

FAST FACTS: Fair Trade Certified™ Vanilla



History of Vanilla

Vanilla (*Vanilla planifolia* and *Vanilla tahitensis*) is the only orchid that produces an edible fruit. Cultivated by native populations in Mesoamerica (known today as Central America) for centuries, vanilla left its' homeland in the 1500s on ships bound for Spain. Mexico had the monopoly on growing vanilla until the late 19th century, but now Madagascar grows the majority of the world's crop. Today vanilla is grown commercially in French Polynesia, Mexico, the Comoros Islands, Indonesia, Tonga, Uganda, Sri Lanka, Guatemala, Madagascar and India.

There are about 150 varieties of vanilla, though only two types are used commercially – Bourbon and Tahitian. Bourbon vanilla is named for the islands now known as Reunion and the Comoros, but in the early 19th century were called the Bourbon Islands. Tahitian vanilla evolved in the last fifty-to-sixty years and became its own species; it's significantly different from the Bourbon and Mexican vanilla grown today.



Sweet Flavor, Bitter Market

In April 2000, cyclones destroyed about a third of the vanilla vines in Madagascar, which grows about 60% of the world's vanilla and sets the price. As a result of rising prices on a limited vanilla bean supply, eager new vanilla farmers emerged in Africa and Latin America as many companies switched to synthetic vanilla flavoring – over 90% of vanilla flavoring and fragrance is now synthetic.

Production increases, combined with a drop in demand from food manufacturers, have caused prices to plummet almost 90 percent since 2003, when vanilla prices peaked at \$500/kg. Farmers are struggling to sell their existing crops, while the vanilla industry is still recovering from price fluctuations. As a result, many farmers have been forced to abandon or uproot their vanilla plants.

In Uganda, crashing prices have led to riots and death, forcing farmers to guard their crops for theft. Due to its high value, vanilla has a long history of cautionary provisions, even in good times – in Madagascar, vanilla thievery was a major problem for years, leading growers to brand their beans with distinctive markings.

Fair Trade Certified Vanilla and Small-scale Farming

- Fair Trade Certified vanilla is grown on small-scale family farms organized into democratic cooperatives.
- Requiring hand-pollination, vanilla is perhaps the world's most labor-intensive agricultural crop with the lowest yield, which is why it's so expensive. It can take as long as three years from planting the vine to the first bloom, and two additional years for aged extract.
- Vanilla beans must remain on the vine for

nine months to develop their signature aroma, and their distinctive taste comes from a lengthy curing process that can take several more months.

Fair Trade Certified Vanilla and the Environment

- Fair Trade Certified vanilla is grown in the shade and integrated with other crops, which guards against erosion, deforestation and a new sun-tolerant variety of vanilla that could flood the market with even more supply, further depressing prices and threatening the environment.
- Fair Trade prices enable small-scale vanilla farmers to pay for organic certification and training in sustainable agricultural techniques. Nearly half of Fair Trade Certified vanilla is also certified organic.
- Fair Trade Certification ensures environmental stewardship – protecting waterways and vital ecosystems – and forbids the use of harmful pesticides and Genetically Modified Organisms (GMOs).

Vanilla - Market & Usage

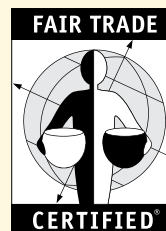
- World production of cured vanilla beans averages between 2,000 and 2,400 metric tons per year. Madagascar is the largest producer, with 1,000-to-1,200 metric tons per year, followed by Indonesia at 350 metric tons per year.
- It takes about a pound of cured vanilla beans to make a gallon of pure vanilla extract.
- The United States consumes well over half the world's supply, followed by Europe, especially France.

Vanilla is sold as whole beans, powders and extracts, used for food flavorings in baked goods, sodas, candies, syrups, ice cream, soy milk and perfumes, and added to most chocolate confectionaries. It's also used in many industrial applications such as a flavoring for medicines, and as a fragrance to conceal the strong smell of rubber tires, paint and cleaning products.

Vanilla has long been thought to be an aphrodisiac – from the Aztec to modern-day science. Clinical tests by Alan Hirsch of the Smell and Taste Treatment and Research Foundation in Chicago found that older men were most aroused by the smell of vanilla. Maybe that's why Thomas Jefferson, after returning home from his ambassadorship in France in 1789 to find no vanilla in the U.S., wrote his French attaché requesting 50 pods. By the 1800s, American doctors were prescribing a swig of vanilla extract before bedtime to combat impotency.

TransFair USA and Fair Trade Certification

TransFair USA is a non-profit organization and the only independent, third-party certifier of Fair Trade products in the U.S. TransFair USA launched its Fair Trade Certified label with coffee in 1999, and began certifying vanilla in June 2006.



TransFair USA is one of twenty members of Fairtrade Labeling Organizations International (FLO), the world's most rigorous social, economic and environmental certification system. FLO inspects producer organizations to ensure that strict socioeconomic development criteria are met using increased Fair Trade revenue, in addition to environmental stewardship and democratic decision-making. TransFair USA audits transactions between U.S. companies offering Fair Trade Certified products and FLO-certified producers, in order to guarantee that farmers and workers were paid fair, above-market prices and fair wages.

Over the last 8 years, TransFair USA has channeled nearly \$80 million in additional income to small-scale family farmers by certifying their products as Fair Trade. Fair Trade co-ops use their additional income for improving the quality of their crops, building business capacity, and community development projects, such as building schools, healthcare centers and other essentials for a thriving community.