

TAKING A JOURNEY INTO TRADE



What is trade?

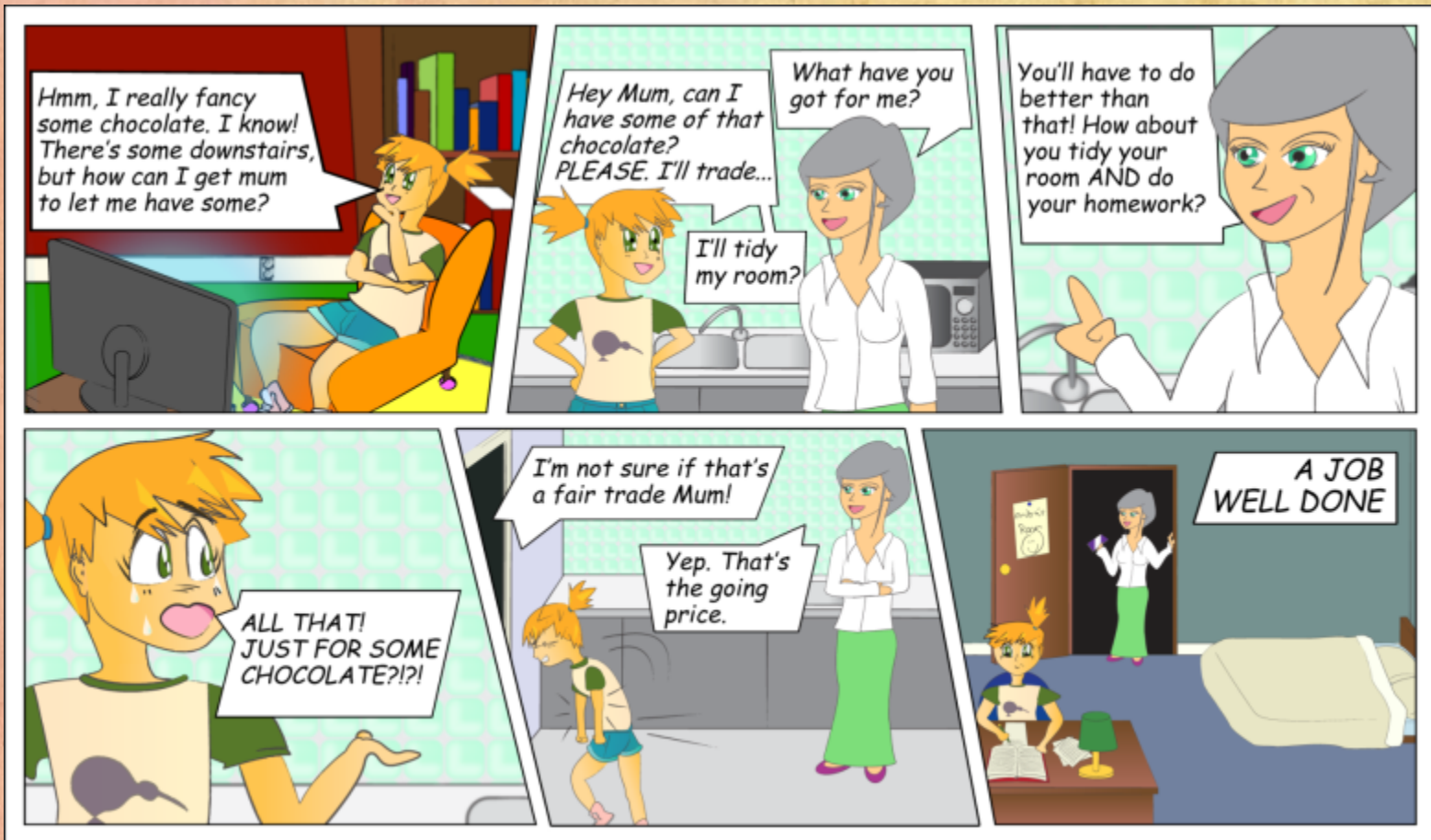
- Where does everything come from?
- Can children in developing countries pop down to a shop and buy a lolly or a drink just like some of us can?
- Many people are lucky in Australia and New Zealand. Many can take a walk down to the supermarket and fill their trolleys full of all sorts of food. There are also lots of malls and shops to buy new clothes.
- How does it get here? When we can't make or grow it here in Australia or New Zealand we have to get things from other countries. This is called TRADE.

