



**MONITORING  
THE SCOPE  
AND BENEFITS  
OF FAIRTRADE  
FIFTH EDITION  
2013**



FAIRTRADE

**cover:** Sandri Lizeth Garcia Herrera of Cooperative CIPAC in Guatemala gets ready to place a frame of honeycomb into a centrifuge. ©Sean Hawkey

**Monitoring the scope and benefits of Fairtrade  
Fifth Edition, 2013**

Copyright: Fairtrade International 2013

All rights reserved. None of the materials provided in this publication may be used, reproduced, or transmitted, in whole or in part, in any form or by any means, electronic or mechanical, including photocopying, recording or the use of any information storage and retrieval system, without permission in writing from Fairtrade International.

Information presented here is for informative purposes only. Fairtrade International grants permission to use information for personal, non-commercial use, without any right to resell or redistribute information or to compile or create derivative works therefrom.

# CONTENTS

<b>1.</b>	<b>Introduction</b>	<b>5</b>
<b>2.</b>	<b>Summary and key data at a glance</b>	<b>6</b>
<b>3.</b>	<b>Fairtrade producers</b>	<b>12</b>
3.1	How many farmer and workers participated in Fairtrade in 2012?	13
3.2	Where are the farmers and workers who participate in Fairtrade?	13
3.3	How have the numbers of farmers and workers changed since the last monitoring report?	17
3.4	Farmers and workers by product category	20
3.5	Workers in Fairtrade	22
3.6	Women in Fairtrade	24
3.7	Fairtrade and young people	30
<b>4.</b>	<b>Fairtrade producer organizations</b>	<b>32</b>
4.1	How many Fairtrade producer organizations were there in 2012?	33
4.2	Where are the Fairtrade producer organizations?	35
4.3	Certified producer organizations by producer type	37
4.4	Size of Fairtrade producer organizations	39
<b>5.</b>	<b>Fairtrade crop production and sales</b>	<b>40</b>
5.1	Fairtrade production capacity	41
5.2	Fairtrade sales volumes and values reported by producer organizations	42
5.3	What percentage of total production volumes are sold as Fairtrade?	45
5.4	How much land is under Fairtrade production?	47
5.5	Small farmers in Fairtrade: Average area of cultivation by product and region	48
5.6	Organic and other certifications	49
<b>6.</b>	<b>Fairtrade Premium</b>	<b>51</b>
6.1	How much Fairtrade Premium did Fairtrade producer organizations receive in 2011-12?	52
6.2	How was the Fairtrade Premium used in 2011-12?	58
<b>7.</b>	<b>Focus on Fairtrade products: coffee, bananas, cocoa, tea, sugar, seed cotton and flowers</b>	<b>66</b>
7.1	Fact file: Fairtrade coffee	67
7.2	Fact file: Fairtrade bananas	73
7.3	Fact file: Fairtrade cocoa	79
7.4	Fact file: Fairtrade tea	84
7.5	Fact file: Fairtrade sugar	91
7.6	Fact file: Fairtrade seed cotton	96
7.7	Fact file: Fairtrade flowers	101

<b>8.</b>	<b>Focus on Fairtrade regions</b>	105
8.1	Fairtrade in Africa and the Middle East 2012	106
8.2	Fairtrade in Asia and Oceania 2012	111
8.3	Fairtrade in Latin America and the Caribbean 2012	115
<b>9.</b>	<b>About the data</b>	120
9.1	Where do the data in this report come from?	121
9.2	Data coverage and completeness	122
9.3	Data confidentiality	124
9.4	Data accuracy and limitations	124
9.5	Disclaimer	125
9.6	Notes on the data	125
9.7	Acknowledgements	126

# 01 INTRODUCTION

This report gives the results of the annual monitoring data collection from Fairtrade certified producer organizations which took place during 2012. It presents the scope and scale of Fairtrade in 2012, and gives data for some key Fairtrade performance indicators from a producer perspective. The report also captures the results of recent research generating evidence about the longer-term impacts of Fairtrade.

The information generated through our monitoring and evaluation processes is used to inform and guide the Fairtrade system. It gives us an important indication of how we are performing in relation to our ambitions to unlock the power of the Fairtrade system to drive impact for farmers and workers in Fairtrade producer organizations. Monitoring and evaluation shows us where we are performing well, and where we have challenges to overcome. Being aware of these challenges allows us to reshape our programme activities to address them.

Fairtrade International makes this information public as part of our commitment to transparency, openness, and information-sharing with our stakeholders and supporters. We recognise that there are some shortcomings in the reliability and coverage of the data, and we try to be open about these shortcomings. We hope that you will find the report interesting and useful. We welcome your feedback and comments: these will help us improve future editions of the report.

In Section 9 of this report we give a full explanation of how we collect and analyse the Fairtrade monitoring data, as well as explaining the coverage and the limitations of the this year's dataset.



# 02 SUMMARY AND KEY DATA AT A GLANCE

The data in this report show that in the period under review, Fairtrade has continued to grow overall, both in terms of the participation of farmers, workers, and their producer organizations, and in terms of the volumes of products sold by producer organizations on Fairtrade terms. For small producer organizations, growth in Fairtrade sales income and Fairtrade Premium was particularly striking in this reporting period.

**opposite:** Members of SODEFITEX, a Fairtrade certified cotton cooperative in Senegal. ©Sean Hawkey

### Farmers, workers, and producer organizations

The number of farmers and workers participating in Fairtrade grew to 1.4 million by the end of 2012. Roughly 61 percent of all the farmers and workers in the Fairtrade system are located in Africa and the Middle East (Chapter 3).

There was growth in the numbers of Fairtrade farmers, workers, and producer organizations on all three continents, and across all of the major products. Particularly notable growth was seen in Asia and Oceania this year. Fairtrade has historically been smaller in scale and slower to grow in Asia and Oceania than elsewhere. But in 2012 Asia and Oceania showed strong growth on several measures, including the number of people within Fairtrade certified producer organizations, and performance in terms of Fairtrade Premium and sales volumes (Chapter 8).

Overall, the number of Fairtrade producer organizations grew more rapidly, increasing by 15 percent on 2011 levels, to 1,139 at the end of 2012. This includes Fairtrade producer organizations achieving certification in four new Fairtrade origins, including Afghanistan, Jamaica, Nigeria, and Timor-Leste (Chapter 4).

Fairtrade continues to work overwhelmingly with small farmers. The data in Chapter 5 shows how small the plots are that many of the Fairtrade farmers are cultivating. Supporting sustainable livelihoods for small farmers remains at the core of what we do.

TABLE 2.1

### Overall growth in numbers of Fairtrade farmers, workers, and producer organizations in 2012

Fairtrade Premium (€ millions)	2011	2012	Percentage change
Total Fairtrade producer organizations worldwide	991	1,139	15%

Fairtrade sales revenues (€ millions)	2011	2012	Percentage change
Total farmers	1,070,800	1,225,500	14%
Total workers	168,200	187,500	11%
<b>Total farmers and workers</b>	<b>1,239,000</b>	<b>1,413,000</b>	<b>14%</b>

	2012
Total countries with Fairtrade certified producer organizations	70
Countries where the first producer organizations gained Fairtrade certification in 2012	Afghanistan, Jamaica, Nigeria, Timor-Leste



## Fairtrade sales values and volumes

Total reported Fairtrade sales revenues and Fairtrade Premium receipts for small producer organizations grew significantly in the reporting period. In comparison with 2010–11, the data for 2011–12 reported by producers shows a 41 percent increase in Fairtrade Premium returns to producer organizations, and a 36 percent increase in overall Fairtrade sales revenues reported by producer organizations.

Although results for small producer organizations were strong, the results for hired labour organizations showed stagnation or moderate decline, in spite of strong growth in sales for flowers and plants. The more rapid decline of 2011 appeared to have stopped or slowed, but the performance of hired labour organizations as a whole remains flat for Fairtrade (although this may be explained partially by hired labour organizations under-reporting on key metrics such as sales values). Research with Fairtrade hired labour organizations in Urabá, Colombia, found that the devaluation of the US dollar against local currencies in many Latin American countries has reduced the returns from the export trade, which in turn pushes down the real value of wages. More information on this research is given in section 3.5 of this report.

Fairtrade International developed a new Workers' Rights Strategy in 2012, and approved revised Fairtrade Standards for Hired Labour Organizations in 2013. As part of this work, we are developing new approaches to support living wages and worker empowerment in Fairtrade certified plantations. Such steps must be supported by growth in market opportunities if Fairtrade plantations are to yield stronger results for workers in the future.

Growth in Fairtrade producers' sales volumes of cocoa, sugar, and flowers and plants were considerable in 2011–12. Producers also reported moderate increases in the sales volumes of coffee, tea, and bananas.

Research published in 2011 by Centre for Evaluation (CEval) based at the Saarland University, Germany, analysed six Fairtrade product cases (cocoa, coffee, tea, bananas,

TABLE 2.2

### Overall growth in Fairtrade sales values and Fairtrade Premium values

Fairtrade Premium (€ millions)	2010–11	2011–12	Percentage change
Total reported by Small Farmer Organizations	48.4	73.9	52%
Total reported by Hired Labour Organizations	12.7	12.3	-3%
Total reported Fairtrade Premium receipts	61.1	86.2	41%

Fairtrade sales revenues (€ millions)	2010–11	2011–12	Percentage change
Total reported by Small Farmer Organizations	582	822	41%
Total reported by Hired Labour Organizations	91	91	0%
Total reported Fairtrade sales revenues	673	913	36%



cotton, and flowers) and identified four critical factors that can deepen Fairtrade's contribution to rural development in agrarian communities. These were:

- The level of information and knowledge among farmers and workers about the fact that their organization is Fairtrade certified, and how Fairtrade works;
- The quality of organizational structures in the producer organization, particularly where these contribute to transparent and non-hierarchical ways of communicating and working;
- The motivation of the leadership and management of Fairtrade certified producer organizations;
- The share of sales into the Fairtrade market. A significant share of sales ensures that the organization has the means to earn Fairtrade Premium income, which can be used for investments in development projects.

The researchers argue that Fairtrade's impact on rural development will be highest when all four preconditions above are met to a high degree. Where a producer organization sells only a minor proportion of their production on Fairtrade terms, this limits the impact of Fairtrade for those organizations.

Overall, there is significantly more certifiable production volume than actual Fairtrade sales volume in every Fairtrade product. For products such as cocoa and sugar, where many new producer organizations have chosen to get Fairtrade certification in recent years, this oversupply is considerable. Partly for this reason, Fairtrade has taken steps to encourage the sourcing of Fairtrade cocoa, sugar, and cotton by establishing new Fairtrade Sourcing Programs to open up new sales opportunities for producers. For more information about the Fairtrade Sourcing Programs, and how they are designed to help farmers sell more of their cocoa, cotton, and sugar on Fairtrade terms, go to [www.fairtrade.net/fsp-overview.html](http://www.fairtrade.net/fsp-overview.html).

Tea producers continued to struggle to sell a significant percentage of their total output as Fairtrade, with both small producer and hired labour organizations selling less than 10 percent of their total production as Fairtrade in 2011–12, while hired labour organizations as a whole continued to sell only around 20 percent of their total production as Fairtrade in 2012.

Tea farmers and workers represent 20 percent of all people within Fairtrade certified producer organizations, and tea producers continued to join Fairtrade in 2012. This presents a significant challenge for fairtrade, because the supply of fairtrade tea outstrips market demand to such a great extent. We urge companies to step up their Fairtrade commitments significantly. In the meantime, Fairtrade is working to support better impacts for Fairtrade tea producers, for example through a series of new requirements in the Fairtrade Hired Labour Standards, and through sector-wide collaboration to support improved wages for tea workers.

Producer organizations in Asia and Oceania reported considerable growth in Fairtrade Premium receipts and volumes sold as Fairtrade, reflecting continued growth in Fairtrade coffee from Indonesia and sugar from Fiji.

Africa and the Middle East recovered the ground it appeared to have lost in 2011 when Côte d'Ivoire was in crisis and showed strong increases in reported Fairtrade Premium received. However, the proportion of Fairtrade Premium and sales flows going to Africa still lag behind its overall participation in Fairtrade in terms of the numbers of farmers and workers (see Chapter 8 of this report).

### **Fairtrade Premium impacts**

Taking the overall Fairtrade Premium receipts and averaging them across organizations and across members gives a crude indication of whether Fairtrade impacts are increasing for existing producers. Figure 2.1 shows that the average reported Fairtrade Premium income per member or worker and per organization for 2011–12 increased slightly on 2010–11 levels. However, as for last year, behind this overall figure was stronger growth for small producer organizations, while the per organization and *per capita* values for hired labour organizations continued to decline.

For 2013 we have used new categories for analysing Fairtrade Premium expenditure. Our analysis indicates that in 2011–12, small producer organizations continued to invest overwhelmingly in developing and strengthening their businesses, in supporting production and processing improvements, and in delivering direct benefits to their members.

Producers invested roughly 21 percent of Fairtrade Premium in facilities and infrastructure for business activities such as processing, packing, storage, or crop collection. Many organizations also continued to use the Fairtrade Premium to make direct payments to members over and above Fairtrade prices. This builds member commitment by providing additional direct financial returns from Fairtrade sales, and ensures that individual farmers benefit through increased income. This reflected about 20 percent of Fairtrade Premium expenditure overall, very slightly higher than in 2010–11.

The use of Fairtrade Premium to support wider aspects of community development reflects about 11 percent of small producer organizations' Fairtrade Premium expenditure. While it remains a significant ambition of producer organizations to contribute to their community, they recognise the importance of investing in the sustainability of their businesses for the future. The Fairtrade Premium is an important—and flexible—tool that enables producer organizations to do this.

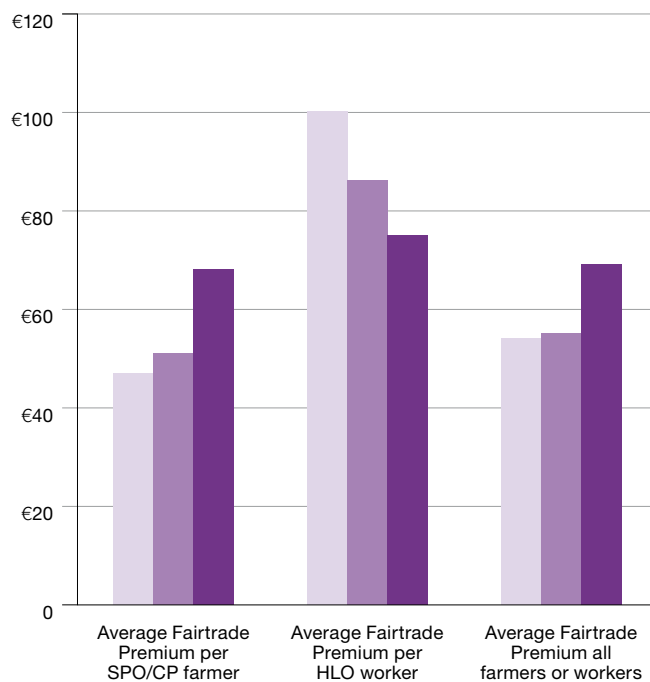
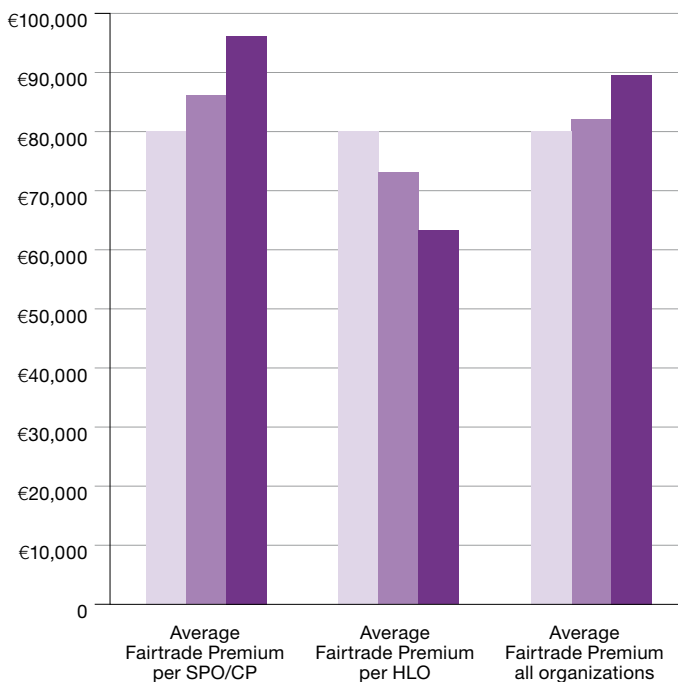
Workers on plantations continued to invest significantly in direct support to workers through a wide range of projects aimed at meeting workers' needs. Workers elected to invest around 54 percent of all Fairtrade Premium for education, housing, healthcare, and other services for workers. Since many workers around the world struggle to cope with the rising costs of living, benefits from the Fairtrade Premium provide a useful additional support. Many organizations also used the Fairtrade Premium to support the development and strengthening of their own worker organizations. Around 25 percent of the Fairtrade Premium was used for community projects, such as supporting local schools or health services.

See Chapter 6 of this report for more information on Fairtrade Premium expenditure.

**FIGURE 2.1**  
**Fairtrade Premium received global averages 2011–12**

2009–10
2010–11
2011–12

HLO Hired Labour Organization  
SPO/CP Small Producer Organization/Contract Production



## Insights from Fairtrade research

Throughout the report we integrate findings from recent independent research and evaluations of Fairtrade. Research findings complement the monitoring data by offering deeper insights into the impacts and challenges of Fairtrade. Some of the main findings are summarized below:

- Research by TWIN into the experiences of women in Fairtrade supply chains shows that women's labour contribution is often decisive for the final quality of many Fairtrade products. However, women typically do not control the marketing and selling of the crops they work on, or the resulting income. The TWIN research indicates that women who are members of producer organizations tend to have better business and training opportunities than their unorganized counterparts. Moreover, supporting women to take on formal roles within cooperatives can be advantageous to producer organizations, as well as to the women themselves. These and other findings on gender are presented in Section 3.6 of this report.
- Research by CODER with banana farmers in Colombia found that Fairtrade participation was increasing the farmers' household income, creating greater income stability, and reducing production costs. It has facilitated the purchase of household assets, savings, and access to credit and emergency funds. However, the research also found that Fairtrade could do more to support better market access and prices that adequately cover costs of production, to support greater long-term viability for Colombian banana farmers and their organizations. See Section 7.2 of this report.
- CODER also undertook research into the experiences of workers on Fairtrade banana plantations in Colombia. The research found that workers on Fairtrade plantations had better labour conditions and higher job stability than on non-certified plantations. Workers also reported greater participation in decision-making and leadership resulting from their role within Fairtrade Premium Committees. Many had been able to use the Fairtrade Premium to make substantial improvements in their housing. As with the Colombian banana cooperatives, however, low prices for bananas threaten the sustainability of the gains that workers are making in these plantations. See Section 7.2 of this report.
- As part of our efforts to understand how Fairtrade can do more to support improvements in industrial relations on plantations, we commissioned a research project to study the interactions between trade unions and Fairtrade on plantations in Urabá, Colombia. The report explores the importance of trust between trade unions and the Fairtrade from the outset of certification; the need to involve trade union representatives in the Fairtrade committees; and the need for clear differentiation between the roles of the trade union representatives and the Fairtrade representatives on the plantations. This research is summarized in Section 3.5.
- Findings from the second phase of a longitudinal research project conducted by Natural Resources Institute (University of Greenwich) with tea, peanut and sugar producers in Malawi are integrated throughout this report. This research project allows us to track the impacts of Fairtrade for Malawian workers and farmers over several years. In the second research phase, farmers and workers reported a range of improvements to their livelihoods and their communities, which they attributed to Fairtrade sales and the Fairtrade Premium. The research with sugar and tea farmers found that further productivity improvements need to be implemented to support better returns for farmers. For tea farmers in particular, the research found that opportunities for further improvements in the economic returns from producing tea are limited, unless the tea farmers can increase their ability to influence prices, or begin to undertake some aspects of processing.



03

# FAIRTRADE PRODUCERS



### 3.1 How many farmer and workers participated in Fairtrade in 2012?

The monitoring data indicate that more than 1.2 million farmers were members of Fairtrade small producer or contract production organizations in 2012, while 187,500 people worked in Fairtrade certified hired labour organizations. By the end of 2012 there were more than 1.4 million farmers and workers in the Fairtrade system as a whole.

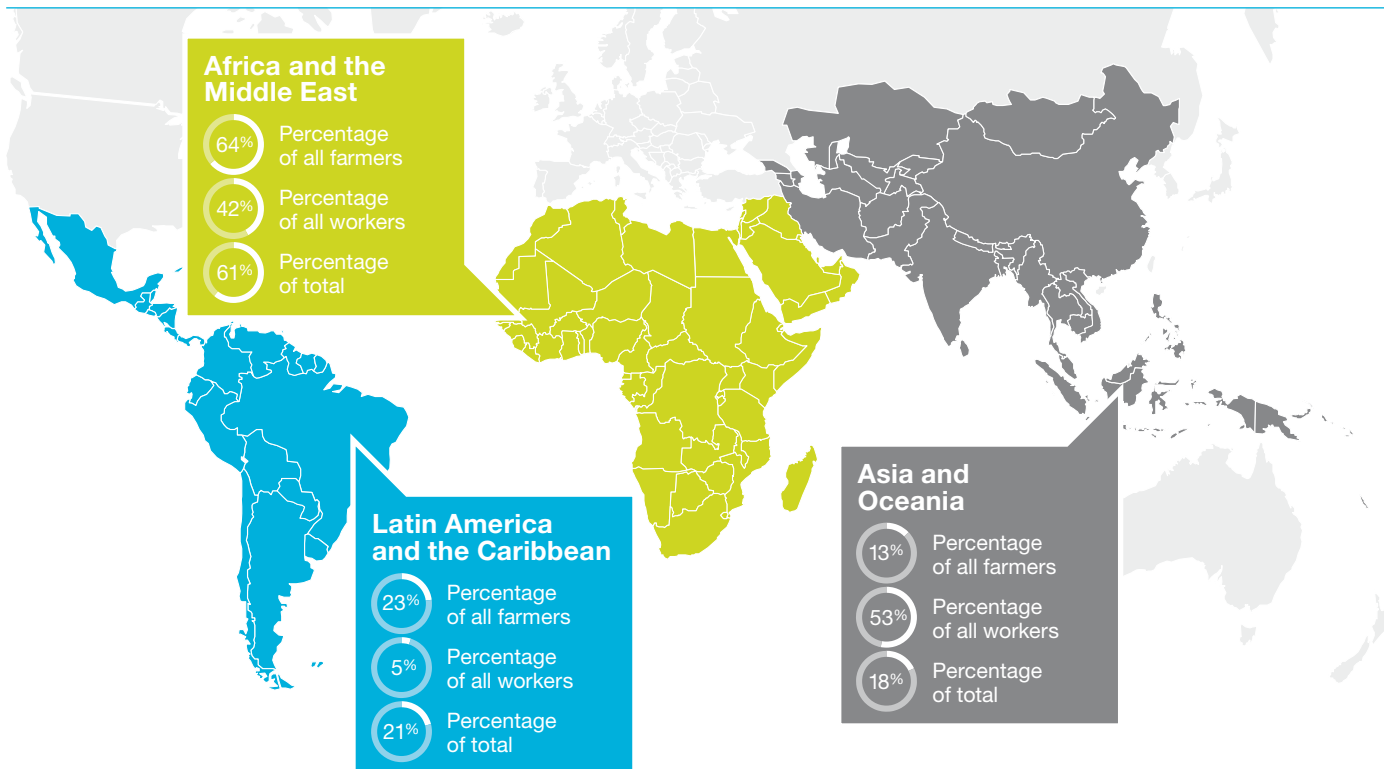
*previous page:* Gabriela Sibrian Hueso, 17, checks on young coffee plants at the nursery of the El Jabali Cooperative. ©Sean Hawkey

### 3.2 Where are the farmers and workers who participate in Fairtrade?

Figure 3.1 shows that in 2012, 61 percent of all farmers and workers within the Fairtrade system lived in Africa and the Middle East. Latin America and the Caribbean accounted for 21 percent of all farmers and workers within the Fairtrade system, and Asia and Oceania for 18 percent—similar to the relative proportions in 2011.

FIGURE 3.1

#### Distribution of Fairtrade farmers and workers 2012



#### Latin America and the Caribbean

Farmers	287,200
Workers	9,500
Total	296,700

#### Africa and the Middle East

Farmers	781,500
Workers	78,600
Total	860,100

#### Asia and Oceania

Farmers	156,500
Workers	99,400
Total	255,900

FIGURE 3.2

### Global distribution of Fairtrade farmers and workers 2012

#### Africa and the Middle East

Farmers	781,500
Workers	78,600
Farmers and workers	860,100

#### Asia and Oceania

Farmers	156,500
Workers	99,400
Farmers and workers	255,900

#### Latin America and the Caribbean

Farmers	287,200
Workers	9,500
Farmers and workers	296,700

#### World

Farmers	1,225,200
Workers	187,500
Farmers and workers	1,412,700

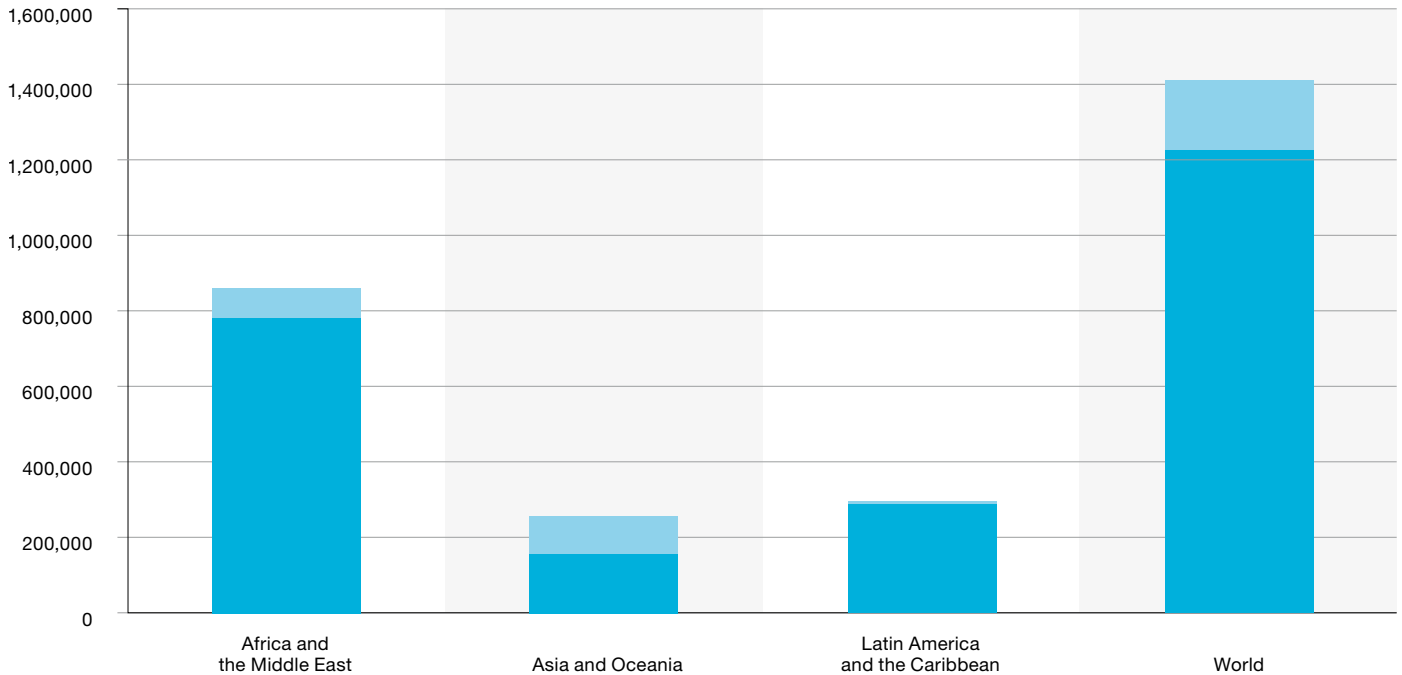
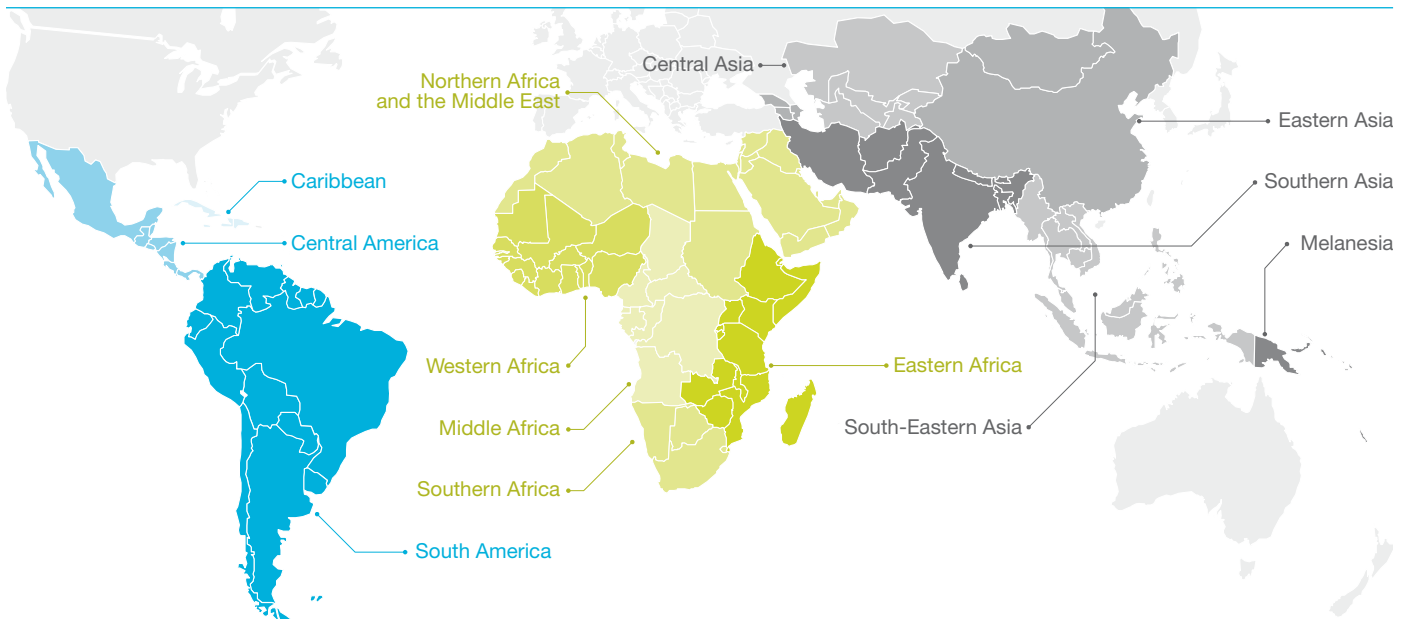


FIGURE 3.3

### Distribution of Fairtrade farmers and workers by sub-region 2012

🌱 Farmers in Fairtrade small producer organizations
 👤 Workers in Fairtrade hired labour organizations
 🌱👤 Total farmers and workers



#### Latin America and the Caribbean

	<span style="color: #00AEEF;">🌱</span>	<span style="color: #00AEEF;">👤</span>	<span style="color: #00AEEF;">🌱👤</span>
Caribbean	37,800	1,700	39,500
Central America	114,200	2,000	116,200
South America	135,200	5,800	141,000
<b>Total</b>	<b>287,200</b>	<b>9,500</b>	<b>296,700</b>

#### Africa and the Middle East

	<span style="color: #00AEEF;">🌱</span>	<span style="color: #00AEEF;">👤</span>	<span style="color: #00AEEF;">🌱👤</span>
Eastern Africa	591,300	61,600	652,900
Middle Africa	5,700	0	5,700
Northern Africa and the Middle East	5,900	2,800	8,700
Southern Africa	2,400	9,800	12,200
Western Africa	176,200	4,400	180,600
<b>Total</b>	<b>781,500</b>	<b>78,600</b>	<b>860,100</b>

#### Asia and Oceania

	<span style="color: #00AEEF;">🌱</span>	<span style="color: #00AEEF;">👤</span>	<span style="color: #00AEEF;">🌱👤</span>
Central Asia	1,100	0	1,100
Eastern Asia	6,000	0	6,000
Melanesia	19,200	0	19,200
South-Eastern Asia	53,500	100	53,500
Southern Asia	76,700	99,400	176,100
<b>Total</b>	<b>156,500</b>	<b>99,400</b>	<b>255,900</b>

The vast majority of workers on Fairtrade certified plantations are located in East Africa—where they work primarily in horticulture and tea cultivation—and in Southern Asia, where the major product is tea.

