Agenda – Executive Policy Committee – April 12, 2017

REPORTS

Item No. 3 Feasibility of Winnipeg being designated a Fair Trade Town

WINNIPEG PUBLIC SERVICE RECOMMENDATION:

That the following report be received as information.

ADMINISTRATIVE REPORT

Title: Feasibility of Winnipeg being designated a Fair Trade Town

Critical Path: Executive Policy Committee

AUTHORIZATION

Author	Department Head	CFO	CAO
B. Smith	J. Kiernan	M. Ruta	D. McNeil

EXECUTIVE SUMMARY

As per Executive Policy Committee direction, the following report provides information on the feasibility of Winnipeg becoming a Fair Trade Town and incorporating fair trade related provisions into City policies.

According to the Canadian Fair Trade Network, the Fair Trade Town Program recognizes municipalities demonstrating strong commitment to Fairtrade from its community stakeholders, including local municipal authorities (such as a city council), businesses, community groups, and individual members.

The Fair Trade Certification Program verifies that producers and companies purchasing products have met a variety of criteria including labour standards, minimum prices and fair pay, sustainable farming, governance, on-site audits and the democratic participation of workers.

Fair Trade Town designation provides municipalities with assurance that a third-party, internationally recognized certification program has verified the integrity of coffee, tea and sugar products procured using public funds.

There are currently 22 Fair Trade Towns in Canada, including cities such as Vancouver, Edmonton, Toronto and Brandon.

A Fair Trade Winnipeg Steering Committee was established in 2014, made up of community champions representing educational institutions, businesses, non-profit and government sector. Their goal is to make Winnipeg a Fair Trade Town. The Fair Trade Winnipeg Steering Committee has indicated that it currently meets all requirements for the designation except for political support.

There are no significant financial implications of Winnipeg becoming a Fair Trade Town. Information gathered from local coffee service providers shows that the cost of Fairtrade certified coffee is similar, and in some cases less, than that of non-Fairtrade certified coffee products. The policy implication of Winnipeg becoming a Fair Trade Town would be the amendment of the City's Administrative Standard FM-002 to include a commitment to "serve

only Fairtrade certified coffee, tea, and sugar at municipal food services managed by municipal administration."

RECOMMENDATIONS

That the following report be received as information.

REASON FOR THE REPORT

On June 24, 2015, EPC concurred in the recommendation of the East Kildonan-Transcona Community Committee that the Public Service be requested to report back on the feasibility of becoming a Fair Trade Town and incorporating fair trade related provisions into City policies.

IMPLICATIONS OF THE RECOMMENDATIONS

There are no implications of receiving this report as information.

HISTORY/DISCUSSION

Globally, agriculture is responsible for 70 per cent of projected losses in terrestrial biodiversity due to widespread land conversion, pollution and soil degradation. Voluntary sustainability standards, including FairTrade, offer an opportunity to reduce the impact of agriculture and to promote best practices in sustainable ways.

In 2012, standard-compliant coffee reached a 40 per cent market share of global production (up from 15 per cent in 2008). Sustainability standards, such as Fairtrade, have penetrated main-stream markets.

Key sustainability issues for standard-compliant coffee production include maintaining biodiversity, climate change, poverty, worker health and safety.

The City of Winnipeg has a Purchasing Policy with Respect to Sustainable Development and Environmental Issues which was adopted by Council on November 21, 1990. This policy is currently under review and development by the Winnipeg Public Service.

In 2009, Gimli became Canada's sixth Fair Trade Town, followed by Brandon in May 2014. Other cities in Manitoba are currently working on their Fair Trade Town designation.

On April 27, 2011, Council unanimously voted, "That the Winnipeg Public Service be directed to incorporate more environmentally and socially sustainable procurement practices, utilizing EcoLogo certified products for all of its facilities and in all future contracts".

In 2014, the Fair Trade Winnipeg Steering Committee, a collaborative, community-based working group involving government, the private sector and civil society, formed to work towards a common goal of having Winnipeg designated as a Fair Trade Town. The City's Environmental Coordinator is the current municipal representative of the Fair Trade Winnipeg Steering Committee, serving in an advisory capacity.

On June 24, 2015, EPC concurred in the recommendation of the East Kildonan-Transcona Community Committee that the Public Service be requested to report back on the feasibility of becoming a Fair Trade Town and incorporating fair trade related provisions into City policies.

