

What proportion of the final price goes to the producer?

Traidcraft's social accounts show that the total amount paid to producers accounts for just over one third of our cost of sales. This is a much higher proportion than you would typically find in a commercial organisation.

The proportion received by the producer varies from product to product. It is influenced by direct costs of production, the number of processes involved after the product leaves the producer, and on tax and duty requirements.

Over time, world commodity prices fluctuate, and so the price paid to the producer will sometimes increase. It is also affected by the final selling price, over which Traidcraft may have no control.

However, taking key food products which Traidcraft sells, and looking at the percentage of catalogue price which goes to the developing world compared with high-street equivalents is illustrative of the difference.

Coffee

- Traidcraft sells its own label instant coffee and the proportion of the final selling price that goes to developing world producers is about 40%.
- Traidcraft also sells Cafédirect coffee (for example 100g jar) and the proportion here is around 17.5%, because the processing takes place in Europe.
- The proportion of selling price that goes back to producers from a typical non-Fairtrade coffee is only about 5-7%.

Chocolate

- Traidcraft sells its own brand chocolate (for example 100g Organic Swiss Plain). For this product about 10% of the selling price is spent in the developing world (because of high manufacturing costs which currently all take place in Europe, due to tariff barriers).
- A typical non-Fairtrade bar of chocolate would again contain only about 5-7% developing world content.

Other benefits of fair trade

For producers, the price is only one of the many benefits of engaging in fair trade. Many tell us that they place even greater value on the quality of relationship, regularity of ordering and commitment to capacity building that they receive from Traidcraft.

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- [Next: Why do producers occasionally drop out of the catalogue?](#)