TRADE:

Key Terms

- **Trade** – buying and selling, or sometimes bartering, for goods and services. In other words, swapping something you have plenty of, for something you want. Usually this is swapping money for goods.
- **Import** – buy and bring in goods from another country like food and services.
- **Export** – send out goods for sale in another country like food and services.

TRADE in ACTION



Understanding Trade

- Aroha wanted something she couldn't have. She didn't have any money to buy the chocolate with, so she offered a service to her mum. But her mum bartered – she convinced her daughter to do more for that chocolate. Do you think that was a good trade?
- **Barter:** *agreeing the terms of trade.* You usually try to get the best deal possible!
- **Goods:** *Cover a whole range of food and items that can be traded.* For example, coffee, chocolate beans, fruits, vegetables, cotton, and many more

Favourite Foods

Beyond the supermarket

- What is your favourite meal? Many of our favourite meals originally come from different parts of the world.
- Can you think of any examples?
- It is because of global trade we no longer have to travel to different places to enjoy the food from there.
- Global trade is just like a giant supermarket; a few people buy from all over the world so we don't have to.



The Trading Game: Making Dinner

- **You will need:** two teams, a recipe card and trading cards.
- **What to do:** Using your recipe card sort through the ingredient cards and decide as a team which items you need and what you are missing to make your dinner. Trade or swap items that you don't need for ones you do need.
- **Tip:** Some items are more valuable than others – be careful when you are trading that you don't pay too much for something.
- **Skills:** Practise your bartering skills to get the best ingredients at the best price to complete your meal.
- **The winner:** the team that ends up with the complete recipe. Get trading!!

REFLECT

The Trading Game: Making Dinner

- How easy did you all find it to trade?
- Did you have to give something up you wanted to keep?
 - Did you feel that some trades weren't fair?
 - Why were the non-food items important?
- Did you manage to barter for a better deal?

If you were to do it again, how would you do it next time?





THINK

Flying Food

- There are lots of ingredients needed to make even simple meals.
- Some foods make a long journey to get to our supermarket shelves
- Some come from a farm down the road!
- What are you having for lunch today?
- Where does that food comes from?
- Not everything can come from Australia/New Zealand. Take bananas for example; they need a constant warm climate. Others, like coffee beans grow well in hot weather and on high mountains.
- New Zealand has a great climate for grapes and apples. We fly, or export, these all around the world for other people to enjoy.

Flying Food

- Take a look at the map below. What do you notice about where food travels to and from?





Flying Food

- Create your own **Import and Export Map** to show where food travels and how much food travels.
- **You will need:** an atlas, a map, food symbols, pencils, scissors and glue.
- Using your atlas, find each country on the map and label it, glue the food symbol on the country of origin then draw an arrow to where that food travels to. Use one color for imported food into Australia or New Zealand and one color to show the food that we export.

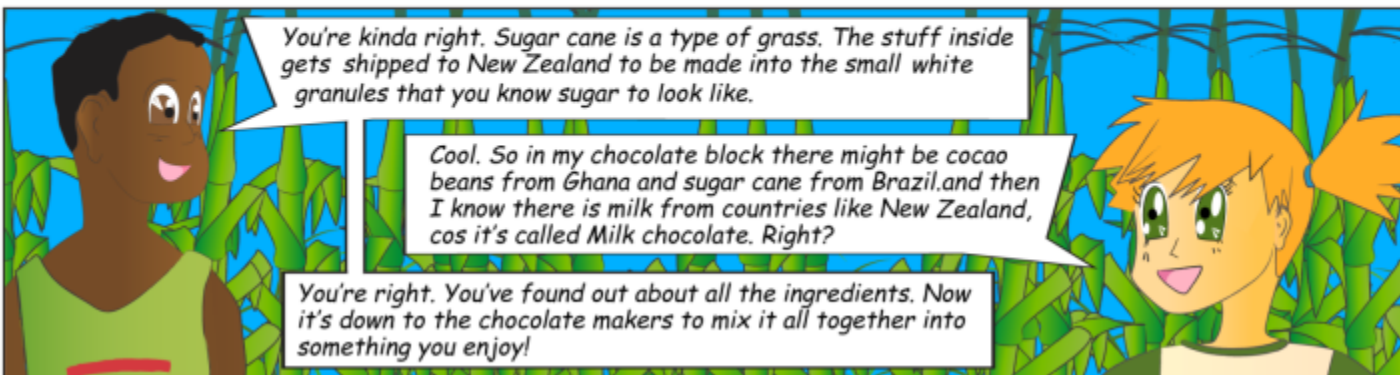
Flying Food

REFLECT

- A lot of the food we eat and use in our cooking comes from poorer countries or developing countries, like Ghana.
- New Zealand and Australia are developed countries.
- A lot of the time the goods that we import get turned into different things, and because we are a developed country we have factories and the technology to help us to do this.
- Let's see where the ingredients in Aroha's chocolate bar come from and how they change...