Countries in East Africa continue to have the highest numbers of farmers in Fairtrade certified producer organizations. Fairtrade in Kenya grew further in 2012, with several large smallholder coffee organizations entering Fairtrade. Combining all farmers and workers, 19 percent of all farmers and workers in the Fairtrade system are now found in Kenya.

Côte d'Ivoire is a new entrant into the top ten lists in 2012, while numbers in Ghana also grew significantly, reflecting the rapid growth of certification within the cocoa industry in West Africa.

India continues to have the largest number of workers among Fairtrade hired labour organizations, though Ethiopia showed strong growth in worker numbers since the 2012 report. The growth in certification of flower plantations makes Ethiopia the fourth most important country in the Fairtrade system in terms of worker numbers (see Figure 3.8).

**FIGURE 3.4**  
**Regional distribution of all Fairtrade farmers and workers 2012**

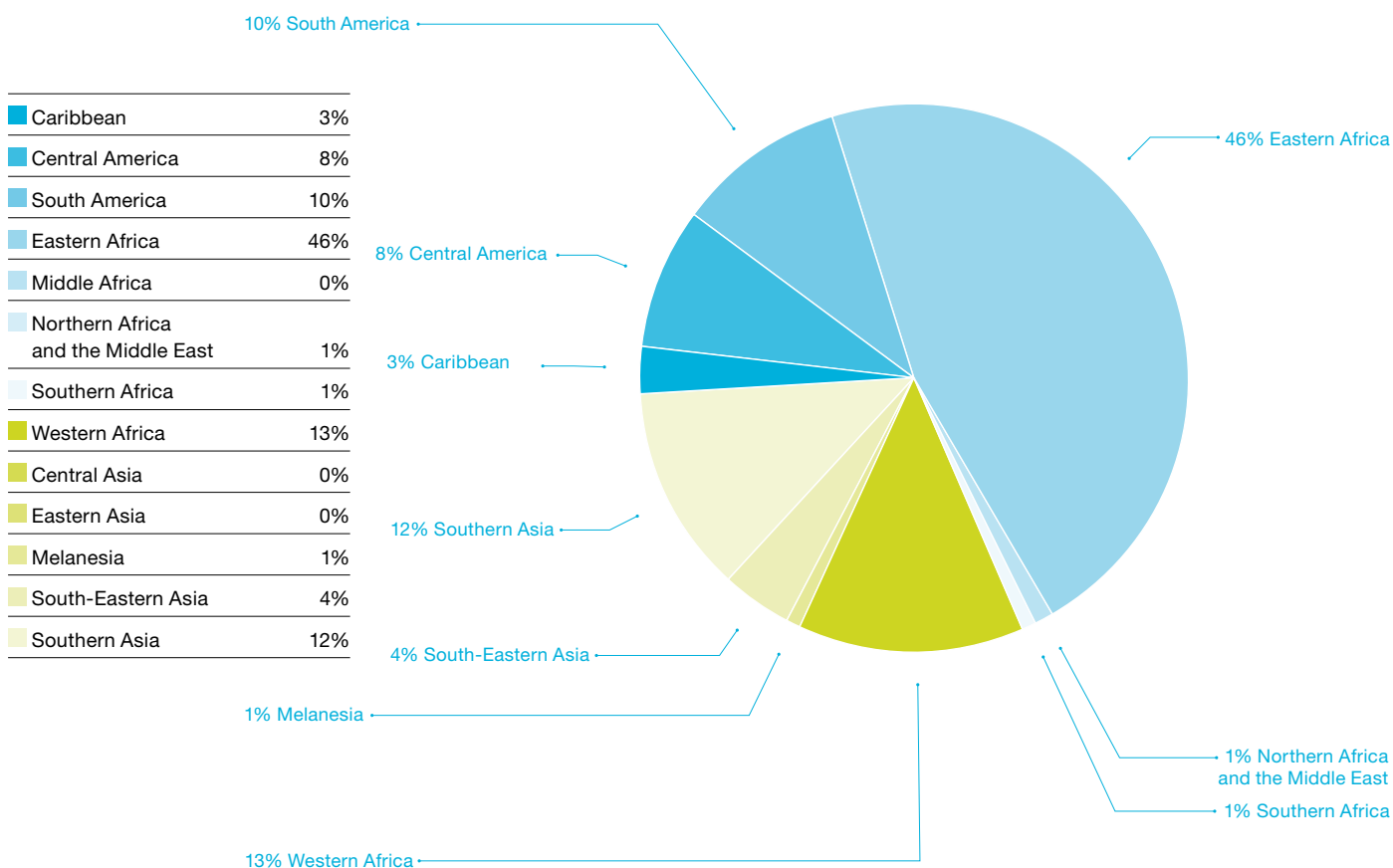




FIGURE 3.5

**Regional distribution of Fairtrade farmers 2012**

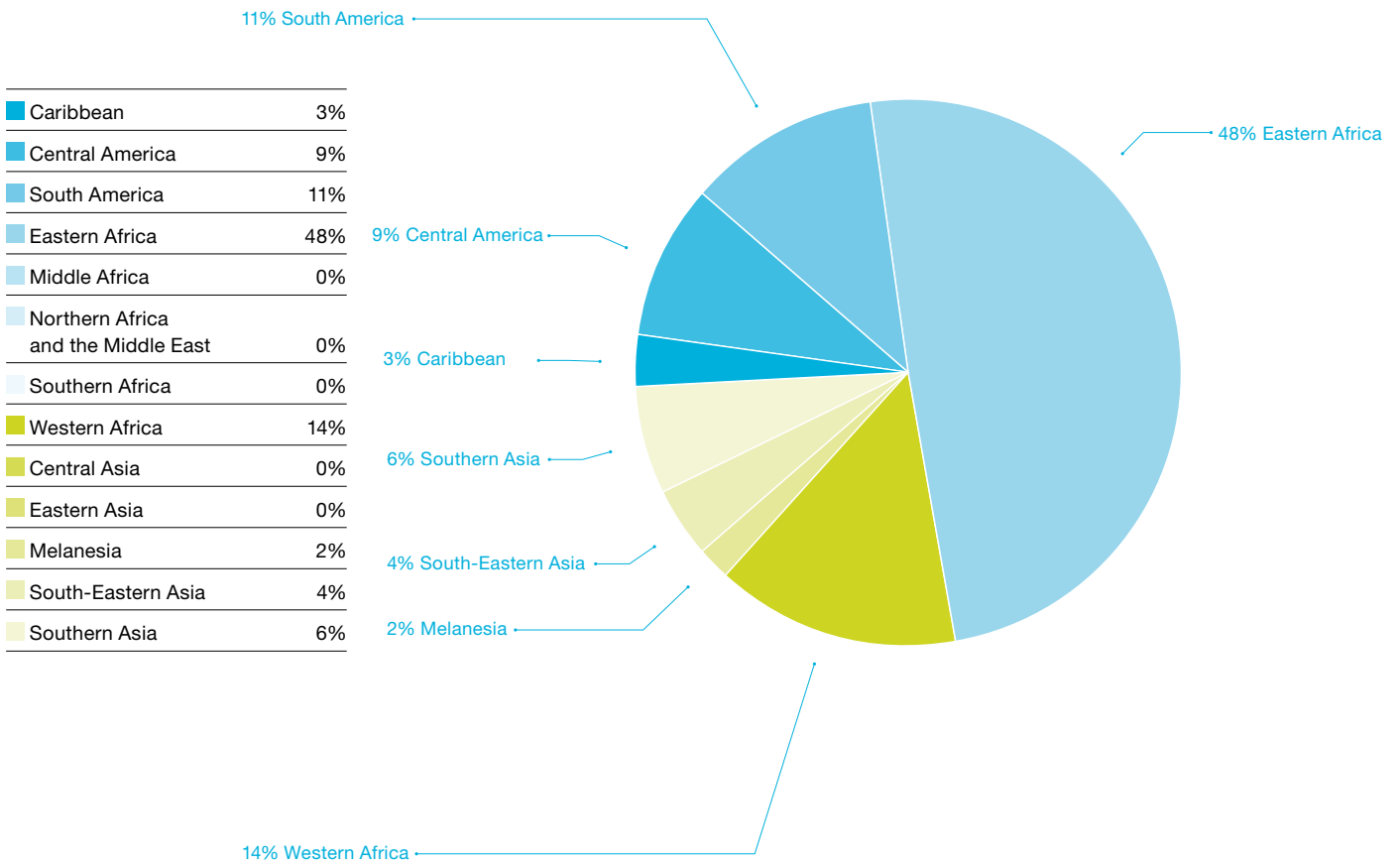


FIGURE 3.6

**Regional distribution of workers within Fairtrade certified Hired Labour Organizations 2012**

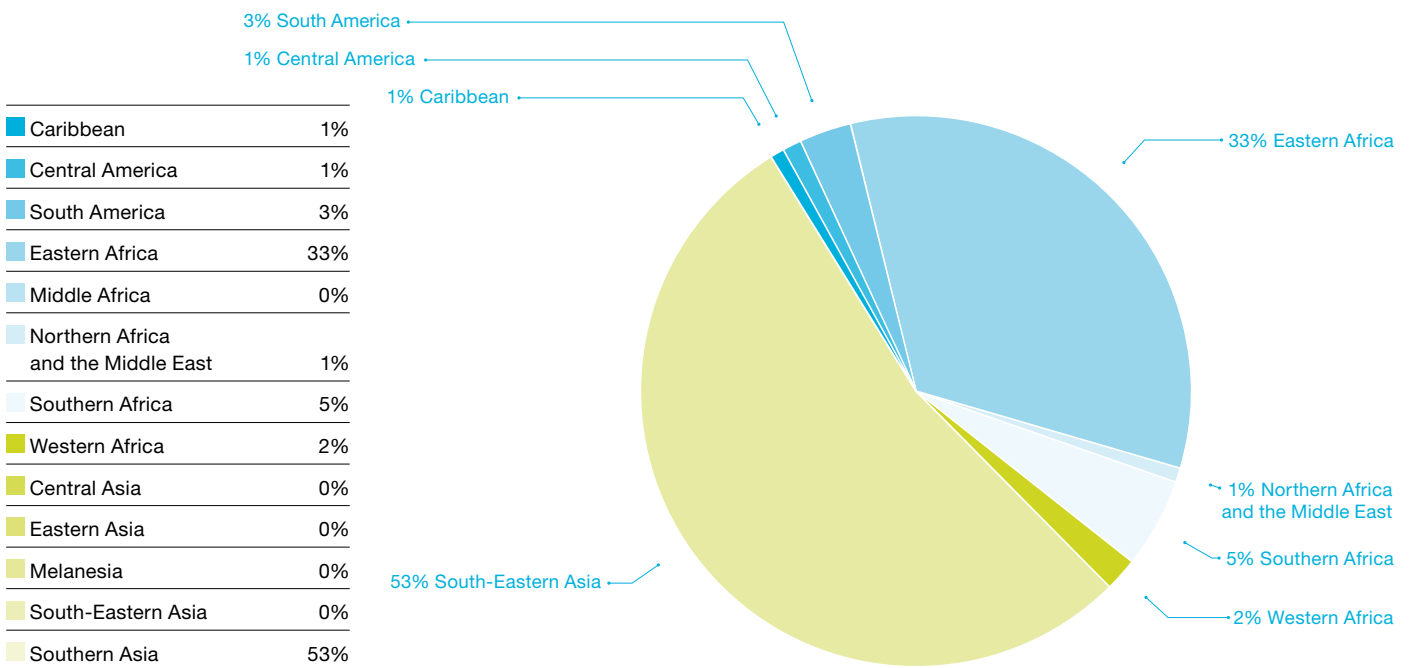
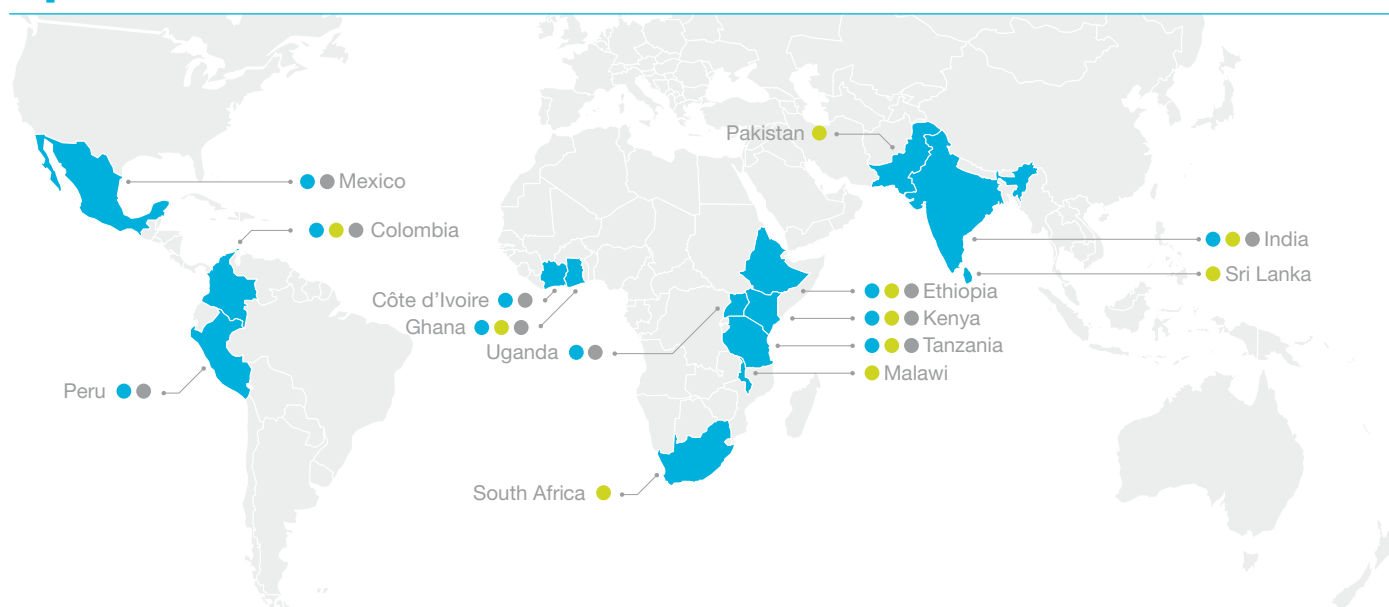


FIGURE 3.8

## Top Ten Countries: Number of Fairtrade farmers and workers 2012



### Top Ten Countries: Number of Fairtrade farmers 2012

● Kenya	229,600
● Tanzania	152,900
● Ethiopia	108,600
● Ghana	91,000
● India	66,000
● Peru	56,700
● Uganda	48,000
● Colombia	45,200
● Côte d'Ivoire	35,000
● Mexico	33,900

### Top Ten Countries: Number of Fairtrade workers 2012

● India	71,600
● Kenya	36,200
● Sri Lanka	22,800
● Ethiopia	13,300
● South Africa	8,200
● Pakistan	5,000
● Ghana	4,400
● Tanzania	4,400
● Malawi	4,100
● Colombia	2,300

### Top Ten Countries: Number of Fairtrade farmers and workers 2012

● Kenya	265,800
● Tanzania	157,400
● India	137,600
● Ethiopia	121,900
● Ghana	95,400
● Peru	56,700
● Uganda	48,000
● Colombia	47,400
● Mexico	35,300
● Côte d'Ivoire	35,000

### 3.3 How have the numbers of farmers and workers changed since the last monitoring report?

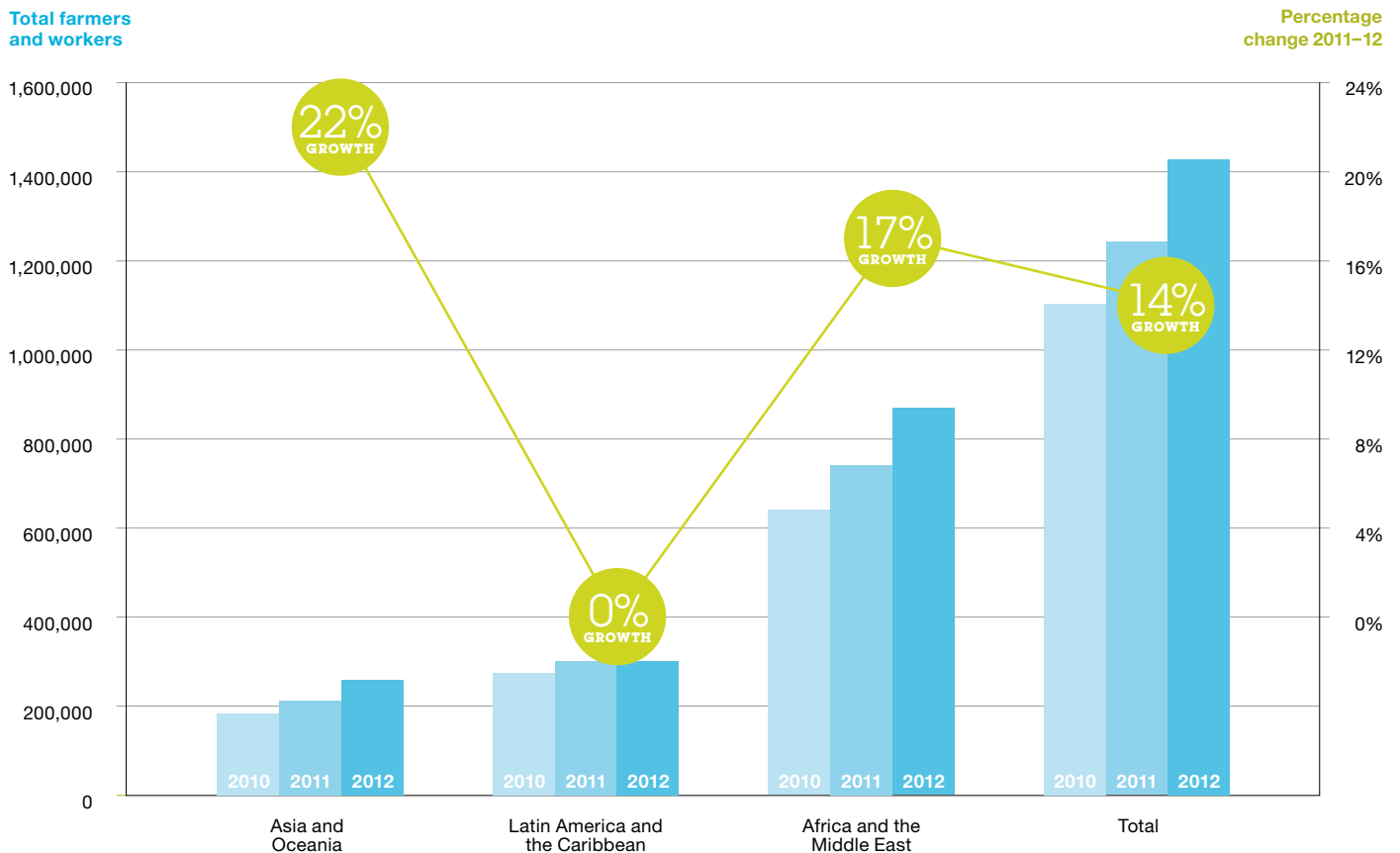
In last year's monitoring report we reported a total of 1.24 million farmers and workers in the Fairtrade system at the end of 2011. In 2012 there was a 14 percent increase overall in the number of farmers and workers in the Fairtrade system. Growth in the number and size of Fairtrade certified small producer organizations was also at 14 percent, slightly stronger than the 11 percent growth in the number of workers in Fairtrade certified hired labour organizations.

Numbers of farmers and workers in Africa and the Middle East grew rapidly, at 17 percent over 2011 levels. But the most rapid growth was in Asia and Oceania. Although Asia and Oceania remains the smallest region for Fairtrade in terms of all metrics, it is starting to grow more quickly. In 2012 it showed 22 percent growth over 2011 levels.

Within each region the patterns of growth have been slightly different. In Africa and the Middle East, there was continued strong growth in Western Africa due to an increase in the number of certified cocoa producer organizations, particularly in Côte d'Ivoire and Ghana. In Eastern Africa, rapid growth in the number of farmers was primarily the result of several new coffee unions becoming Fairtrade certified in Kenya. In Middle Africa, however, there was a significant decrease as a large coffee producing organization in the Democratic Republic of Congo left the Fairtrade system.

FIGURE 3.7

## Growth in the numbers of Fairtrade farmers and workers 2010–2012



The numbers of workers in Fairtrade certified hired labour organizations in Africa and the Middle East grew slightly. Strong growth in the number of hired labour organizations in Ethiopia offset a continued gradual decrease in the numbers of fruit producing hired labour organizations in Southern Africa, a decrease that has slowed when compared with 2010 and 2011.

In Asia in 2012, there was rapid growth in the number of farmers in Fairtrade producer organizations in Melanesia and South-Eastern Asia. This reflects the certification of large coffee and sugar producing organizations in Timor-Leste and Fiji respectively. The number of workers in Fairtrade tea gardens in India continued to grow, with new gardens gaining certification in 2012.

In Latin America and the Caribbean, the numbers of farmers and workers in Fairtrade producer organizations remained stable overall in 2012. A slight growth in the numbers of farmers was offset by a drop in the number of workers on Fairtrade hired labour organizations, which declined in all three sub-regions.

FIGURE 3.9

### Fairtrade in Africa and the Middle East: Farmer and worker numbers 2010–2012

	SPO farmers 2010	SPO farmers 2011	SPO farmers 2012	HLO workers 2010	HLO workers 2011	HLO workers 2012	Total 2010	Total 2011	Total 2012
Eastern Africa	416,400	493,500	591,300	48,600	52,500	61,600	465,000	546,000	652,900
Middle Africa	29,200	29,200	5,700	--	--	0	29,200	29,200	5,700
Northern Africa and the Middle East	3,400	3,700	5,800	8,400	3,700	2,800	9,200	7,400	8,600
Southern Africa	200	300	2,600	13,000	10,000	9,800	13,200	10,300	12,400
Western Africa	121,600	136,300	176,200	2,900	3,000	4,400	124,400	139,300	180,600
<b>Total</b>	<b>570,800</b>	<b>663,000</b>	<b>781,600</b>	<b>72,800</b>	<b>69,200</b>	<b>78,600</b>	<b>641,000</b>	<b>732,200</b>	<b>860,200</b>

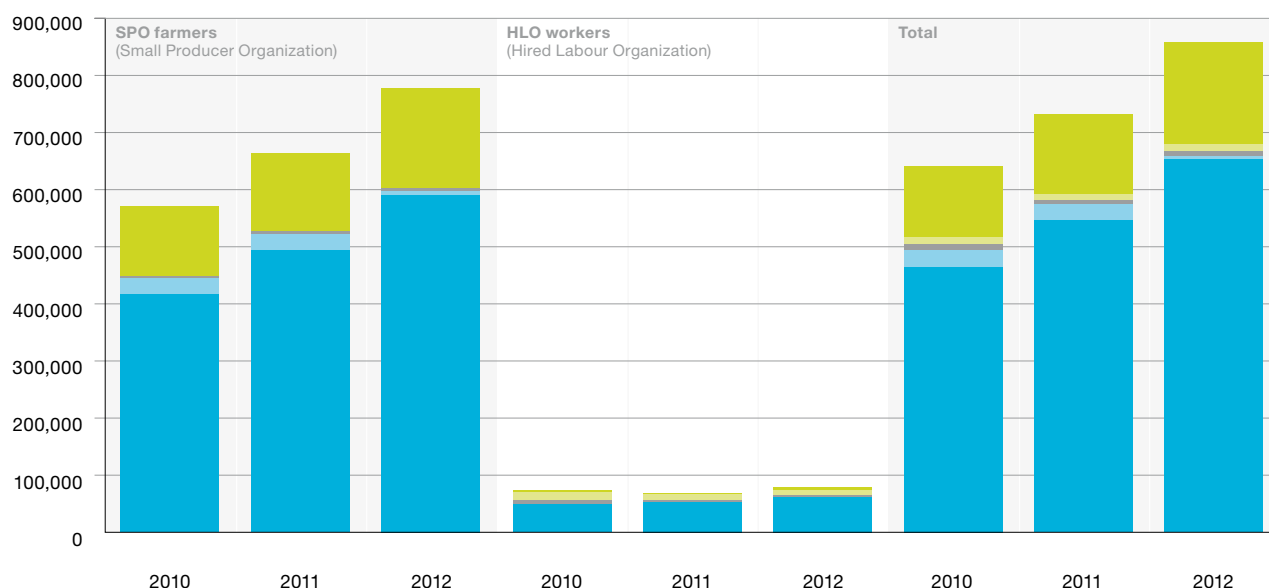


FIGURE 3.10

### Fairtrade in Asia and Oceania: Farmer and worker numbers 2010–2012

	SPO farmers 2010	SPO farmers 2011	SPO farmers 2012	HLO workers 2010	HLO workers 2011	HLO workers 2012	Total 2010	Total 2011	Total 2012
Central Asia	1,000	1,100	1,100	--	0	0	1,000	1,100	1,100
Eastern Asia	5,700	5,800	6,000	--	0	0	5,700	5,800	6,000
Melanesia	8,600	9,000	19,200	--	0	0	8,600	9,000	19,200
South-Eastern Asia	31,500	33,400	53,500	100	100	100	31,600	33,500	53,500
Southern Asia	58,500	73,100	76,700	80,100	87,500	99,400	138,700	160,600	176,100
<b>Total</b>	<b>105,300</b>	<b>122,400</b>	<b>156,500</b>	<b>80,200</b>	<b>87,600</b>	<b>99,400</b>	<b>185,600</b>	<b>210,000</b>	<b>255,900</b>

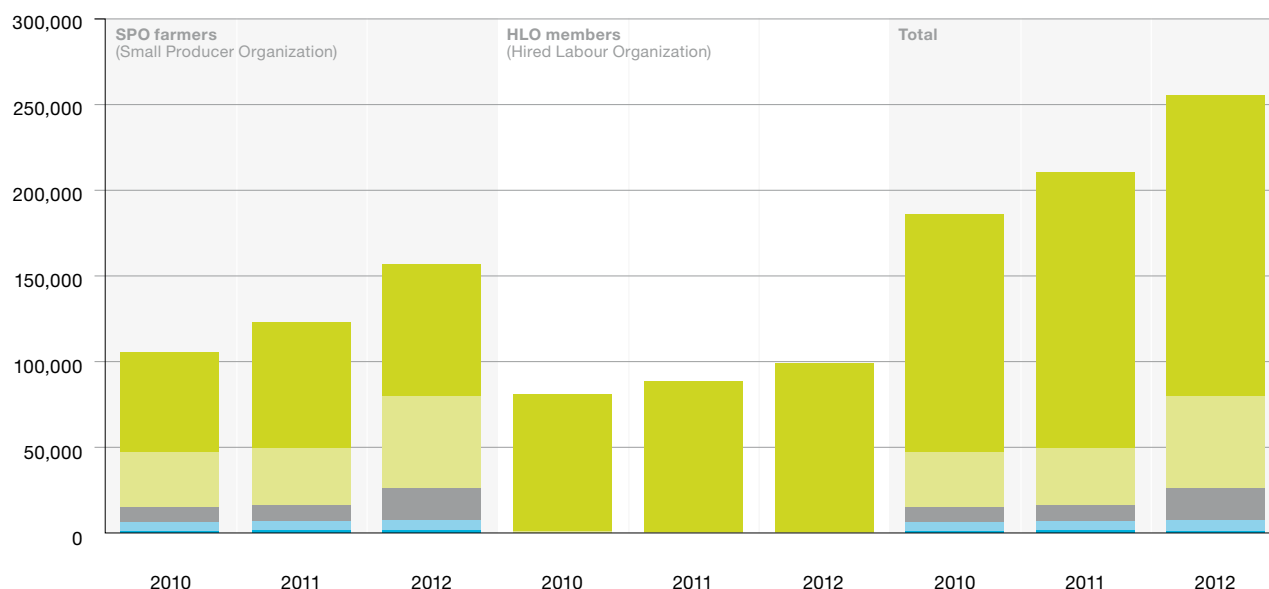


FIGURE 3.11

**Fairtrade in Latin America and the Caribbean: Farmer and worker numbers 2010–2012**

	SPO farmers 2010	SPO farmers 2011	SPO farmers 2012	HLO workers 2010	HLO workers 2011	HLO workers 2012	Total 2010	Total 2011	Total 2012
Caribbean	28,000	40,200	37,800	2,500	1,800	1,700	30,500	42,000	39,500
Central America	101,700	110,100	114,200	1,400	3,100	2,000	103,100	113,200	116,200
South America	132,600	135,100	135,400	5,900	6,500	5,800	138,500	141,600	141,200
<b>Total</b>	<b>262,200</b>	<b>285,400</b>	<b>287,400</b>	<b>9,800</b>	<b>11,400</b>	<b>9,500</b>	<b>272,000</b>	<b>296,800</b>	<b>296,900</b>

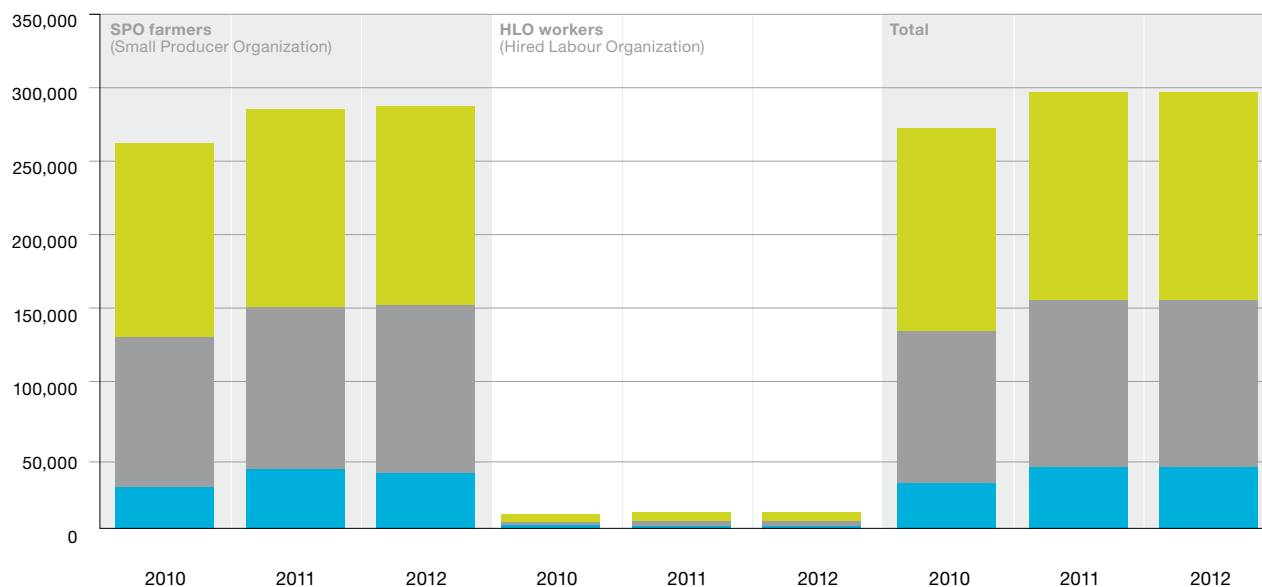







**3.4 Farmers and workers by product category**

Table 3.2 gives a breakdown of the numbers of farmers and workers within Fairtrade certified producer organizations, according to product, for 2012. Coffee, tea, and cocoa remained the most significant products in terms of farmer and worker numbers. Together, those three product categories account for nearly 80 percent of all of the farmers and workers in the Fairtrade system.