The Fair Trade Town designation recognizes municipalities demonstrating a strong commitment to fair trade from its community stakeholders, including local municipal government, businesses, and community groups.

In February 2016, the Network National Fair Trade Conference was held in Winnipeg. The three day event attracted over 350 delegates from across Canada and key note speakers from across the globe, including South Africa, Guatamala and Tanzania.

The Fair Trade Town Program is managed by the Canadian Fair Trade Network and Fairtrade Canada. The Canadian Fair Trade Network provides FairTrade designation for Towns, Campuses, Schools, Workplaces and Events. The Winnipeg Airport Authority and FortWhyte Alive are examples of designated Fair Trade Workplaces, and the Assiniboine Credit Union Annual Meeting was a designated Fair Trade Event.

Manitoba Liquor and Lotteries has become the Canadian leader in sourcing fair trade wines, with approximately 25 currently available, as well as two fair trade-certified beers, one type of vodka and one liqueur.

A Fair Trade Town is any community in which people and organizations use their everyday choices to increase sales of Fairtrade certified products and bring about positive change for farmers and workers in developing countries.

The Fair Trade Town program in Canada is part of a global movement that recognizes more than 1,500 communities in 32 countries. There are 22 Fair Trade Towns in Canada including large cities such as Vancouver, Edmonton and Toronto.

The Executive Director of the Canadian Fair Trade Network describes the benefits and administration of the Fair Trade Town program in Attachment A.

The Fair Trade Winnipeg Steering Committee is responsible for meeting all requirements of the Fair Trade Town Designation and for submitting the application and annual reporting on progress. The municipal representative on the Steering Committee would be responsible for preparing the Municipal Contract and 1-year Plan. There is no obligation for a City or Town to maintain the Fair Trade Town designation and an annual renewal process to maintain its designation.

Fair Trade Town Requirements Summary:
As outlined in *Attachment B*, the five requirements to achieving designation as a Fair Trade Town are:

1. Fair Trade Steering Committee
2. Product Availability
3. Public Awareness and Education
4. Community Support
5. Political Support

As per Requirement 5 of the Fair Trade Town Program, the local municipal authority must pass a resolution in support of fair trade and the local campaign for Fair Trade Town designation. The resolution must include commitments to:

- amend purchasing policy to require Fairtrade certification for all coffee, tea, and sugar served by municipal food services managed by municipal administration
- identify future goals for sourcing Fairtrade certified products
- designate a council or staff member to participate on Steering Committee
- publish designation information on the municipality's website

The Fair Trade Winnipeg Steering Committee has provided a status report on the each of the designation requirements (*Attachment C*). The Steering Committee advises that only Requirement #5 (Political Support) still needs to be met in order to apply for Winnipeg's designation as a Fair Trade Town.

Policy Considerations:

Manitoba's *Sustainable Development Act* requires municipalities to adopt, by regulation, Guidelines for Sustainable Procurement. Work related to this is currently underway in the Public Service that will enhance sustainable procurement policies and practices.

The City's Purchasing Policy with Respect to Sustainable Development and Environmental Issues Policy (1990) is currently under review and development by the Winnipeg Public Service. The goal of this Policy, as currently drafted, is to promote and incorporate social responsibility, economic fairness and environmental stewardship into procurement practices.

If the City of Winnipeg was in support of an application to become a Fair Trade Town, the Winnipeg Public Service would:

a) amend its Administrative Standard FM-002 to require Fairtrade certification for all coffee, tea, and sugar served by municipal food services managed by the Public Service;
b) identify future goals for sourcing Fairtrade certified products;
c) designate a member of the Public Service to participate on a Fair Trade Winnipeg Steering Committee to ensure the city's ongoing commitment to its Fair Trade Town status; and
d) publish campaign/designation information on the city's website.

The Program requires Fairtrade certification for all coffee, tea, and sugar served by municipal food services managed by municipal administration. This certification requirement only applies to coffee, tea and sugar procured using public funds. Cotton clothing and all other products are excluded.

Financial Considerations:

There is no annual licensing fee or membership fee associated with the Fair Trade Town Program or from Fair Trade Canada for the use of their logo on the City's website, as per the requirements of the Program.

