trade for a Better World

August 29, 2017

Membership Committee
ISEAL Alliance
Development House
56-64 Leonard Street
London
EC2A 4LT
via email to membership@isealalliance.org

Dear ISEAL Membership Committee:

Fair World Project (FWP) is a non-profit organization whose mission is to protect the use of the term “fair trade” in the marketplace, expand markets for authentic fair trade, educate consumers about key issues in trade and agriculture, advocate for policies leading to a just economy, and facilitate collaborative relationships to create true system change.

We have tracked Fair Trade USA’s (FTUSA) standards and labeling programs for several years. We have recently learned that Fair Trade USA has applied for associate membership in ISEAL. We are writing to express our hope that ISEAL, if it accepts Fair Trade USA as an associate member, will use this opportunity to support Fair Trade USA in making much-needed improvements to its standards and operations as it holds FTUSA accountable to ISEAL’s principles and codes of conduct.

Some specific concerns about Fair Trade USA that we would like to see addressed include:

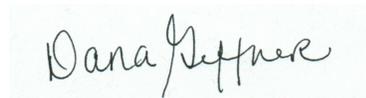
- ISEAL has strong language around reducing confusion in the market place and accurately communicating the nature of programs (Credibility Principles #9 *Truthfulness* and ISEAL Alliance *Code of Ethics*). FTUSA has an apparel program that only requires one stage of a complex supply chain to be certified to use a fair trade seal, which is misleading to consumers, many of whom may not even understand how many stages of production an article of clothing requires nor that only one stage is certified while exploitation may exist in others. Fair Trade USA has also expanded the use of the term fair trade and applied it to seafood production, large-scale farms in sectors with vibrant small-scale producer groups, and domestic farms. Each of these expansions causes confusion in the marketplace and potentially undermines smallholder farms who rely on the integrity of the term to market products.
- ISEAL requires meaningful and accessible opportunities to participate in governance and assurance mechanisms (Credibility Principles #5 *Engagement*). In our review of Fair Trade USA’s governance, monitoring mechanisms, and decision-making processes, we have found FTUSA to be weak in this area. Unlike established labels like Fairtrade International, the system that FTUSA left several years ago, or newer labels like the Small Producer Symbol, FTUSA does not have a formal system of farmer ownership. As they expand to work with more large-scale farms, they have also not incorporated worker representatives formally at

ownership or top decision-making levels. Isolated farmer or worker representatives may serve on the board or advisory panels, but they do not represent the majority and do not have a secure position allotted to representatives of those sectors. At the assurance level, particularly on large-scale farms and factories, worker voices do not play a major role in monitoring compliance or complaints.

- ISEAL members are required to collaborate with one another the (ISEAL Alliance *Code of Ethics*). We are concerned that FTUSA may need support and facilitation to accomplish this. The U.S. market for fair and eco-social labels is extremely concentrated. Our analysis consistently shows that FTUSA has weaker standards and policies than other labels making similar claims.* Rather than collaborating with other labels to support those that are already strong, it is our observation that FTUSA makes unilateral decisions to move into new spaces even as stakeholders protest. As one example, a group of labor allies wrote a formal letter to FTUSA asking them not to move forward with their home goods and apparel program. FTUSA did not heed this request.† More recently, a group of organizations sent FTUSA a letter expressing concerns about its domestic fair trade program and FTUSA did not adequately address concerns.‡
- ISEAL requires program approach and claim to be a contribution not a detraction from the (Credibility Principles #10 *Efficiency*). In our forthcoming report analyzing standards claiming to benefit small-scale producers, we have found Fair Trade USA's approach to be weaker in key aspects than other programs that make a similar fair trade claim. In addition, Fair Trade USA accepts certification by other schemes as equivalent without a formal equivalency agreement or conducting an independent audit. Therefore Fair Trade USA is allowing a fair trade claim on products that they have not fully vetted and/or that meet their lower standards, leading to inefficiencies and confusions in marketplace with a wide variation rigor making nearly equivalent claims.

Holding Fair Trade USA more accountable to more accurate labeling claims, better governance and decision-making systems, and a more collaborative approach to program development and implementation will strengthen the movement for fair and sustainable trade and ultimately ensure a more positive impact for the producers and workers who are the intended beneficiaries of this program. We applaud the work of ISEAL to hold members accountable to its codes and look forward to seeing FTUSA evolve as a result of associate membership in the Alliance.

Thank You,



Dana Geffner
Executive Director

* See for example our recent report *Justice in the Fields*: <http://fairworldproject.org/campaigns/farmworker-justice/>

† For more on this and to read the letter, see: <http://fairworldproject.org/blogs/exploring-fair-trade-apparel/>

‡ The letter can be found at: <http://fairworldproject.org/wp-content/uploads/2016/03/FTUSA-domestic-program.pdf>