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## Poland

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### Fair Trade products in Poland - Awareness Tastes Better

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Promotion Opportunities

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**Report Highlights:**

The number of Fairtrade products available in Poland has risen significantly in recent years, yet awareness of the Fairtrade movement remains relatively low in comparison. Fairtrade products are those that are produced with a guarantee of fair compensation for workers. The Fairtrade movement's key principles include the bettering trading conditions in developing nations and the promotion of sustainability. Although only 3 percent of Polish consumers recognize Fairtrade logos, most Poles have a general understanding of the issues associated with the Fairtrade movement. 75 percent of Poles believe that Poland should support developing countries. As consumers, most do not believe that purchasing higher priced Fairtrade products will help developing countries. Strong Fairtrade movements in other EU countries, along with efforts by NGOs in Poland and verbal support from the Polish government point towards better long term sales opportunities. Companies that are interested in promoting Fairtrade business practices abroad should consider Poland as an opportunity to expand awareness of the Fairtrade movement, with its fast rising urban incomes. Fairtrade business opportunities exist in Poland and have growth possibilities if awareness of the movement increases.

## **General Information: Availability and Awareness**

Prices of Fairtrade products are usually higher by 20-50 percent than their conventional kin. As a result, Fairtrade products are treated as premium class products which average consumers cannot afford. There are only a dozen or so companies that import Fairtrade products and offer them to local stores, cafes or Internet shops. There are also several NGOs that try to bring about more awareness by organizing events, meetings and TV interviews concerned with Fairtrade products. However, prices of Fairtrade goods have not yet won consumers' hearts and wallets. Many people do not believe that paying more for the logo is going to change anything, since this extra money might not necessarily end up in farmers' pockets. Occasional reports of companies that claim to be Fairtrade but do not fulfill Fairtrade standards make it difficult for a consumer to take the entire movement seriously. In Western European Union countries consumers are more aware of Fair Trade issues and are eager to spend more for the logo. FAS Warsaw used to enjoy daily cups of Fairtrade coffee at the Stoney Point Java Cafe at the US Embassy, but since beans have become more expensive, Fairtrade coffee is not served any more. Leaflets at the Café, however, are still available, and many people still think that they are paying more for a good reason.

## **Fair Trade vs Fairtrade**

Fair Trade describes the idea of development through special requirements of trade, more favorable to workers than regular international products. Fair Trade can be also used to describe activities by federations and associations of NGOs such as the EFTA (European Fair Trade Association), COFTA (Cooperation for Fair Trade in Africa) or NEWS (Network of European Worldshops). Fairtrade (written together) is used to describe the system of certification and labeling of products that is managed by FLO International (Fairtrade Labeling Organization, an umbrella association of organizations from different countries). FLO Int. created the international certifying mark Fairtrade to simplify and clarify the movement. Certification within FLO Int. includes transactions between farmers from Third World countries and commercial companies or collectives. The Fairtrade certifying logo is a tool of development, which guarantees better prices and contracts for the agricultural products; however it does not guarantee human rights on further stages of production such as processing, packing, transportation and sales.

## **What is Fair Trade's input into the Polish economy?**

Fair Trade movements in Europe and United States have been present for 50 years promoting ethical trade. The Fairtrade logo is widely recognized in the EU-15 but in new Member States like Poland the awareness is very low. Recent research held by NGOs shows that only 3 percent of Polish consumers know what Fair Trade is. In the UK nearly 70 percent of consumers are aware of the movement and the logo. Also many European countries promote the movement during events and through initiatives such as Fair Trade Cities or Fair Trade Schools. The EU seems to recognize the potential of the movement and impact that it might have on consumers and the economy. The Polish government is also supporting Fair Trade ideas as a part of sustainable development; however the support so far is only verbal. On October 2nd, 2009, the Polish Association of Fair Trade and Ministry of Economics held a conference to let people know what Fair Trade is and what effects it might have on the Polish economy. The "Third World and Us" association prepared estimates on sales. In 2007 there was 3242 kg of Fairtrade coffee sold, and it increased up to 4024 kg in 2008. There was only 830 kg of tea sold in 2007, and 1156 kg in 2008. Sales of rice were estimated at 870 kg in 2007 and 1090 kg in 2008. In 2007 1028 kg of Fairtrade sugar was sold, but in 2008 the number dropped to 946 kg. Total sales in 2007 are estimated at 1 million PLN (US dollar 361,441\*).

## **Polish Coalition of Fair Trade**

Eleven Polish NGOs have decided to create a Coalition for Fair Trade. These organizations are not only about Fair Trade but also environmental, ecological and human rights. The Coalition cooperates with FLO. The main problem of the Coalition is the lack of official registration as a separate NGO. That is why it cannot be a legal partner to FLO Int. and implement a certification system in Poland. As a result importers and companies who would like to sell Fairtrade products

are not able to afford to go through certification system themselves. It is easier for international companies to offer such products on the Polish market, because their global policy is to sell Fairtrade products together (e.g. Marks&Spencer sells T-shirts from Fairtrade cotton and Fairtrade food products in its stores in Warsaw).

