

NFOS SPEAK

As a Producer Network, we always welcome the market perspective from our partner National Fairtrade Organizations. In this edition we are proud to feature two of our important Marketing Partners: Fairtrade Germany and Fairtrade Norway

FAIRTRADE GERMANY



In conversation with Dieter Overath -Founder and Director -Fairtrade Germany (TransFair e.V)

Dieter Overath- founder of Fairtrade Germany has been the Director of the organization since its inception in 1992. Fairtrade Germany is one of the strongest members of the international Fairtrade movement with currently 62 staff members and a sales volume of 1.6 billion. In 2018, sales of fair cotton textiles increased by 14%: almost 14 million garments and accessories were bought, in addition to cotton bags and casual clothing, workwear is playing an increasingly important role.

Q. Could you tell us about the role of NFO in the Market front? Are they in a position to influence brands to source cotton from specific regions?

A. There is increased focus on sustainability and sustainable fibres in Germany since the German Development Minister founded the Textile Partnership in 2016. Our experience is that interested businesses want to continue working with their existing supply chains.

If they want to switch to Fairtrade cotton, their supplier first needs to test the quality of the material they source and agree to switch as well.

Many German textile businesses source in Asia so switching to Fairtrade-certified cotton from India is usually quite easy.

Q. How is the current market situation for Fairtrade Cotton especially with other 'Sustainability labels' increasing their market share?

A. From all sustainability labels Fairtrade still has the highest recognition with consumers and the biggest trust. However, consumers are also interested in organic and larger businesses tend to choose BCI as the choice of suppliers is larger. Detailed Information on the good work NAPP is doing with farmer groups on the ground and the inspiring reports on what farmers are doing with the Fairtrade-Premium are key to gaining and keeping customers whilst communicating Fairtrade's USP that we know the supply chain down to the field. This includes long term work on generic issues such as gender, child labour, climate change, seed, water usage etc. and being able to communicate this to business partners.

Q. Do you foresee any growth in demand for FT cotton from Asia in the coming years? What are the challenges?

A. We foresee that the demand for sustainable cotton will increase in the coming years, parallel to the demand for organic cotton. Fairtrade's share of the cotton sourced by Germany in total still remains small so there is substantial potential. Challenges are the substantial upcharge demanded in the supply chain for Fairtrade-certified products, aligning Fairtrade's offer for textiles with Fairtrade-Cotton and Fairtrade Sourced Cotton and ensuring global Fairtrade services for both products.

Q. How can we improve positioning of Fairtrade cotton in the market as compared to other 'responsible fibres'?

A. Fairtrade's USP remains our unique relationship to farmers and our credibility idealing in the interest of farmers. This needs to be communicated in a systematic and clear fashion through quality testimonials but also clear impact data.

Q. Can you highlight few brands who are majorly sourcing Fairtrade cotton from Asia? What are their interest and expectation before building a supply chain partnership with any trader or producer?

A. Ernsting's Family has been selling children's clothing with Fairtrade cotton since 2013 and actively advertising this in press and TV. As a market entrance brand, their supplier in India is interested in finding a good balance between price and quality. For Ernsting's it is important to know how the farmers invest the Fairtrade-premium and to be able to communicate this to their customers.

Brands Fashion decided a couple of years ago out of clear conviction to switch to Fairtrade and organic fibres and is being very successful in pioneering products with the Fairtrade mark with their customers in Germany. 2017 they convinced retailer Kaufland to switch their uniforms to Fairtrade and organic cotton, a great break through. Many other retailers are also showing interest in Fairtrade workwear. In addition, Brands Fashion is also implementing the Textile Standard in part of their supply chains, major step to addressing living wages in the supply chain too.

Workwear manufacturer, CWS-Boco, has also switched 5 collections to Fairtrade cotton and selling an increasing amount of products with the Fairtrade mark. They want reliable and durable supply whilst being able to communicate transparently to their business customers what the benefits of Fairtrade are.



Fairtrade Germany Team celebrating World Fair Trade Day-2019

Q. What are the Fairtrade Awareness initiatives adopted by Fairtrade Germany for increasing visibility and market presence of FT Cotton in your region? What are the main factors that influence the purchasing power of the end consumers?

A. Fairtrade Germany has organized activities for the Fashion revolution during the last 2 years showcasing both cotton and the textile supply chain. In 2016 we organized a Fashion Fair Day as the peak of our Fairtrade Fortnight campaign. In addition, we liaise with bloggers and influencers to spread the word and regularly post information on social media accounts.

Q. How can our cotton producers improve their visibility in the Global Market? Is there a potential for FT Germany to facilitate POs meet market requirements?

A. Essential for commercial colleagues working at NFOs is to be able to demonstrate impact – both through systematic and regularly collected data, reports on the investment of premium money and through individual stories and testimonials that can be used when marketing the products to consumers. Connecting to suppliers in the supply chain and convincing them of the benefits of Fairtrade is also a step to prevent upcharges along the value chain.

Q. Can you give us a short brief us on the Cotton Business Plans & Priorities for 2019? How can NAPP provide support in alignment with the plan?

A. Cotton and textiles are interconnected as most business partners are working both on sourcing sustainably and addressing compliance with Human Rights Due Diligence issues in the supply chain. We are working on establishing our position with workwear and communicating the Fairtrade benefits to business customers buying uniforms carrying the Fairtrade mark. In addition, we are seeking to increase retailer commitment for Fairtrade cotton and textiles.