

The Gazette

MONTREAL | MONDAY, JUNE 19, 2006 | montrealgazette.com | SINCE 1778 | SPORTS FINAL

FAIR TRADE

Corporate big boys smell the coffee

UQAM MEETING

Large retailers' entry focus of debate

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THE GAZETTE

Things have never looked better for the fair-trade community.

Over the last five years, sales of fair-trade coffee, tea and other items have grown 55 per cent annually across the country.

You can order a fair-trade latté at Starbucks or take home your own fair-trade coffee beans from Loblaws. As of today, you can buy only fair-trade coffee on Via Rail trains, making Via the first major passenger-transport company in Canada to serve fair-trade coffee to its customers.

Yet even as sales keep growing, the very people who've worked for the success of the movement are worrying about its future. The fair-trade concept is all about protecting the little guy — so what happens when corporate giants like Starbucks and even Wal-Mart want in?

That debate will be at the top of the agenda at the second international Fair Trade colloquium opening today at the Université du Québec à Montréal.

Participants will be "focusing on the capacity to keep the spirit of the movement if you're going with large industry," UQAM professor Marie-France Turcotte said. "The most crucial debate is going to be whether these fair-trade organizations can keep their standards high if there's pressure from large companies."

Turcotte said one problem with large coffee retailers, for example, is that their main business is not fair-trade coffee and therefore they have no vested interest in the philosophy behind the movement.

Indeed, the 5.2 million kilograms of fair-trade coffee purchased by Starbucks in 2005 accounts for just 3.7 per cent of its total purchases. Van Houtte's fair-trade sales are two per cent of total sales.

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FAIR GAME

CORPORATE Activists wary of retail giants

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Fair trade going corporate began, Turcotte said, with a decision by Max Havelaar, probably the largest fair-trade organization in the world, which started dealing with large retailers.

"They created a lot of debate in Europe," she said, "and that debate is coming here."

Rob Clarke, executive director of TransFair Canada, the fair-trade certifier, is giving a talk on multinationals tomorrow at the colloquium.

He said the moves these companies are making to increase their fair-trade buy is because consumers are increasingly interested in the source of their food. This, rather than a commitment to the cause, is the reason they've climbed aboard.

Much like Starbucks in the United States, which started selling certified fair-trade coffee because an activist organization threatened to protest, Van Houtte and others became involved through pressure by activist consumers.

Quebec's Van Houtte, now selling fair-trade certified coffee at Costco and elsewhere, is adding more fair-trade products because "there's a real movement toward that in Quebec and it's picking up speed across Canada," director of marketing Joseph Audi said.

Starbucks's Andy Fouché, program manager in public affairs at the parent company in Seattle, begged to differ.

"We began in fair trade because we share common goals with the fair-trade movement — equitable price for farmers," he said.

Clarke pointed out that TransFair never went after large buyers. "They have approached us," he said. "It was activism that got them involved, through public awareness and public demand."

Nowhere is suspicion of corporate motivation greater than among the younger crop of fair-

trade activists.

What will happen, asked Dario Iezzoni, one of the young, educated Quebecers who advocate fair trade, if fair trade stops being a trend? In the case of a recent move by retail giant Wal-Mart to sell fair-trade coffee through a Brazilian co-op, the effect of being dropped could be disastrous.

"Will they consider it a taste of the month and then dump it when it's not a trend anymore?" asked Iezzoni, managing director of Equita, Oxfam-Québec's fair-trade operation.

If a multinational big enough to demand 100 per cent of a product appeared on the scene, that would put a "huge strain" on the supply side, Clarke admitted. Wal-Mart, for example, "might very well lower the fair-trade prices to market."

But, he said, fair trade is fair trade only if it abides by certification standards. "From Equita to Starbucks to Wal-Mart, if it has the fair-trade certification on it, those basic requirements have not changed. That, to me, is crucial."

Turcotte, who teaches strategy at UQAM, is able to find valid arguments in both camps — one seeking to create commercial expansion, the other trying to articulate social and environmental values along with commercial exchange.

Nevertheless, she said, opening to large chains is strategically a good avenue. Clarke agreed.

"I personally believe it's going to be the consumer who will make the decision," Clarke said. "I would love Starbucks to sell other fair-trade products. If they truly believe in the ethics of fair trade, they should be looking at the other commodities of fair trade."

For more information on the international conference on fair trade and sustainable development, visit www.crsdd.uqam.ca



DAVE SIDAWAY / THE GAZETTE

Coun Canal (left) and Vinh Zhang have fair-trade coffee at Café Rico.