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Global Fair Trade Innovations: Trends 1999-2011

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Abstract

The global Fair Trade market has experienced substantial growth over the past 13 years, as measured by both share and number of innovations. This has developed into a new worldwide market segment, and has helped improve the lives of hundreds of thousands of people. This report compiles data from Mintel's Global New Product Database (www.gnpd.com), which records food, beverage, health and beauty products launched throughout the world. The company archives extensive information about each product, permitting users to explore emerging marketing strategies. From 1999 through 2011, GNPD recorded 4,465 Fair Trade innovations. These products were sold in over 40 countries. This paper provides a descriptive and comparative statistical analysis of Fair Trade trends throughout the world. Explored topics include certifiers, claims, product categories, and trade blocs. The most common Fair Trade categories are hot beverages, chocolate confectionery, and skin care products. Fairtrade Labeling Organizations International affiliates certified nearly 60% of all Fair Trade products since 1999, making this umbrella organization the largest certifier. The USA and EU dominate Fair Trade product introductions.

Keywords

Fair Trade, Third party certifiers, Organic

JEL

F13, F16, F18

Background

The concept of Fair Trade is summarized well by Fair Trade USA: The objective is to “*enable sustainable development and community empowerment by cultivating a more equitable global trade model that benefits farmers, workers, consumers, and the earth*” (fairtradeusa.org). Essentially, producers of raw Fair Trade ingredients generally receive higher compensation for their goods than if they were to sell them in the free market. Because of the higher base price, consumers who purchase Fair Trade products typically pay more than for conventional substitutes.

In exchange for the increased prices, producers must adhere to Fair Trade standards. These standards vary, based on the type of production, region and certifier. Some producers may only need to comply with one standards list, while others must adhere to several. Appendix A provides a table and link to Fair Trade International’s certification requirements for each product category. Beneath it displays a link and a sample of the standards a small Fair Trade producer must follow.

The Fair Trade supply chain begins at the production level. Here, farmers and laborers produce the agricultural products that fuel the Fair Trade economy. From this point, traders (importers, exporters, processors and manufacturers) purchase and sell licensed products to distributors. Licensing is controlled by Fair Trade certifiers. Once a product is approved, it is allowed to bear the certification seal of the third party. Certifiers conduct audits to ensure products comply with all standards during every step of the supply chain. An increasing number of food retailers and food service companies offer fair trade products.

There are many different labeling initiatives that certify Fair Trade products. Figure 1 lists the most commonly used seals and certifiers. The certifiers noted with an asterisk indicate membership of the Fairtrade Labeling Organizations International (FLO-I) an umbrella organization for certifiers, setting minimum standards for all members.

Fair Trade has grown significantly over the past few years. FLO-I estimates that 2010 retail sales topped \$5.8 Billion (Figure 2, Source 1). This five year period illustrates a compound annual growth rate of nearly 30%.

Data

The information collected for this study came from Mintel's Global New Product Database (www.gnpd.com). GNPD records individual product innovations in food, beverage, health and beauty categories with up to 62 data elements for each product. Examples of these include: product name, product category, ingredients, price (in USD & Euros), patent numbers, company address, and several pictures. Trends by product category, region, certifier and positioning strategies over the period 1999-2011 are reported.

Findings

Table 1 records the number of Fair Trade products released each year. There has been geometric growth throughout the period; each year trumps the previous year's releases. The strongest annual growth is found in 2007, with a 124% increase from the previous year.

Table 1 also provides a list of all third party Fair Trade certifiers that inspected products over the period. A product that is said to 'support' Fair Trade doesn't meet any formal standards but the firm may have aspirations for a larger content of Fair Trade ingredients. A product that 'practices' Fair Trade can be expected to "*incorporate Direct Trade, Contract-Based Commitments, and Democratic Organization, but any monitoring or transparency of the supply chain as well as guaranteed floor prices or conditions cannot be reasonably expected*" (Marconi 2012, p. 14). FLO-I affiliates accounted for nearly 60% of total certifications, making it the largest certifying organization. Around 30% of all Fair Trade products did not carry any official certification. These items were grouped into the 'practices' category.

An examination of the GNPD's product categories reveals three leading segments. Hot beverages, skin care, and chocolate confectionery make up 56% of all Fair Trade innovations. These are broken down to display sub-categories in table 2.

Considering food and beverage innovations, tea and coffee typically consist of a single ingredient

sold in their raw form at the consumer level. Chocolate bars and powders may contain multiple ingredients, but the majority of the product weight comes from the cacao bean. Within health and beauty, a particular category of interest is skin care. This category accounted for the second highest amount of Fair Trade products over the past 13 years, yet has only been available for the past 8 years.