Comparison with 2011 figures in Table 3.1 shows continued growth in the numbers of farmers and workers for all of the major Fairtrade products. As in 2011, the most significant growth in percentage terms was for Fairtrade sugar, where the number of farmer members of Fairtrade small producer organizations grew by two thirds during 2012. Over 20 small farmer organizations producing sugar joined the Fairtrade system in 2012, including large organizations in Jamaica and Fiji. There was also significant growth for flowers and plants, reflecting the entrance of flower farms in Ethiopia.

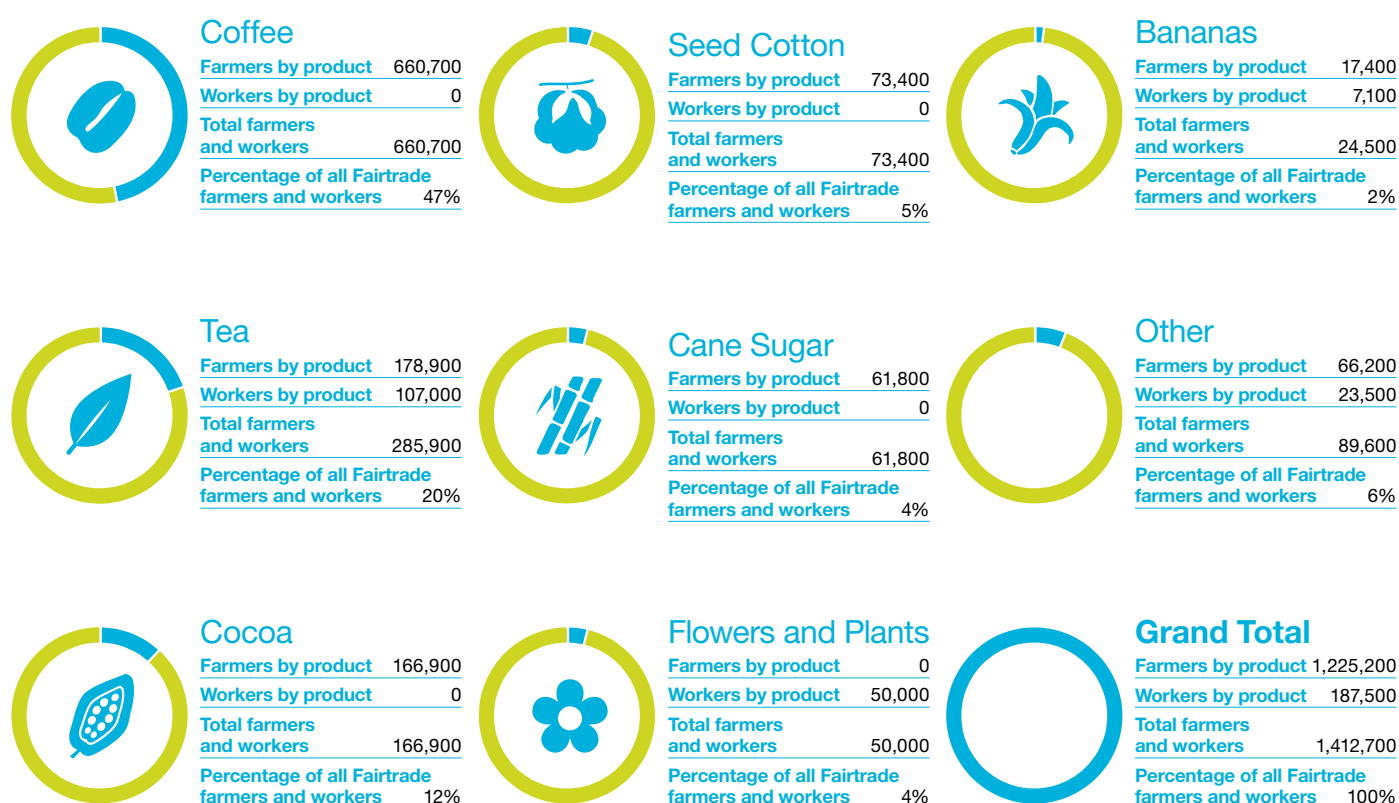
**TABLE 3.1**

**Change in number of farmers and workers by first certified product 2011–2012**

	2011	2012	Percentage change
 Bananas	20,300	24,500	21%
 Cane Sugar	37,200	61,800	66%
 Cocoa	141,800	166,900	18%
 Coffee	580,200	660,700	14%
 Flowers and Plants	37,500	50,000	33%
 Seed Cotton	66,500	73,400	10%
 Tea	258,100	285,900	11%

**TABLE 3.2**

**Number of Fairtrade farmers and workers by first certified product 2012**



### 3.5 Workers in Fairtrade

The data in this report suggest that the decline in the participation of hired labour organizations in Fairtrade that we reported for 2011 has stabilized somewhat. While the overall number of hired labour organizations with Fairtrade certification decreased slightly, the numbers of workers on certified plantations grew by 11 percent because some of the newly certified tea and flower plantations in 2012 were relatively large.

In 2012 the Board of Fairtrade International approved a new Workers' Rights Strategy. The new strategy emphasizes the central position of workers, alongside small farmers, in the Fairtrade system. In the strategy, Fairtrade emphasises that collective empowerment can best be achieved by workers organizing in trade unions and engaging with employers through mature systems of industrial relations.

In 2013 Fairtrade International has focused on revising the Fairtrade Standards for Hired Labour Organizations. Progressive new elements, based on the 2012 Workers' Rights Strategy, have been introduced into the standard which was developed in collaboration with stakeholders and experts on workers' rights, and approved by the Standards Committee in November 2013. This includes a freedom of association protocol, a right to unionize guarantee, and a requirement on making progress towards a living wage.

In 2012 and 2013, work on improving wages was the other major focus of Fairtrade's workers' rights efforts. Fairtrade has entered into partnership with Social Accountability International, GoodWeave, SAN/Rainforest Alliance, and UTZ Certified, to test a living wage calculation methodology. The methodology was developed with living wage experts Richard and Martha Anker, and has been tested in South Africa with wine producers, and in the Dominican Republic for the banana sector. This work has also resulted in agreement between the participating certification schemes about a living wage definition, and this has been incorporated into the newly revised Fairtrade Hired Labour Standard.

In line with the emphasis that the Workers' Rights Strategy places on worker organization, Fairtrade International has undertaken several projects with trade unions in Latin America and Africa. In Africa, Fairtrade and partners Compagnie Fruitière, the International Union of Foodworkers, and BananaLink, organized a capacity building project to strengthen the collaboration between six trade unions operating at a newly certified banana plantation. Senior Fairtrade representatives also met with the Malawi Tea Association, and the Plantation and Agriculture Workers' Union of Malawi to promote a trade union organizing campaign, a collective bargaining process, and capacity building of the trade union in support of wage growth.

In Latin America, Fairtrade initiated workers' rights programmes in Ecuador at a flower plantation where a trade union has established itself for the first time; and continued to work with partners in Costa Rica to improve labour relations at the only Fairtrade certified plantation in the country. In Peru, Fairtrade supported a local trade union with a temporary staff person tasked with analysing the protection of workers' rights under the Fairtrade Standards for Small Producer Organizations, and the complaint mechanism within the Fairtrade system. Meetings between Fairtrade International, the Fairtrade Latin American producer network (CLAC), and COLSIBA (the Latin American union federation for agro-industrial workers) took place in Colombia, Dominican Republic, and the Netherlands to support dialogue and progress on workers' rights issues.

#### Research insight: Fairtrade and unions on banana plantations

##### —learning from experience

As part of our efforts to understand how Fairtrade can most effectively support improvements in industrial relations, Fairtrade International commissioned independent research into the experiences of workers on banana plantations in Urabá in Colombia. This case study shows how initially, when plantations became Fairtrade certified, the local union representing banana workers was unsure about



the role it should play in relation to Fairtrade, with particular concerns around the use of the Fairtrade Premium money.

For Fairtrade to support improvements in industrial relations and alleviate concerns, a number of steps have been important:

- It was important for the farms to offer extensive training at the outset of certification to explain the role of Fairtrade, the Fairtrade Standards, and the role of the Fairtrade Premium Committee (formerly called the Joint Body) to the workers and to the trade union representatives.
- Training and dialogue provided genuine clarity about the distinct roles of Fairtrade and the union on the plantations.
- In several of the plantations, including union representatives within the Fairtrade Premium Committees had a positive impact.

A trade union member on one farm explains these processes of differentiation and mutual support: "At the beginning, the members of the union committee could not be members of the Joint Body. Now I am a member of the union committee and president of the ... Joint Body. ... Now we feel more support from the grassroots and people see there is a union presence in the Joint Body. People see more trust... [Fairtrade] benefits from the union. We have also learned to differentiate things, such as the union from the Joint Body. We try not to mix things."

The full research report is available for download at [www.fairtrade.net/fileadmin/user\\_upload/content/2009/resources/2013-03\\_Industrial\\_relations\\_Colombia\\_study\\_final.pdf](http://www.fairtrade.net/fileadmin/user_upload/content/2009/resources/2013-03_Industrial_relations_Colombia_study_final.pdf)

### 3.6 Women in Fairtrade

According to the data submitted in the audit reports, in 2012, 23 percent of the farmers and workers in Fairtrade certified producer organizations were women. This is a slight decrease compared with the data for 2011, where women were 25 percent of all farmers and workers in Fairtrade producer organizations.

This decrease is probably a reflection of two factors. On the one hand, we see growth in the numbers of small producer organizations in Asia and Oceania joining Fairtrade. Women's membership in these organizations is particularly low. The global figure for women's membership of small producer organizations is 19 percent, but it is much lower in Asia and Oceania, at only 10 percent.

Women continue to be strongly represented within hired labour organizations in Fairtrade, where 47 percent of all workers are women. In India and Sri Lanka, women workers form 55 percent of the workforce on Fairtrade plantations. However, the overall number of hired labour organizations within the Fairtrade system is not growing (though the number of small producer organizations continues to grow rapidly).

Women's participation is most significant in Fairtrade product categories that are open to hired labour organizations—tea and flowers and plants in particular. More than 110,000 women work on Fairtrade tea plantations or are registered as farmer members of small producer organizations producing tea. For products that are only open to small producer organizations, the oilseeds and oleaginous fruit category has a high level of participation by women, particularly because of several women's cooperatives producing shea butter in Burkina Faso and Mali.

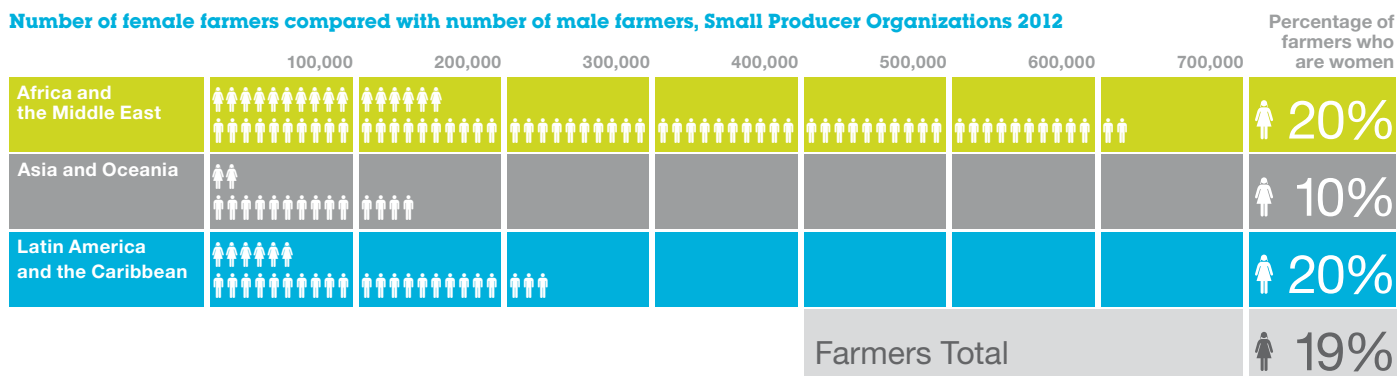
While the number of women who are registered as farmer members of small producer organizations remains proportionally low, women around the world have a central role in agricultural production, including within Fairtrade supply chains and in particular as workers in hired labour organizations. Overall, our data suggest that there are more than 320,000 women registered as members or workers in Fairtrade producer organizations. This represents a great opportunity for Fairtrade to do more to support women's development and empowerment.

In 2014, Fairtrade International will initiate efforts to encourage greater support for women among producer groups.

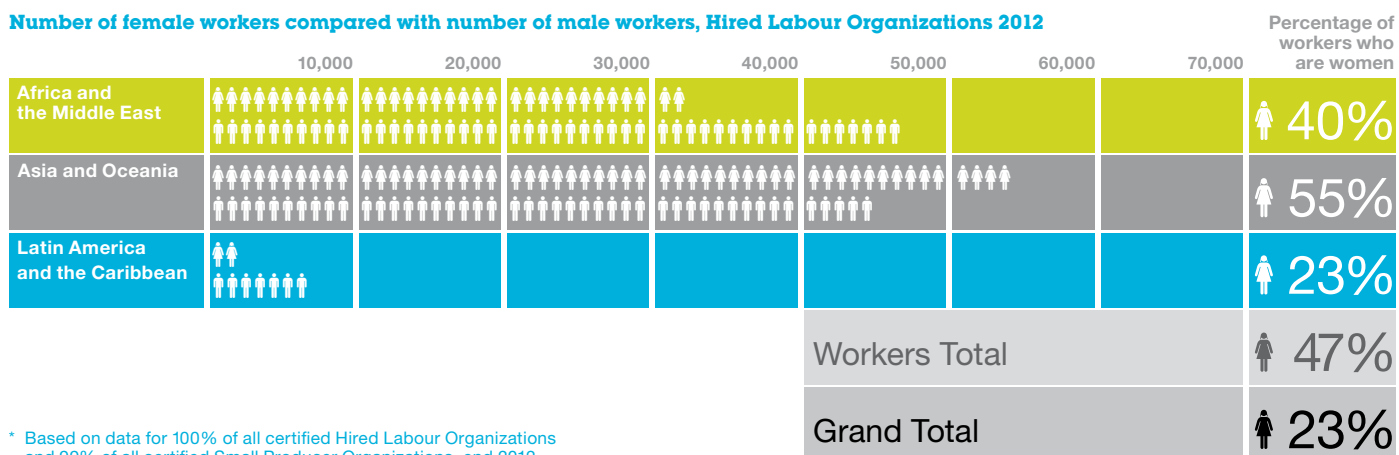
FIGURE 3.12

### Women's participation in Fairtrade 2012\*

#### Number of female farmers compared with number of male farmers, Small Producer Organizations 2012



#### Number of female workers compared with number of male workers, Hired Labour Organizations 2012



\* Based on data for 100% of all certified Hired Labour Organizations and 99% of all certified Small Producer Organizations, end 2012

TABLE 3.3

### Women as a percentage of all Fairtrade farmers and workers by product 2012

Farmers in Small Producer and Contract Production Organizations Product	Percentage of farmers who are women*	Workers in Hired Labour Organizations Product	Percentage of farmers who are women*
Oilseeds and Oleaginous Fruit	56%	Tea	51%
Nuts	32%	Sports Balls	48%
Quinoa	32%	Flowers and Plants	46%
Herbs, Herbal Teas and Spices	32%	Fresh Fruit	41%
Tea	31%	Wine Grapes	33%
Dried Fruit	25%	Vegetables	29%
Cocoa	22%	Fruit Juices	21%
Cane Sugar	22%	Bananas	13%
Fruit Juices	21%	Herbs, Herbal Teas and Spices	0%
Gold	20%	<b>Grand Total</b>	<b>47%</b>
Vegetables	18%		
Honey	15%		
Coffee	15%		
Rice	14%		
Bananas	13%		
Fresh Fruit	13%		
Wine Grapes	13%		
Seed Cotton	12%		
Timber	0%		
<b>Grand Total</b>	<b>19%</b>		

\* Based on data for 100% of all certified Hired Labour Organizations and 99% of all certified Small Producer Organizations, end 2012

### Research Insight: Understanding the experiences of women in Fairtrade supply chains

In 2012–13, the ethical trading organization Twin undertook research into the experiences of women in Fairtrade supply chains, with the support of several partners including the UK-based Fairtrade Foundation. The research focused on Fairtrade supply chains and producer organizations in Peru, Nicaragua, Malawi, Ghana, Uganda, India and Democratic Republic of Congo. It sought to understand how women are involved in the production of different products, and what resources and income they control in each of these contexts. It showcases examples of Fairtrade producer organizations taking steps in support of women's empowerment, and considers what we can learn from these experiences.

The report finds that while women are active at all stages of agricultural production, and often provide the majority of the **labour**, when it comes to transporting crops to market and selling them, these tasks are almost universally done by men, who subsequently retain much of the control over the resulting **income**. As a male farmer from Malawi stated, "There is only one family bank, and I am the bank manager." Women also often undertake tasks that are crucial for maintaining the quality of crops, especially time-consuming processing work such as shelling and grading nuts, fermenting and drying coffee and fermenting cocoa.

Women face barriers to **land ownership**. This affects access to credit and can disqualify them from joining producer organizations. As a result, women are under-represented in the membership of organizations and at all levels of their governance. This combination of restricted rights to income and land can leave women with little control over **decision-making** in the home and within producer organizations.

However, where women *are* members of producer organizations they tend to be in a stronger position than their unorganized counterparts. They are more likely to own land and have better access to credit, training and services; they are more likely to undertake independent business activities and subsequently have more control over household expenditure; and they have better opportunities in terms of engaging in the business side of farming or taking on leadership roles.

The report also indicates how engaging women can be advantageous to producer organizations, since women often command high levels of trust and social capital within their communities. It gives the example of Delphin, a female cocoa farmer in Ghana who manages one of the cooperative purchasing centres: "As a female recorder I am able to buy more cocoa than men because people trust me. More women should have the courage to put themselves forward for these positions. If you are honest, have respect for your fellow members and can communicate effectively people will believe and trust in you."

Although many smallholder communities are yet to embark on their journey towards gender empowerment, the Twin report shows how women's coffee initiatives are engaging consumers about the role of women in coffee production, and providing additional premiums to fund projects targeted at women. Women's committees within producer organizations are enabling women to receive training, access funding, engage in development of micro-enterprises and have a greater say within producer organizations. Some cooperatives have even adopted quotas for female representation on their Boards, as seen in PRODECOOP in Nicaragua.

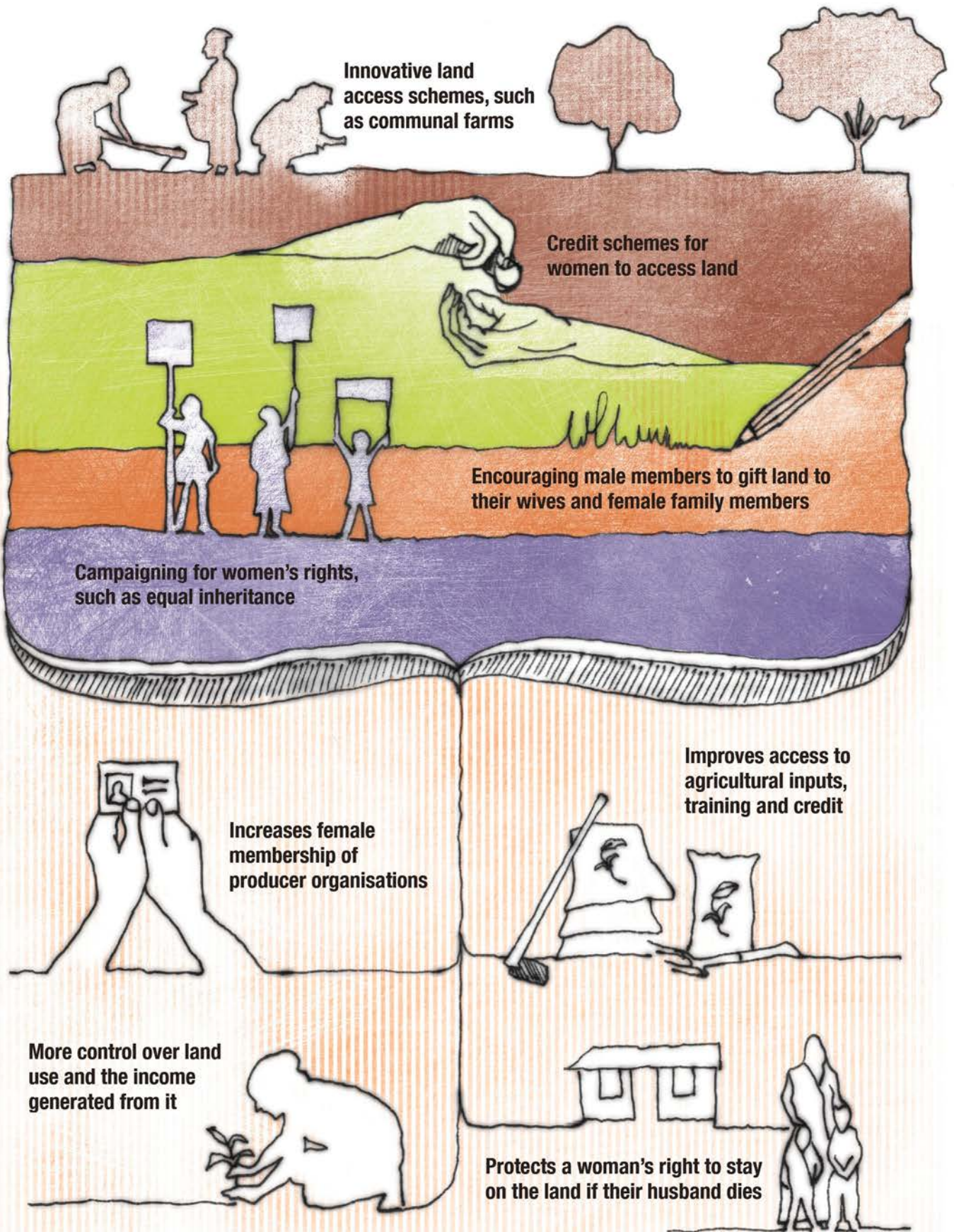
The report makes recommendations for how business can better support women's empowerment within their supply chains, and for how producer organizations can take action for gender justice. Examples from existing practice suggest that producer organizations should:

- Develop and implement gender policies that formalise a producer organization's commitment to gender justice.
- Encourage women's membership in producer organizations, including reviewing and supporting change in norms.



# OWNERSHIP:

How producer organisations are helping women to own land and the resulting benefits





- Establish women's committees or other platforms within their governance structure, aimed at developing women's leadership skills and increase women's access to decision-making and financial resources.
- Involve women in the producer organization's business activities.
- Prioritise access to affordable credit for women.
- Invest in adult literacy programmes for women to support effective participation in democratic processes, such as leadership elections, and to promote awareness of land ownership rights.

The full Twin research report can be downloaded from [www.twin.org.uk/resources](http://www.twin.org.uk/resources).

### Research Insight: Understanding how women and men value Fairtrade benefits

Another research project gave interesting insights into how women and men perceive the benefits from Fairtrade differently. As part of longitudinal research on the impacts of Fairtrade in Malawi, led by Natural Resources Institute (NRI) at the University of Greenwich, male and female Malawian peanut farmers were asked to rate the importance of different Fairtrade benefits (Table 3.4). In particular, the women stressed that support from Mchinji Area Smallholder Farmers Association (MASFA) in opening bank accounts has enabled them to manage their own money and savings. The women also stressed the benefits of the guardian shelter (a space to house visitors to the district hospital which was built through income received through the Fairtrade Premium), as it is particularly useful for pregnant women.

## The women of Tighanimine

The town of Agadir in southwest Morocco has an abundance of argan trees, a fact not lost on a group of women attending a literacy class together back in 2007. With few income options, the women realized an opportunity in the trees. Argan oil, extracted from the tree's fruit, has become a key ingredient in luxury cosmetics. The women have organized a cooperative, launched their own brand of argan oil, and are quickly moving up the value chain.

Read the full story here: <http://bit.ly/SJtvqj>

## PRODUCER REPORT



**Table 3.4 Benefits to Malawi farmers from Fairtrade producer organization membership**

Ranking of benefits by men	Ranking of benefits by women
30% of premium to be paid to members on pro-rata production basis (to be operational from next Premium received)	Trainings provided through National Smallholder Farmer Association of Malawi (NASFAM)
Training provided through NASFAM	Opening bank accounts enabling women to manage their own money
Farmer-to-farmer approach which enables farmers to get quick response to problems locally	Access to seed of improved groundnut varieties
Access to improved seed	Trustworthy scales for weighing groundnuts
Regular extension visits from Association Field Officers (AFOs)	Fairtrade Premium-funded projects (guardian shelter + warehouses)
Selling nuts through the Marketing Action Centre (MAC)	Support in marketing of groundnuts
Transport of groundnuts to the warehouse	Purchase of tree seedlings for their villages
Trustworthy scales for weighing groundnuts	Transport facilities (for tobacco and groundnut)
Access to AFOs any time if they have a problem	

The full report of the Malawi research can be downloaded from:

[www.fairtrade.net/fileadmin/user\\_upload/content/2009/resources/2013-04-Malawi-Fairtrade-Impact-FinalLR.pdf](http://www.fairtrade.net/fileadmin/user_upload/content/2009/resources/2013-04-Malawi-Fairtrade-Impact-FinalLR.pdf)



### 3.7 Fairtrade and young people

#### Addressing child labour risks and findings

Increasing the well-being of children and youth in Fairtrade communities continues to be a core priority for Fairtrade. Our work in 2012 focused on efforts to drive real change and strengthen communities' capacities to address and prevent child labour and ensure quality education. Fairtrade addressed findings or allegations of child labour in Burkina Faso, Côte d'Ivoire, Ghana, Madagascar, South Africa, Swaziland, Zambia, Ecuador, Colombia, Peru, El Salvador, Nicaragua, Honduras, Bolivia, India and Fiji. We conducted three in-depth child protection assessments on allegations of the worst forms of child labour in Fairtrade operations and engaged with local government representatives, rights-based NGOs, and affected companies to support a systematic, community-based approach to addressing this problem. Fairtrade International continued to deepen its partnership with Plan International, working together to develop and pilot a joint training approach for a youth-inclusive community-based monitoring and remediation system on child labour.

#### Focus groups with school-going children

In 2012 Fairtrade conducted focus groups with approximately 145 school-going girls and boys (aged 8 to 17 years) in Fairtrade communities in Zambia, Burkina Faso and India. Through these discussions we wanted to understand the risks to safe learning and family farm work, including whether or not these young people would choose agriculture as a future career option. Of the 145 participants, only two girls stated that they thought that agriculture could offer them a sustainable livelihood, and that they would actively choose it as a career.

When asked who would undertake agricultural jobs in the future, most of these children noted that it would be 'the uneducated', 'migrants from poorer areas or countries', and/or 'grandparents or other family relatives'. A few of them noted that when they grow up, 'there will not be farming in their areas', due to either lack of free land, urban development or swapping of agricultural for non-agricultural production.

