

WHO'S GOT THE POWER?

FAIRTRADE IRELAND CALL FOR GREATER TRANSPARENCY FROM IRISH RETAILERS AS NEW STUDY CONFIRMS IMBALANCES IN AGRICULTURAL SUPPLY CHAINS

Fairtrade Ireland is calling for greater transparency and accountability from Irish retailers in response to key findings of a new study, "Who's got the power? Tackling imbalances in agricultural supply chains"

The study released by the Fair Trade Advocacy Office based in Brussels, reveals how the growing integration and concentration of power in the supply chain of agricultural products is having a serious effect not only on producers far away from supermarket shelves, but all along the supply chain, including the environment and onto the choices available to consumers.

Speaking about the importance of the report internationally, Harriet Lamb, Chief Executive Officer, Fairtrade International commented,

'Who's got the power? Tackling imbalances in agricultural supply chains' illustrates graphically how almost universally across agricultural chains, a tiny handful of traders, branded manufacturers and retailers control the terms of trade and make good business in the process. For example, just four corporations trade 90% of the world's grain, and 5 supermarkets control 50% of the market in Europe."

Peter Gaynor of Fairtrade Ireland commented,

"Fairtrade Ireland is calling on the main Irish retailers, who control about 90% of the food we buy, to publish their Fairtrade banana sales figures as a first indication of their commitment to Fairtrade. Just 7.7% of bananas sold in Ireland are Fairtrade. This compares very unfavourably with some other countries in Europe; in the UK the corresponding figure is 30% while in Switzerland 50% of bananas are Fairtrade certified. Just this week the Fairtrade Foundation in the UK called on both ASDA and Tesco to sell more Fairtrade bananas as only about 10% of their total sales in UK are Fairtrade compared to 100% for retailers like Sainsburys and the Coop. In Ireland, on average, most retailers are estimated to sell less than 5% of their bananas as Fairtrade."

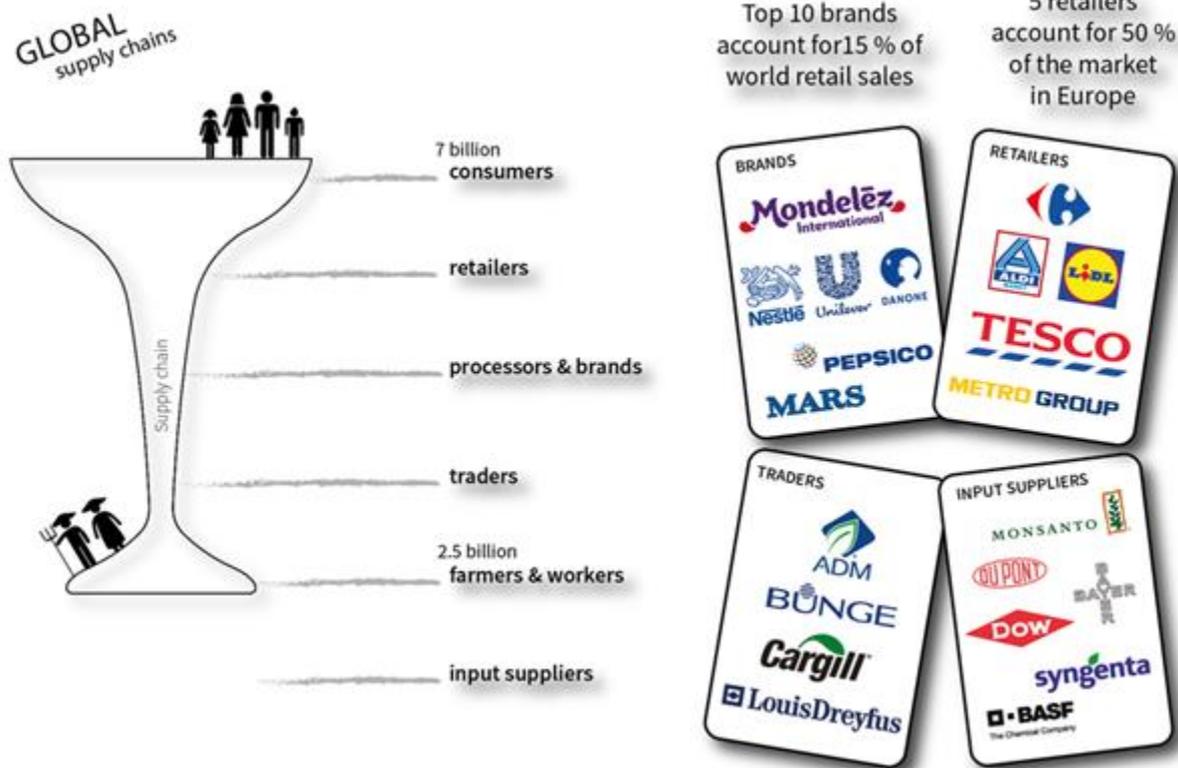
Fairtrade International CEO, Harriet Lamb, continued:

"The report shows how the big boys have become so dominant that they are almost inevitably taking the lion's share of the value. In cocoa for example the report shows how retailers and branded manufacturers are each taking 35-40% of the value each - leaving the cocoa farmers themselves with just 5%."

"The report outlines a comprehensive list of actions needed from Governments to shoppers – and everyone in between. In particular, the European Union and national governments need to update competition laws and to shift from their short-term focus on protecting the consumer from monopolies and the risks of price collusion, to considering long term sustainable solutions for all –

including farmers and workers. At present the European framework considers each segment of the supply chain in isolation, remaining blind to vertical control that some companies have right through the value chain. While the European Commission has acknowledged that unfair trading practices are common and may have harmful effects, it needs to overhaul its fragmentary toolkit. For, the report underlines, we will only stop unfair trading practices, if we shift the balance of power, through organised farmers and workers backed by legislative support.”

The Hour Glass Effect ‘Who's squeezing your food for you?’



For more information on Fairtrade Ireland, simply log on to www.fairtrade.ie.

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Notes to Editor:

Fairtrade Ireland

Fairtrade Ireland awards a consumer label, the Fairtrade Mark, to products which meet internationally recognised standards of Fairtrade. It is supported by ActionAid Ireland, Amnesty International (Irish Section), Christian Aid, Comhlámh, Concern, Friends of the Earth, Irish Congress of Trade Unions, Oxfam Ireland and Trócaire. It is active throughout Ireland via a network of dedicated volunteers involved in the promotion of Fairtrade, the Fairtrade Towns project, and Fairtrade certified products.

Fairtrade Ireland is the Irish member of the Fairtrade International.

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