Fair Trade Practices of CO·OP Brand Products

Japanese Consumers’ Co-operative Union

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### About Consumers Co-ops in Japan

#### Business of Consumers Co-ops in Japan (FY2016)

**Membership**  about **28.6** million (16/15 **101.7%**)

**Total Business Turnover**  about **32.2** billion USD
(16/15 **100.8%**)

1 USD ≈ 107 JPY

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**Consumers**
Consumers become members by paying subscription fees.

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**Member Co-ops**
All co-ops operate their businesses independently of each other under their own principles.

- **Co-op**
  - Community-Based Retail Co-ops
  - School Teachers’ Co-ops
  - University Co-ops
  - Institutional Co-ops
  - Health and Welfare Co-ops
  - Insurance Co-ops, Housing Co-ops, etc.

- **Federation/Union**
  - Prefectural Co-op Unions
  - Regional Business Federations engaged in collaborated businesses
  - National Business Federations (see p.13)

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**JAPANESE CONSUMERS’ CO-OPERATIVE UNION**

Member Societies : **322**
CO・OP Brand Product is a private brand of Japanese consumers’ co-ops. JCCU develops the products and distribute them to its member co-ops. Each member co-ops supply the products to their individual members at stores or through home delivery services.

CO・OP Brand Product was launched in 1960. Celebrating the 60th anniversary soon!

5 commitments

① Pursuing the development of better quality products by placing importance to safety and reliability

② Pursuing the development of valuable products by listening to and incorporating the opinions of members

③ Fostering empathy by connecting thoughts

④ Bringing smiles and good health at dining table

⑤ Contributing to the community and the society → Fair Trade
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Total Sales of FY2017
4.1 million USD
1 USD ≈ 107 JPY

CO-OP Brand Fair Trade Products are:
- 7 Fresh Banana items
- 3 Coffee items
- 2 Tea Leaf items
Why choose Bananas from Columbia and Peru?

Since Fair Trade wasn’t familiar to our members at the time of introduction, we thought it couldn’t be the selling point of a product alone.

- Organic was already familiar to co-op members in Japan.
- South America area is well known in Japan as a production site of banana.

### Organic
Good for health

### Fair Trade
Producer-friendly

As the Added Value

Elderly co-op members tend to buy Fair Trade Bananas.

- Blue Line: Organic Banana 298 JPY (≒ 2.78USD)
- Red Line: Fair Trade Banana 398 JPY (≒ 3.71 USD)

Horizontal axis: age of the member
Columbia:
- Bio TROPICO Certified Fair Trade banana from C.I. La Samaria
- Since 2009
- Part of the profits is utilized to improve farmers’ living by FLOTRABAN (Fundacion de los Trabajadores de las Bananeras), a workers fund by banana producers.

Peru:
- FLO Certified Fair Trade banana from Agro Pacha S.A.
- Since 2010
- Part of the profits is utilized to improve farmers’ living by Asociacion Agro Pacha Pabur y Anexos, a workers' organization, with advisory from farm managers.
Each farmer is assigned with 0.5ha of farmlands. Better results will be shared and rewarded. This will motivate farmers.
In-store promotion examples from one of our member co-ops

The pop display and the leaflet explains:

**What is Fair Trade?**

**Who you are buying from?**

**What contribution do you make to producers by purchasing?**
Japanese Consumers’ Co-operative Union

Using various pictures, we provide detailed information about Fair Trade Bananas. Also, we often run feature articles.

The price range of “ordinary” bananas:
198 JPY to 248 JPY (≒ 1.85 USD to 2.31 USD)

The price range of Fair Trade Bananas:
298 JPY to 398 JPY (≒ 2.78 USD to 3.71 USD)

Fair Trade Bananas are even more expensive than high-graded “ordinary” bananas.
Catalog examples

In-store pop examples
Some of our member co-ops provide study programs for their members about Fair Trade.

Left: a report about a summer workshop for school kids about Fair Trade Bananas titled “The Unknown World of Banana”
Improvement of School Facilities: (from the left) a new school building with big glass windows with aluminum frames that prevent rain and get more sunshine / improvement of water facilities / installation of music instruments

(from the left) **Home Garden Project** to let producers have their private vegetable garden to improve their eating habit / **Dressmaking Training Program** for women / a shirt made at the Dressmaking Training Program
Project to Improve Living Environment:
Instead of traditional wooden houses, built new brick houses with sturdy and waterproofing roofs and ceramic tile floorings.

In the heavy rainy season 2017, this project helped tremendously.
Installation of Toilet Facilities

(Most traditional houses have no bathrooms.)

Installation of Gas Energy

The aim of providing containers of gas to each houses are:

- To reduce CO2 emission
- To decrease the risk of health issues
- To conserve the natural environment of the production site
1) Education about improvement of living environment
   • Importance of putting the lid on the water pot to prevent dengue fever
   • Importance of using gas energy instead of firewood. Use of firewood fuel increases the risk for respiratory diseases.