The children in the focus groups were asked to make recommendations to Fairtrade on how to make agricultural work more attractive to young people. In Zambia, suggestions included that farmers would need higher incomes, that workers should receive a better salary, and that weeding and spraying should be mechanized at a subsidized or no cost. In Burkina Faso, school-going children noted that ploughing on organic and Fairtrade farms is the least attractive task and suggested that cows and oxen should be provided for this process. Furthermore they noted that the income was not attractive and the conditions of work were extremely difficult. In India, young people also suggested increased income, better working conditions, and mechanization for difficult tasks like plucking. All children reported having engaged in agricultural family work on weekends and school holidays, and most of them noted that they should have been paid for contributing to household income, or own the results of their work. All children in the focus groups reported having engaged in some form of work at their school, ranging from cleaning classrooms or toilets to working on school-owned farms.

#### Trainings on child labour and child protection

All of Fairtrade's field officers held child labour and child protection trainings with producer organizations as part of basic certification advisory services throughout 2012. Commodities and countries on the US Department of Labour (USDOL) Watch List for Child and Forced Labour were especially targeted for in-depth training.

Fairtrade International conducted three-day training workshops with cotton producers in Burkina Faso in February and India in May. A total of roughly 100 Fairtrade cotton producers, ten producer organization staff, and Fairtrade staff and representatives from Fairtrade International, Fairtrade Africa (FTA) and the Fairtrade Network of Asia and Pacific Producers (NAPP) attended these trainings. Two representatives from a US-based company sourcing Fairtrade cotton attended the training in Burkina Faso.



#### InBrief

##### KEEPING YOUNG WITH COFFEE

Fairtrade partners up with Sustainable Harvest and SOPPEXCCA.

<http://www.fairtrade.net/single-view+M56e4b7aaf8.html>

Fairtrade International also conducted three-day training workshops in Zambia with approximately 20 sugar farmers; in northern India with Fairtrade Premium Committee members and certification managers at two Fairtrade tea plantations; and in Honduras with executives, the certification manager, and youth/child labour monitors from a coffee small producer organization, and staff from Plan Honduras.



**04**

**FAIRTRADE  
PRODUCER  
ORGANIZATIONS**

#### 4.1 How many Fairtrade producer organizations were there in 2012?

At the end of 2012 there were 1,139 Fairtrade certified producer organizations in 70 countries. This is a net increase of 148 producer organizations, or a 15 percent increase over 2011 levels—higher than the overall growth trajectory in previous years (Table 4.1).

Figure 4.2 shows that the net numbers of new certifications increased in all regions. The number of new certifications was highest in Africa and the Middle East, primarily the result of 44 newly certified producer organizations in Côte d'Ivoire and Ghana (mainly cocoa organizations), and the certification of 26 producer organizations in Kenya (mainly coffee organizations).

Underlying these net numbers is a significant flux of organizations entering the Fairtrade system and others leaving, often voluntarily and sometimes as a result of non-compliance with Fairtrade standards. According to data, 250 organizations entered the Fairtrade system in 2012, while 102 organizations decertified, resulting in the net increase of 148. Of the decertifying organizations, one third were hired labour organizations, particularly wine-grape producers in Chile, Argentina, and South Africa. Several small producer organizations in Occupied Palestinian Territories voluntarily decertified to form a larger second-grade cooperative, enabling them to pool resources and work more effectively together.

In 2011, organizations in four new countries for Fairtrade were certified. These included three sugar cooperatives in Jamaica; a banana cooperative in Nigeria; a large coffee cooperative in Timor-Leste, which returned to Fairtrade after a period of decertification; and a cooperative of farmers producing raisins in Afghanistan.

**opposite:** A member of the Toledo Cacao Growers' Association speaks at the organization's General Assembly.  
©James A. Rodríguez

TABLE 4.1

#### Five years of growth in the number of Fairtrade certified producer organizations

Year	Number of certified organizations	Percentage change on previous year
2008	745	18%
2009	827	11%
2010	905	9%
2011	991	10%
2012	1139	15%

FIGURE 4.1

Five years of growth in the number of Fairtrade certified producer organizations 2008–2012



FIGURE 4.2

Growth in Fairtrade certified producer organizations 2012

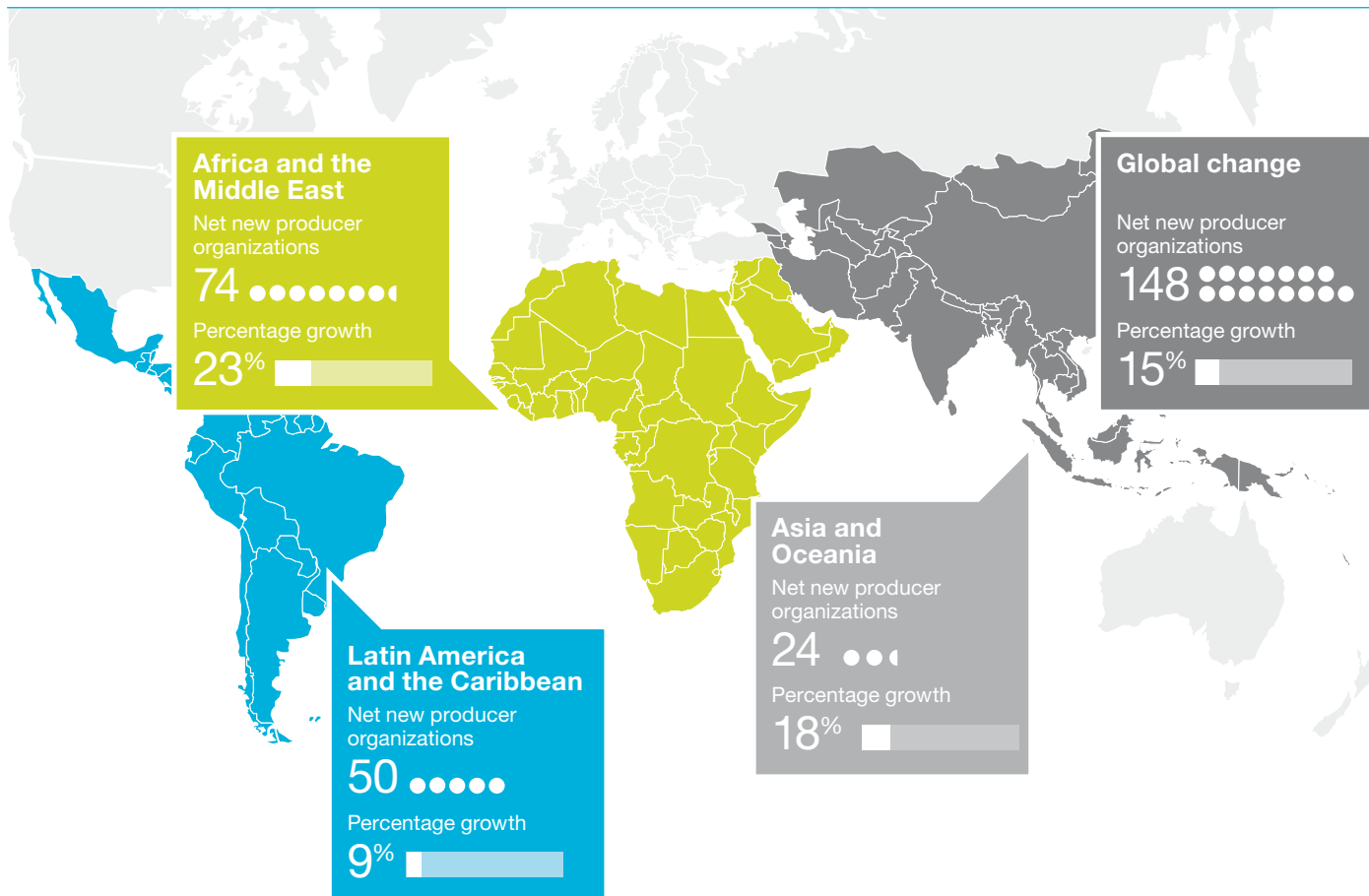
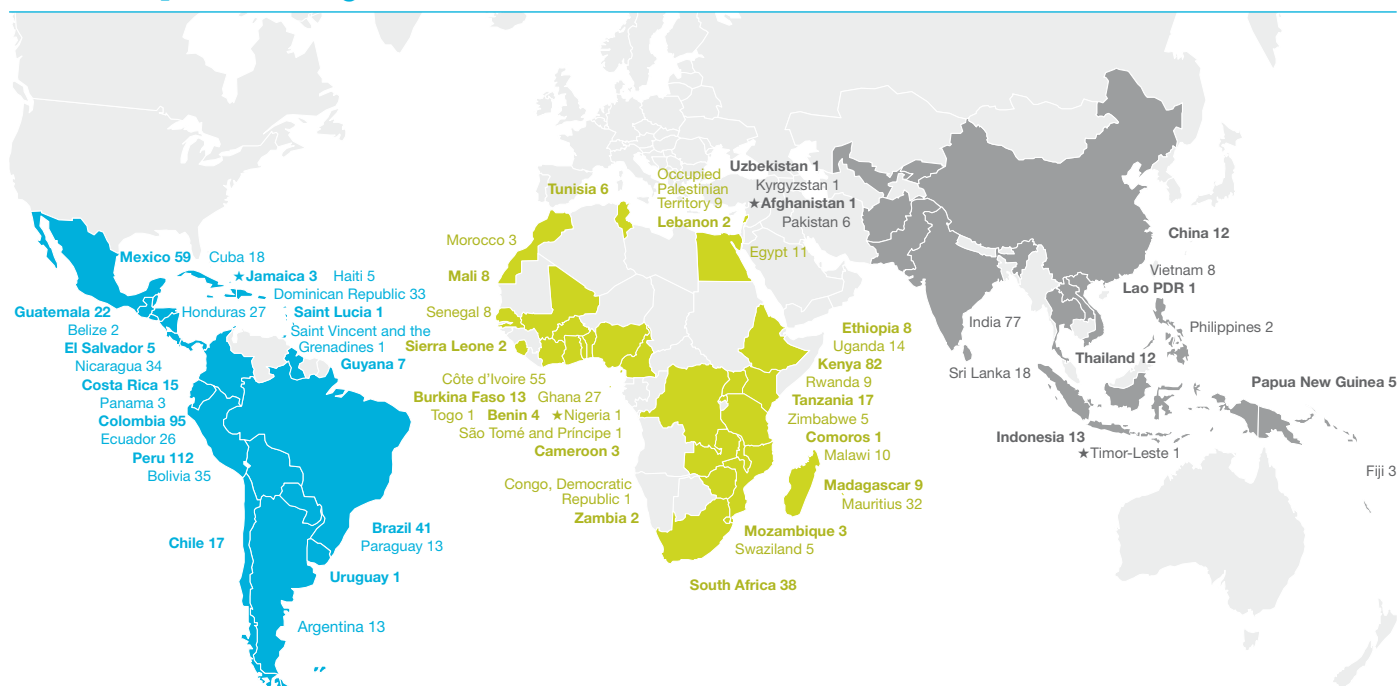


FIGURE 4.3

## Fairtrade producer organizations worldwide 2012

★Indicates new producer countries



**Latin America and the Caribbean**  
Total 588

**Africa and the Middle East**  
Total 390

**Asia and Oceania**  
Total 161

The certification of the producer organization in Afghanistan posed some particular challenges for Fairtrade. Fairtrade certification is based on a physical inspection by an independent auditor. Because this could not be achieved easily in light of ongoing security challenges in Afghanistan, Fairtrade adapted its procedures to give the raisin producers 'permission to trade' in 2010. The initial physical audit of the producer organizations was finally completed in 2012. This case challenged the Fairtrade system to consider new strategies for supporting producer organizations in highly insecure areas.

#### 4.2 Where are the Fairtrade producer organizations?

In contrast with the total numbers of farmers and workers, the majority of Fairtrade producer organizations are in Latin America and the Caribbean, accounting for more than half of all Fairtrade producer organizations worldwide (see Figure 4.4).

Peru has the largest number of Fairtrade producer organizations, followed by Colombia. However, net growth in numbers of producer organizations was highest in Côte d'Ivoire and Kenya in 2012.

### Top Ten Countries: Number of Fairtrade certified producer organizations 2012

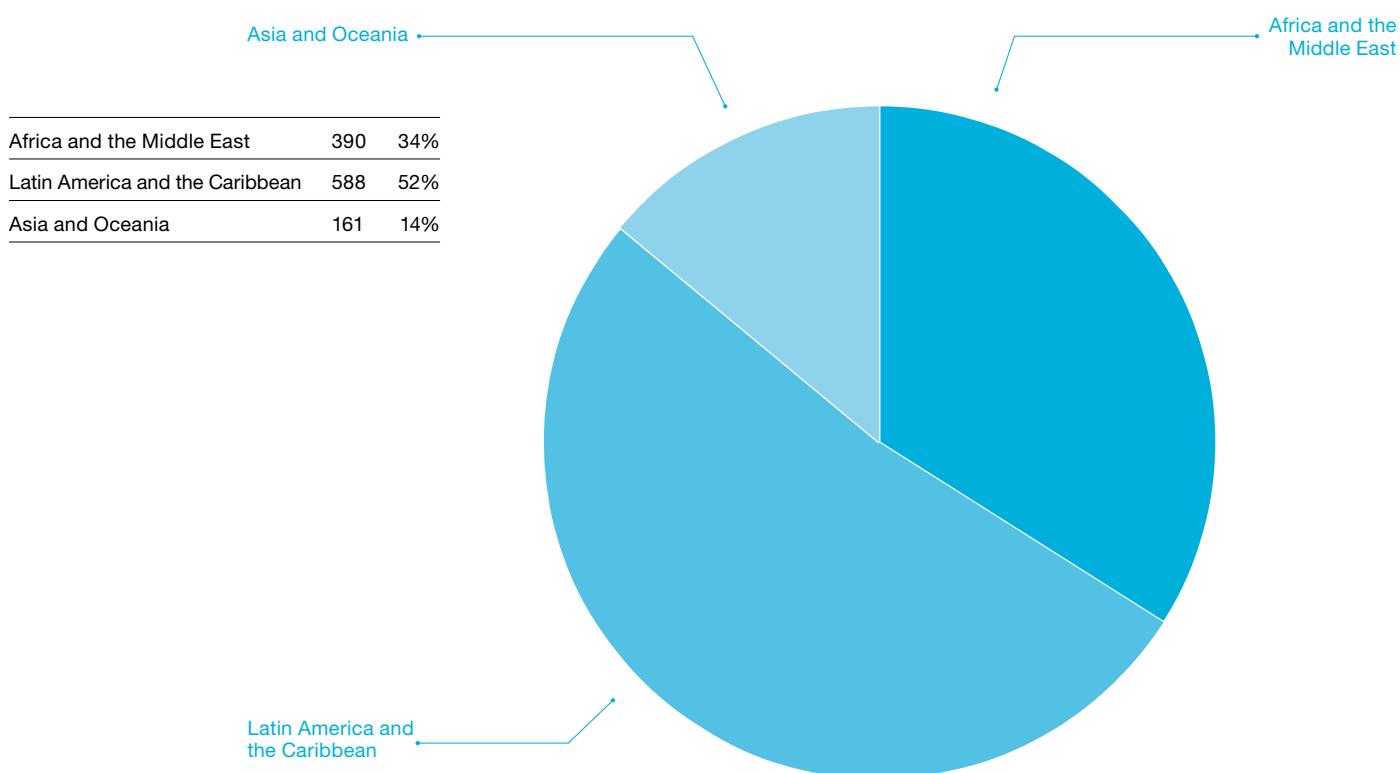
Peru	112
Colombia	95
Kenya	82
India	77
Mexico	59
Côte d'Ivoire	55
Brazil	41
South Africa	38
Bolivia	35
Nicaragua	34

### Top Ten Countries: Increase in number of Fairtrade certified producer organizations 2012

Côte d'Ivoire	32
Kenya	22
Peru	21
Colombia	13
Ghana	9
Mexico	7
Thailand	5
Honduras	5
India	5
Swaziland	4



FIGURE 4.4

**Fairtrade producer organizations by region 2012****4.3 Certified producer organizations by producer type**

For the purposes of this report we consider the three major types of Fairtrade producer organizations: small producer organizations (SPO), contract production organizations (CP), and hired labour organizations (HLO). Artisanal mining organizations are included in the small producer organization category.

Table 4.2 shows that during 2012 the total number of hired labour organizations with Fairtrade certification decreased slightly, while numbers of small producer organizations continued to increase. Small producer organizations now account for 79 percent of all producer organizations—up three percentage points from 2011—while hired labour organizations dropped from 22 percent to 19 percent of all Fairtrade producer organizations. Contract production organizations—only admitted for rice and cotton in India, cotton and dried fruit in Pakistan, and cocoa in Oceania—have remained stable at two percent of all Fairtrade producer organizations.

TABLE 4.2

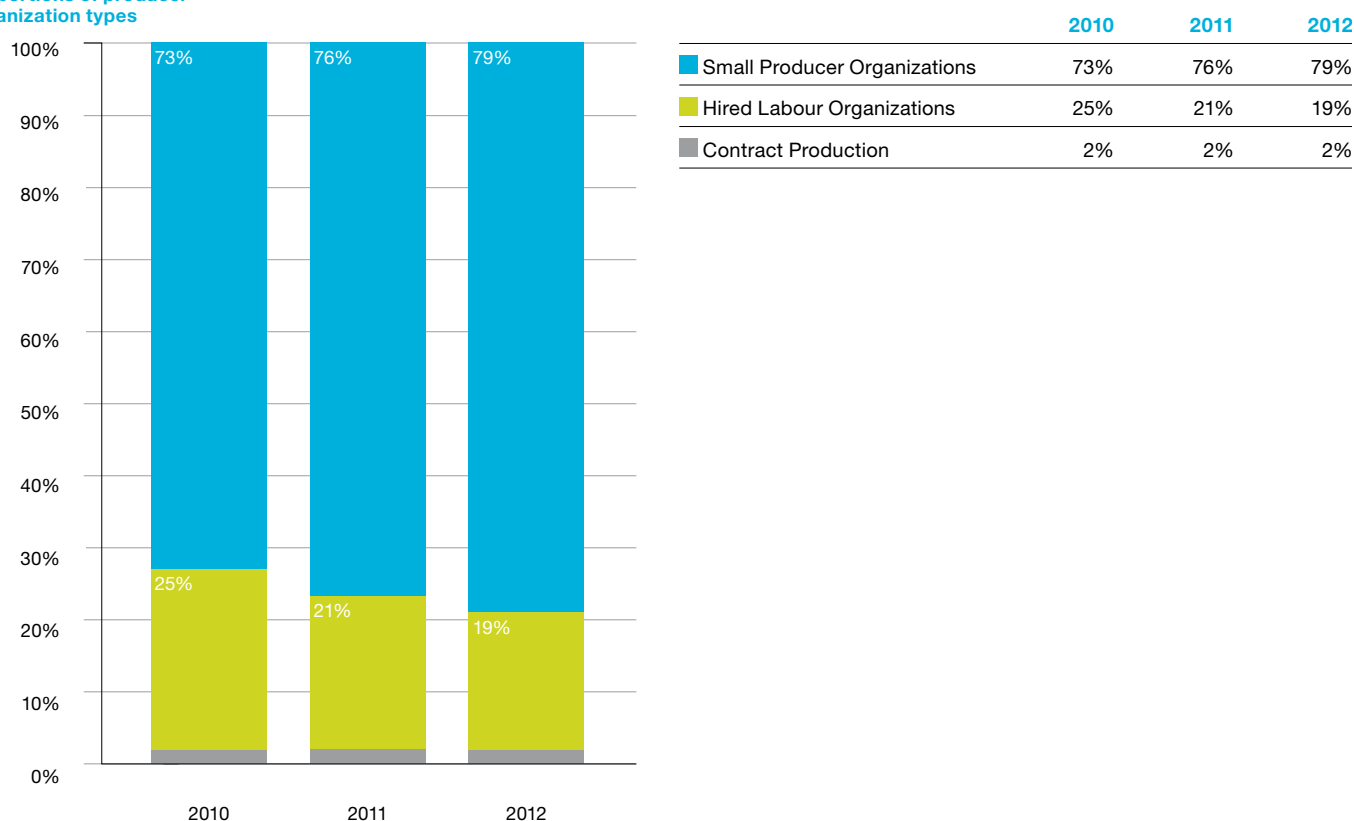
## Growth of Fairtrade by certification type 2009–2012

	2009	2010	2011	2012	Percentage change since 2011
<b>Small Producer Organizations (SPO)</b>					
First grade	491	547	631	758	
Second grade	103	103	115	133	
Third grade	5	7	6	6	
Mixed structure	1	--	2		
Artisanal and small-scale mining organizations				6	
Small Producer Organizations total	600	657	754	903	19%
Small Producer Organizations as a proportion of all producer organizations	73%	73%	76%	79%	
<b>Contract Production (CP)</b>					
Contract Production	19	21	24	25	4%
Contract Production organizations as a proportion of all producer organizations	2%	2%	2%	2%	
<b>Hired Labour Organizations (HLO)</b>					
Factory	5	7	6	5	
Multi-estate	29	29	37	38	
Plantation	174	191	170	168	
Hired Labour Organizations total	208	227	213	211	-1%
Hired Labour Organizations as a proportion of all producer organizations	25%	25%	22%	19%	
	2009	2010	2011	2012	Percentage change since 2011
<b>Grand Total</b>	827	905	991	1139	15%

FIGURE 4.5

## Overall proportions of producer organization types 2010–2012

Proportions of producer organization types



### 4.4 Size of Fairtrade producer organizations

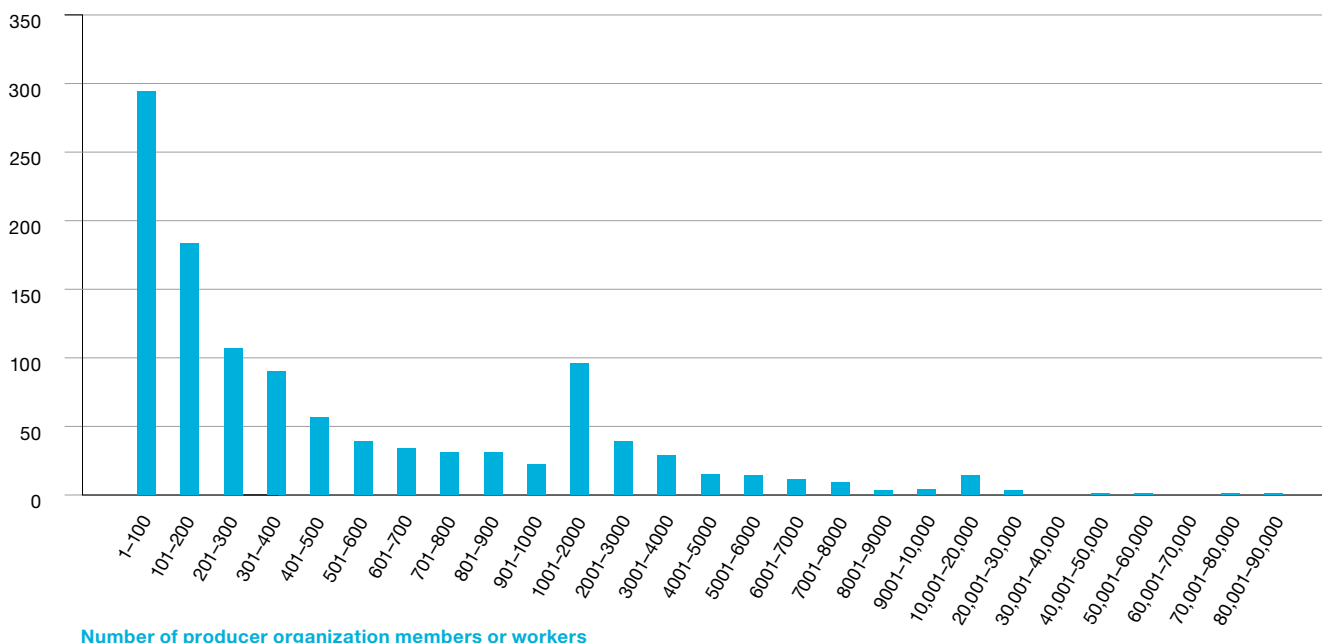
Figure 4.6 shows how the size of Fairtrade producer organizations varies enormously. The smallest Fairtrade producer organization has just seven farmer members, while the largest has more than 80,000. More than 130 of the Fairtrade certified producer organizations have fewer than 50 farmer members or workers. The **median** size (the data point in the middle of the size distribution) is 279. Fifty-one percent of all the Fairtrade producer organizations have fewer than 300 members or workers, while 78 percent have less than 1000.

While there are far more Fairtrade producer organizations in Latin America and the Caribbean, Fairtrade producer organizations in Africa and the Middle East have many more farmer members or workers on average. Of the ten largest Fairtrade producer organizations, eight are located in Africa. Of these, seven are in Tanzania, Kenya, and Ethiopia, where there are several very large Fairtrade certified unions of coffee and tea producers.

**FIGURE 4.6**  
**Size of Fairtrade producer organizations 2012**

	Small Producer Organizations/ Contract Production	Hired Labour Organizations	All
Median size	288	264	279
Average size	1,330	893	1,253

**Number of producer organizations**



Number of producer organization members or workers



**05**  
**FAIRTRADE**  
**CROP**  
**PRODUCTION**  
**AND SALES**

## 5.1 Fairtrade production capacity








Data on production capacity during 2011–12 (Table 5.1) show major increases in the production capacity for Fairtrade-certifiable sugar, and significant increases for cocoa, bananas, and flowers and plants. Quinoa production capacity doubled with the certification of two new organizations in Bolivia, reflecting the growing interest in this unique grain in consumer markets. There was reduction in the production capacity for rice and some other smaller products. However data for the smaller products can be difficult to interpret as many of the product categories include a variety of products, such as herbs and spices, fresh fruits, and vegetables.

Reports from Fairtrade producer organizations also indicate that many of them are witnessing increased impacts on production levels due to unpredictable weather patterns, climate variability, and extreme weather events.

**opposite:** A peanut farmer and member of the Del Campo Cooperative in Nicaragua with his harvest. ©Sean Hawkey

TABLE 5.1

### Reported total production capacity of Fairtrade-certifiable products 2011–12

All volumes in metric tonnes (MT) unless otherwise specified	Small Producer Organizations/Contract Production 2011–12	Hired Labour Organizations 2011–12	Total 2011–12
 Banana	437,500	185,700	623,200
 Cane Sugar	717,300	--	717,300
 Cocoa	175,900	--	175,900
 Coffee	398,800	--	398,800
 Flowers and Plants (million stems)	--	2,813	2,813
 Seed Cotton	50,600	--	50,600
 Tea	102,400	86,000	188,400
Dried Fruit	3,000	--	3,000
Fresh Fruit	146,200	488,000	634,100
Fruit Juices	31,300	6,200	37,300
Herbs, Herbal Teas and Spices	7,000	2,400	9,400
Honey	8,800	--	8,800
Nuts	13,900	--	13,800
Quinoa	7,900	--	7,900
Rice	30,000	--	30,000
Sports Balls (items)	0	6,005,300	6,005,300
Vegetables	4,100	1,300	5,300
Wine Grapes	16,700	91,500	108,200

Where producer organizations hold a Fairtrade certification for more than one product, data on the secondary products were included where these were reported.

Tea volumes are for made tea, not green leaf.



## 5.2 Fairtrade sales volumes and values reported by producer organizations

Fairtrade producer organizations reported Fairtrade sales values of €913 million for the 12-month period preceding their 2012 audit. The four largest products by value—coffee, bananas, cocoa, and flowers and plants—generated 89 percent of the reported Fairtrade sales income, with Fairtrade coffee alone responsible for nearly 60 percent of all reported Fairtrade sales income. Fairtrade sales by small producer and contract production organizations represented 90 percent of the total reported value of all sales, a slight increase on last year. Reported Fairtrade sales values from hired labour organizations remained stable at €91 million, but fell in percentage terms to 10 percent of total reported Fairtrade sales values.

However, hired labour organizations do tend to under-report the value of their sales. Of those that reported some Fairtrade sales volumes, 15 percent did not report the value of their sales, compared with 5 percent of small producer organizations.

While data coverage this year was generally good, figures for smaller volume products are particularly affected when one or two major operators do not provide full or accurate data, or where the data we have is relatively old. As such, figures for smaller products in particular should be taken as indicative only. Products for which we had less current data in 2012 include seed cotton, fruit juice, herbs, herbal teas and spices, and vegetables.

The volumes that producer organizations reported as Fairtrade sales indicate strong growth in Fairtrade volumes of cocoa, flowers and plants, and sugar compared with the preceding year, and moderate growth for tea, coffee, and bananas. Seed cotton volumes showed a further decline on figures reported last year.

## Climate change witnesses become climate change activists

As frustration mounts with the tepid pace of government action on climate change, smallholder tea farmers in Eastern Africa have kicked off their own efforts to learn how to cope. ADAPTea, a project to assist Eastern African tea farmers adapt to climate change, was launched in June 2013. The project will reach 14,000 smallholder farmers from 21 Fairtrade-certified producer organizations in the four countries.

Read the full story here: <http://bit.ly/lnvb9UY>

## PRODUCER REPORT

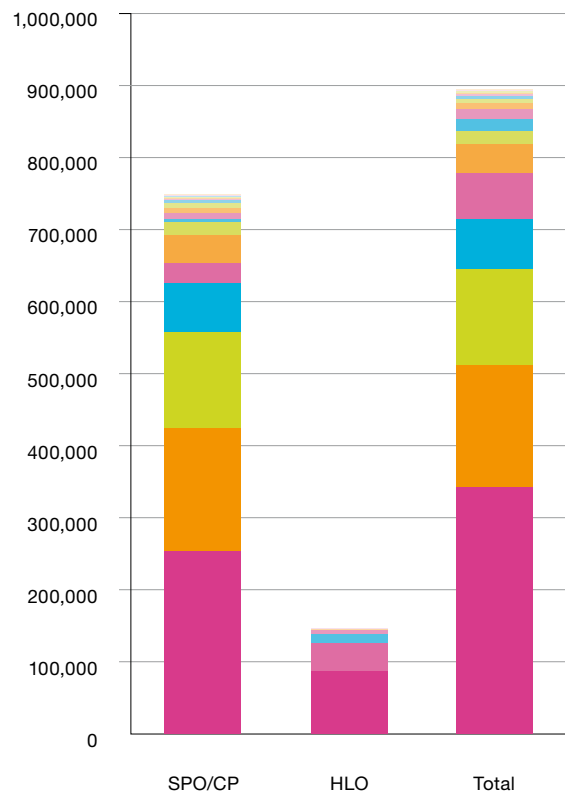




FIGURE 5.1

## Fairtrade sales volumes reported by producer organizations 2011–12

	SPO/CP	HLO	Total
Bananas	254,100	88,100	342,300
Cane Sugar	170,000	--	170,000
Coffee	134,100	--	134,100
Cocoa	68,300	--	68,300
Fresh Fruit	26,800	37,800	64,500
Timber	40,000	--	40,000
Rice	18,400	--	18,400
Wine Grapes	2,800	13,200	16,000
Tea	8,800	5,000	13,800
Fruit Juice	7,500	500	8,000
Seed Cotton	6,400	--	6,400
Nuts	3,800	--	3,800
Honey	2,400	--	2,400
Vegetables	600	1,600	2,200
Quinoa	1,800	--	1,800
Dried Fruit	1,200	--	1,200
Herbs, Herbal Teas and Spices	800	100	900
Oilseeds and Oleaginous Fruit	180	--	180
Flowers and Plants (stems)	--	554,440,000	554,440,000
Sports Balls (items)	--	238,300	238,300
Gold (grams)	8000	--	8000



SPO/CP Small Producer Organization/Contract Production  
HLO Hired Labour Organization

Volumes are given in metric tonnes (MT) unless otherwise stated.  
Tea volumes are for made tea, not green leaf.