Research has found that skin care merchandise typically contain many ingredients, most of which contain man-made chemicals. Only the “purest of the pure” contain 100% natural, plant-based ingredients. For example, the company No Nonsense Organics launched its “Real Face Cream” in the UK which contains: *Organic shea butter, organic sweet almond oil, organic hemp seed oil, organic bergamot essential oil, and natural silk protein*. This product is displayed in figure 3. Note the packaging; it even appears as natural as the product claims to be.

Compare this to The Body Shop’s ‘White Musk’ body lotion sold in the UK, and you discover a product that is not as ‘natural’ as a Fair Trade customer may think. The ingredients are as follows: *Aqua, ethylhexyl palmitate, cetearth-20, glycerin, orbignya oleifera seed oil, steareth-2, parfum, bertholletia excelsa seed oil, cetearyl alcohol, dimethicone, phenoxyethanol, sodium benzoate, butyrospermum parkii, acrylates/C10-30 alkyl acrylate crosspolymer, maltodextrin, linalool, disodium EDTA, sodium hydroxide, limonene, hibiscus abelmoschus seed extract, coumarin, geraniol, citronellol, eugenol, and citric acid* (Figure 4). Contrary to the No Nonsense product, ingredient sourcing is not a primary element of the package claims. Rather, the upstanding ethical brand image is used to promote the product.

As is common, most large, multinational companies employ a more conservative approach and do not place certifier seals on the package. Take, for example, L’Oreal. This parent company is one of the largest skincare producers, accounting for almost 25% of (skincare) innovations. Not a single piece of their merchandise contains a third party seal. However, Fair Trade claims are occasionally placed on their packages. These usually read “made with Community Fair Trade...(product x).” Clearly these types of products do not rely on the Fair Trade image. Rather, Fair Trade is embraced as part of the brand ethos or corporate social responsibility strategy. For example, Fair Trade and other ethical pursuits make up The

Body Shop's brand image. On many Body Shop products, you will notice several other environmental and health claims on the package (e.g., Figure 4a states that the company opposes animal testing).

Contrary to the methods used by L'Oreal, some skin care producers readily take advantage of Fair Trade seals and claims. These companies rely on the Fair Trade name and "Natural" messaging to promote their products (Figure 5 – Boots, UK).

Of course, not all Fair Trade skin care products can advertise with a seal. One of the biggest factors determining seal use is Fair Trade ingredient content. The standards vary by certifier, but typically a seal can only be used when a majority of the product is made of Fair Trade ingredients. Figure 6 displays the ingredient standards for several certifiers, including the principles set by FLO-I for all of its members. Certifiers have different regulations for multi-ingredient Fair Trade products (often called composite goods), because not every composite product can completely use Fair Trade ingredients.

Auditors typically enforce an "as much as possible" rule for multi-ingredient products. If there is limited or no supply of a Fair Trade version of a particular ingredient, a conventional substitute can be used. Some certifiers offer adaptations of their seal to be used in this situation. As can be seen in figure 6, most composite good standards are very similar. Take for example, the boxes outlined by the dashed lines. Essentially, each of these rules permits accommodations for composite products. Fair Trade is not large or developed enough to produce its versions of all the ingredients needed for a multi-ingredient product. Because of this, auditors must adjust standards in order to certify these products. The FLO-I states that "100% of any ingredient that can be Fair Trade certified, must be Fair Trade certified". Under this regulation, a chocolate bar must have Fair Trade cacao, and Fair Trade sugar. However, if FLO-I determines that Fair Trade milk does not have a high enough supply, a conventional form can be used. The FLO-I standards are clear cut and straightforward, while IMO's standards have several elements to each rule. The only outlier is EcoCert; it is easily noticeable that this firm does not cater to composite goods manufacturers.

In order to serve the needs of composite goods manufacturers, label seals may be adjusted. Figure

7 displays Fair Trade USA's 'Ingredients' and 'Contains Ingredients' seals. While a single ingredient Fair Trade product bears the seal found in figure 1, the seals in figure 7 are most commonly placed on multi-ingredient products. Note the use of space dedicated to signify exactly which ingredient is Fair Trade.

It is interesting that certifiers provide these types of seals for two reasons. First, it allows composite good manufacturers to tap into the Fair Trade market. This assists in growing the industry. Second, it prevents consumer deception. A seal that claims to only have a certain amount of Fair Trade ingredients is much more honest than the same seal used on single and multi-ingredient products. This is especially true when a composite good has very low amounts of actual Fair Trade ingredients. A similar process for labeling the organic content of multi-ingredient food and beverages is now in place in the USA (Source 8).

Table 3 displays certifier counts for skin care products. It is easy to see that most producers either chose not to, or could not, attain a Fair Trade seal. Less than 25% of the category bore a third party mark. Third party Fair Trade certifiers have different labeling standards. Appendix B provides a chart of what each auditor checks.

Fair Trade products are typically connected to several other agricultural and food sustainability issues. It is common for a Fair Trade item to bear multiple positioning claims. These are usually found on the package, and are used to display ethical practices and sourcing, naturalness, and religious/personal beliefs. Table 4 displays the annual breakdown of nine different claim categories. Perhaps the most interesting congruent claim trend is dual use of Fair Trade and "organic". It is the largest segment, making up around 36% of the total claims. Combined, well over half of all Fair Trade products have some organic content.