My chocolate...





International Trade

- Can you think of reasons why countries trade with each other?
- You may have noticed that the products that they trade are turned into different things in the country that they go to.
- You may have also noticed that trade is not always fair.
- Think YOU can trade fairly?
- Try being a sugar cane farmer. But before you play think about why trading sugar is important to you and what you might try to do to make sure you can sell your entire crop?

Sugar Cane Farming

PLAY

- You are a sugar cane farmer and you've worked hard all year round to grow your crop. The 'shipper' is waiting to collect your sugar cane and transport it to factories all around the world. You need to sell as much of your crop as you can before it goes off.
- **You will need:** colouring pencils, scissors, and a sugar cane sheet.
- **What to do:** Colour in as many sugar cane pictures as you can to sell to your shipper. You must be quick!

Hey Guys,
Good luck trading
your sugar!



REFLECT

Sugar Cane Farming

- So farmers... Which was the first group to empty its pile of stock?
- Did any of you ask for money?
- If not, why not, do we normally get our food free in the shops?

PLAY

Play the same game, but this time the shipper has set a price for the crop

You may want to bring in your **bartering** skills again here.

Remember you have a family to feed and a business to run. What price is fair?



REFLECT

Sugar Cane Farming

- Is it fair if we trade things like this? Why or why not?
- Can a farmer buy food and clothes if they don't get any money for their crop?



ACTION

- What else do farmers need money for?
- Look at images of farmers from around the world that your teacher has given you, or that you have brought in.
- Stick your farmer on the middle of a piece of paper and draw pictures around the farmer of things that they need to grow crops and survive.



A World Divided

Developed countries

- Have lots of



- It's also easy for people living in these countries to get the basic but important things like clean water, good food and new clothes.
- New Zealand and Australia are developed countries. America and Canada are developed countries.
- What else do they have that you think would make them developed?

Developing countries

- Have less



- People living there often have to travel long distances to get to these places and they often have to pay too.
- Many countries in Africa are developing countries, such as Ghana, Malawi and Uganda.
- What do you think they need to do to become more developed?

Fair Or Unfair?



- What does **fair** and **unfair** mean?
- What does the dictionary definition say it means?
- What do you think unfair trade and fair trade means?
 - Can your class or table come up with a definition of each? Have a go!

A Sweet Journey?

- Did you know farmers in the developing world receive only a small amount of the money we pay for their products, and can hardly make a living?
- The largest proportion of the price we pay in shops goes to processing, transport, and retailing companies in **developed countries**.
- Let's take another look at sugar. If a bag of **Home Brand** sugar costs **\$2** how much of that do you think the following people involved in the sugar process should get paid?



**Sugar
Farmer**



Shipper



**Factory
Manager**



**Supermarket
Director**

The Farmer

- José lives in a very rural part of Honduras in Central America. He has a small plot of land, which he farms. His main source of income comes from growing sugar cane. He plants and then weeds all of the fields, which takes up a lot of his time. Weeding has to happen twice or three times a harvest.
- During harvest time the work gets even harder. Cutting the sugar cane by hand is very difficult. Progress is slow and he gets painful blisters on his hands.
- After the harvest José sells what he can to shippers and crushes the rest of the cane to get sugar juice, which he then boils to sticky syrup and puts in moulds. José tries to sell the sticky sugar to visiting buyers.
- José, as with most sugar cane farmers, works very long days. When he comes home he's too tired to work in his own garden. This means that most of the money José makes goes on buying food and other products, and there is hardly enough money left to pay for his children to go to school.



The Shipping Company Manager

- Janette buys the bags of raw and sticky sugar from the farmers, loads them onto her ship, and transports them to countries like New Zealand where Janette sells them to the factory directors.
- As a shipping company manager, she has to pay for qualified people to work on the ship, as well as for fuel, which can get very expensive. Of course anything can happen during the journey from Honduras to New Zealand, so Janette has to take out insurance for the ships and the cargo.



The Factory Director

- John buys the sugar from the shipping company and brings it to a sugar refinery.
- The refinery cleans the sugar before making it into a fine sugar. There is a lot of expensive machinery in the factory and John has to pay workers their wages.
- John then sells the fine, white sugar to other factories that use it for sweetening drinks and sweets. The factory does not sell all of it to other factories. They also box it in attractive jars and containers and sell it to supermarkets, cafes, and restaurants.
- John spends a lot of money on advertising the fine, white sugar product in newspapers and commercials to get people to buy it. The more people who have heard of the factory's brand of sugar, the more people will buy it.