There are no financial implications associated with municipal food service operations, such as in City-owned locations like "Grace Café" at City Hall, Kildonan Park's "Food Evolution" and cafes/kiosks within public recreation facilities. This is because these food service providers are not municipally managed, but rather leased out to private food service providers who decide

what kind of products will be purchased. Therefore, there are no anticipated financial implications to existing food services contracts at this time.

The standard office policy in the City of Winnipeg is that staff pay for their own coffee, tea and sugar. The money is commonly collected through a staff-run coffee or social fund. Although Fairtrade products may be encouraged, it would ultimately be up to staff to decide the standards for their purchase of coffee, tea and sugar products.

If Council were to endorse the Fair Trade Winnipeg designation, the Winnipeg Public Service should be encouraged to purchase only Fairtrade certified coffee, tea and sugar when possible and practicable and where procured using public funds.

For example, the City Clerk's Office and the Office of the Chief Administrative Officer purchase coffee, tea and sugar for staff meetings, and for visitors to City Hall. In these cases, where coffee, tea and sugar are procured using public funds, the requirement for Fairtrade certified products would apply under the Fair Trade Town Program.

Fairtrade certified coffee, tea and sugar products are locally available for purchase in both bulk and single serve quantities, as described in **Tables 2** and **3**. As shown, there are many options for Fairtrade certified coffee blends and several of these products are at par, or even less expensive, than their conventional alternatives.

Table 2: Cost Comparison of Fairtrade Certified and Non-Fairtrade Bulk Coffee Options

Coffee Name/Type	Certification Standard	Format	Qty/Box	Price/Each	Unit Price ($/1 oz.)
Gourmet Blend (non-FT)	NA	70g	75	$1.20	**$0.48**
Gourmet Blend	Fairtrade	70g	75	$1.35	**$0.54**
Ethiopian Dark Roast	Fairtrade	70g	75	$1.73	**$0.69**
Dark Original	NA	2.5oz / 71g	42	$2.37	**$0.95**
Winnipeg's Finest	Fairtrade	2.5oz / 71g	42	$2.50	**$1.00**
House Blend	NA	2.5oz / 71g	24	$2.55	**$1.02**
Polar Bear Blend	Fairtrade	2.5oz / 71g	42	$2.57	**$1.03**
Grosvenor House	NA	2.5oz / 71g	48	$2.63	**$1.05**
Club 100% Columbian	NA	16oz / 454g	20	$17.45	**$1.09**
Columbian Estate	NA	2oz / 71g	48	$2.30	**$1.15**
Riviera Roast	NA	2.5oz / 71g	48	$2.89	**$1.16**
Exclusive	NA	16oz / 454g	12	$18.52	**$1.16**
100% Columbian	NA	16oz / 454g	24	$18.69	**$1.17**
Sumatra Ketambe Dark	NA	2.5oz / 71g	24	$2.98	**$1.19**
Manitoba Bold	Fairtrade, Organic	2.5oz / 71g	24	$2.99	**$1.20**
100% Columbian	NA	70g	84	$3.02	**$1.21**
Kodiak	NA	70g	84	$3.29	**$1.32**
Full City	Fairtrade, Organic	70g	60	$3.46	**$1.38**
Sumatra	Fairtrade, Organic	70g	60	$3.57	**$1.43**
Eagle "Laasgheek"	Fairtrade, Organic	70g	42	$3.64	**$1.46**
Orca "Gispuwadewada"	Fairtrade, Organic	70g	42	$3.87	**$1.55**
Caffe Verona	NA	2.5oz / 71g	18	$4.59	**$1.84**
Pike Place Blend	NA	2.5oz / 71g	18	$4.59	**$1.84**

As shown in **Table 2**, there are nine (9) Fairtrade certified options available in bulk purchase at a price range of $0.54/ oz. - $1.55/ oz. This compares to a similar price range for bulk non-fairtrade certified options at $0.48/ oz. - $1.84/ oz.