Congruent claims are most likely used to reach a variety of overlapping consumer segments. By highlighting other qualities, buyers can purchase Fair Trade versions of their preferred merchandise. Table 4 suggests that the primary Fair Trade consumer is also an organic consumer. The second and third highest claim categories declare environmental and animal/wildlife protection and service.

We next turn to a regional analysis. Figure 8 displays the four primary trade blocs, and the number of Fair Trade products launched over the period. Fair Trade innovations are consumed in developed countries. The EU and NAFTA account for nearly 83% of all Fair Trade introductions, while MERCOSUR and ASEAN nations account for less than 3%. Within the EU, the UK market alone accounts for over a quarter of all the EU Fair Trade items.

While the USA does not yet consume as many Fair Trade products as Europe national trends in product launches are very similar to the global Fair Trade movement. Calculated as a compound annual growth rate, the USA has developed 9% faster the rest of the world over the period 1999-2011.

The USA has experienced similar category trends to the rest of the world. Table 5 provides a category count - again; hot beverages, skin care, and chocolate confectionery are the leaders. Also in table 5 are the percentages for key categories for the USA, the rest of the world, and the difference between the two.

Hot beverages, skin care, and chocolate confectionery are further analyzed in table 6. Also provided are comparisons between the USA and the rest of the world. There are three noticeable differences in each category. In skin care, Americans had access to 22% more body care products versus the rest of the world. The USA Fair Trade market also saw more 'non-individually wrapped' chocolate innovations. An example of this product type is presented in figure 9. Lastly, brands in the USA launched more Fair Trade coffee innovations than those in the rest of the world.

The last areas of observation for the United States are certifiers. A complete count can be found in table 7. Once again, FLO-I affiliates lead in number of certifications. With 19 active labeling initiatives, the FLO-I organization trumps other auditors.

Significance

The USA has displayed similar growth trends, but is still far behind the rest of the world in total consumption. Food, beverage, health and beauty brands in the EU launched three times the number of

Fair Trade innovations than brands in NAFTA countries. Yet no numerical analysis of the data provided by GNPD can explain why the USA is lagging behind other developed countries. However, exploring consumer segmentation and behavior trends may offer some insight into this quandary. Age, gender, location and socioeconomic status are all determinants of an 'ethical consumer'. Biases, status, and identity also affect purchase behavior.

In addition to having Fair Trade products more readily available, there are several other factors that may explain why the EU is leading the world. Many ethical products are purchased as a way to demonstrate to peers social and environmental awareness. Essentially these items become a status symbol, or conspicuous consumerism contributing to an individual's identity. Typically, high income consumers tend to purchase more 'green' products than low income shoppers. This is primarily due to the fact that ethical products typically cost more compared to conventional substitutes. However, this tendency may not be as prevalent in European countries. Low to mid income consumers may be just as likely to purchase ethical goods as high income buyers.

Europeans could also have a larger demographic segment that purchases green products. While the USA is mainly limited to a specific age group and gender, Europe may have a wider parameter of ethical shoppers. The increase in the demand of the ethical product segment would undoubtedly result in more Fair Trade goods being sold.

Over the period 1999-2011, the USA has grown at a compound annual rate (CAGR) of 54%. The EU has been growing at a rate of 34%. The USA is even growing at a quicker rate than the rest of the world, which has a 48% CAGR. If this trend remains constant, it can be expected that the USA will eventually catch up with Europe.

Implications

Fair Trade is still an emerging industry, with no signs of slowing down. Then quickest growing categories are also the largest. The GNPD data suggests hot beverages, skin care, and chocolate products

have been the root of Fair Trade's success. These items are easy to acquire, and are heavily consumed. This combination points towards future success; there will always be a market for these goods. The USA Fair Trade market is growing at a faster pace than the rest of the world. Perhaps in a few years, Americans will consume just as many Fair Trade products as Europeans.

Despite all of these statistics, it is necessary to remember the thousands of producers worldwide who are benefitting from Fair Trade. Lives of children, adults and communities are positively affected with a simple purchase.