2) Education Programs to Develop Community Leaders

3) Scholarship Program for Children
   • A project proposed by producers
   • Four 6,500 USD scholarships for students with good academic results to cover one-year school fees, study materials including a laptop computer, commuting expenses and so on.
4) Woman Empowerment

- To make treatment of girls and boys equal.
  - Volume of chores
  - Amount of free time
  - Educational opportunity
- To educate girls that there are valuable goals to be achieved (schoolwork, for instance).
- Counseling sessions and private workshops for families with problems
- To encourage women to express their thoughts and feelings
- To support women to get a say on family decision making
- To stop domestic violence
We are very proud of the results and wish to tackle the future tasks. It’s one of our missions as a co-op. But...

**Future tasks from the point of view of business**

- The significance of Fair Trade alone cannot make members purchase the products continuously.

That means...

- Business continuity itself can be threatened in future.

- Stable and high quality and stable supply are needed. As a co-op, we cannot compromise quality and stable supply since those directly linked to profits for individual members.
4. Quality Standard Examples

**<Stems>**

- **OK**
- **NG**

**<Skin>**

- **OK**
- **NG**

**<Damage on Skin that indicates damage to flesh>**

- **OK**
- **NG**

**<Scars on Skin>**

- **OK**
- **NG**

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Japanese Consumers’ Co-operative Union
### Result of Member Survey about Fair Trade

<table>
<thead>
<tr>
<th>Certification Mark</th>
<th>Meanig Known</th>
<th>Purchase Experience</th>
<th>Future Purchase Intent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eco mark</td>
<td>71.9% (Yes) 15% (No) 19.8% (No) 8.3% (No)</td>
<td>89.7% (Yes) 11% (No) 5.7% (No) 4.6% (No)</td>
<td>82.7% (Yes) 10% (No) 0.9% (No) 16.5% (No)</td>
</tr>
<tr>
<td>Organic</td>
<td>51.9% (Yes) 26% (No) 18.3% (No) 29.9% (No)</td>
<td>49.5% (Yes) 10% (No) 2.7% (No) 47.8% (No)</td>
<td>64.8% (Yes) 7% (No) 1.9% (No) 33.3% (No)</td>
</tr>
<tr>
<td>Fair Trade</td>
<td>23.3% (Yes) 3% (No) 7.9% (No) 68.8% (No)</td>
<td>19.8% (Yes) 4% (No) 13.3% (No) 66.9% (No)</td>
<td>54.9% (Yes) 5% (No) 2.4% (No) 42.7% (No)</td>
</tr>
</tbody>
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</thead>
<tbody>
<tr>
<td>RSPO Mark</td>
<td>8.4% (Yes) 1% (No) 6.3% (No) 85.3% (No)</td>
<td>9.5% (Yes) 2% (No) 6.8% (No) 83.7% (No)</td>
<td>46.6% (Yes) 2% (No) 2.0% (No) 51.4% (No)</td>
</tr>
<tr>
<td>FSC Mark</td>
<td>8.1% (Yes) 3% (No) 9.1% (No) 82.7% (No)</td>
<td>12.0% (Yes) 5% (No) 8.1% (No) 79.9% (No)</td>
<td>47.1% (Yes) 4% (No) 1.9% (No) 51.0% (No)</td>
</tr>
<tr>
<td>MSC Mark</td>
<td>8.1% (Yes) 5.1% (No) 86.8% (No)</td>
<td>7.6% (Yes) 0% (No) 7.2% (No) 85.2% (No)</td>
<td>43.7% (Yes) 2.3% (No) 54.1% (No)</td>
</tr>
<tr>
<td>RSPO Mark</td>
<td>5.0% (Yes) 2% (No) 5.2% (No) 89.9% (No)</td>
<td>5.8% (Yes) 2% (No) 6.3% (No) 87.8% (No)</td>
<td>43.1% (Yes) 3% (No) 2.5% (No) 54.4% (No)</td>
</tr>
</tbody>
</table>

**Do you know the certification mark?**
- Eco mark: 70%
- Organic: 50%
- Fair Trade: 20%

**Do you buy products with the mark?**
- Eco mark: 90%
- Organic: 50%
- Fair Trade: 20%

**Are you going to buy products with the mark in the future?**
- Eco mark: 80%
- Organic: 65%
- Fair Trade: 55%
What our Members value when they choose ethical products (including Fair Trade ones):

- Good for health
- Reasonable
- Feels good doing good

### Business Potential

Considering “Fair Trade” as one of the added values, choosing products that are highly demanded in Japanese market will be successful.

- Deliciousness
- Popularity
- Fair Trade, Organic, etc.

As the Added Value

with continuing educational activities for members
Making thoughts a reality

SMILING CO-OP

Can you find out what is hidden in the characters’ face?

Love-ko’s Mom

Love-ko

Hikaru

Kirara

Thank you for your attention