TABLE 5.2

## Fairtrade sales volumes reported by product 2009–2012

All volumes in metric tonnes (MT) unless otherwise specified	2009–10	2010–11	2011–12	Percentage change since 2011–12
Banana	347,000	321,300	342,300	7%
Cane Sugar	111,600	138,300	170,000	23%
Coffee	103,200	123,200	134,100	9%
Cocoa	37,400	46,600	68,300	47%
Flowers and Plants (million stems)	384	400	554	39%
Seed Cotton	38,400	20,800	6,400	-69%
Tea	10,900	12,700	13,800	9%
Dried Fruit	1,300	800	1,200	50%
Fresh Fruit	26,100	42,400	64,500	52%
Fruit Juice	--	9,300	8,000	-14%
Herbs, Herbal Teas and Spices	900	1,300	900	-31%
Honey	2,700	2,500	2,400	-4%
Nuts	2,200	2,100	3,800	81%
Oilseeds and Oleaginous Fruit	--	300	180	-40%
Quinoa	1,200	1,600	1,800	13%
Rice	15,300	11,700	18,400	57%
Sports Balls (items)	212,600	214,500	238,300	11%
Timber	--	--	40,000	--
Vegetables	--	200	2,200	1000%
Wine Grapes	21,800	21,600	16,000	-26%

Tea volumes are for made tea, not green leaf.

Cane Sugar sales volumes for 2010–11 were revised downwards  
from the previously reported figure, on the basis of new information.

FIGURE 5.2

## Reported Fairtrade sales income by product 2011–12 (€ millions)

	SPO/CP	HLO	Total
Coffee	533.5	--	533.5
Cocoa	122.3	--	122.3
Flowers and Plants	--	42.8	42.8
Bananas	88.8	27.4	116.3
Tea	16.1	7.9	24.0
Cane Sugar	21.5	--	21.5
Fresh Fruit	6.1	4.4	10.5
Wine Grapes	2.1	5.0	7.1
Rice	6.6	--	6.6
Honey	4.8	--	4.8
Quinoa	4.1	--	4.1
Seed Cotton	3.5	--	3.5
Fruit Juices	3.5	--	3.5
Nuts	3.0	--	3.0
Vegetables	0.4	2.6	3.0
Herbs, Herbal Teas and Spices	2.8	0.1	2.9
Dried Fruit	1.5	--	1.5
Gold	1.0	--	1.0
Sports Balls	--	0.8	0.8
Oilseeds and Oleaginous Fruit	0.6	--	0.6
<b>Grand Total</b>	<b>822.1</b>	<b>91.0</b>	<b>913.1</b>

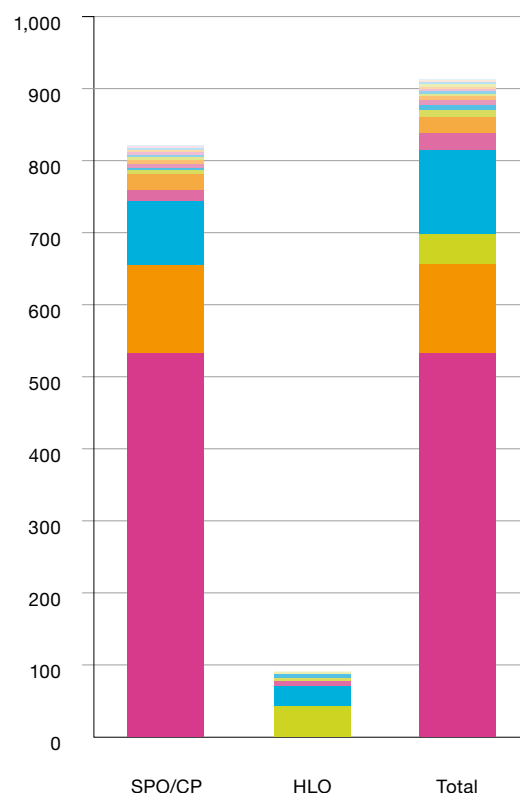
**SPO/CP** Small Producer Organization/Contract Production  
**HLO** Hired Labour Organization

Of all producer organizations which reported some Fairtrade sales volumes for the period under review, around 5 per cent did not report the corresponding Fairtrade sales income, including one large sugar producer and several Hired Labour Organizations.

Among the smaller products, we continue to see quite high levels of fluctuation from year to year. This reflects the fact that dried products such as dried fruits and herbs can be stored, so that demand levels are not constant. Where a small number of producers do not provide data, smaller products are disproportionately affected. And above all, product categories like nuts, fruits, and herbs, herbal teas and spices contain so many diverse products that it is difficult to compare volumes year on year.

Fairtrade also reports figures for market sales of final products sold to consumers with the FAIRTRADE Mark or licensed by the organizations that market Fairtrade products in consumer countries. To understand more about why producer sales reports differ from market sales reports for Fairtrade products, see Chapter 9 of this report.

Sales continue to be unevenly spread between the Fairtrade producer organizations in various countries. In 2012, 69 percent of Fairtrade sales revenues were reported by just ten countries, eight of which were in Latin America and the Caribbean. This indicated a slightly broader distribution than in 2011, when the top ten countries accounted for 75 percent of all sales revenues.



### Top Ten Countries: reported Fairtrade sales income 2011–12 (€ millions)

Peru	186.49
Dominican Republic	69.22
Mexico	62.00
Colombia	58.84
Honduras	57.59
Ghana	43.90
Brazil	43.75
Guatemala	38.09
Nicaragua	37.94
Kenya	34.99
<b>Total</b>	<b>632.8</b>
<b>Total as percentage of all Fairtrade sales revenues</b>	<b>69%</b>

### 5.3 What percentage of total production volumes are sold as Fairtrade?

Figure 5.4 shows that 45 percent of the small producer organizations that were eligible to sell as Fairtrade throughout the reporting period reported selling more than 50 percent of their production as Fairtrade in 2011–12. Of all the small producer organizations for which we had full data (data for total production volumes and data for Fairtrade volumes sold), and which held Fairtrade certification in the period prior to data collection, 21 percent report that over 90 percent of their production was sold on Fairtrade terms in 2011–12. At the other end of the scale, 18 percent of small producer organizations reported making no Fairtrade sales at all in the period under review, and a further 12 percent reported that Fairtrade sales accounted for ten percent or less of their total production volume.

Of all hired labour organizations for which we had full data, and which were eligible to sell as Fairtrade throughout the reporting period, twenty percent reported selling more than 50 percent of their production as Fairtrade. Seventeen percent reported no Fairtrade sales at all in the period under review, while 29 percent sold ten percent or less of their Fairtrade-certifiable production volume as Fairtrade in 2010–11.

The data indicate that a significant number of certified organizations were not yet able to find market opportunities for their certified products in 2011–12. At current market levels there is significant oversupply of certifiable product for almost all products, although the degree of oversupply depends on the product in question, and is complicated by the diversity of sub-products and qualities within any given product category.

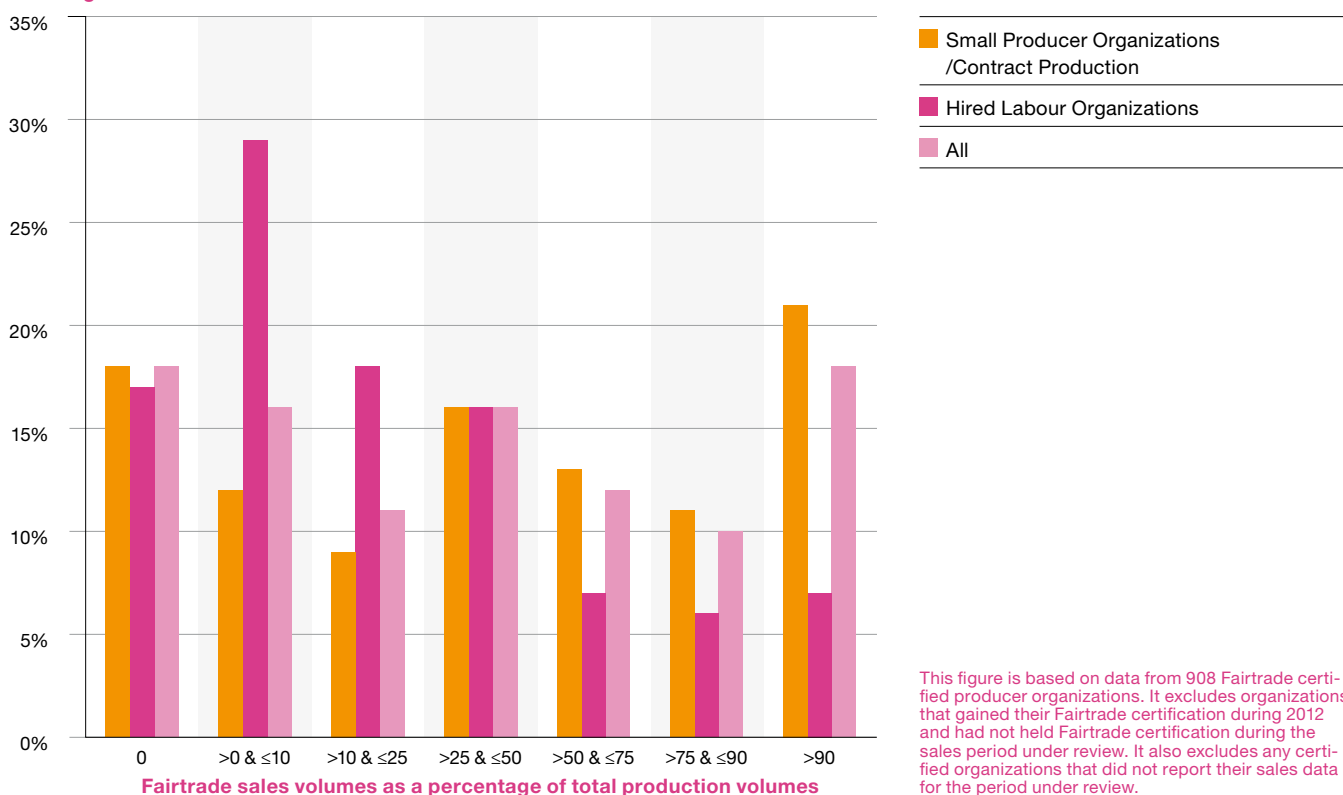
Figure 5.4 shows Fairtrade sales volumes as a percentage of total reported production volumes for the major Fairtrade products. As in previous years, banana producers report relatively high Fairtrade sales as a percentage of certifiable volumes, at 61 percent and 65 percent for small producer and hired labour organizations, respectively. Fairtrade sugar and cocoa were at 46 percent of certifiable volumes, with coffee at 35 percent. Seed cotton sales were very low in relation to production volumes. As in previous years, Fairtrade tea producers as a whole continue to sell less than ten percent of their output on Fairtrade terms.

For products such as cocoa and sugar where new producer organizations have been certifying rapidly in recent years, there is a risk that the oversupply will increase further, if market demand does not keep pace with certification. Partly for this reason, Fairtrade

FIGURE 5.3

### Fairtrade sales volumes as a proportion of total production volumes 2011-12

Percentage of all producer organizations



This figure is based on data from 908 Fairtrade certified producer organizations. It excludes organizations that gained their Fairtrade certification during 2012 and had not held Fairtrade certification during the sales period under review. It also excludes any certified organizations that did not report their sales data for the period under review.

FIGURE 5.4

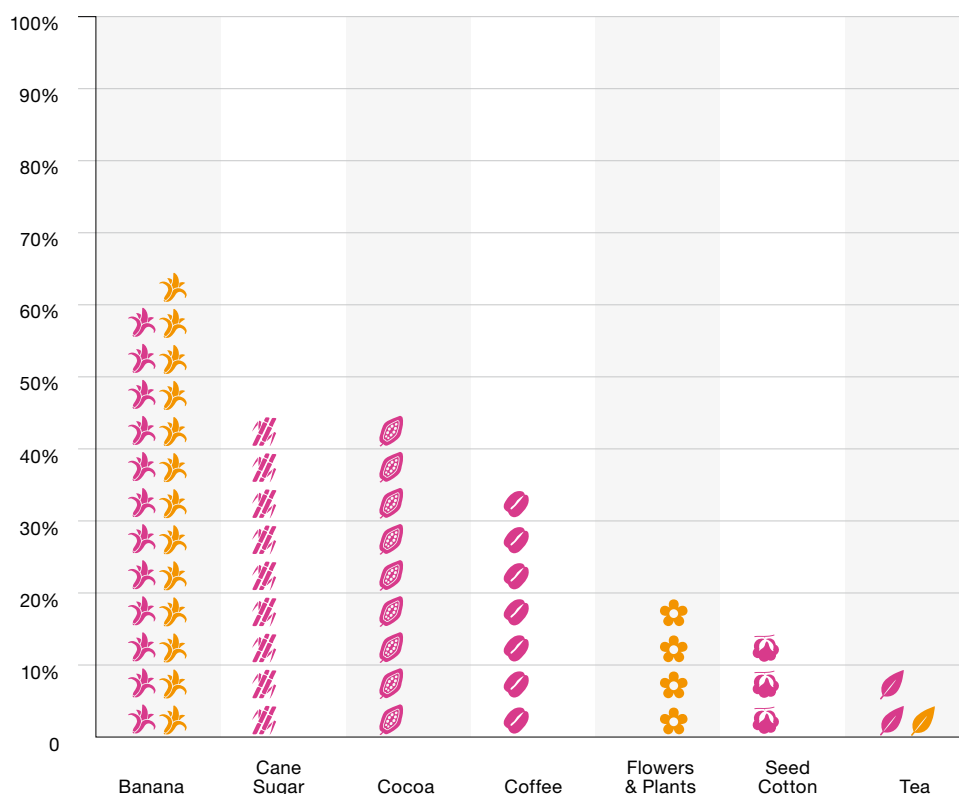
### Fairtrade sales volumes as a percentage of total production volumes, for major products 2011-12

Fairtrade sales volumes as a percentage of total production volumes in Small Producer Organizations/Contract Production

Banana	61%
Cane Sugar	46%
Cocoa	46%
Coffee	35%
Seed Cotton	13%
Tea	9%

Fairtrade sales volumes as a percentage of total production volumes in Hired Labour Organizations

Banana	65%
Flowers and Plants	21%
Tea	6%



This figure excludes newly certified organizations which gained their Fairtrade certification during 2012 and which had not held Fairtrade certification during the sales period under review.

has taken steps to make sourcing and inclusion of Fairtrade cocoa, sugar, and cotton into products easier with new programs announced in 2014. For more information about the new Fairtrade Sourcing Programs and how they are designed to help producers sell more of their production on Fairtrade terms, go to [www.fairtrade.net/fsp-overview.html](http://www.fairtrade.net/fsp-overview.html)

#### 5.4 How much land is under Fairtrade production?

Table 5.3 and Figure 5.5 show the area of land under production of Fairtrade certifiable products around the world in 2012. The data indicate that the Fairtrade production area has grown by 40 percent in comparison with the 2011 data. However this is in part a result of the largest Fairtrade producer organization reporting its cultivation area data for the first time in 2012.

Including all producers for which we have data, more than 1.8 million hectares are under Fairtrade production. Ninety-six percent of this area is farmed by members of small farmer organizations and contract production farmers. Four percent of the total production area is reported by hired labour organizations.

The highest growth in land area under Fairtrade production was in cane sugar and cocoa. The growth in the number of certified cocoa-producing organizations, plus first-time reporting of cultivation areas from the largest Fairtrade cocoa producer, largely accounts for the strong growth for cocoa and for Western Africa. Striking growth was also recorded for sugar and for the region of Melanesia, where two new large sugar producer organizations in Fiji were certified.

TABLE 5.3

#### Total area of cultivation of Fairtrade products 2012 (hectares)








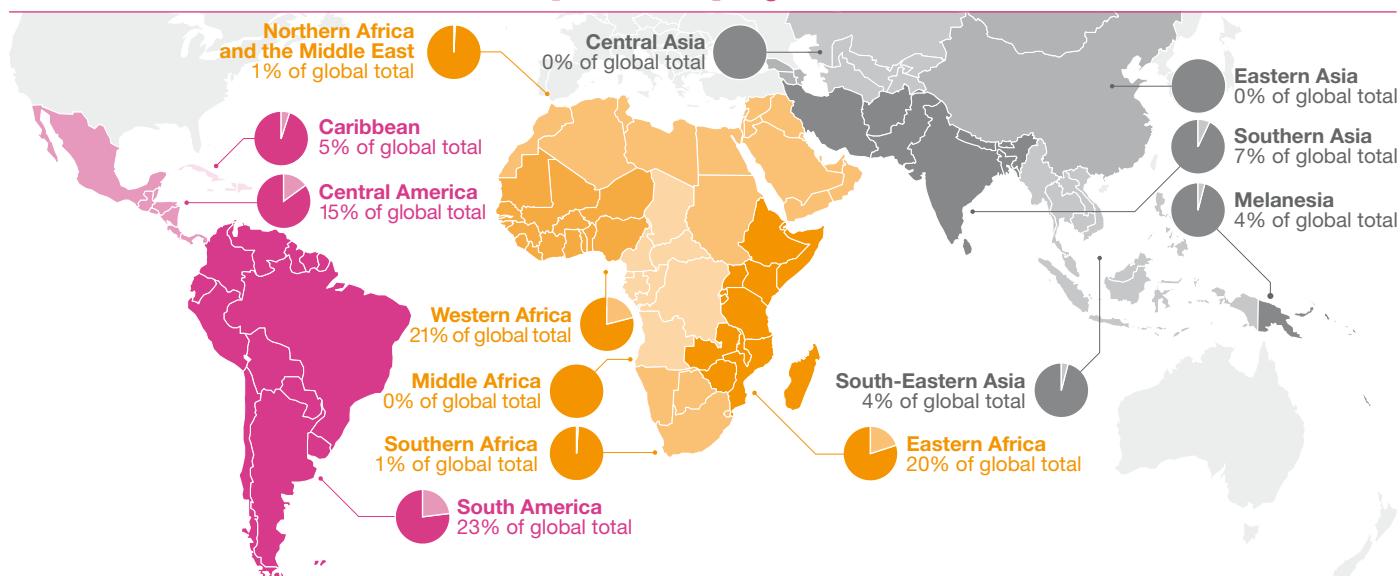
	SPO/CP 2012	HLO 2012	Total 2012	SPO/CP 2011	Percentage change since 2011 (SPO/CP)
 Banana	27,400	5,600	33,000	24,000	14%
 Cane Sugar	157,400	--	157,400	79,300	98%
 Cocoa	448,700	--	448,700	215,000	109%
 Coffee	881,700	--	881,700	748,000	18%
 Flowers and Plants	--	1,900	1,900	--	--
 Seed Cotton	92,800	--	92,800	70,700	31%
 Tea	64,500	38,300	102,800	48,100	34%
Dried Fruit	2,800	--	2,800	2,200	27%
Fresh Fruit	20,800	14,800	35,600	6,900	201%
Fruit Juices	3,200	1,100	4,300	7,500	-57%
Herbs, Herbal Teas and Spices	14,000	800	14,800	11,300	24%
Oilseeds and Oleaginous fruit	10,700	--	10,700	13,600	-21%
Quinoa	14,700	--	14,700	10,100	46%
Rice	15,100	--	15,100	14,600	3%
Vegetables	1,400	100	1,400	400	250%
Wine Grapes	2,000	7,800	9,800	3,400	-41%
<b>Total</b>	<b>1,757,100</b>	<b>70,400</b>	<b>1,827,500</b>	<b>1,255,000</b>	<b>40%</b>

FIGURE 5.5

## Total area of cultivation of Fairtrade products by region 2012 (hectares)



Latin America and the Caribbean	SPO/CP	HL	Total 2012	Total 2011	% change since 2011
Caribbean	86,800	1,000	87,800	76,800	14%
Central America	271,900	2,700	274,600	239,400	15%
South America	407,600	5,300	412,900	383,000	8%
<b>Total</b>	<b>766,300</b>	<b>9,100</b>	<b>775,400</b>	<b>699,200</b>	<b>11%</b>

Africa and the Middle East	SPO/CP	HL	Total 2012	Total 2011	% change since 2011
Eastern Africa	354,200	7,200	361,400	283,800	27%
Middle Africa	7,500	0	7,500	24,100	-69%
Northern Africa and the Middle East	11,900	1,700	13,600	5,200	162%
Southern Africa	6,100	16,700	22,800	13,100	74%
Western Africa	377,400	2,800	380,200	132,700	187%
<b>Total</b>	<b>757,100</b>	<b>28,400</b>	<b>785,500</b>	<b>458,900</b>	<b>71%</b>

Asia and Oceania	SPO/CP	HL	Total 2012	Total 2011	% change since 2011
Central Asia	700	0	700	700	0%
Eastern Asia	4,500	0	4,500	4,400	2%
Melanesia	71,700	0	71,700	18,600	285%
South-Eastern Asia	70,300	0	70,300	36,440	93%
Southern Asia	86,700	32,900	119,600	100,000	20%
<b>Total</b>	<b>233,700</b>	<b>32,900</b>	<b>266,600</b>	<b>160,140</b>	<b>66%</b>

Grand Total	SPO/CP	HL	Total 2012	Total 2011	% change since 2011
<b>Grand Total</b>	<b>1,757,100</b>	<b>70,400</b>	<b>1,827,500</b>	<b>1,318,240</b>	<b>39%</b>

Excludes data for honey and nuts: these are often based on wild collection within extensive land areas.

### 5.5 Small farmers in Fairtrade: Average area of cultivation by product and region

Table 5.4 shows average areas of cultivation for the different Fairtrade products for the farmers in Fairtrade small producer organizations, broken down by region.

Globally, the average area cultivated per farmer across all products and regions is 1.6 hectares. But farmers in Latin America and the Caribbean are cultivating plot sizes that are on average nearly three times larger than those in Africa, and almost twice as large as those in Asia and Oceania. Tea farmers and African rice farmers cultivate the smallest plots, while farmers of wine grapes in South America farm the largest plots on average. Overall, the data clearly demonstrate the importance of Fairtrade's work with small farmers, particularly in Africa and the Middle East. While there are many farmers in the Fairtrade system in Eastern and Western Africa, many of them are cultivating very small plots. For example African Fairtrade coffee farmer plots are three times smaller than Latin American coffee plots.

#### Making the global food system work for smallholders

Seventy percent of the world's food is produced by 500 million smallholder farmers. Yet many of these farmers are trapped in a cycle of poverty, exacerbated by decades of price volatility, lack of resources to invest, global inflationary prices for food and farm inputs, and the impact of climate change. In 2013, Fairtrade International released a new report, *Powering up Smallholder Farmers to Make Food Fair*, calling for urgent action to support smallholder farmers.



The report highlights the global reliance on smallholder farmers for everyday foods and how the rampant consolidation of food companies has created an 'hourglass economy' that squeezes farmers.

[www.fairtrade.net/single-view+M549f154b502.html](http://www.fairtrade.net/single-view+M549f154b502.html)



TABLE 5.4

**Average areas of cultivation for Fairtrade products per farmer by region 2012 (hectares)**

Product	Africa and the Middle East	Asia and Oceania	Latin America and the Caribbean	World
 Bananas	--	0.9	2.0	1.9
 Cane Sugar	1.1	3.5	2.5	2.6
 Cocoa	2.7	0.8	3.0	2.7
 Coffee	0.8	1.1	2.9	1.5
 Seed Cotton	0.9	1.7	0.8	1.3
 Tea	0.4	0.7	--	0.4
Dried Fruit	1.1	0.6	--	1.0
Fresh Fruit	2.5	2.5	3.7	2.7
Fruit Juices	--	--	2.0	2.0
Herbs, Herbal Teas and Spices	1.5	1.2	1.8	1.5
Oilseeds and Oleaginous Fruit	1.6	0.1	2.8	1.4
Quinoa	--	--	3.6	3.6
Rice	0.4	2.4	--	2.4
Vegetables	0.5	--	1.0	0.8
Wine grapes	0.7	--	5.8	3.4
Grand Total	1.1	1.6	2.9	1.6

Includes only small producer organizations that reported both the number of farmer members, and the total cultivation area for at least one of their certified products.

## 5.6 Organic and other certifications

Of all Fairtrade certified producer organizations in the data sample, 73 percent reported holding at least one additional certification other than Fairtrade in 2012 (see Table 5.5). Hired labour organizations are significantly more likely to hold additional certifications than small producer organizations.

Organic continues to be by far the most frequently reported additional certification held by producers, with 51 percent of the Fairtrade certified producers in the data sample reporting an organic certification. Organic certification remained particularly important for small producer organizations at 56 percent. The percentages of Fairtrade producer organizations reporting holding Utz Certified or Rainforest Alliance certification remained fairly constant.



### InBrief

For the women of Chetna  
Organics, it's not about access  
to seeds, it's about control.

<http://bit.ly/1uPGKns>

TABLE 5.5

**Fairtrade certified producers holding organic and other certifications 2012**

Certification	Percentage of producer organizations reporting certification	
	Small Producer Organizations/ Contract Production	Hired Labour Organizations
Organic	56%	29%
Rainforest Alliance	8%	10%
Utz	7%	2%
GlobalGap	7%	39%
Producers with only Fairtrade certification	31%	10%
Producers with at least one other certification in addition to Fairtrade	69%	90%

## Diversification spreads the risk in Peru

## PRODUCER REPORT

When we talk about 'oro verde'—or green gold—at Fairtrade, we usually refer to coffee. But the Oro Verde Cooperative in Peru has branched out beyond their staple coffee crop to bring stability to the entire organization. Given the highly volatile coffee market, Oro Verde has added cocoa to its Fairtrade export products.

"Thanks to the diversification of our products and markets we have succeeded in generating more income for our producer families," said Tomas Cordova Marchena, Board Vice President.

Read the full story here: <http://bit.ly/1kWqNtC>





06

**FAIRTRADE  
PREMIUM**



## 6.1 How much Fairtrade Premium did Fairtrade producer organizations receive in 2011–12?

In 2011–12, Fairtrade producer organizations reported receiving a total of €86.2 million in Fairtrade Premium income. This was an increase of 41 percent over the figure reported for 2010–11. Following last year's trend, the proportion of all Fairtrade Premium income reported by hired labour organizations dropped still further to just over 14 percent, with nearly 86 percent of all Fairtrade Premium income going to small producer and contract production organizations.

The reported Fairtrade Premium increase for coffee was particularly notable. In April 2011, the Fairtrade Premium for coffee was doubled from \$0.10 per pound of coffee to \$0.20, with \$0.05 earmarked for productivity and quality investments. In last year's report we noted that this increase had not yet been fully reflected in the data, because producer organizations report their Fairtrade Premium receipts retrospectively. In this round of monitoring data we see the impacts of the increase in the Fairtrade Premium for coffee, which has almost doubled the Fairtrade Premium levels reported for 2010–11. Because coffee is by far the biggest product for Fairtrade, this growth for coffee also accounts for the very strong growth in the Fairtrade Premium overall, compared with previous years.