Sources

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Source 3:

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Source 4:

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Source 7:

“Social & Fair Trade Certification Programme,” IMO Fair for Life, accessed March 8th, 2012, http://www.fairforlife.net/logicio/client/fairforlife/file/FFL_2011_1_Labelling_and_Control.pdf

Source 8:

Van Camp, Debra, Pauline le, Noah Muwanika, Neal H. Hooker, and Yael Vodovotz. 2010 The Paradox of Organic Ingredients. *Food Technology*. November: pp. 20-29

Figure 1. Third Party auditor seals of Fair Trade certification



Bio Equitable	Ecocert	Fairtrade Mark*	FLO-CERT*	Foundation*	FTAANZ*	FTFed	IMO	Max Havelaar*	Oxfam	Reilu Kauppa*	Fair Trade USA*
											

Figure 2. Global Fair Trade retail sales by year (\$ billion)

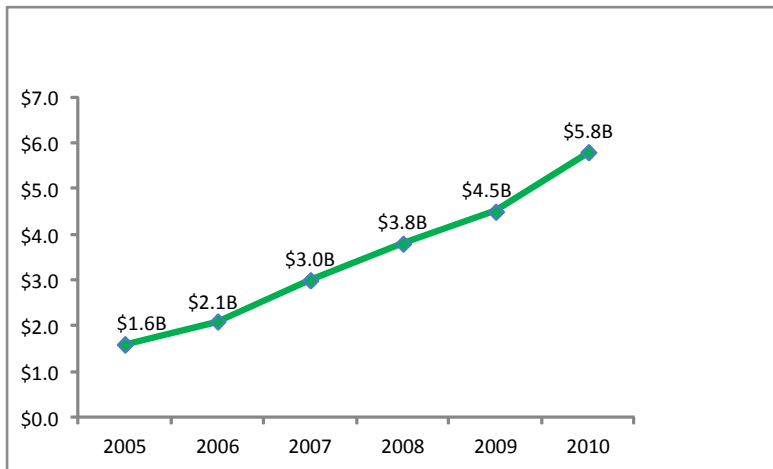


Figure 3. All-Natural Fair Trade product



Figure 4. The Body Shop's Fair Trade body lotion



Figure 4a. Ethical claim



AGAINST ANIMAL TESTING
CONTRE LES TESTS SUR LES ANIMAUX

INGREDIENTS: Aqua, Ethylhexyl Palmitate, Cetearyl Alcohol, Steareth-2, Parfum, Bertholletia Excelsa Seed Oil, Cetearyl Alcohol, Glycerin, Phenylethanol, Sodium Benzoate, Butyrospermum Parkii, Acrylates/C10-30 Alkyl Copolymer, Maltodextrin, Linalool, Disodium EDTA, Sodium Hydroxide, Citronellol, Hibiscus Abelmoschus Seed Extract, Coumarin, Geraniol, Citronellol, Eugenol, Citric Acid. INGREDIENTS: Water, Ethylhexyl Palmitate, Cetearyl-20, Glycerin, Fragrance, Steareth-2, Fragrance, Bertholletia Excelsa Seed Oil, Cetearyl Alcohol, Phenylethanol, Sodium Benzoate, Butyrospermum Parkii (Shea Butter), Acrylates/C10-30 Alkyl Acrylate Copolymer, Maltodextrin, Linalool, Disodium EDTA, Sodium Hydroxide, Limonene, Hibiscus Abelmoschus Seed Extract, Coumarin, Geraniol, Citronellol, Eugenol, Citric Acid. INGREDIENTES: Agua, Palmítico de etilhexil, Alcool de cetearil, Estearato-2, Fragrancia, Bertholletia excelsa, Aceite de semilla de la nuez de Brasil (Bertholletia excelsa), Alcohol cetearil, Glicerina, Fenoxietanol, Benzoato de sodio, Manteca de karité (Butyrospermum parkii), Copolímero de acrilatos/C10-30 alquil acrilato, Maltodextrina, Linalol, EDTA sodio, Hidróxido de sodio, Limoneno, Extracto de Semilla de Hibiscus (Hibiscus abelmoschus), Cumarina, Geraniol, Citronel, Eugenol, Ácido cítrico.

12M
THE BODY SHOP
©2011 THE BODY SHOP INT'L, PLC, BN17 6LS, UK
MADE IN FRANCE / AL-FARJATI FABRICATION EN FRANCE
MADE IN THE USA / THE BODY SHOP WAKE FOREST, NC 27587, USA