The Supermarket Manager

- Richard buys the sugar from the factory. Once the sugar arrives at the supermarkets he decides a price for it, puts it on display in the best aisle, and sells it to customers.
- The supermarket director wants to make her shop attractive for the customers so they will enjoy their shopping and hopefully buy more. Therefore Richard uses expensive decoration and trained staff who will provide good customer service.

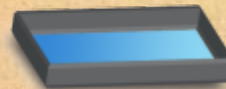


A Fair Share?

- Take a look at the pie chart to the right, it shows you how much each person gets.
- Were you estimates right or even close?
- Test your maths: can you work out how much each person would get if a bag of sugar was \$4?
- Now you know how much is involved in the sugar journey, what do you think a fair price for each person would be?



Factory Director
\$1.28



Supermarket
\$0.54



Shipper
\$0.14



Farmer
\$0.04

The Fairtrade Way



1. **Minimum price:** Fairtrade means that farmers are not caught short. They sell their crops to buyers who pay a decent price – enough money for that farmer to continue to farm and to feed his family.
2. **Organised in cooperatives:** To be a Fairtrade farmer you must be part of an organised group – a cooperative. The cooperative makes sure you have your needs and wishes represented. All Fairtrade farmers sell their crop through this group.
3. **Fairtrade Premium:** The farmers not only receive a fair price, but together in their cooperatives they receive something extra. The Fairtrade Premium is used towards making the community a better place for everyone – farmers, workers, families, young and old!
4. **Respect for the environment:** certain chemicals are not only bad for the workers to be using, but they are also harmful for the soil. So the nasty ones are not allowed!
5. **Closer link:** Fairtrade believes you should know where your food and items come from – that's why we tell you.

Oromia Coffee Cooperative: Ethiopia

- This group of farmers grow and sell Arabica coffee beans
- They have been selling as Fairtrade since 2002
- Companies in Australia and New Zealand have been buying their coffee since 2005.
- They are a pretty big coffee cooperative: there are more than 128,000 farmer members in this cooperative
- This is the largest Fairtrade Cooperative in Ethiopia.
- They all receive the Fairtrade price,
- The OCFCU also receives a Fairtrade Premium.
- Everyone in the cooperative gets to vote on how to spend this extra money
- They agreed that education was a top priority.



Kuapa Kokoo Cooperative

The Best of the Best...

- Kuapa Kokoo means “Good Farming Group”
- Kuapa Kokoo Cooperative has been selling their cocoas beans as Fairtrade since 1993 into Europe.
- We will be able to enjoy cocoa from this cooperative from 2010.
- One of the British companies that buy the cocoa from Kuapa Kokoo is called the Day Chocolate Company. This company is part owned by the farmers so they get to enjoy some of the company’s profits on top of the Fairtrade Price and the Fairtrade Premium.
- In the village of Nuwimeso the houses don’t have running water, but there is a well, which has clean, pure drinking water.
- This was built with money earned by selling Fairtrade cocoa beans



Supporting Fair Trade

We can all do our bit to help improve the lives of farmers and their families in the developing world. Buying Fairtrade Certified products is one way we all can make a difference. So start looking and start asking.

Stuck for an idea?

Why not see if your local supermarket sells Fairtrade chocolate? If not, ask them to, you could tell them all about the good things that supporting Fairtrade does for the farmers' communities. You could also tell other students, parents and teachers about Fairtrade chocolate, tea, coffee and sugar.



REFLECT

My Environment

- Our world is very precious and we need to look after it and the people in it too. Fairtrade aims to look after the people and the environment.
- Discuss in pairs or in groups what your school does to make sure the students are safe and that the school buildings and play grounds are well looked after? There are many people involved in school life, from students and teachers to parents and helpers. Does everyone decide what goes on at your school?
- Now think about the area around your school. This is called a wider community. Have you noticed what is out there that you can use? Is there a park nearby? Is the beach open to the public? Is there a community hall or meeting place?
- Next time you are walking home from school or in your local area, have a good look at what the community has. Have you got any ideas how to make the community you live in a better place?

Fairtrade Finale

- It's time to show off what you have been learning about Fairtrade. Learning about Fairtrade is only part of the journey; why not tell other people about Fairtrade. Discuss how you might like to do this with your teacher.



Brought to you by:



Supported by NZAid, the New Zealand Government's international aid and development programme.