When we look at the Fairtrade Premium distribution by product, shown in Figure 6.1, we see that the seven major Fairtrade products account for 96 percent of all Fairtrade Premium incomes, slightly higher than last year. However, the share of the Fairtrade Premium has shifted between the major products. In 2010–11 the overall share had moved slightly away from coffee and bananas, towards cocoa and sugar. In 2011–12, the Fairtrade Premium increase for coffee means that coffee accounted for 43 percent of all Fairtrade Premium received, compared with 31 percent in 2010–11. Overall the share for sugar and cocoa dropped very slightly from 24 to 22 percent. The share for

**previous page:** Santa Catarina Guarchaj runs the community library in Nahuala, Guatemala, which was built with the help of Fairtrade Premium funds. ©Sean Hawkey

TABLE 6.1

### Fairtrade Premium reported received by producer organizations by product (€)








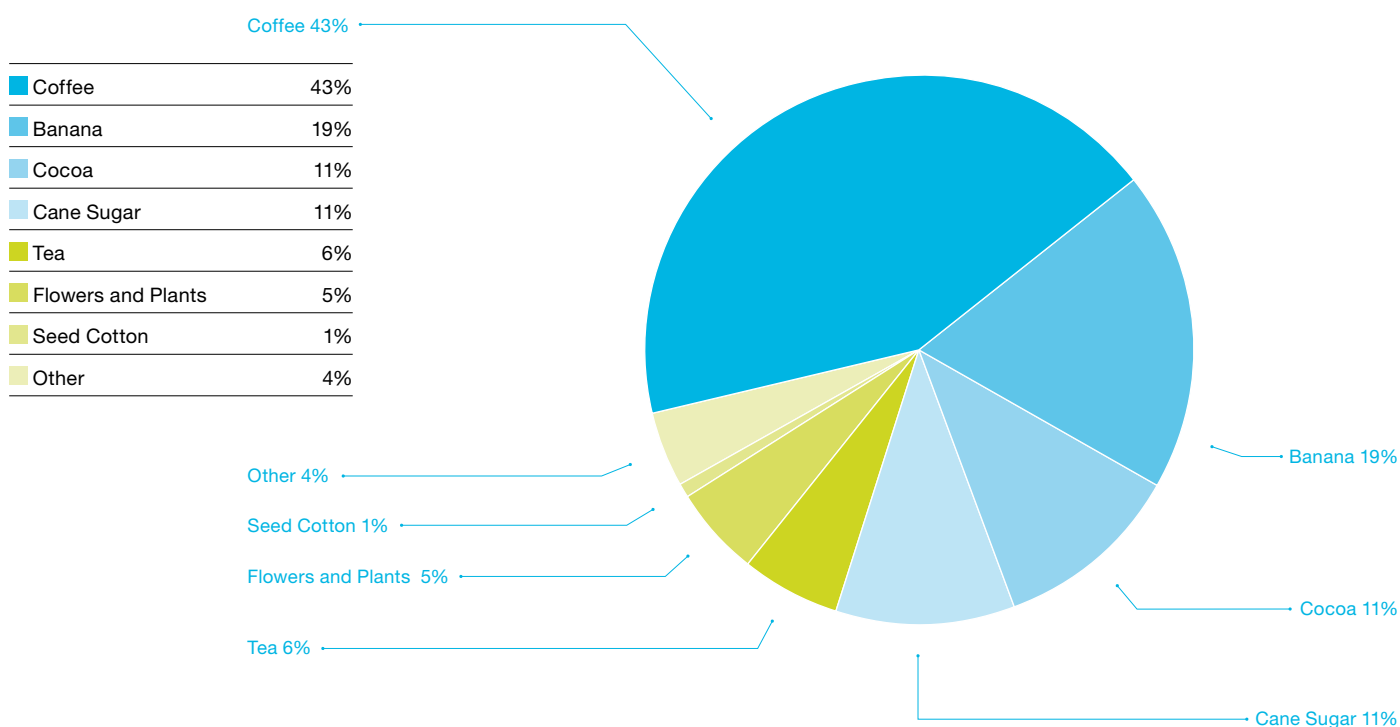
	Small Producer Organizations/ Contract Production 2011–12 €	Hired Labour Organizations 2011–12 €	Total €	Total reported received 2010–11	Percentage change since 2011
 Banana	12,265,500	3,982,500	16,248,000	14,130,000	15%
 Cane Sugar	9,244,400	--	9,244,400	7,370,000	25%
 Cocoa	9,433,900	--	9,433,900	7,640,000	23%
 Coffee	37,304,100	--	37,304,100	18,981,000	97%
 Flowers and Plants	--	4,718,500	4,718,500	3,825,000	23%
 Seed Cotton	662,000	--	662,000	1,167,000	-43%
 Tea	2,454,600	2,451,900	4,906,500	4,843,000	1%
Dried Fruit	199,900	--	199,900	95,000	110%
Fresh Fruit	593,000	434,600	1,027,600	879,000	17%
Fruit Juices	63,700	11,400	75,100	219,000	-66%
Gold	92,300	--	92,300		
Herbs, Herbal Teas and Spices	525,500	61,100	586,600	291,000	102%
Honey	193,400	--	193,400	251,000	-23%
Nuts	148,600	--	148,600	105,000	42%
Oilseeds and Oleaginous Fruit	93,400	--	93,400	53,000	76%
Quinoa	116,200	--	116,200	93,000	25%
Rice	277,000	--	277,000	209,000	33%
Sports Balls	--	46,700	46,700	70,000	-33%
Vegetables	18,800	1,400	20,200	36,000	-44%
Wine Grapes	167,500	641,000	808,500	865,000	-7%
Subtotal	73,853,800	12,349,100	--		
<b>Grand Total</b>			<b>86,203,000</b>	<b>61,122,000</b>	<b>41%</b>

FIGURE 6.1

**Fairtrade Premium distribution by product 2011–12 (€)**

flowers and plants, tea, seed cotton, and other products also fell slightly. Although many producer organizations in the smaller product categories reported increases in the Fairtrade Premium they received, the rise for coffee was much more significant in proportional terms.

When we consider the average distribution of the Fairtrade Premium to producer organizations by product, shown in Figure 6.2, we can see that small producer organizations for bananas, cane sugar, cocoa, and coffee have the highest average Fairtrade Premium receipts. Coffee has moved up the scale considerably, as a result of the 2011 Fairtrade Premium increase. In 2010–11, the average Fairtrade Premium received by a Fairtrade coffee organization was just under €70,000. In 2011–12, this value had increased to just over €111,000.

At the other end of the scale, the average annual Fairtrade Premium receipts reported by producer organizations producing vegetables, fruit juices, oilseeds and oleaginous fruits, nuts, sports balls, and honey were less than €10,000. The average figure includes groups that made no Fairtrade sales at all – and therefore reported zero Fairtrade Premium receipts. Those that did report Fairtrade sales and Premium typically therefore receive a higher amount than the averages suggest. Nevertheless, the data suggest that producers of many of the smaller Fairtrade products need to have greater access to Fairtrade markets to start generating levels of Fairtrade Premium that can make a significant difference.

Fairtrade Premium income is intended for collective use by farmers and workers, and as such the organizational-level income may be the most relevant to understanding the potential impact of the Fairtrade Premium in any given context. However, looking at Fairtrade Premium values per member or worker gives an indication of the differential benefits within the Fairtrade system, depending on product and geography, and also of how hard the Fairtrade Premium has to work to make a difference in producer organizations with a large membership or workforce, for example through collective

FIGURE 6.2

### Average Fairtrade Premium received by producer organization by product 2011-12 (€)

Average Fairtrade Premium received per producer organization €

Note: The data in this chart includes only those producer organizations that were Fairtrade certified and eligible to receive Fairtrade Premium during the full reporting period. Groups that were applicants at the time of audit, and which subsequently became certified, are excluded.

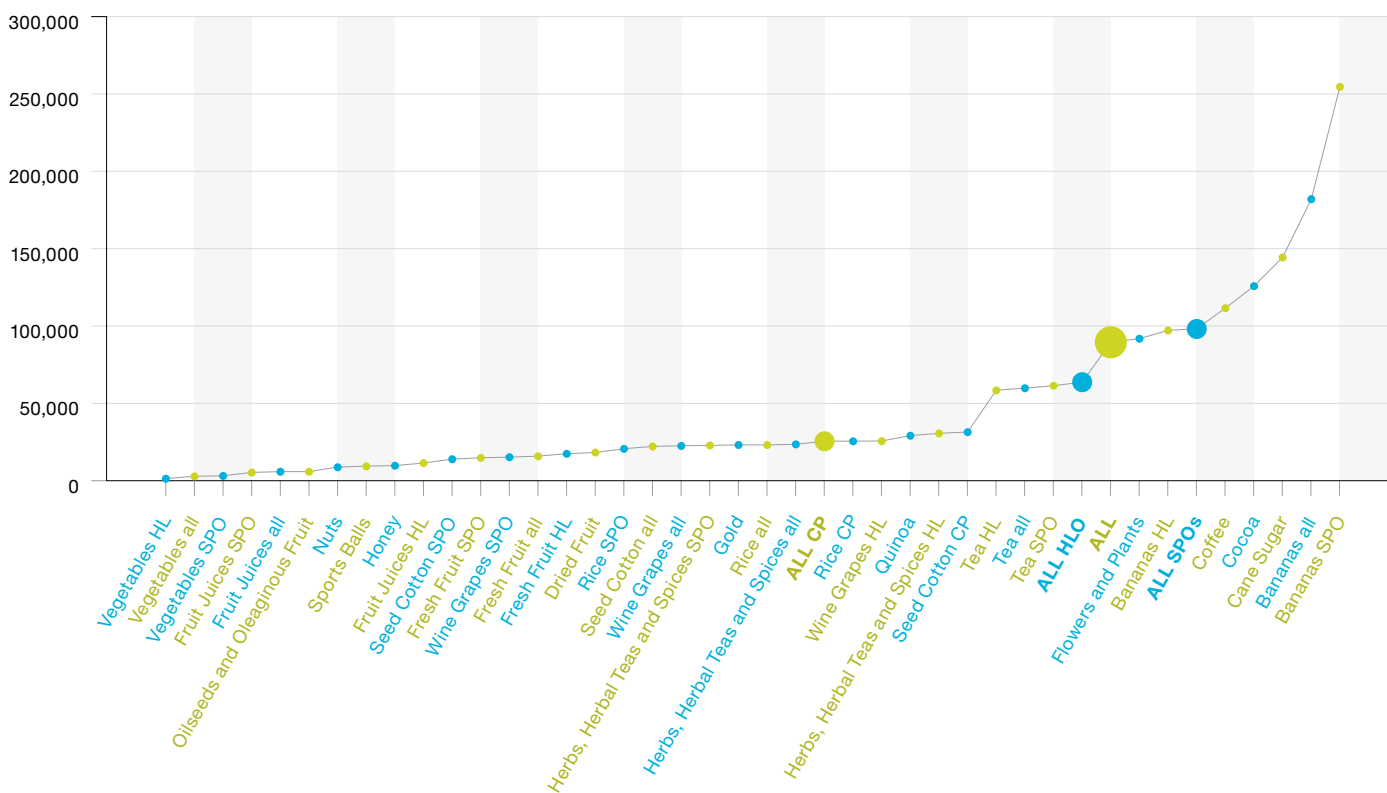
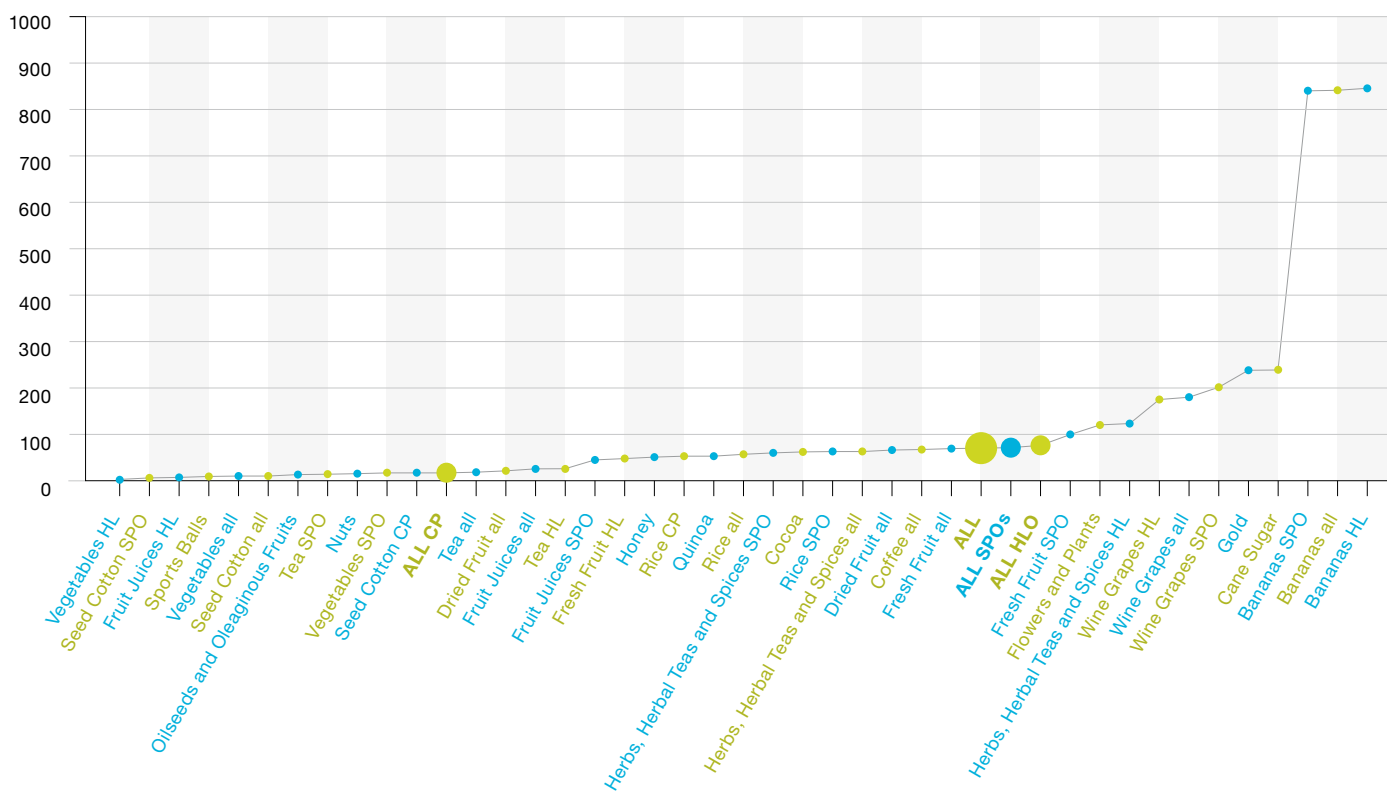


FIGURE 6.3

### Average Fairtrade Premium by farmer or worker by product 2011-12

Average Fairtrade Premium received by farmer or worker €

Note: The data in this chart includes only those producer organizations that were Fairtrade certified and eligible to receive Fairtrade Premium during the full reporting period. Groups that were applicants at the time of audit, and which subsequently became certified, are excluded.





projects that benefit a large group of people.

In 2011–12, banana producers again had the highest Fairtrade Premium income per individual member or worker, with a considerable gap between bananas and all other products (Figure 6.3). In fact, that gap appeared to increase with this dataset. While the banana producer organizations all receive Fairtrade Premium equivalent to more than €800 per farmer or worker, the next highest value was for sugar, at €235 per farmer.

Some products that do not achieve a high average level of Fairtrade Premium per organization do show quite high *per capita* levels. For example, honey, fruit juices, and wine grapes producers show better results in Figure 6.3 than they do in Figure 6.2, because they are typically quite small organizations.

In contrast, though coffee and cocoa show quite high Fairtrade Premium receipts at producer organization level, the *per capita* levels are much lower. This is the dilution effect of very large member organizations, particularly the large coffee unions and a few large cocoa organizations. A similar pattern is seen for tea in both hired labour and small producer organizations. However, again as a result of the increase in the Fairtrade Premium, the *per capita* value for coffee in 2011–12 increased from €35 to €66, moving coffee substantially to the right in Figure 6.3, compared with last year.

*Per capita* value of Fairtrade Premium for flowers and plants also grew, from €108 to €118, reflecting the growth in sales volumes of Fairtrade flowers. The role of the Fairtrade Premium is particularly important for workers on flower plantations as there are no Fairtrade Minimum Prices set for flowers.

When we look at the geographical distribution of the Fairtrade Premium by region or by country, it is not surprising to see that the sub-regions that receive the greatest amount of Fairtrade Premium are those where large quantities of the major Fairtrade products are produced, while sub-regions where there are still very few Fairtrade producers, such as Middle Africa or Central Asia, receive the least Fairtrade Premium.

**FIGURE 6.4**  
**Fairtrade Premium received by region 2011–12**

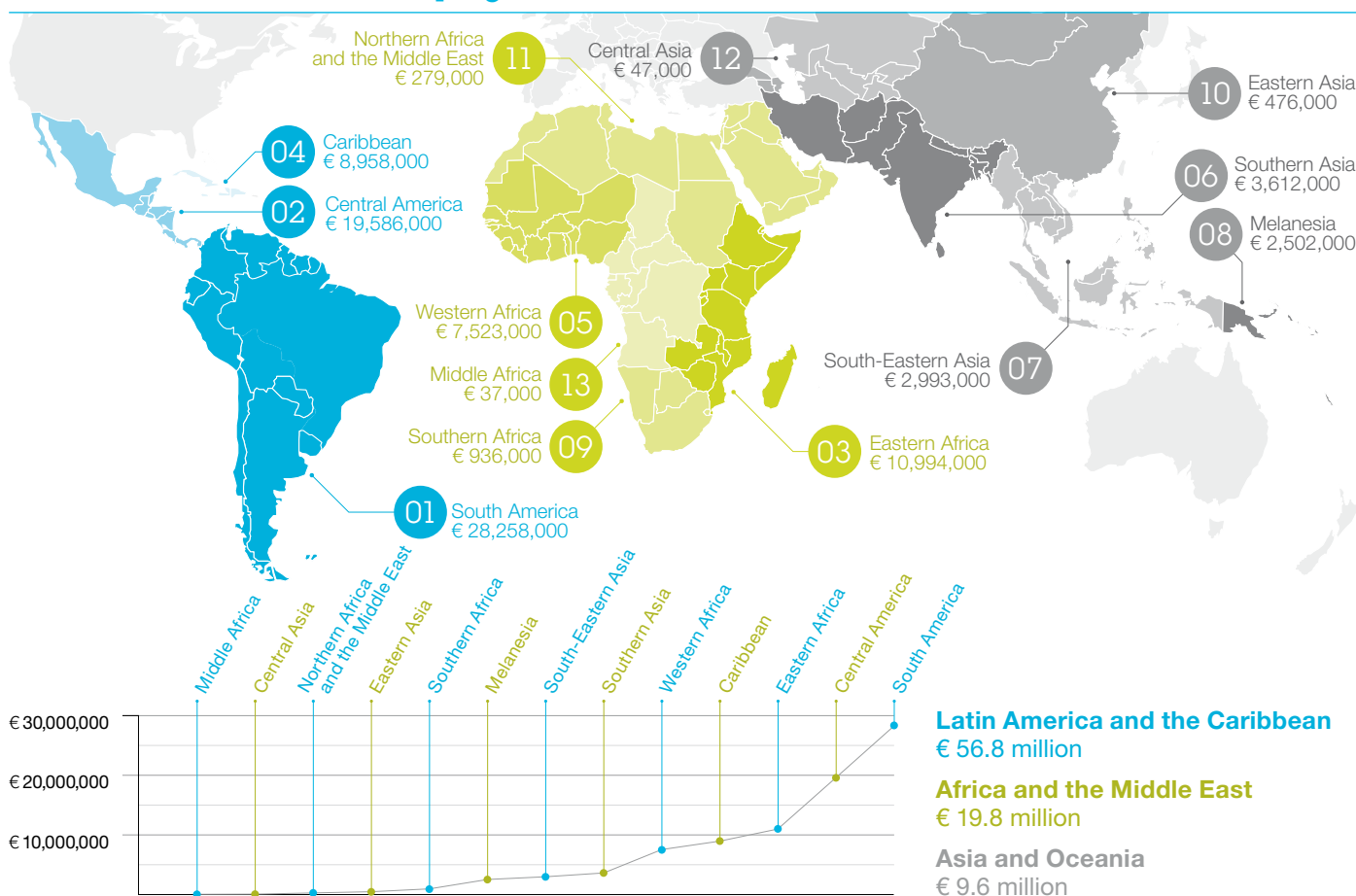


FIGURE 6.5

Average Fairtrade Premium received per farmer or worker by region 2011-12

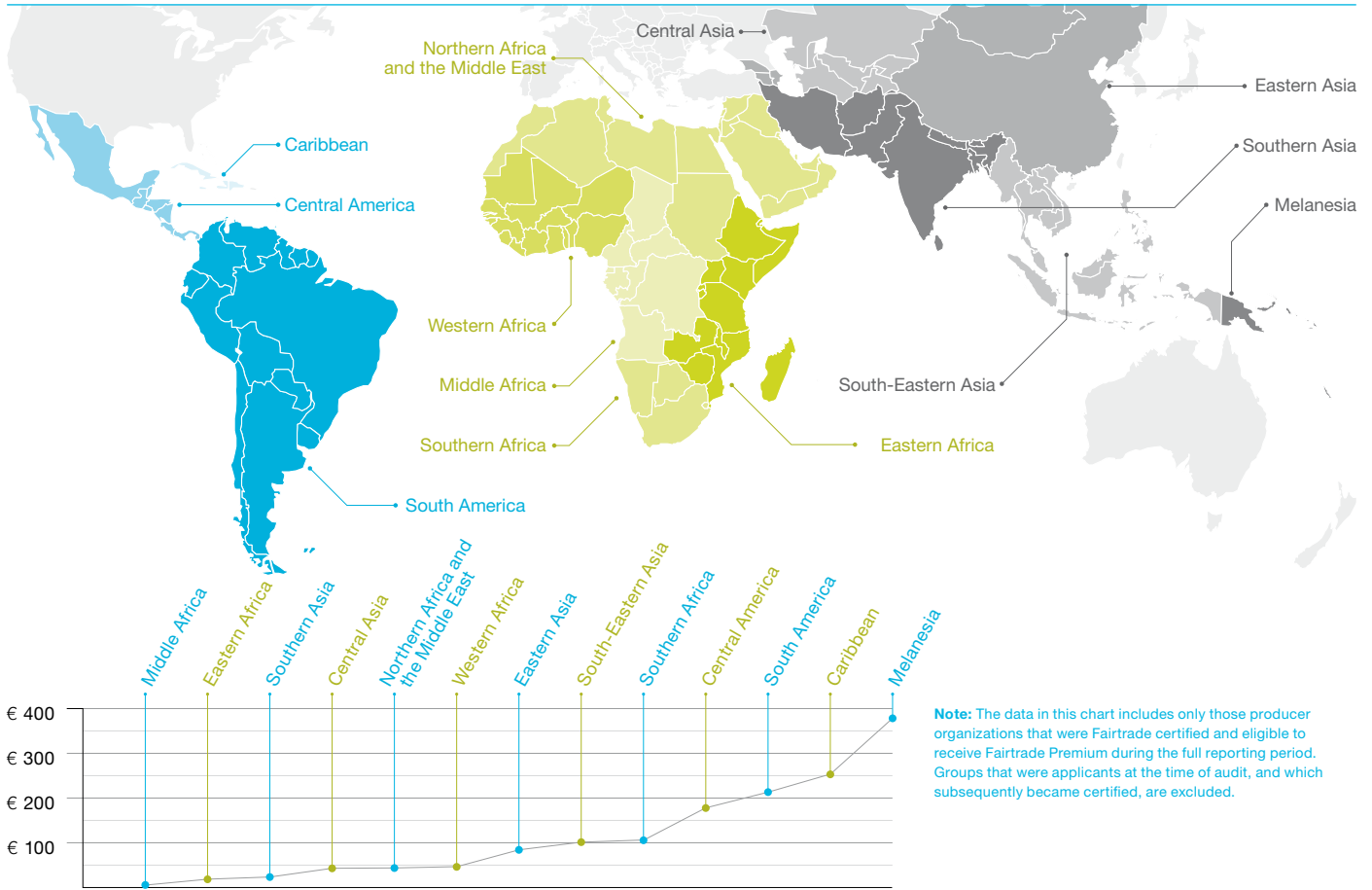
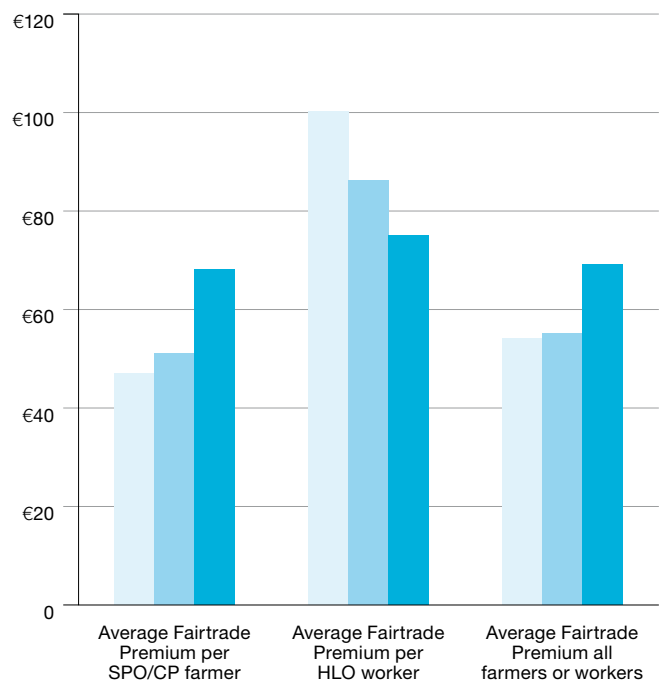
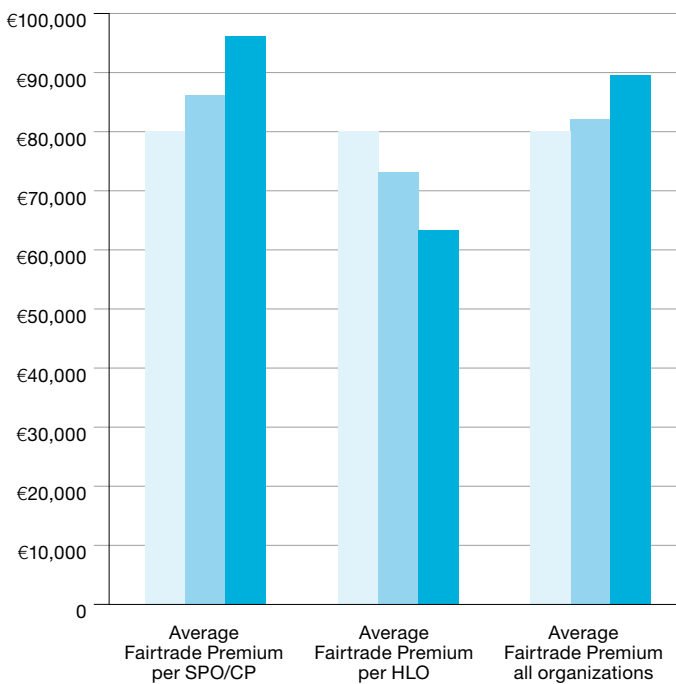


FIGURE 6.6

Fairtrade Premium received global averages 2011-12

2009-10
2010-11
2011-12

HLO Hired Labour Organization  
SPO/CP Small Producer Organization/Contract Production



Reported Fairtrade Premium receipts grew significantly in all three Fairtrade producer regions. In Latin America and the Caribbean, Fairtrade Premium reported received by producers increased by 37 percent. In Africa and the Middle East it grew by 52 percent, and in Asia and Oceania by 43 percent. Although absolute values remain highest in Latin America and the Caribbean, growth in the other regions is more rapid.

Important Fairtrade banana, sugar, cocoa and coffee-producing countries feature strongly in the top ten Fairtrade Premium-receiving countries, which account for nearly €55 million in Fairtrade Premium receipts. This year the top ten countries account for 63 percent of all Fairtrade Premium receipts from producer organizations, compared with 66 percent last year. This continues a trend of gradual broadening of the benefits of Fairtrade to more countries, as newer origins for Fairtrade sugar and cocoa in particular start to grow in importance.

### Top Ten Countries:

#### Fairtrade Premium received 2011–12

€ millions

Peru	11.6
Colombia	7.1
Dominican Republic	7.0
Mexico	6.5
Ghana	4.8
Honduras	4.5
Kenya	4.2
India	3.2
Ecuador	3.0
Belize	2.9

When we look at the *per capita* distribution of Fairtrade Premium between regions, we see again the dilution effect due to large numbers of members and workers in Eastern and Western Africa and in Southern Asia. For example, although total Fairtrade Premium levels per region are similar, the *per capita* Fairtrade Premium for Central America is almost seven times greater than that of Africa and the Middle East because the producer organizations in Central America have a smaller average membership, greater *per capita* crop production and sales, and have benefited considerably from the increase in the Fairtrade Premium for coffee. The low *per capita* Fairtrade Premium levels in Eastern Africa and Southern Asia represent the challenge of ensuring that the very large producer unions in Eastern Africa receive meaningful benefits from Fairtrade, and also the challenge of increasing the market for Fairtrade tea in general.

Overall, the average Fairtrade Premium received per Fairtrade producer organization grew to nearly €90,000 in 2011–12. Per organization and *per capita* values continued to decrease for plantations, and increased for small producer organizations (Figure 6.6).

## 6.2 How was the Fairtrade Premium used in 2011–12

The Fairtrade Premium is intended to be a flexible support that farmers and workers can use to meet the specific needs of their organizations and their communities. Accordingly, Fairtrade farmers and workers use the Fairtrade Premium in hundreds of different ways. It is impossible to capture the full diversity and detail of Premium expenditure in this report. Instead Fairtrade Premium use, as outlined in the audit reports, is categorized into broad spending categories to give an indication of how farmers and workers are choosing to use the money.

For small producer and contract production organizations, the Fairtrade Premium expenditure categories are defined as follows:

### Categories for analysing Fairtrade Premium use in Small Producer Organizations

#### Investing in producer organizations

Premium expenditure in this category is used for strengthening and developing the small producer organization.

Category of expenditure	Explanation
Facilities and infrastructure	Investments in facilities and infrastructure that will enable the producer organization to do business more efficiently, gain more value from its sales, or offer better services to its members. For example, investments in collective infrastructure and equipment for crop collection and delivery; plant nurseries; mechanization; crop storage; crop processing; quality checking; and export and packing facilities.
Human resources and administration	Producer organization running costs, including staff and administration costs, costs of banking, loans and finance, certification costs, office costs.
Training and capacity building of staff and representatives	Training for producer organization staff and representatives in e.g. quality and productivity improvement; marketing; financial management; health and safety, etc. Exchanges between staff of different producer organizations.

#### Services for communities

Premium expenditure in this category is used for services and infrastructure that will benefit the wider community based around the small producer organization.

Category of expenditure	Explanation
Community infrastructure	Investments in community buildings, roads, bridges, energy, and lighting.
Education	Investments in community schools: school buildings and infrastructure; school facilities and equipment; community scholarships and bursaries; school travel; teacher training and salaries.
Environmental services	Investments in tree planting, waste management, or other community environmental services.
Healthcare	Investments in clean water and sanitation facilities for communities; community medical infrastructure and facilities; community disease prevention and immunization.
Social and economic services	Disaster relief for community members, support for community charities, community leisure facilities, credit services to community members, support for vulnerable people.
Other services to communities	Other community services where the precise use is not specified or does not fit into the above categories.

### Services for farmers

Premium expenditure in this category is used for services provided directly to farmers by the producer organization.

Category of expenditure	Explanation
Farmer training in agricultural or business practices	Farmer training in agricultural or business practices, including training in quality improvement and productivity improvement; pest management; health and safety; and the management of soil and water resources.
Implementation of on-farm good practices	Support to farmers for implementing good practices on their farms, including renewal and replanting of crop plants and trees; land rehabilitation; irrigation; crop diversification; soil and water analysis; composting; waste management.
Provision of agricultural tools and inputs	Provision of fertilizers, seeds, tools, pesticides, or other health and safety equipment to farmers.
Credit and finance services	Loans to farmers for diverse purposes, including farm improvements, inputs, and business development.
Payments to members	Direct payments of Fairtrade Premium to producer organization members. Includes disaster and emergency and other welfare payments.
Education for members and their families	Scholarships, bursaries, school fees, and school equipment for members' families.
Healthcare for members and their families	Health insurance, medical treatment, and disease prevention and immunization programmes for members and their families.
Other services to members	Other services to farmers that do not fit into the above categories.