Table 3: Cost Comparison of Fairtrade Certified and Non-Fairtrade Single Serve Coffee Options

Coffee Brand / Name	Certification Standard	Format	Qty/Box	Price per K-Cup ($ / 0.42 oz)	Unit Price ($/ oz.)
Green Mountain / Our Blend	Fair Trade	K-Cup	24	$0.65	$1.54
Green Mountain / Nantucket Blend	Fair Trade	K-Cup	24	$0.65	$1.54
Martinson / Dark Roast	NA	K-Cup	24	$0.66	$1.56
Martinson / House Blend	NA	K-Cup	24	$0.66	$1.56
Martinson / Hazelnut	NA	K-Cup	24	$0.66	$1.56
Van Houtte / Original House Blend	Recyclable Pods	K-Cups	24	$0.67	$1.59
Brown Gold / 100% Ethiopian	NA	K-Cup	24	$0.70	$1.66
Brown Gold / 100% Brazilian	NA	K-Cup	24	$0.70	$1.66
Van Houtte / Amazonia	Fairtrade	K-Cup	24	$0.71	$1.69
Van Houtte / Sumatra	Fairtrade	K-Cup	24	$0.71	$1.69
Van Houtte / Vanilla Hazelnut	NA	K-Cup	24	$0.71	$1.69
Starbucks / Pike Place	NA	K-Cup	24	$0.81	$1.93
Starbucks / Veranda	NA	K-Cup	24	$0.81	$1.93
Starbucks / Café Verona	NA	K-Cup	24	$0.81	$1.93
Donut House / Light Roast	NA	K-Cup	12	$0.83	$1.98
Van Houtte / Mexico Blend	Fairtrade	K-Cup	12	$0.83	$1.98
Timothy's / Colombian Excelencia	Fairtrade	K-Cup	12	$0.83	$1.98
Timothy's / French Vanilla	NA	K-Cup	24	$0.87	$2.08
Green Mountain / Sumatra Aceh	Fairtrade, Organic	K-Cup	24	$0.96	$2.28
Green Mountain / Ethiopia Yirgacheffe	Fairtrade, Organic	K-Cup	24	$0.96	$2.28

A shown in **Table 3**, the Fairtrade certified coffee products available in single serve k-cup format are actually the least costly option. **Table 3** describes eight (8) types of coffee blends that are both Fairtrade Certified and available in single serve options at a price range of $1.54/ oz. - $2.28/ oz. This compares favourably to the non-fairtrade options which have a price range of $1.56/ oz. - $2.08/ oz.

As per Materials Management Policy, all purchases over $5,000 shall be made via a competitive procurement process and awarded either based on the lowest priced bid or on the most advantageous offer meeting requirements and specifications. As with many other products, when larger institutions and businesses buy on volume, the price of Fairtrade products often comes down as economies of scale can be reached. These principles and policies would apply to any potential supply of Fairtrade certified coffee, tea and sugar products.

FINANCIAL IMPACT

Financial Impact Statement

Date: February 15, 2017

Project Name:

Feasibility of Winnipeg being designated a Fair Trade Town

COMMENTS:

There are no material financial implications associated with this report.

"Original Signed By"
Mike McGinn, CPA, CA
Manager of Finance

CONSULTATION

This Report has been prepared in consultation with:

- Corporate Finance – Materials Management Division
- Legal Services (as to legal issues)

OURWINNIPEG POLICY ALIGNMENT

A Sustainable Winnipeg (an *OurWinnipeg* Direction Strategy) references a need for the development of a Corporate Sustainable Procurement Policy as one of the short term priorities for immediate action.

- Section 05: 04 Directs partnerships with community organizations, business, and other level of government to access or develop sustainability tools, for example in the area of sustainable procurement, education, and addressing poverty.
- Section 07:01 Directs integrated decision making and the development of new policies and practices that ensure all costs and benefits area considered across social, economic and environmental dimensions.

OurWinnipeg (Section 03:03) includes the enabling strategy: “Support community-led initiatives aimed at fostering equity and inclusion or at opposing discrimination.”

SUBMITTED BY

Department: Planning, Property and Development
Division: Urban Planning
Prepared by: Lindsay Mierau, Environmental Coordinator
Date: February 22, 2017

File No: O:\Reports Directive\Planning and Land Use\Environment and Sustainability\Fair Trade\Admin Report_Fair Trade Winnipeg_2017.docx

Attachment A: Letter from Canadian Fair Trade Network



CFTN Letter to Wpg.pdf

Attachment B: Fair Trade Towns Requirement Summary



Fair Trade Town Requirement Summar

Attachment C: Fair Trade Town Winnipeg Status Report



Fair Trade Winnipeg Status Report.pdf