Figure 5. Product displays Fair Trade seal, claim, and looks natural



Figure 6: Labeling standards for composite goods products

Certifier Standards for Composite Goods			
FLO-I Affiliates	Fair Trade USA	EcoCert	IMO
100% of any ingredient that can be Fairtrade certified, must be Fairtrade certified.	100 percent of the ingredient commonly associated with a product must be Fair Trade Certified. For example, a chocolate bar must contain 100 percent Fair Trade Certified cocoa.	Food products: at minimum 95% of the ingredients of agricultural origin are fair trade ingredients (this percentage is a mass percentage; the calculation takes no account of water, salt or additives used).	80% of all agricultural ingredients (in weight, excluding water) are certified FairTrade quality
Any product may carry the FAIRTRADE Mark if more than 50% of its total ingredients (calculated by dry weight) are sourced from Fairtrade certified producer organisations.	For any individual Fair Trade Certified ingredient used in the product, 100 percent of that ingredient must be certified. For example, if a product contains Fair Trade Certified vanilla extract, <i>all</i> of the vanilla extract in the product must be Fair Trade Certified.	Cosmetics products : at minimum 95% of the total of the ingredients are fair trade ingredients (this percentage is a mass percentage;). A rehydrated or reconstituted fair trade ingredient is considered to be 100% fair trade if the mass of the ingredient after rehydration is equal to the original mass of the fair trade ingredient. If the mass of the ingredient after rehydration or reconstitution is greater than the original mass of the fair trade ingredient, a proportionality rule will be applied to define the percentage of the fair trade ingredient.	For a temporary period, until the market for Fair Trade products has sufficiently developed, products may be labeled as Fair for Life FairTrade certified if at least 50% of all agricultural ingredients (in weight, excluding water) are Fair Trade certified and the following conditions are met: 1) All ingredients that are readily available in certified Fair Trade quality are used. 2) The company presents a plan on how the target percentage of 80% will be achieved within 3 years. 3) The certified Fair Trade content is indicated as a percentage in the product label.
If the total Fairtrade certified ingredient content is less than 50%, the product may still be eligible if it has one significant Fairtrade ingredient that represents more than 20% of the product's dryweight.	The product must contain at least 20 percent Fair Trade Certified content in total, and all ingredients that can be Fair Trade Certified must be Fair Trade Certified, if the ingredient is commercially available.	Textiles products: at minimum 95% of the total of fibres are fair trade fibres (this percentage is a mass percentage).	
http://www.fairtrade.org.uk/what_is_fairtrade/fairtrade_certification_and_the_fairtrade_mark/composite_products.aspx	http://www.fairtradeusa.org/certification/producers/ingredients	http://www.ecocert.com/sites/default/files/u3/EFT-Technical-standard.pdf	http://www.fairforlife.net/logicio/client/fairforlife/file/FFL_2011_1_Labeling_and_Control.pdf

(Sources 3,4,6,7)

