

# SIX MYTHS ABOUT FAIRTRADE

**It's the person you meet who says: 'Fairtrade doesn't really help farmers'. Or someone else who claims that it's a marketing scam designed to get people to pay more for basic products. Misconceptions about Fairtrade often crop up.**

Why? Research shows that there is [falling consumer trust in brands and traditional advertising](#). Combine that with contradictory information about Fairtrade online and it can be difficult to discern Fairtrade fact from Fairtrade fiction.

Here are six of the most common things people get wrong about Fairtrade. They will help you when you're campaigning for, and talking about, Fairtrade. You could incorporate the facts into a presentation, or keep them for reference when you're holding a stall or event.



## MYTH ONE: 'FAIRTRADE PRODUCTS ARE MORE EXPENSIVE'

Many of the 5,000 UK Fairtrade certified products are supermarket own-label or inexpensive mainstream brands.

All major supermarkets now have Fairtrade own-label tea and coffee ranges, for example. There's Taste the Difference, Essential, Finest and Sainsbury's Red Label tea, which is currently 90p for a box of 80 teabags. Discount supermarket [Lidl is also now selling Fairtrade roses](#).

Outside supermarkets, there are competitively priced options, including Fairtrade tea and coffee at high street fixture Greggs.



## MYTH TWO: 'ANYONE CAN PUT THE FAIRTRADE MARK ON THEIR PRODUCT AND CLAIM IT'S ETHICAL'

The FAIRTRADE Mark is a registered certification label for products sourced from producers (farmers and workers) in developing countries. Products that display it must meet [Fairtrade Standards, set by Fairtrade International](#).

These Standards apply to both producers and the companies who sell the products you buy. The Standards are agreed with farmers' and workers' organisations, traders, independent experts and national Fairtrade organisations, such as the Fairtrade Foundation in the UK.

If a company wants to get one of their products certified – and have the FAIRTRADE Mark on their packaging – they have to make sure it meets Fairtrade Standards. Any company that puts the FAIRTRADE Mark on their product without meeting Standards for that product would be investigated and could open themselves up to legal action.



## MYTH THREE: 'ONLY A SMALL PERCENTAGE OF THE PRICE YOU PAY FOR A FAIRTRADE PRODUCT GOES BACK TO THE FARMER'

This myth is based on the misunderstanding that Fairtrade farmers receive a percentage of the retail price you pay for a product in a shop. But this is not the case.

The price you pay as a consumer is determined entirely by the retailer.

Paying farmers and workers a percentage of the retail price of a product doesn't address the inequalities in the conventional market.

The way Fairtrade works is that producer organisations receive a Fairtrade price for their product when they sell to the next person in the supply chain (usually an exporter or importer). This is intended to ensure that farmers can at least cover their costs no matter how low the world price for their commodity falls.

Read more about how Fairtrade farmers are paid on our [FAQs page](#).



## MYTH FOUR: 'FAIRTRADE LOCKS FARMERS INTO A FIXED PRICE'

The Fairtrade Minimum Price aims to cover the average cost of sustainably producing a product and acts as a safety net.

Take Maria, a farmer in a Fairtrade coffee co-operative in Colombia, as an example. Her co-operative is always guaranteed to receive the Minimum Price, even if the market price of coffee falls below it.

This safety net means Maria, and other farmers in her co-operative, can cover their production costs, which helps them predict their income and budget for the future. If the market price of coffee is above the Minimum Price, Maria's co-operative receives the market price. They can also negotiate a higher price than the Minimum Price and market price with their buyers based on quality and other factors. So, they are not locked into a fixed, flat rate.

In addition to receiving the Minimum Price or market price, Fairtrade producers get an extra payment called the Fairtrade Premium. Fairtrade doesn't dictate what this money is spent on, it's entirely up to farmers and workers to decide. Some might choose to spend it on improving training and farming techniques, while others will build schools and medical clinics. But to be transparent, Fairtrade Premium spend is audited.



### MYTH FIVE: 'OUR COMPANY ALWAYS PAYS FARMERS MORE THAN FAIRTRADE'

It's not clear what companies mean when they say this. Do they pay more than the Fairtrade Minimum Price? And if the market price of a product is high, will farmers receive it?

Without independent third-party verification, consumers have to take company claims about the prices they pay to farmers at their word. PACT coffee, for example, claims to 'always pay farmers 25 percent more than the Fairtrade rate'. But the company admits that they have no independent third-party verification to make sure this happens or to monitor working conditions for farmers they source from.

If you see the FAIRTRADE Mark on a product, you know that the ingredients in it have been verified by FLOCERT, an independent certifier accredited by the International Organisation for Standardisation. FLOCERT can suspend or decertify Fairtrade producer organisations which fail to comply with Fairtrade Standards.

So you don't just have to take our word for it when we say that buying Fairtrade is supporting farmers to get a better deal. There's also independent verification of this.



### MYTH SIX: 'FAIRTRADE DOESN'T ENCOURAGE FARMERS TO IMPROVE QUALITY'

The argument behind this myth is that the safety net of the Fairtrade Minimum Price means there is little or no incentive for farmers to improve the quality of their crop.

But, as explained in myth four, producers aren't tied in to receiving the Minimum Price. Higher quality produce can and does attract higher prices. So there is an incentive for Fairtrade farmers to innovate and improve quality.

In addition to the price they receive for their coffee, Fairtrade farmers also earn the Fairtrade Premium to invest in projects that will benefit their business or community. Coffee farmers [must invest at least 25 percent of this in initiatives to improve quality](#) and productivity, fundamental ways of increasing their income.

Many Fairtrade coffee producers have won Cup of Excellence awards, and Fairtrade coffees have won over 28 Great Taste awards in the last three years. This includes Bewley's UK [Grumpy Mule](#) brand, [Cafédirect](#), The Wicked Coffee Company, Bailies Coffee Company, [Percol](#), Tesco Finest and Asda Extra Special.