

# Fairtrade expects boom after Cadbury certification

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Retail sales of Fairtrade products in SA are set to increase by more than eight times as a result of Kraft Foods SA achieving Fairtrade certification for its much-loved Cadbury Dairy Milk Plain chocolate.

The Fairtrade certification system ensures better working and living conditions for small-scale farmers, farm workers and their communities by building relationships between consumers and producers that tackle inequalities in global trade and increase market access for groups of smallholder producers.

The Fairtrade Mark was established in the early 1990s and about 7.5 million people across 60 developing countries benefit from the international Fairtrade system.

In 2009, Fairtrade-certified sales amounted to about 33 billion rand worldwide, a 15% increase on the year before. On our side of the pond, there was a rise from 5.7 million rand in 2009 to 18.4 million rand in 2010.

And in the UK, where companies like Ben & Jerry's and Tate & Lyle offer a range of Fairtrade products, sales grew by more than 40% to GBP1.17 billion.

All major supermarkets in the UK, including Marks & Spencer, Sainsbury's, and Waitrose, offer branded and own-label Fairtrade products.

As the first major South African business to achieve Fairtrade certification, Kraft Foods SA partnered with cocoa farmers in west Africa, where 60% of the world's cocoa is grown.

"This intra-Africa trade on Fairtrade terms can effectively empower producers as it will enable them to improve their own lives and hence contribute to real, sustainable change in Africa," said Michael Nkonu, executive director of Fairtrade Africa, at a media briefing on Tuesday.

Nkonu added that by establishing the all-African cocoa supply chain, South Africans could enjoy their chocolate knowing it was a totally "African affair".

For nearly a decade, SA has been exporting goods like wine, fruit and rooibos tea on Fairtrade terms to the UK and Germany.

With Fairtrade, chocolate companies pay the guaranteed Fairtrade minimum price of US\$2,000 per tonne of cocoa beans

or the current world market price, whichever is higher - the minimum price is based on the costs of production and aims to protect smallholders from the volatility of cocoa prices.

The farmers' groups also receive the Fairtrade Premium of US\$200 per tonne, which they invest in social, environmental or economic projects that benefit their communities.

It is estimated that more than 1.4 million Fairtrade-certified Cadbury Dairy Milk Plain slabs will be consumed in SA in 2011.

"There will be no difference in the price of chocolate and the Cadbury Dairy Milk Plain slabs will bear the Fairtrade logo towards September or October," said Mike Middleton, marketing director for Kraft Foods SA, on Tuesday.

Since Cadbury Dairy Milk's first move to Fairtrade in the UK and Ireland in 2009, and subsequently in Australia, Canada and New Zealand, GBP2.7 million of premiums have been transferred to farmers in Ghana to be spent on farming equipment and mobile health clinics.

The amount of cocoa sold under Fairtrade terms from Ghana has quadrupled from 5,000 to 20,000 tons.

"Fairtrade offers consumers a powerful way to reduce poverty through their everyday shopping," Nkonu said.

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