

## **Fairtrade APPG AGM 2018**

**12<sup>th</sup> September 2018, 1.30-3.30pm**

### **Attendees**

#### **Parliamentarians at AGM:**

Will Quince MP, Conservative  
Gareth Snell MP, Labour/Co-op  
Stuart McDonald MP, SNP  
David Drew MP, Labour/Co-op  
Andrew Gwynne MP, Labour  
Thelma Walker MP, Labour

#### **For the roundtable discussion:**

Jeremy Lefroy MP

#### **External Guests:**

Helen Dennis, Fairtrade Foundation, APPG Secretariat  
Tim Aldred, Fairtrade Foundation  
Mohammed Choonara, Fairtrade Foundation  
Liz May, Traidcraft Exchange  
Jelle Zwemstra, JZ Flowers  
David Henig, ECIPE  
David Lawrence, Trade Justice Movement  
Kofi Addo, Ghana High Commission

#### **Apologies:**

Holly Lynch MP  
Stephen Timms MP  
Caroline Lucas MP  
Pauline Latham MP  
Kirstene Hair MP  
Liz Twist MP  
Lord Jeremy Purvis  
Lord Brennan  
Lord Frank Judd

Lord Jack McConnell  
Baroness Cathy Bakewell  
Henrietta Bailey, Africa APPG

#### **Had been hoping to attend:**

Stephen Doughty MP  
Tracy Brabin MP  
Janet Daby MP  
Dan Carden MP

### **1. Financial accounts**

*The following figures cover the reporting year 12<sup>th</sup> July 2017 – 12<sup>th</sup> September 2018*

The Fairtrade APPG did not receive over £12,500 within the reporting year and is therefore not obliged to public a closing income and expenditure statement. The Secretariat has provided one for the sake of transparency.

The main benefit in kind provided by the Fairtrade Foundation is staff-time, estimated to be £3,000, plus expenses relating to the annual Fortnight reception, which amount to £551 (photographer, refreshments from Jubilee café, purchased food and drink from co-op, donation of ice-cream tubs from Ben & Jerry's). So a total of **£3,551**.

The Fairtrade Foundation received a donation of £1,000 from the Co-op to support the Fairtrade APPG reception.

### **2. Election of officers**

Holly Lynch MP and Will Quince MP were re-elected as co-Chairs.

The following parliamentarians were elected as Vice-Chairs:

Kirstene Hair MP  
Tracy Brabin MP  
Stephen Doughty MP  
Gareth Snell MP

### **3. AGM Report**

A short annual report on Fairtrade APPG and wider Fairtrade activity was provided to attendees. Helen Dennis summarized the key activities listed in the report including:

- Re-constituting the Fairtrade APPG after the snap-election in 2017.
- Fairtrade APPG meeting with Sainsbury's in September 2017.
- A joint meeting hosted by the Fairtrade APPG and the APPG for Sustainable Development Goals in November 2017 on 'Post-Brexit Trade Policy and the SDGs'.
- The annual Fairtrade Fortnight reception in February 2018 was attended by 88 parliamentarians. The reception involved four Fairtrade producers, Lord Bates, school children from Colchester, Nick Hewer, commercial licensees and Ben & Jerry's ice-cream. Helen noted that in addition to attendance at the reception, at least 38 MPs engaged with Fairtrade Fortnight in some other form – including by writing blogs, attending constituency events and as part of a Westminster Hall debate, led by Geraint Davies MP.
- The Fairtrade APPG also held a meeting in July 2018 with Fairtrade International CEO Dario Soto Abril.

Tim Aldred also provided an update from general work of the Fairtrade Foundation, which is also included in the written report, highlighting the 7% growth in retail value of UK Fairtrade sales, and drawing attention to work which is underway to focus more on living incomes in cocoa.

### **4. Forward Planning**

There was a discussion about future events and topics for the APPG to cover.

- Thelma Walker MP highlighted a potential link between the Education Select Committee, on which she sits, and work regarding Fairtrade schools and universities.
- Thelma Walker MP also stated an interest in a future discussion around Fairtrade and 'Women's Economic Empowerment'. This would build on discussions with Bewley's in her constituency.
- Gareth Snell MP asked whether there could be more the APPG could do to highlight the contribution of Fairtrade to combating modern slavery.
- Gareth Snell MP also suggested that the APPG could play in role in supporting local activity (especially 'Fairtrade Towns') to ramp up again.
- Will Quince MP suggested that there could be more creative activities undertaken to raise awareness of Fairtrade amongst parliamentarians and encourage them to promote Fairtrade including on social media.