### **Starbucks is not the only one**

There are places in Warsaw where Fairtrade products can be found for consumption but they are rather few. Many places that sell Fairtrade products admit that they no longer sell them. In some places the staff had no idea what Fair Trade was. At the moment in Krakow there are no places where Fairtrade products can be consumed. Café owners admit there is a supply problem. Some report that there are only very small and very expensive packages available. Lack of suppliers makes the sector very hard to develop. It is also difficult to add an alternative profile of goods because there is big competition on the regular coffee suppliers' side who, along with coffee, always offer expensive coffee equipment. At the same time they expect that only their product will be served. Fairtrade does not offer any additional bonus, which is why it is not attractive. Polish businesses would be more likely to sell Fairtrade certified products if the market for them were more consistent.

In Poland Fairtrade products can be usually found in supermarkets and deli stores ("Bomi", "Alma", "Piotr i Paweł", "World's Kitchens"). Also organic and ecological food stores offer products that many consider as Fairtrade however they do not have the logo. Ecological and Fairtrade products usually share the same minimal environmental standards and as a result these markets are closely linked to each other – even on shop shelves. The variety of goods is rather poor and prices are very high. The reason is that these stores do not treat Fairtrade products as their major goods; the choice of supply is rather random. It is also hard to get information about them.

There are also a few Internet shops in Poland that offer wider range of products, but without the actual Fairtrade certificate:  
[www.sklep.sprawiedliwyhandel.pl](http://www.sklep.sprawiedliwyhandel.pl)  
[www.ekoalternatywa.pl](http://www.ekoalternatywa.pl)  
[www.sprawiedliwy-handel.pl](http://www.sprawiedliwy-handel.pl)  
[www.jarmarkiswiata.pl](http://www.jarmarkiswiata.pl)  
[www.szczyptaswiata.pl](http://www.szczyptaswiata.pl)

There are also international stores that sell their own brands that already have the Fairtrade certificate and use the logo. A good example is Marks&Spencer that sells food and cotton products in a few of their stores in Poland. Another example is of the small Polish textile store "Rajana", where handmade silk products from Cambodia and Afghanistan can be found. Products are provided by local NGOs that cooperate with local producers and suppliers. Another example is the Earth Collection that promotes Fair Trade in fashion: clothes made from Fairtrade organic cotton and Chinese grass, dyed naturally.

There are also other initiatives present on the market but they seem to focus more on environmental issues. These initiatives are mainly implemented by coffee shop networks. For example recently opened Starbucks in Poland with <sup>TM</sup>Shared Planet<sup>TM</sup>. It involves taking three actions: ethical coffee harvesting, respect for the environment and active involvement in the life of local communities. Coffee is purchased in accordance with these ethical principles meaning Starbucks can get higher prices for their product and invest on behalf of growers' families and communities. Such explanations sound suspicious to consumers because they see very high prices but do not see the results of their investments. Consumers in Poland do not identify with the idea of social business. Also, not all of Starbucks coffee has the Shared Planet logo. Starbucks management explains that the objective is realized in 75 percent of its products, and the remaining 25 percent was not achieved in 2008. Starbucks explains that Shared Planet is similar to Fair Trade. Many manufacturers of certified Fair Trade, from which Starbucks buys coffee, also satisfy Starbucks' <sup>TM</sup>Shared Planet<sup>TM</sup>. According to Starbucks' statistics in 2009 the company was the world's largest recipient of coffee with the Fairtrade certificate. *The company is not able to buy only certified Fairtrade coffee due to the scale of its business. Fairtrade is mostly available on small plantations and small cooperatives. That is why Starbucks came up with its own purchasing requirements that would also take principles of ethics into consideration. However, these things do not always win clients hearts and definitely not their wallets, especially when they can choose the same quality for a lower price.*

One of the most popular coffee companies in Poland is Coffee Heaven. It owns 61 coffee shops in Poland and an additional 27 in other Central-East European countries. Coffee served in Coffee Heaven comes from the Rainforest Alliance, whose

products are Fairtrade certified. This logo can also be found in other coffee networks and occasionally in McDonald's restaurants.

### **Does awareness really taste better?**

Fair compensation is a common demand among workers. Most consumers only see quality and price. The conditions of production for workers are generally not a factor. The relationship between producer and consumer becomes real mostly when the conditions of production are revealed. Although only 3 percent of Poles recognize what Fair Trade is, nearly 75 percent believe that Poland should support developing countries (survey done by TNS OBOP in December 2006 for the Department of Development Cooperation of the Ministry of Foreign Affairs).

In the past, companies who have sought to bring about Fairtrade awareness in Poland have failed at sustaining widespread consciousness of the movement's issues. Fair Trade NGOs try to educate people that buying Fairtrade products may be the answer to an important question: what else – apart from financing aid programs – can be done to help developing countries? Everyone acknowledges that Fairtrade standards refer to fundamental values, such as human rights and labor protections such as the prohibition of child labor and slavery. The acknowledgement of these issues by Polish consumers points to a market that is ready for Fairtrade expansion in Poland. Polish consumers care where their food comes from. They care about the conditions of workers who make the products they buy. Companies that practice Fairtrade business practices and sell Fairtrade products should consider Poland as an opportunity to expand the Fairtrade movement.

\* National Bank of Poland: annual average rate in 2007 was 1 USD= 2.7667 PLN