



The Church of Scotland

Ferryhill Parish Church

Ferryhill Parish Church
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Scottish Charity Number: SC010756

Ross Thomson MP
House of Commons
London
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Dear Ross Thomson MP,

Traidcraft, Fairtrade and Brexit

We are members of Ferryhill Parish Church, a Fairtrade church in a Fairtrade city and in a Fairtrade nation. As one of many congregations in the Church of Scotland with Fairtrade status, we have an active stall each week selling fairly-traded goods sourced from the company Traidcraft plc. We began this stall in 2010 and since then through our congregation have traded almost £34,000 worth of goods supporting producers and communities in developing countries around the world. We also use fairly traded goods in the life of the church, for instance in the daily Coffee Shop and at meetings and following worship.

Traidcraft plc was founded in 1979 and from its beginning has had a strong connection to faith communities with 85% of local Fair Traders based in a faith community. Fair Traders account for half of Traidcraft plc revenue. As a Christian community called to serve our brothers and sisters, especially the most vulnerable, this is an important part of putting our faith into action.

It has been with great sadness that we have learnt recently that Traidcraft plc may have to cease trading. They have advised us that this is due to a combination of factors: economic uncertainty, stagnating wages and the devaluation of the pound following the Brexit referendum. As an ethical company, the burden of these changes has been absorbed by the company in order to protect both consumers and producers. This is to safeguard the valuable relationships built up over decades with communities around the world. These relationships have led to significant improvement in the lives of people within those communities, especially for women, children's education, mitigating the impact of climate change, and sustainability. Traidcraft is not driven to create a profit but rather to develop those relationships through trade.

Traidcraft plc Chief Executive Robin Roth has said:

We are the sort of business that pays up front – that's in our nature as an ethical business. So, when the pound fell after the Brexit referendum, we took a hit. We also stand by our published prices, so unlike other retailers we stood by our customers, absorbed a lot of the additional cost, and kept price rises to a minimum.

Minister

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We are very concerned that Brexit is already having a detrimental effect on Traidcraft plc which may in turn mean that we as a Fairtrade congregation are less able to support directly our brothers and sisters around the world.

That is our local concern, but we are also aware that the Fairtrade Foundation in a September 2018 report (<https://tinyurl.com/y8eh4jbz>) warns that a no-deal Brexit will have a detrimental impact on all Fairtrade relationships. In particular they warn that: companies may switch their sourcing arrangements ending long-term relationships with suppliers; increased tariffs and other costs will be pushed down onto producers and workers affecting purchasing prices and wages; currency devaluation is already hitting Fairtrade companies who import from developing countries; and companies may step back from Fairtrade commitments resulting in smaller volumes bought on Fairtrade terms, which means less investment in producer communities via the Fairtrade Premium.

Helen Dennis, Policy and Advocacy Manager at the Fairtrade Foundation and the report's author has written:

March 2019 is now looming, but without clarity on a Withdrawal Agreement and transition period, many Fairtrade producers still don't have guaranteed access to the UK market after Brexit Day.

Fairtrade producers around the world will be watching these negotiations with bated breath as what is decided will directly impact them.

There could still be an opportunity to rethink UK trade policy with development at the heart, but without swift progress to secure a deal, good work that has been built up to support farmers in developing nations, including through Fairtrade, will be at risk.

In light of these concerns, we would like you to ask the following question of Dr Liam Fox MP, Secretary of State for International Trade:

How does the government intend to protect the interests of companies like Traidcraft plc and producers from developing countries who currently benefit from Fairtrade relationships?

We look forward to hearing from you.

Signatories from the congregation on following page.

Yours sincerely,

Rev Peter Johnston
Minister

Shelagh Bain
Fair Trader

CC Aberdeen For A Fairer World MDEC
Aberdeen Fairtrade City Steering Group
Aberdeen City Council
Holly Lynch MP (Co-Chair of All Party Parliamentary Group for Fairtrade)
Will Quince MP (Co-Chair of All Party Parliamentary Group for Fairtrade)
Traidcraft plc