Figure 7. Fair Trade USA's seals for non-100% Fair Trade products



Figure 8. Trade Bloc count of Fair Trade innovations

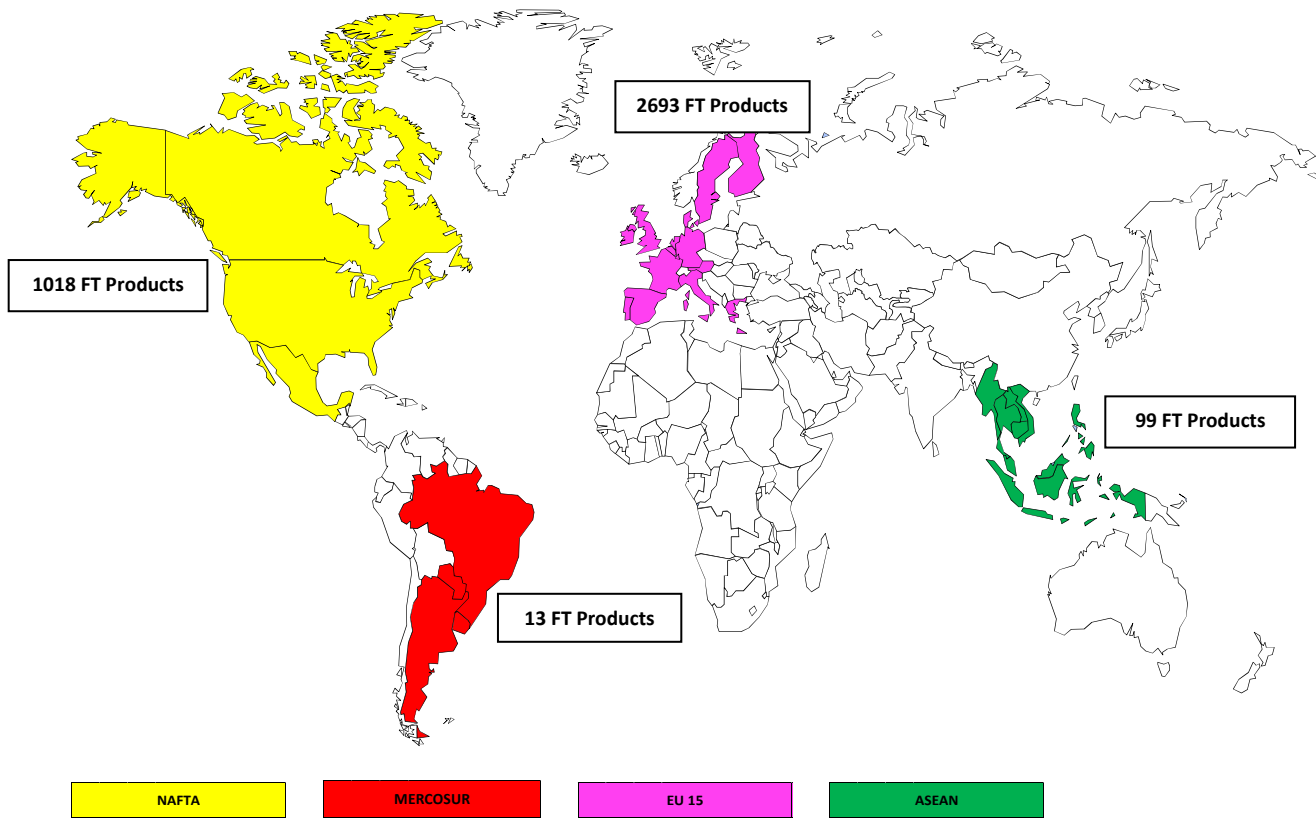


Figure 9. Example of a non-individually wrapped chocolate product



Table 1. Global Fair Trade innovation releases by year

Certifier	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	TOTAL
FLOI	490	401	545	481	321	141	113	74	34	18	17	8	6	2649
Practices	645	255	94	136	76	34	15	26	10	10	5	2	4	1312
Support	67	64	18	23	14	11	2	4	2	1	2	1	4	213
EcoCert	25	10	27	27	3	0	0	4	0	0	0	0	0	96
IMO	26	14	5	17	1	0	1	1	0	0	0	0	0	65
BioEquitable	9	7	1	4	11	7	2	0	0	0	0	0	0	41
Oxfam	11	4	11	1	3	1	3	0	0	7	0	0	0	41
Traidcraft	2	6	6	2	5	0	1	2	2	0	2	1	0	29
FTFed	0	0	2	2	1	1	1	0	0	0	0	0	0	7
CTM	0	0	0	0	0	0	0	1	3	1	0	0	0	5
IFTA	0	0	0	0	1	0	0	1	2	0	0	0	0	4
No Image	1	1	0	0	0	0	0	0	0	0	0	0	0	2
Preda	0	0	0	0	0	0	0	1	0	0	0	0	0	1
Annual Innovations	1276	762	709	693	436	195	138	114	53	37	26	12	14	4465

Table 3. Third party certifier count for skin care products

Certifier	Count	% of Total
Practices	444	67%
FLOI	82	12%
Support	67	10%
EcoCert	56	8%
BioEquitable	6	1%
IMO	6	1%
FTFed	1	0%
Total	662	100%

Table 4. Product claims by year

Claims	2011	2010	2009	2008	2007	2006	2004	2005	2003	2002	2001	2000	1999	TOTAL
Organic	741	484	474	384	224	110	51	60	24	20	10	6	6	2594
Environment	537	268	228	189	39	15	2	4	1	2	0	0	1	1286
Animal	509	160	97	158	51	22	3	0	1	0	0	0	0	1001
Premium	284	74	50	51	41	10	12	10	11	3	5	0	0	551
Vegan	154	85	78	130	7	4	0	5	0	0	0	0	0	463
Kosher/Halal	92	89	79	53	34	15	0	6	1	0	0	0	0	369
Vegetarian	94	62	49	43	22	4	3	6	2	0	0	1	2	288
All-Natural	98	58	39	46	13	15	6	3	3	1	1	0	0	283
Charity	98	66	51	31	14	0	6	5	6	3	0	0	0	280
TOTAL	2607	1346	1145	1085	445	195	83	99	49	29	16	7	9	7115

Table 5. Fair Trade category count and comparison; USA vs. rest of world

Category	Hot Beverages	Skin Care	Chocolate Confectionery	Soup & Bath Products	Hair Products	RTD's	Snacks	Bakery	Colour Cosmetics	Sweet Spreads	Other Beverages	Sweeteners & Sugar	Healthcare	Sauces & Seasonings	Desserts & Ice Cream	Air Care	Carbonated Soft Drinks	Juice Drinks	Sports & Energy Drinks	Alcoholic Beverages	Side Dishes	Fragrances	Shaving & Deodoratories	Dairy	Sugar & Gum Confectionery	Breakfast Cereals	Processed M.F. & Egg	Cleaning Equipment	Fabric Care	Fruit & Vegetables	Baby Food	Deodorants	Diapers & Feminine Hygiene	Meals & Meal Centers	Oral Hygiene	Paper Products	Savory Spreads	Soup	TOTAL			
USA COUNT	240	86	80	52	43	26	25	20	16	16	15	14	12	11	10	9	9	9	9	5	5	4	4	3	3	2	2	1	1	1	0	0	0	0	0	0	0	0	0	0	733	
USA	32.7%	11.7%	10.9%	7.1%	5.9%	3.5%	3.4%	2.7%	2.2%	2.2%	2.0%	1.9%	1.6%	1.5%	1.4%	1.2%	1.2%	1.2%	0.7%	0.7%	0.5%	0.5%	0.4%	0.4%	0.3%	0.3%	0.1%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	733
WORLD	26.7%	15.4%	13.6%	6.7%	3.6%	3.0%	2.9%	2.8%	2.8%	2.4%	2.3%	2.2%	2.0%	2.0%	2.0%	1.2%	0.9%	0.8%	0.7%	0.7%	0.7%	0.6%	0.6%	0.5%	0.5%	0.5%	0.3%	0.3%	0.2%	0.2%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.0%	0.0%	3732
DIFF.	6.1%	-3.7%	-2.7%	0.4%	2.2%	0.6%	0.5%	-0.1%	-0.6%	-0.3%	-0.2%	-0.3%	-0.4%	-0.5%	-0.6%	0.0%	0.3%	0.5%	0.5%	0.0%	0.0%	0.0%	0.0%	-0.1%	-0.1%	0.2%	0.2%	-0.2%	-0.2%	-0.1%	-0.2%	-0.1%	-0.1%	-0.1%	-0.1%	-0.1%	-0.1%	-0.1%	0.0%	0.0%	100%	