## **5. Roundtable discussion on Fairtrade and trade policy**

The topic was introduced and participants reminded that the discussion would be held under Chatham House rules.

A forthcoming Brexit paper is to be published by the Fairtrade Foundation, which looks at the UK's withdrawal from the EU through a Fairtrade lens and considers the potential impact on producers in developing countries.

The report does not contain any economic modelling but raises important questions where we still need more information or clarifications, and where the Foundation would encourage parliamentarians to focus.

- **What is the status quo? What are the current arrangements for trade with developing countries? How might these be improved?**
  - It was pointed out that whilst the government has agreed to replicate the EBA scheme and the EU's GSP, there is less certainty around the EPAs and FTAs and a lot of Fairtrade producers are in these countries e.g. Kenya, Ghana, Latin America and the Caribbean. The government wants to protect market access but this is not yet legally guaranteed and there is a concern about March 2019. If there is no Withdrawal Agreement, then the transition/implementation period is threatened and there could be a 'cliff-edge' after which producers could face UK import duties.
- **How are developing country producers connected into UK/EU supply chains?**
  - Trade with developing countries should not be seen as an alternative to trade with the EU. From a Fairtrade perspective, many supply chains are highly integrated and most products are travel to the UK through other EU countries and/or through the UK to other EU countries. Trans-shipment is also an issue with ships carrying bananas not only delivering produce to the UK but also to Ireland and mainland Europe.
- **How might the government protect developing country producers from any risks associated with Brexit?**
  - It was noted that developing country producers are often the most vulnerable in the supply chain and the least able to cope with any economic shock. Could DFID do more to protect producers, by for example offering some transitional funding to support them? DEFRA's Agriculture Bill will also be an opportunity to build in protections for overseas suppliers.

Participants then heard presentations from Traidcraft and JZ Flowers which considered Brexit (and a 'no-deal scenario') from a business perspective. The following points were made:

- Fairtrade is a voluntary scheme and is therefore highly dependent on consumer demand and retailer's willingness to stock Fairtrade products. Consumers are prepared to pay more for Fairtrade, but only to an extent – the cost of Fairtrade premiums in addition to post-Brexit import duty could be too much.

- Post-Brexit if suppliers move away from their Fairtrade commitments this will be a challenge. Fairtrade works well when a large volume is sold on Fairtrade terms. That being said, there is encouraging evidence to suggest Fairtrade can hold sales even in challenging economic circumstances.
- Businesses are concerned by a lack of clarity and the short amount of time until the withdrawal date (~6 months). Customs delays are particularly worrying, especially for suppliers and producers working with perishable goods (e.g. flowers, bananas).
- A significant impact of the Brexit process for fair trade is its effect on exchange rates. The post-vote fall in the pound increased the price of goods from developing countries and for fair trade companies that refuse to pass that cost onto suppliers, there has been and could be going forward, very difficult consequences. It was noted that whilst Fairtrade sales have increased overall, some fair trade companies have seen reduced sales of discretionary items (e.g. gifts)

**Other key points/questions:**

- UK's aim should be for development to sit at the heart of trade policy and DIT's White Paper showed signs of this. However this hasn't translated into legislation.
- The Trade Bill, which is currently going through Parliament, gives limited scope for Parliamentarians to engage in trade policy process. This is not a party-political issue but is about developing good processes to support future trade policy post Brexit.
- Could a longer transition period provide more time for the UK to agree better (more development-friendly) deals with developing countries? This might also allow more time to rethink the EPAs and align deal with the move towards continental free trade area across Africa. Situation in West and East Africa remains complex with some countries refusing to sign the EPAs. How can trade policy support industrial strategies and value addition in developing countries? Example of coffee was discussed where main obstacle is not tariffs but investment in infrastructure and technology (e.g. vacuum packaging). The role of TradeMark East Africa was highlighted.
- There is a risk that new free trade deals ignore the needs of developing countries. Will the government produce comprehensive impact assessments to consider the impact that these deals could have? How will new trade deals treat sustainability and labour rights issues?
- Is the primary purpose of trade policy just to deliver 'cheap food' or does the UK have wider policy objectives, including trade for development objectives?