### Other

Other Fairtrade Premium uses that do not fit into any of the above categories. Fairtrade Premium has been spent but its precise use has not been detailed in the audit report.

Within plantations, the use of the Fairtrade Premium is agreed by an elected group of worker representatives (known as the Fairtrade Premium Committee, formerly called the Joint Body), and is not intended to be used for activities that are the responsibility of the plantation management, such as business investment, investment in production or processing, or the meeting of legal obligations to workers. It can, however, be used to support the development of workers' organizations on plantations. The categories for Fairtrade Premium use therefore differ from those for small producer organizations, as follows:

## Categories for analysing Fairtrade Premium use in Hired Labour Organizations

### Services for workers and their families

Fairtrade Premium in this category is spent on direct services aimed at workers or their families.

Category of expenditure	Explanation
Education for workers and their families	School fees, bursaries, equipment, school travel, and adult education for workers or their families.
Financial and credit services for workers	Loans to workers or their families to support a wide range of purposes, including small business development, training and education, and home improvements.
Healthcare for workers and their families	Provision of medical facilities, medical treatment, prevention and immunization programmes, or other health services aimed at workers and their families.
Investment in worker housing	Improvements in worker housing, purchase of land for worker housing, construction of worker housing.
Payments to workers and their families	Direct payments of Fairtrade Premium to workers or their families, for example in the form of bonuses, welfare payments, funeral payments, etc.
Other services for workers and their families	Other services to workers and their families include the provision of on-site crèches for workers' children; the provision of shops providing workers with goods at subsidized prices; the provision of social, cultural or sporting events.

### Services for communities

Premium expenditure in this category is used for services and infrastructure that will benefit the wider community based around the plantation.

Category of expenditure	Explanation
Community infrastructure	Investments in community buildings, roads, bridges, energy, and lighting.
Education	Investments in community schools: school buildings and infrastructure; school facilities and equipment; community scholarships and bursaries; school travel; teacher training and salaries.
Healthcare	Investments in clean water and sanitation facilities for communities; community medical infrastructure and facilities; community disease prevention and immunization.
Environmental services	Investments in tree planting, waste management, or other community environmental services.
Social and economic services	Disaster relief for community members, support for community charities, community leisure facilities, credit services to community members, support for vulnerable people.
Other services to communities	Other community services where the precise use is not specified or does not fit into the above categories.



### Training and empowerment of workers

Premium expenditure in this category is used for training of workers, and to provide support for the effective running and strengthening of worker organizations.

Category of expenditure	Explanation
Support for Fairtrade Premium Committee or other workers' organizations	Support for the running costs of the Fairtrade Premium Committee and for other workers' organizations or committees.
Trainings for workers' representatives	Training for workers who are elected to serve on the Fairtrade Premium Committee or in other workers' organizations.
Trainings for workers	Training for workers in labour rights and in basic skills.

### Other

Other Fairtrade Premium uses that do not fit into any of the above categories. Fairtrade Premium has been spent but its precise use has not been detailed in the audit report

The figures show the difference in patterns of Fairtrade Premium use between small farmers and plantations.

Fairtrade Premiums among all small producer organizations are overwhelmingly invested in direct services for farmers (42 percent), or in measures to strengthen the cooperative (44 percent). This is reflected in the fact that 21 percent of the Fairtrade Premium in all products was used to develop producer organization facilities and infrastructure, such as improvements to facilities for crop processing and storage. Since 2011, in coffee specifically, a quarter of the Fairtrade Premium has been earmarked for productivity and quality improvements.

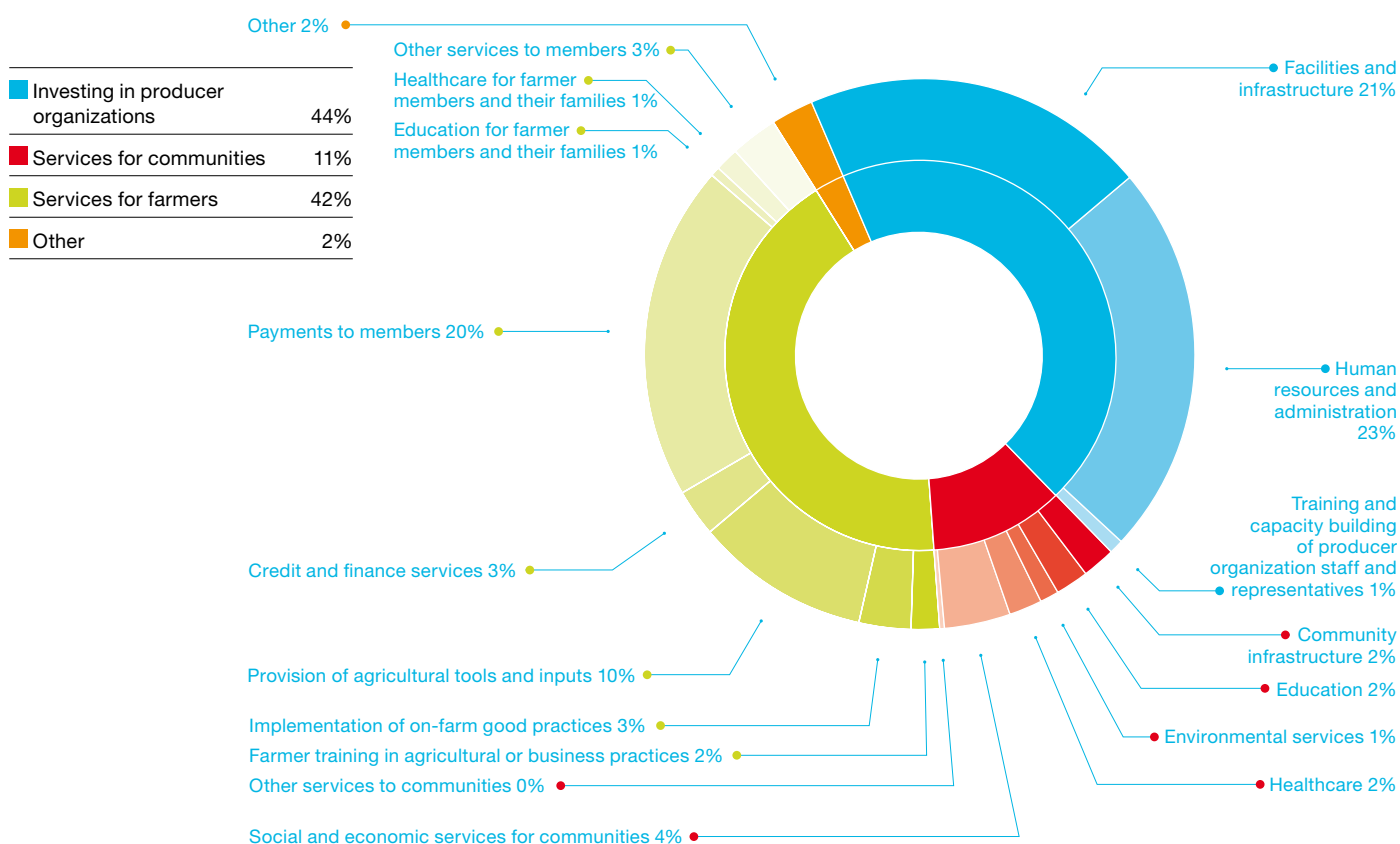
Direct services to farmers included a large number of direct payments to cooperative members, a practice which has become widespread for coffee in particular since a spike in coffee prices in 2011. Direct payments account for 20 percent of all Fairtrade Premium expenditure.

In addition, producer organizations used 10 percent of the Fairtrade Premium to supply or subsidize inputs such as fertilizers, seeds, plants, tools, or other equipment to their members, all of which can enhance productivity and quality levels of the crop. A further five percent was used either for training farmers or for supporting them to implement good practices at farm level.

Spending on projects intended to benefit the wider community totalled around 11 percent of all Fairtrade Premium use. In addition, some five percent was used to provide services such as support for education and healthcare to cooperative members and their families.

FIGURE 6.7

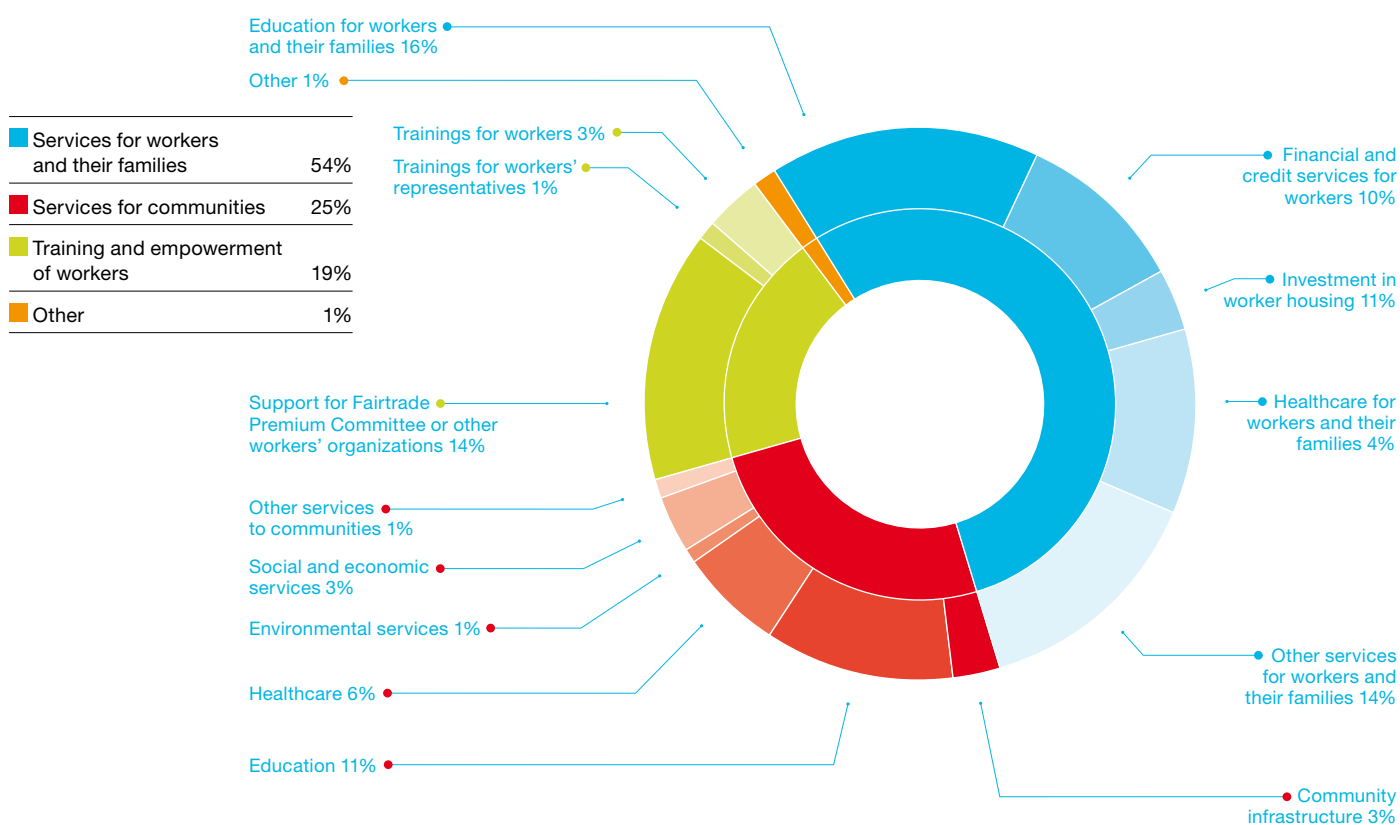
### Fairtrade Premium expenditure by category: Small Producer Organizations and Contract Production 2011–12 (€)



On plantations, in comparison, community investments remained high, accounting for around 25 percent of Fairtrade Premium expenditure. Direct support for workers and their families constituted the largest spending category, accounting for 54 percent of all Fairtrade Premium use. Of this, 16 percent was used to support education for workers and their children—for example through providing bursaries, books, and uniforms. Eleven percent was used to make improvements in workers' housing. Ten percent was used for loans and credit. Finally, 14 percent was used for 'other' services for workers, comprising a wide range of purposes such as transport, subsidized shops, and crèche facilities. In general, the Fairtrade Premium for many workers has become a resource to help them meet their daily needs as living costs in many countries continue to increase, and also to overcome the costs of life's exceptional challenges—such as a sudden illness or the cost of a funeral—without falling into debt.

The new Fairtrade Premium categories enable us to understand better how Fairtrade money is being used to support workers' organizations and training. Around 14 percent of the Fairtrade Premium is being used to meet the running costs of workers' organizations including the Fairtrade Premium Committee and other workers' committees. This organizational strengthening combined with the four percent of Fairtrade Premium dedicated to training workers and their representatives is a support to worker empowerment and is vital to ensure the good management of the Fairtrade Premium.

FIGURE 6.8

**Fairtrade Premium expenditure by category: Hired Labour Organizations 2011–12 (€)****Research Insight: Investing in the productivity of Colombian banana farmers**

During 2012–13, Fairtrade undertook an evaluation of the impacts of Fairtrade with banana small producer organizations and hired labour organizations in northern Colombia. Small farmer banana producers are typically highly disadvantaged in comparison with plantations in Colombia. They have received little investment or support, and as a result their productivity is lower than that of plantations, while their production costs are higher.

The research with small farmer organizations showed that 35 percent of the Fairtrade Premium money received was being used for productivity improvements at farm level. This includes lowering the costs of inputs such as fertilizers and fuel, putting in place on-farm infrastructure such as irrigation and drainage, and supporting other activities that are key for the success of the crop. The research estimates that banana yields increased by 13 percent in the cooperatives studied, between 2010–12. Effectively, by focusing on increasing productivity of the banana plants, and lowering the direct cost of production for farmers, the Fairtrade Premium is indirectly raising smallholder incomes and living standards.

The full study can be downloaded from <http://www.fairtrade.net/impact-and-research.html#c8221>

**Research Insight: How do tea producers in Malawi use their Fairtrade Premium?**

Natural Resources Institute at the University of Greenwich has been conducting longitudinal research into the impacts of Fairtrade in Malawi, working with five producer organizations. The second phase of the research was completed in 2012. In this second phase, researchers were able to explore how the Malawi producers had used their Fairtrade Premium since the first research phase in 2009. The research shows the concrete and wide-ranging benefits that the Fairtrade Premium can bring directly to farmers and workers, and also to their communities. The following shows

how one tea small producer organization, Sukambizi Association Trust, has chosen to use the Fairtrade Premium.

The full report of the Malawi research can be downloaded from:  
[www.fairtrade.net/fileadmin/user\\_upload/content/2009/resources/2013-04-Malawi-Fairtrade-Impact-FinalLR.pdf](http://www.fairtrade.net/fileadmin/user_upload/content/2009/resources/2013-04-Malawi-Fairtrade-Impact-FinalLR.pdf)

## Sukambizi Association Trust (SAT) Fairtrade Premium projects since 2009

### Health

Project	Rationale and intended benefit
Maternity wing	Pregnant women in the community used to travel 40km to deliver babies. Other women resorted to using traditional birth attendants for deliveries (this resulted in deaths at times due to birth delivery complications). With support from other partner SAT is using premiums from Fairtrade to build a maternity wing in Naphimba village. An estimated 400 babies will be delivered each year in the new maternity wing. <b>Beneficiaries:</b> Whole community
Motorised ambulance	Patients in the community were transported to a referral hospital 40km away either by being carried on people's backs or on bicycles in the past. SAT used Fairtrade Premium income to prioritise the purchase of an ambulance in 2010 which is serving 30,000 people in the community. <b>Beneficiaries:</b> Whole community
Bondo guardian shelter	The shelter is for guardians who bring sick family members to the Bondo medical centre. Before the shelter, guardians were cooking under trees and were sleeping in the health centre corridors at night. The shelter, built with Fairtrade Premium income, enables visitors to cook their meals on one side and sleep comfortably on the other. It serves five villages or approximately 4,000 families in total. <b>Beneficiaries:</b> Five group villages (4,000 families)

### Water

Project	Rationale and intended benefit
Communal water taps	The local community used to get its drinking water supply from streams and wells that were unsafe sources with high risks of water-borne diseases. SAT used Fairtrade Premium incomes to begin a water supply project for local villages that will make groundwater available through 400 local communal water points. <b>Beneficiaries:</b> Seven group villages
Water tank for storage	SAT is building a water tank for storage of water in Khanyizira village. This is a 35km water pipeline project. <b>Beneficiaries:</b> Whole community
Boreholes for drinking water supply	Fairtrade Premium income has been used to drill boreholes in villages to provide easier access to water. <b>Beneficiaries:</b> Three villages

### Education

Project	Rationale and intended benefit
Nalingula and Kangaza School Block	SAT has used Fairtrade Premium income to build new blocks and school infrastructure for primary and secondary school children in the region. Access to school facilities in the region is poor but the new blocks will provide classrooms and other basic amenities for these schools. <b>Beneficiaries:</b> Community children

## Investments in production

Project	Rationale and intended benefit
Fertilizer subsidy	SAT has used the Fairtrade Premium to make fertilizers available at subsidised rates for members leading to both productivity improvements and reduction in costs borne directly by farmers. <b>Beneficiaries:</b> Member farmers
Bridges (one complete, five under construction)	Fairtrade Premium income is being used to construct bridges over streams and water bodies to connect inaccessible villages with other villages/markets. This will support improved mobility and more efficient transportation of greenleaf tea to the buyer. <b>Beneficiaries:</b> 4,800 people living in 45 inaccessible villages
Leaf sheds	Construction of three 'leaf sheds' at focal points in the region to keep collected greenleaf dry until it is transported to the processing factory. <b>Beneficiaries:</b> SAT members
Tractor and trailer	For the transport of smallholder greenleaf tea. <b>Beneficiaries:</b> SAT members
Six motorcycles	For local transportation, monitoring and training conducted by SAT staff and leaders. <b>Beneficiaries:</b> SAT members

## Long-term investments make for long-term returns in Tanzania

## PRODUCER REPORT

First certified in 1990, the farmers of KCU in Tanzania have made a string of wise investments with Fairtrade Premiums to bring a wide range of services to their 60,000 members and diversify their holdings for stability. Beyond quality and productivity support, an instant coffee plant helps them access the local market, a charming hotel on the shores of Lake Victoria brings in tourists, and their very own bank helps farmers overcome one of their biggest challenges: access to credit.

Read the full story here: <http://bit.ly/1nvcaw8>







**07**

# **FOCUS ON FAIRTRADE PRODUCTS**

**COFFEE, BANANAS, COCOA,  
TEA, SUGAR, SEED COTTON  
AND FLOWERS**



## 7.1 Fact file: Fairtrade coffee

- At the end of 2012, 402 small producer organizations in 30 countries held a Fairtrade certificate for coffee. More than 660,000 small-scale farmers were members of Fairtrade certified coffee producer organizations.
- Around 75 percent of Fairtrade coffee sold comes from Latin America and the Caribbean, with Colombia producing the most Fairtrade coffee. Of the top ten producer countries, only two (Indonesia and Ethiopia) are outside of Latin America. Nevertheless, African and Asian volumes continue to grow in importance for Fairtrade, and in 2012 several large coffee smallholder organizations in Kenya were certified.
- Fairtrade coffee farmers cultivate coffee on more than 880,000 hectares worldwide, producing almost 400,000 MT of Fairtrade certifiable coffee in 2011–2012. Of this, 37 percent is organic certified.
- Reported Fairtrade coffee sales showed a nine percent increase in volume in 2011–12 with the total reported Fairtrade sales volume of 134,100 MT representing just over 30 percent of total certifiable production by the end of 2012.
- Coffee organizations that were Fairtrade certified and eligible to make Fairtrade sales **during the full reporting period** sold an average of 35 percent of their production as Fairtrade.
- The Fairtrade Premium that farmer organizations reported receiving for coffee almost doubled between 2011 and 2012. This was the result of the doubling of the Fairtrade Premium payable per pound of coffee sold under Fairtrade conditions, from \$0.10 to \$0.20, from April 2011.
- In 2011–12, Fairtrade coffee producer organizations allocated nearly 48 percent of their Fairtrade Premium income to investments in their producer organizations, around half of which was spent on improvements to facilities and infrastructure. Forty-four percent was spent on services to farmer members, two thirds of which was direct payment of Fairtrade Premium to the farmers.
- In 2012, the average Fairtrade coffee farmer in Africa was cultivating a plot of 0.8 hectares. Farmers in Asia and Oceania worked slightly larger plots of 1.1 hectares, while farmers in Latin America and the Caribbean cultivated coffee on plots of 2.9 hectares on average.
- Worldwide, the average Fairtrade coffee plot size is 1.5 hectares, or roughly 1.39 football fields, a clear indication of Fairtrade's continued commitment to supporting small-scale farmers.
- Volatile coffee prices throughout 2012 caused problems for some producer organizations who were put under pressure by traders to sell below the Fairtrade Minimum Price, Fairtrade Premium, or organic differential.
- Recognizing the increasing challenge that climate change poses for coffee farming, Fairtrade coffee producer organizations hosted the second International Forum on Coffee and Climate Change in Chiapas, Mexico. The objective was to provide information to producers and raise awareness of climate change mitigation strategies, measuring carbon footprints in organic coffee, creating public policies to increase sustainable production, and improve producer access to finance.
- As part of an increased focus on quality, Fairtrade organized cupping courses in Peru to build capacity in producer organizations to help them add more value at the production level. A total of 38 participants from 31 organizations participated in these courses.

**previous page:** Dou Bouré Guébré, cocoa producer and member of the CANN Cooperative in the Côte d'Ivoire.  
©Éric St-Pierre



### InBrief

Watch coffee farmers in Peru share the lessons with other farmers as they adapt to climate change.

<http://vimeo.com/75468496>

FIGURE 7.1

**Fairtrade coffee: Number of producer organizations with Fairtrade coffee certification 2007–2012**

Number of producer organizations with Fairtrade coffee certification

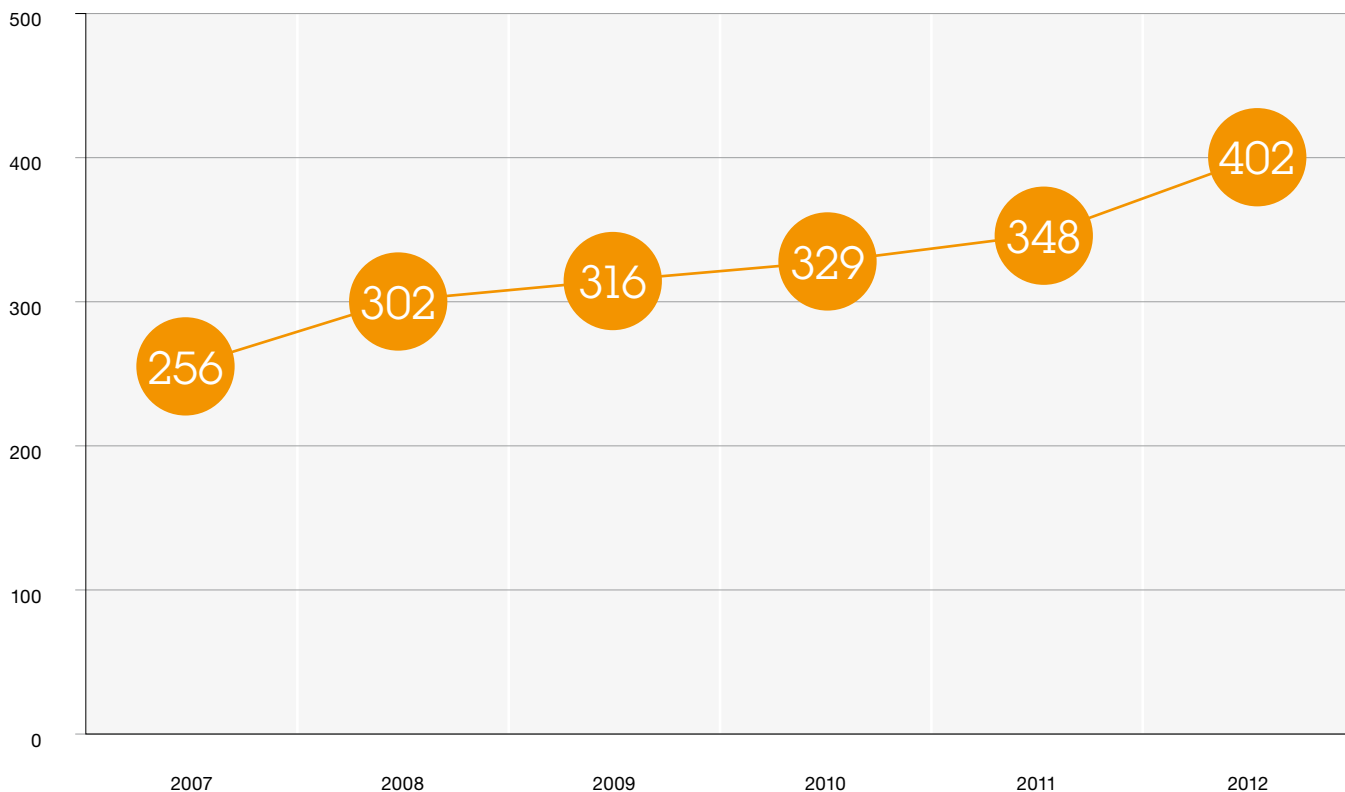
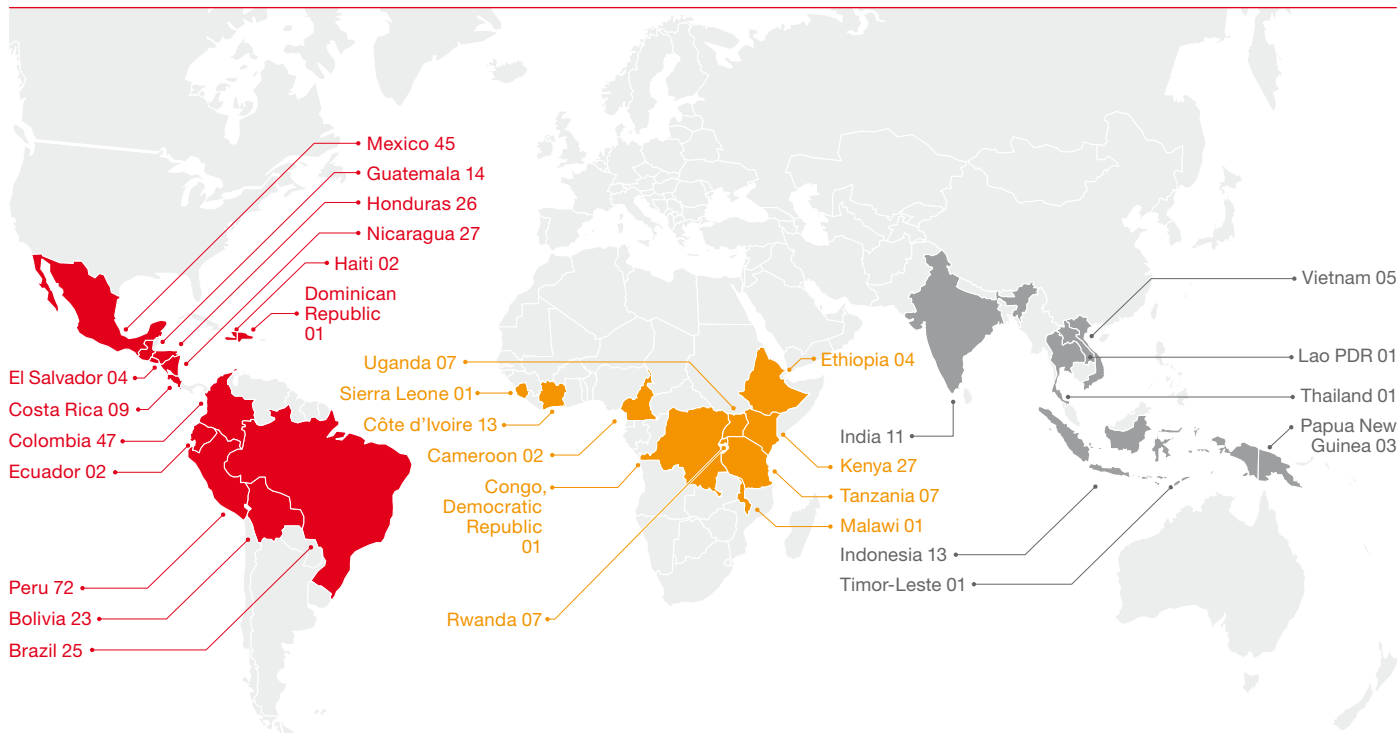


FIGURE 7.2

**Fairtrade coffee: Producer organizations with Fairtrade coffee certification 2012**



**Latin America and the Caribbean**  
297

**Africa and the Middle East**  
70

**Asia and Oceania**  
35

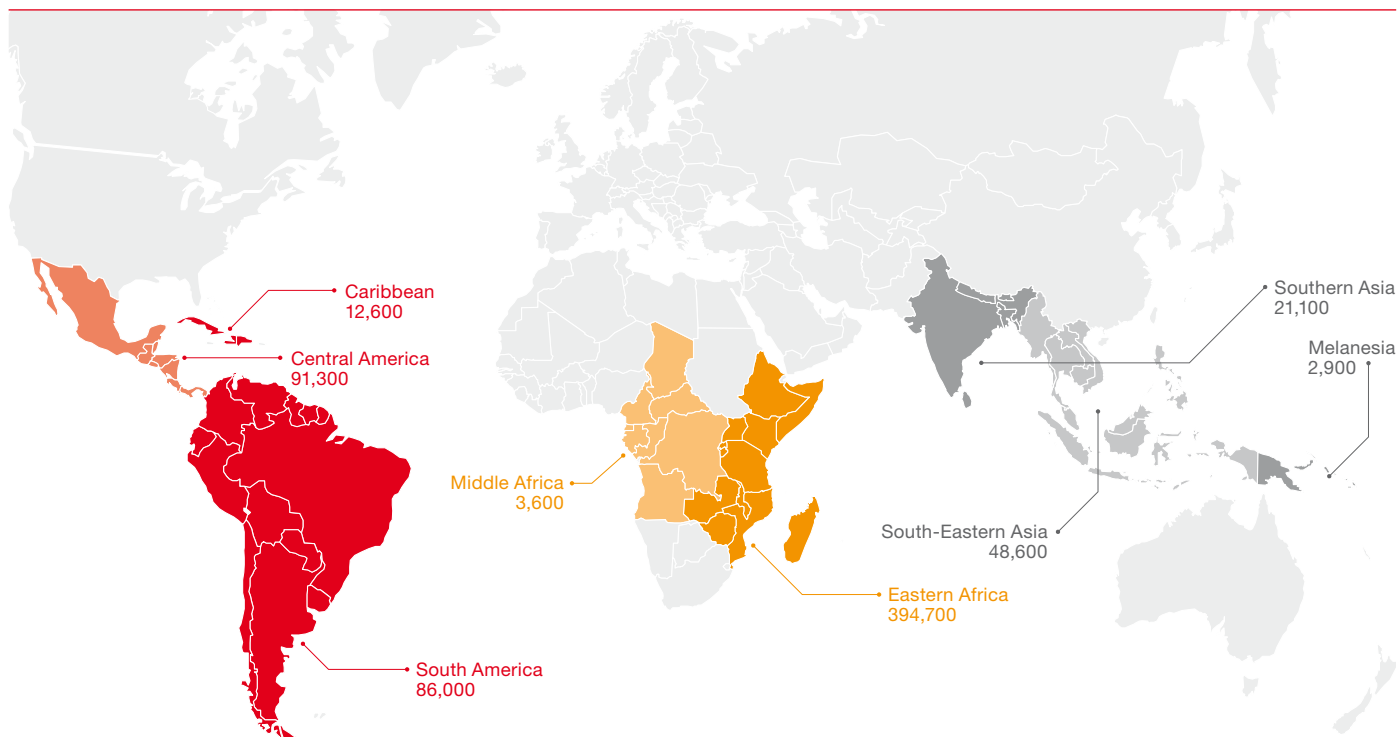
**Grand Total**  
402

TABLE 7.1

**Fairtrade coffee: Key data 2012**

	2012-12	2010-11	Percentage change
Total number of farmers	660,700	580,200	14%
Total number of hectares under Fairtrade coffee cultivation	881,700	748,000	18%
Total certifiable volume (MT)	398,800	393,000	1%
Organic Fairtrade-certifiable volume (MT)	149,300	134,400	11%
Organic volume as percentage of total certifiable volume	37%	34%	--
Total Fairtrade sales volume (MT)	134,100	123,200	9%
Total Fairtrade Premium received (€)	37,304,100	18,981,000	97%

FIGURE 7.3

**Fairtrade coffee: Number of farmers by region 2012**

**Latin America  
and the Caribbean**

189,900

**Africa and  
the Middle East**

398,300

**Asia and  
Oceania**

72,500

**Grand Total**

660,700

Data only for producer organizations registering coffee as their first certified product.