Table 6. Top three Fair Trade categories broken down; USA vs. rest of world

Category	Count	USA	WORLD	DIFF
Skin Care	86			
Body Care	47	54.7%	32.6%	22.0%
Face/Neck Care	15	17.4%	30.0%	-12.6%
Hand/Nail Care	6	7.0%	13.7%	-6.7%
Lip Care	9	10.5%	12.2%	-1.7%
Eye Care	2	2.3%	4.0%	-1.7%
Sets	3	3.5%	3.0%	0.5%
Foot Care	3	3.5%	1.7%	1.8%
Sun- Sun Bed/Exposure	1	1.2%	1.6%	-0.4%
Sun- Self Tanner	-	n/a	0.5%	-
Sun- After Sun	-	n/a	0.3%	-
Eye Cleansers	-	n/a	0.2%	-
Nail Enamel Removers	-	n/a	0.2%	-

Category	Count	USA	WORLD	DIFF
Chocolate Confectionary	80			
Chocolate Tablets	46	57.5%	73.1%	-15.6%
Non-Individually Wrapped Chocolates	15	18.8%	15.7%	3.0%
Seasonal Chocolate	6	7.5%	10.4%	-2.9%
Chocolate Countlines	6	7.5%	7.5%	0.0%
Individually Wrapped Chocolates	5	6.3%	6.3%	0.0%
Other Chocolate Confectionary	2	2.5%	2.8%	-0.3%

Category	Count	USA	WORLD	DIFF
Hot Beverages	246			
Coffee	153	62.2%	56.3%	5.9%
Tea	71	28.9%	36.1%	-7.3%
Malt & Other Hot Beverage	16	6.5%	7.5%	-1.0%

Table 7. Fair Trade certifier count, USA

Certifier	Count
FLOI	417
Practices	232
Support	44
IMO	15
EcoCert	13
FTFed	6
BioEquitable	2
Traidcraft	2
No Image	1
Oxfam	1
TOTAL	733

APPENDIX

Appendix A: Fair Trade International's certification requirements for product categories

[Fair Trade International Standards- Product Category](#)

PRODUCT SPECIFIC STANDARDS:

Product Specific Standard	Certification Scope: Small Producer Organizations (SPO)/ Hired Labour (HL)/ Contract Production (CP)	Language version: English (EN), Spanish (SP), French (FR) or Portuguese (PT)			
		EN	SP	FR	PT
Cane Sugar	SPO	Aug 2011	Aug 2011	Aug 2011	Aug 2011
Cereals* (rice, quinoa, fonio)	SPO CP ¹	May 2011	May 2011	May 2011	May 2011
Cocoa	SPO	May 2011	May 2011	May 2011	May 2011
Coffee	SPO	May 2011	May 2011	May 2011	May 2011
Fibre crops*	SPO CP ²	Oct 2011	Oct 2011	Oct 2011	Oct 2011
Flowers and plants	HL	May 2011	May 2011	Not available	Not available
Fresh Fruit (including bananas & wine grapes)	SPO	May 2011	May 2011	May 2011	May 2011
	HL	May 2011	May 2011	May 2011	May 2011
Fresh Vegetables	HL	May 2011	May 2011	May 2011	May 2011
Gold	SPO	Mar 2010	Mar 2010	Mar 2010	Mar 2010
Herbs and herbal teas & Spices and aromatic crops*	SPO	May 2011	May 2011	May 2011	May 2011
Honey	SPO	May 2011	May 2011	May 2011	May 2011
Oilseeds and oleaginous fruit*	SPO	May 2011	May 2011	May 2011	May 2011
Prepared and preserved fruit & vegetables *	SPO CP ³	May 2011	May 2011	May 2011	May 2011
Prepared and preserved fruit	HL	May 2011	May 2011	May 2011	May 2011
Sportsballs	HL	Feb 2009	Feb 2009	Not available	Not available

¹ Applicable to Basmati rice in India only

² Applicable to cotton grown in India and Pakistan

³ Applicable to dried fruit in Pakistan for producers already certified for dried fruit

