

McMASTER UNIVERSITY

Complete Policy Title: **Fair Trade Purchasing Policy for University Suppliers and Licensees**

Policy Number (if applicable):

Approved by: **SMM**

Date of Most Recent Approval: **June 13, 2002**

Revision Date(s):

Position Responsible for
Developing
and Maintaining the Policy:

Contact Department: **Vice-President (Administration)**

DISCLAIMER: *If there is a discrepancy between this electronic policy and the written copy held by the Policy owner, the written copy prevails.*

McMaster Ad Hoc Code of Labour Practices Development Committee Members:

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Acknowledgements:

The McMaster Ad Hoc Code of Labour Practices Development Committee would like to thank the following individuals for consulting with the Committee on the development of the *Code of Labour Practices for*

University Suppliers and Licensees and/or the Fair Trade Purchasing Policy for University Suppliers and Retailers.

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In addition the Committee members would like to thank all of the organizations and departments that they represented and their constituents. The Committee is especially grateful to the late Mary E. Keyes for her leadership, wisdom, dedication, and consistent support.

Fair Trade Purchasing Policy for University Suppliers and Retailers

Prepared by the McMaster Ad Hoc Code of Labour Practices Development Committee

I Fair Trade Purchasing Policy for Coffee Suppliers and Retailers

It is preferred that all coffee sold by retailers at McMaster meets the Fair Trade standard. At a minimum, each retailer shall provide its customers with a choice between coffee that meets "fair trade" standards and coffee that does not. In addition to retail coffee supplied directly by McMaster hospitality services, this policy shall apply to all new retail coffee contracts at McMaster. Certified Fair Trade coffee is coffee, sold by coffee retailers and roasters, that meets the standards set by TransFair Canada, a non profit monitoring organization that is a member of the Fairtrade Labelling Associations (FLO) headquartered in Europe. TransFair Canada's basic guidelines for fair trade coffee are:

1. Coffee importers agree to purchase from the small farmers included in the FLO Fairtrade Coffee Register. The farmers listed in the register meet various criteria related to democratic organization, organic farming strategies, and commitment to a high quality product.
2. Farmers are guaranteed a minimum "fair trade price" for their coffee. (As of December 2001, this price was \$1.26 U.S./pound of coffee FOB). If the world price rises above this floor price, farmers will be paid a small premium above market price (As of April 28, 2000, this premium was \$0.05 US/pound).
3. Coffee importers provide a certain amount of credit to farmers against future sales, helping farmers to stay out of debt to local coffee 'middlemen' who may charge usurious rates of interest.
4. Importers and roasters agree to develop direct, long-term trade relationships with producer groups, thereby cutting out 'middlemen' and bringing greater commercial stability to an extremely unstable market.

A list of Canadian coffee importers and roaster/retailers that meet the TransFair Canada criteria is available from TransFair Canada, 323 Chapel St., 2nd floor, Ottawa, Ontario K1N 7Z2 (email: fairtrade@transfair.ca ; web: www.transfair.ca).

The coffee that meets "fair trade" standards shall be:

1. Clearly marked so that customers are aware of the "certified fair trade" standard that the coffee meets.
2. Available for sale by each retailer and by McMaster Hospitality Services. In other words, customers will have a choice.
3. Priced such that cost alone will not be an overriding factor in consumer selection.

II Administration

The Code of Labour Practices Advisory Committee (see *Code of Labour Practices for University Suppliers and Licensees*) shall advise the University on issues related to the *Fair Trade Purchasing Policy for University Suppliers and Retailers*, including its administration. It is intended that over time this purchasing policy will be extended to other "fair trade" commodities (e.g. cocoa, tea) where this becomes feasible.