List of Fairtrade International Standards, November 2011

3. Production		
		<p>Intent and scope</p> <p>This chapter outlines the ethical and sustainable production practices that are behind every Fairtrade product.</p>
3.1 Management of Production Practices		
		<p>Intent and scope</p> <p>The requirements in this Standard apply to small producers that are part of organizations with formalized structures of management. The requirements acknowledge these internal structures and expect you to find the best means to guarantee your members' continuous compliance. For this reason, this Standard does not require a formal internal quality management system. However, the requirements support you in monitoring your members' compliance with this chapter (chapter 3 - Production).</p>
Year 0 New 2011	Core	<p>3.1.1 You must inform and explain to your members the environmental and labour requirements in the Production chapter.</p> <p><i>Guidance:</i> You could keep a list of members that grow Fairtrade products, and identify the activities that have been implemented to raise awareness about the intention and the meaning of the requirements in this chapter.</p>
Year 1 New 2011	Core	<p>3.1.2 You must identify which requirements in the Production chapter your members may be at risk of not complying with.</p> <p><i>Guidance:</i> Risks refer to the probability of members not being able to comply with the requirements. The information needed to determine risks would most probably come from knowledge within the community, from your and your members' experiences or from discussions at the general assembly.</p>
Year 3 New 2011	Dev	<p>3.1.3 Your identification of risks must be repeated periodically, at a minimum every 3 years.</p> <p><i>Guidance:</i> The identification could be repeated more frequently if needed.</p>
Year 3 New 2011	Dev	<p>3.1.4 You must define and implement a procedure to monitor and evaluate the performance of your members in relation to the requirements in the Production chapter.</p> <p><i>Guidance:</i> You could obtain performance results by evaluating your members directly or by encouraging members to evaluate themselves and to provide feedback to you based on their knowledge of their own situation.</p>
3.2 Environmental Protection		
		<p>Intent and scope</p> <p>This section intends to ensure that you and the members of your organization have agricultural and environmental practices that are safe and sustainable and that biodiversity is protected and enhanced.</p>
		Environmental management

Appendix B: Labeling standards for different certifying agencies

	Bio Equitable	CMT	EFT	FLO-I	IFTA	FTFed	IMO	Oxfam	Traidcraft
Price (Floor Price)	Yes	Yes	Yes	Yes			Yes		Yes
Labor Conditions	Yes	Yes		Yes	Yes	Yes	Yes	Yes	Yes
Direct Trade				Yes	Yes	Yes	Yes	Yes	Yes
Democratic Organization		Yes	Yes	Yes		Yes	Yes	Yes	
Community Development	Yes	Yes	Yes	Yes		Yes		Yes	Yes
Environmental Sustainability			Yes	Yes		Yes		Yes	
Monitor Importers/Manufacturers					Yes				
Monitor Producers	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
Contract-based Commitments	Yes			Yes	Yes				Yes
Supply-chain Transparency			Yes		Yes	Yes	Yes		
Total Standards	5	5	6	8	6	7	6	6	5

--Each organization provides its standards on its respective website, with FLO-I members each subscribing to the same common standards (fairtrade.net).

The following legend is a brief explanation of the individual standards:

- **Floor Price:** Farmers don't receive wages per se; they receive a price per bushel of their particular crop for a season, and they must then cover all of their operating and living expenses based on that income. In developed countries with strong institutional support there are ways for farmers to supplant and stabilize their income, but in underdeveloped countries where many staple commodities are grown there is often no institutional support whatsoever in addition to low or non-existent protections to labor or property rights. Certifying for Floor Price indicates that the farmers are guaranteed a minimum price for their crop so that they might be able to cover costs of production and enjoy a standard of living above subsistence.
- **Labor Conditions:** This standard indicates that workers are guaranteed safe working environments protected from egregious employer abuses, and that child labor is minimized if not altogether eliminated.
- **Direct Trade:** A producer must buy their raw materials directly from the farmer to meet this standard.
- **Democratic Organization:** This standard guarantees that workers have the right to democratically elect their own leadership and distribute bonuses in lieu of forming a labor union, as in many instances organized labor is illegal.
- **Community Development:** To meet this standard the firm must actively invest time and resources into developing the greater community of its employees.

- **Environmental Sustainability:** This standard is met if production takes place in a manner that does minimal environmental degradation.
- **Monitoring:** A certifier will monitor a particular end of the supply chain. Some certifiers specialize in monitoring the production of raw materials and other inputs, whereas most specialize in monitoring the manufacturers and importers of finished goods.
- **Contract-Based Commitments:** If a firm uses legal contracts to deal with farmers rather than negotiating a price and quantity at point of sale, it has met this standard.
- **Supply Chain Transparency:** To meet this standard all phases of production must be readily traceable and open to inquiry. This does not mean that specific information on prices and planned production are open to the public, merely that an individual good can be located and scrutinized at any point in the production process.