FIGURE 7.4

**Fairtrade coffee: Fairtrade sales volumes and Fairtrade Premium received 2009–2012**

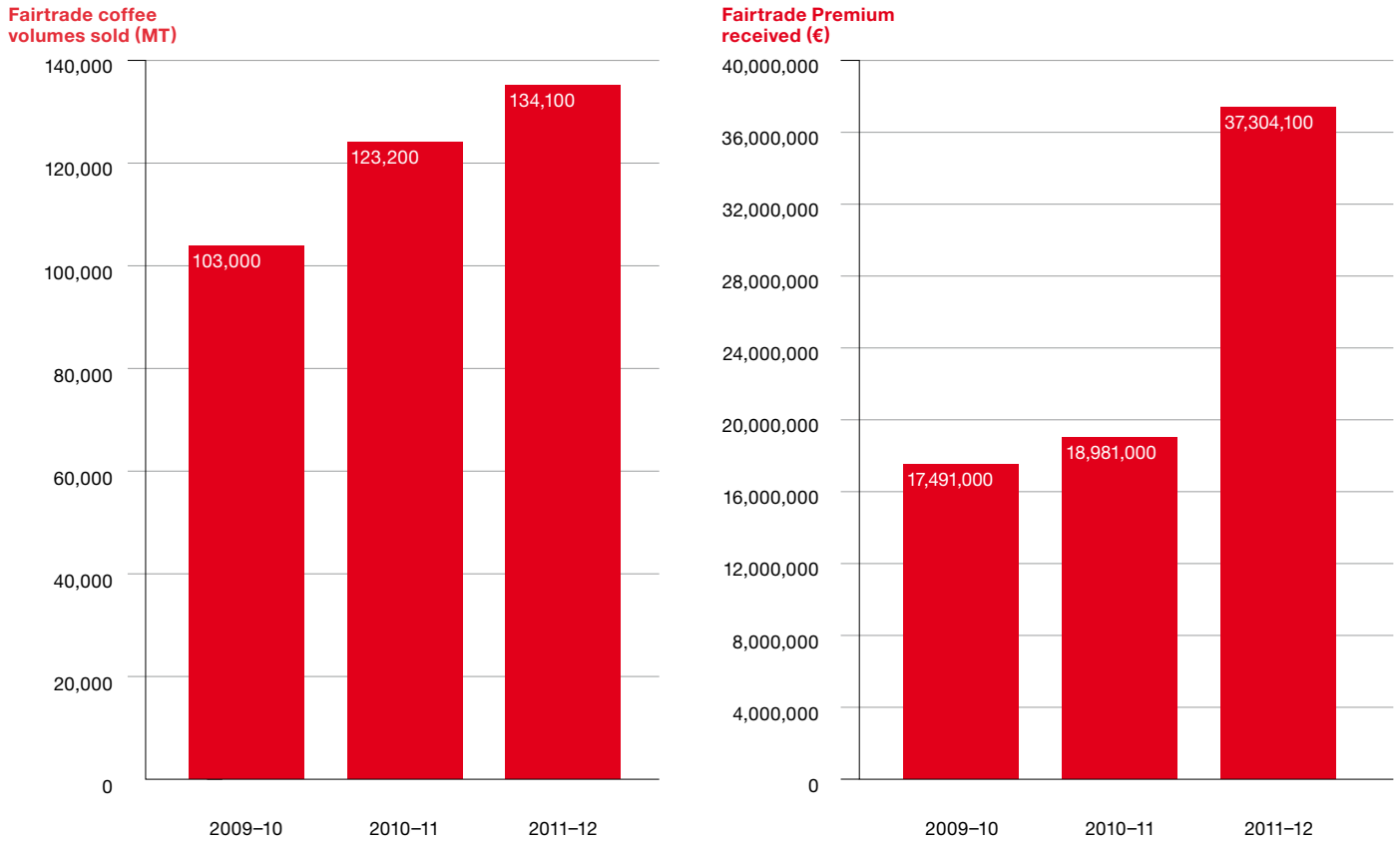
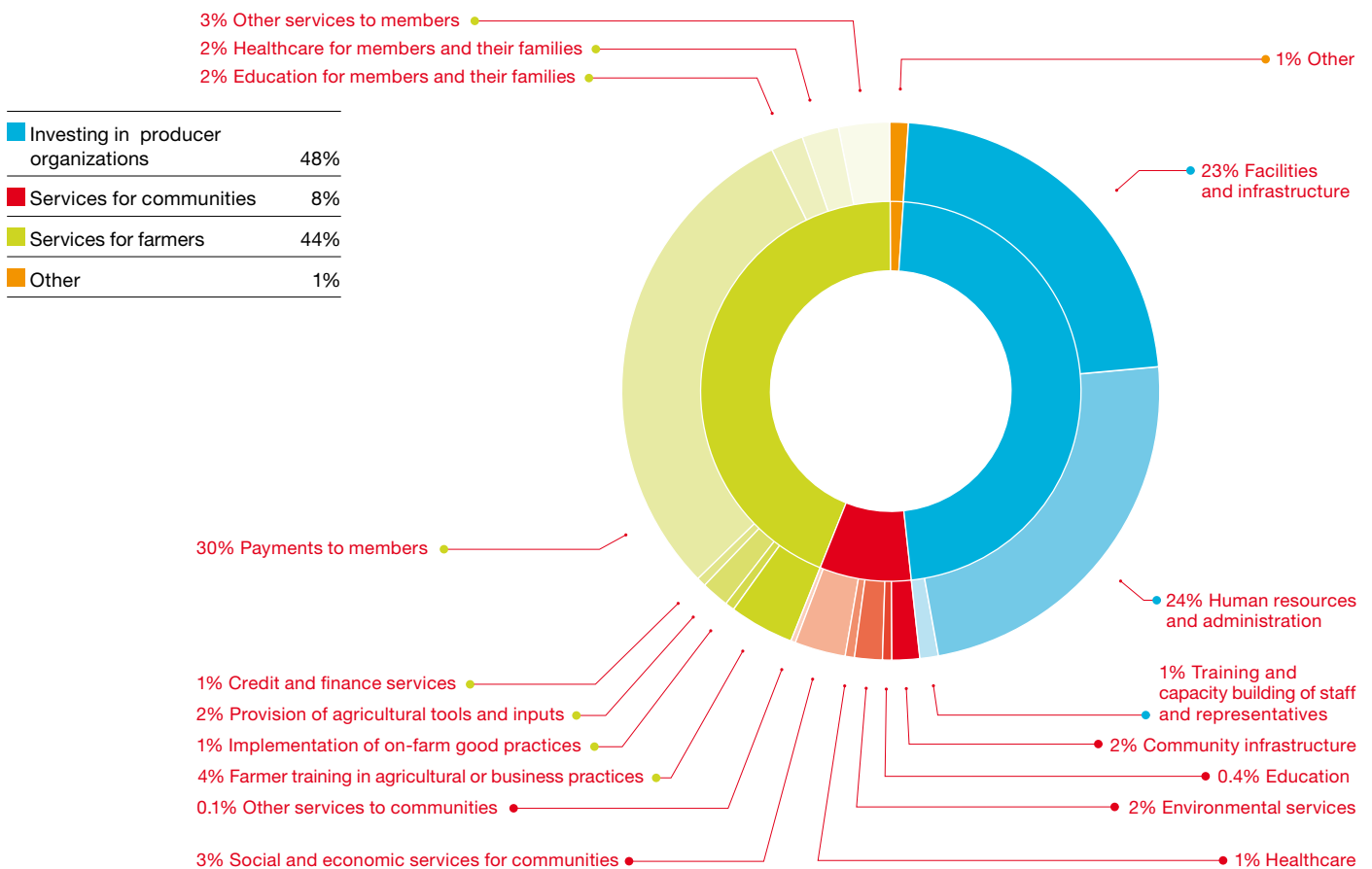


FIGURE 7.5

**Fairtrade coffee: Fairtrade Premium use 2011-12**



## Average area of Fairtrade coffee cultivated per farmer 2012 (hectares)

Africa and the Middle East	0.8
Asia and Oceania	1.1
Latin America and the Caribbean	2.9
Caribbean	2.2
Central America	2.5
South America	3.5
<b>World</b>	<b>1.5</b>

## Fairtrade coffee production capacity: Top ten countries (MT) 2011–12

Colombia	100,700
Brazil	78,100
Peru	63,100
Costa Rica	23,500
Mexico	23,300
Honduras	22,900
Indonesia	21,900
Nicaragua	18,800
Ethiopia	8,500
Guatemala	8,200

## Fairtrade organic coffee production capacity: Top five countries (MT) 2011-12

Peru	56,800
Indonesia	21,700
Mexico	21,700
Honduras	17,200
Nicaragua	7,700

## Innovations in education: The Fairtrade learning curve

It's the sign of a successful university program when the students—even after the graduation ceremony is over—are eager to return and learn more. Fifteen men and fifteen women in Honduras recently graduated from the Enterprise Vision Program supported by Irish Aid. For a week every two months, the students returned to the university for classroom work, but most of their time was spent in the field working on projects that directly benefited Fairtrade producer organizations and their members. These projects included research and development in organic composting, certification compliance and internal control systems, financial planning and administration, and even cupping. Many of them are now working in Fairtrade cooperatives.

## PRODUCER REPORT



Read the full story here: <http://bit.ly/1xBWpcg>



## 7.2 Fact file: Fairtrade bananas

- At the end of 2012, 109 producer organizations in 14 countries worldwide held certification for Fairtrade bananas, including 63 small producer organizations and 46 hired labour organizations. This was a significant increase on 2011 levels.
- The majority of Fairtrade banana producer organizations are in Colombia, the Dominican Republic, and Peru.
- Some 24,500 people were involved in Fairtrade bananas as small farmer members or workers on Fairtrade banana plantations.
- Sales volumes of Fairtrade bananas reported by producers grew by seven percent in the reporting period.
- In 2011–12, Fairtrade banana producer organizations reported receiving more than €16 million in Fairtrade Premium money, growth of around 15 percent on the figures for 2010–11. Around €11.3 million of this went to the Dominican Republic, Colombia, and Peru.
- Banana producers that were Fairtrade certified and eligible to make Fairtrade sales **during the full reporting period** sold 61 percent (small producer organizations) or 65 percent (plantations) of their production on average as Fairtrade.
- Worldwide, the average Fairtrade small-scale farmer devotes 1.9 hectares to banana cultivation. This varies from an average area of less than one hectare in Peru to over four hectares in the Dominican Republic.
- A combination of climate variability and a strong dollar devaluation affected banana producers badly in 2012. Low productivity levels were registered from Urabá in Colombia to Piura in Peru, and quality problems resulting from unusually high humidity increased. Banana farmers in the Windward Islands struggled with Black Sigatoka disease, affecting their 2012 sales levels.

FIGURE 7.6

### Fairtrade bananas: Product certifications 2007–2012

Number of product certifications

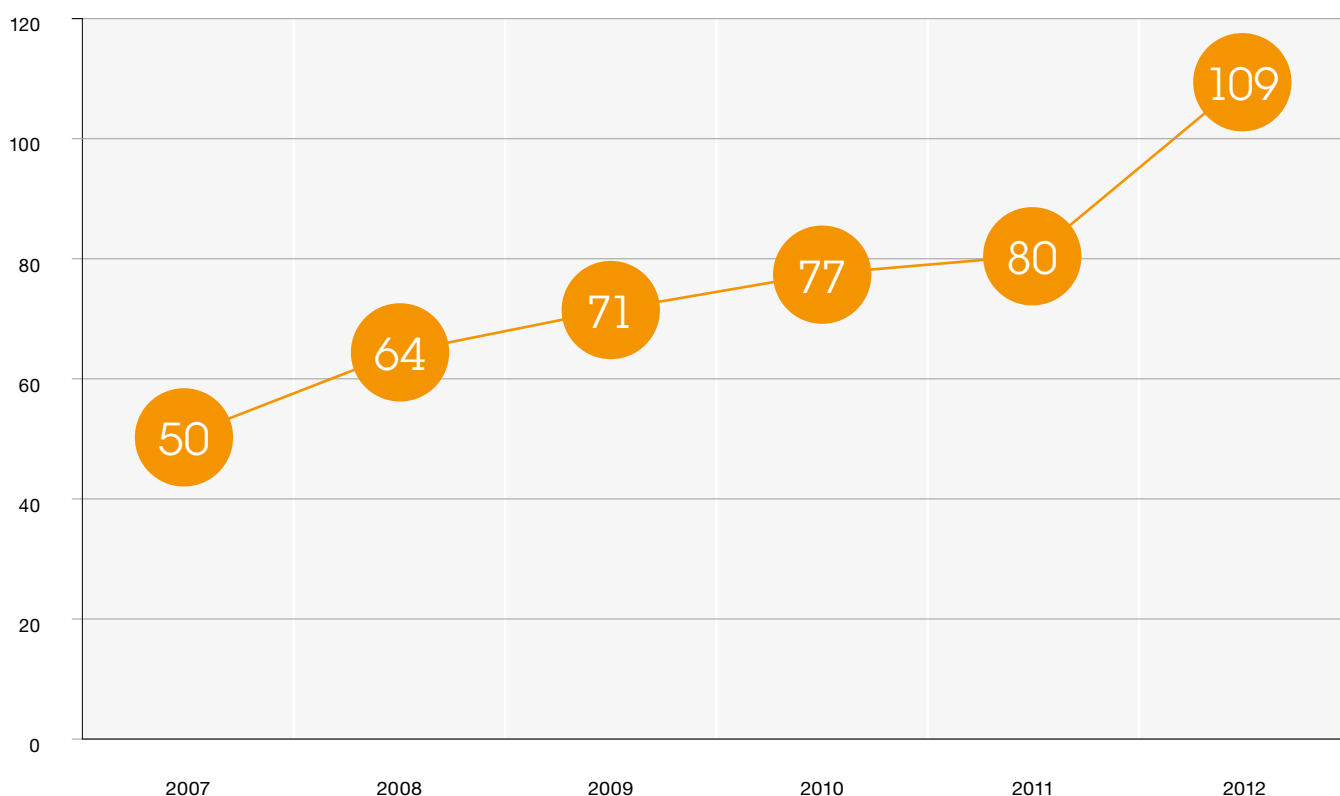
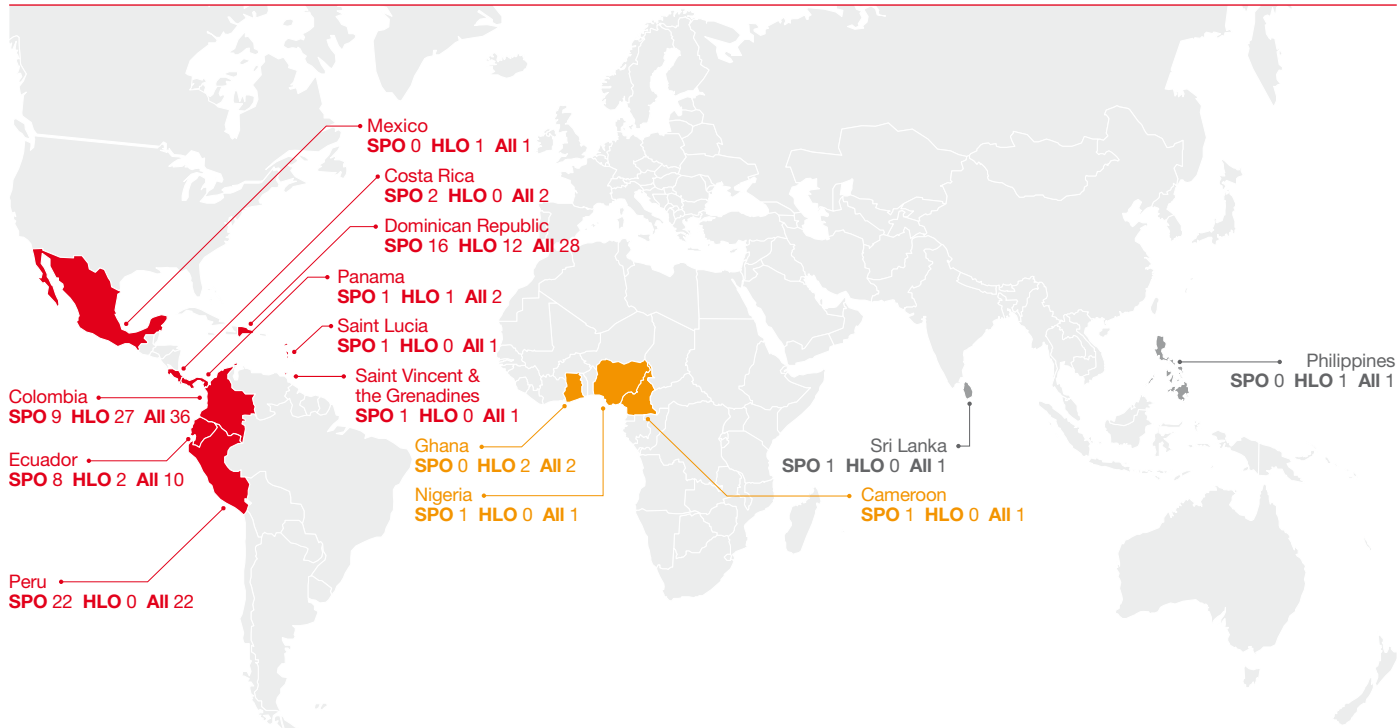


FIGURE 7.7

**Fairtrade bananas: Producer organizations with Fairtrade banana certification 2012**

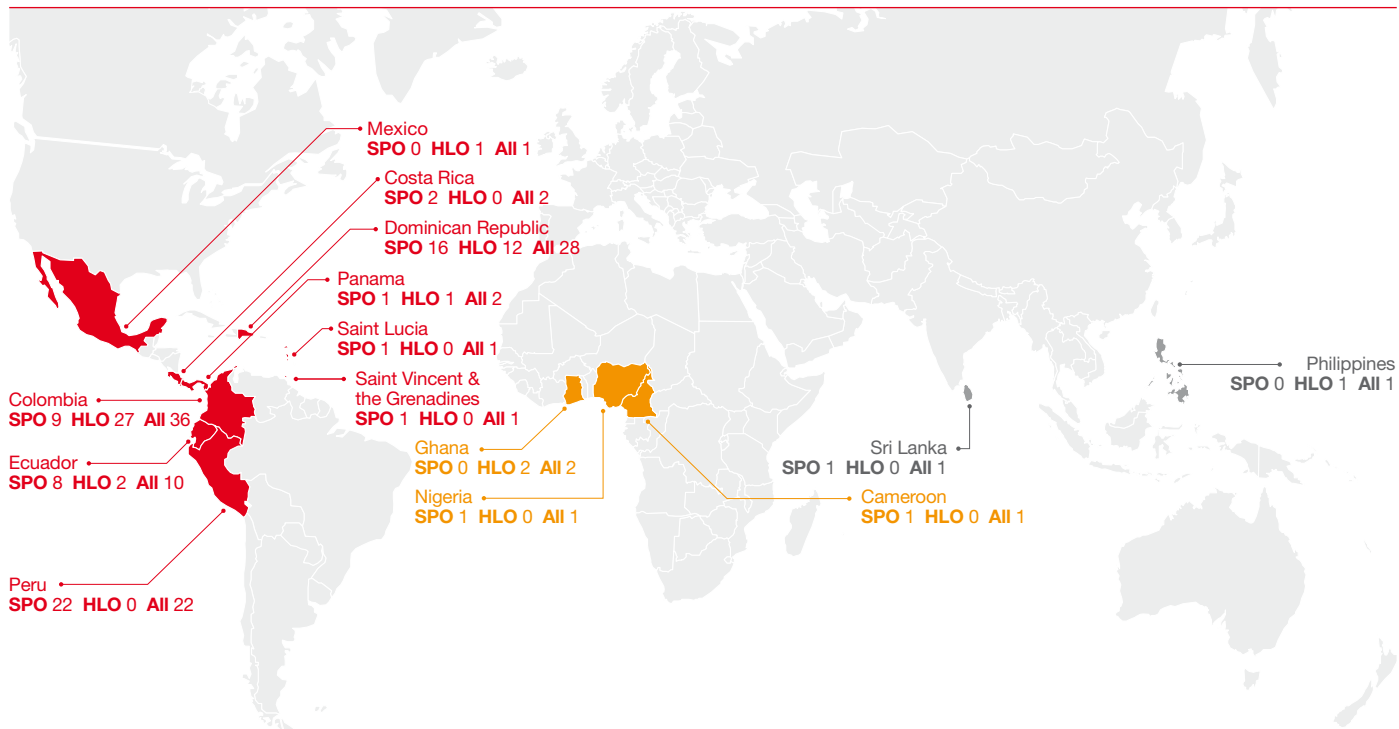


SPO Small Producer Organization  
HLO Hired Labour Organization

**Grand Total**  
SPO 63 HLO 46 AII 109

FIGURE 7.7

**Fairtrade bananas: Producer organizations with Fairtrade banana certification 2012**



SPO Small Producer Organization  
HLO Hired Labour Organization

**Grand Total**  
SPO 63 HLO 46 AII 109

TABLE 7.2

**Fairtrade bananas: Key data 2011–12**

	2011–12	2010–11	Percentage change
Total number of farmers and workers	24,500	18,200	35%
Total number of hectares under Fairtrade banana cultivation	33,000	27,900	18%
Total certifiable volume	623,200	491,800	27%
Organic Fairtrade-certifiable volume	290,800	189,700	53%
Organic volume as percentage of total certifiable volume	47%	39%	--
Total Fairtrade sales volume	342,300	321,300	7%
Total Fairtrade Premium received	16,248,000	14,121,000	15%

FIGURE 7.9

**Fairtrade bananas: Fairtrade sales volumes and Fairtrade Premium received 2009–2012**

■ Small Producer Organizations  
 ■ Hired Labour Organizations

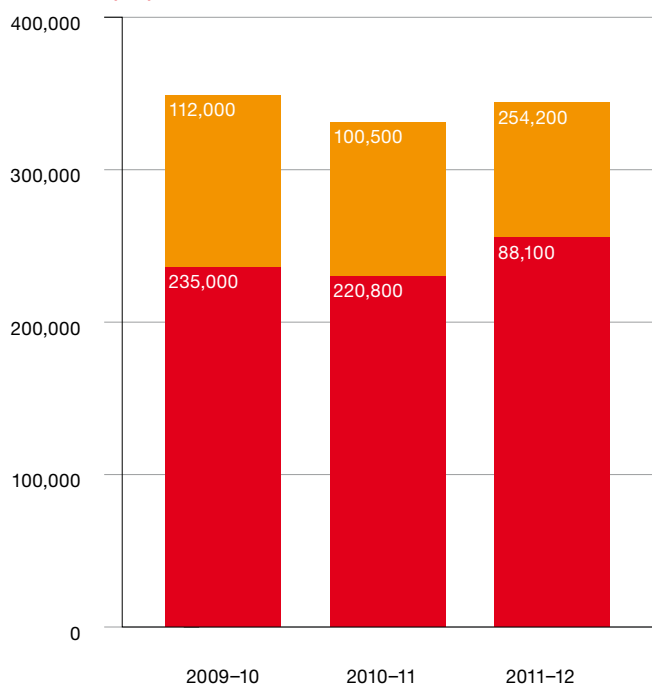
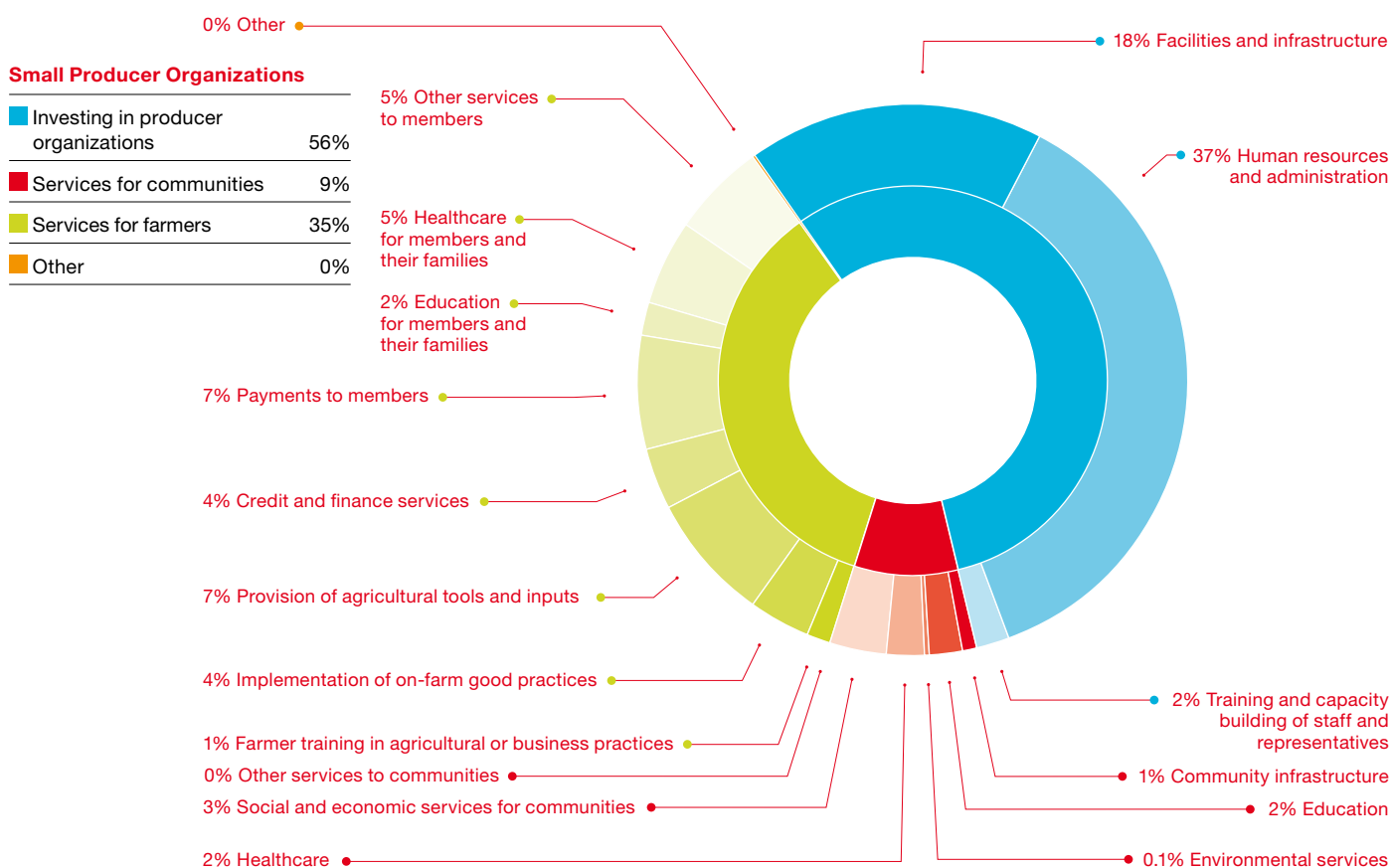
**Fairtrade bananas volumes sold (MT)****Fairtrade Premium received (€)**

FIGURE 7.10

**Fairtrade bananas: Fairtrade Premium use in small producer organizations 2011-12**



**Fairtrade bananas: Cultivation areas for selected countries 2012 (hectares)**

Small Producer Organizations

Colombia	1.2
Dominican Republic	4.0
Ecuador	5.8
Peru	0.9
<b>World</b>	<b>1.9</b>

### Fairtrade bananas: Top three countries Fairtrade Premium received 2011–12 (€)

Dominican Republic	5,264,800
Colombia	3,754,100
Peru	2,332,900

### Fairtrade bananas: Top selling countries by volume 2011–12 (MT)

Dominican Republic	112,200
Peru	76,400
Colombia	75,700
Ecuador	50,300

### Fairtrade organic banana production capacity: Top three countries (MT) 2011–12

Peru	139,100
Dominican Republic	95,500
Ecuador	46,600

#### Research Insight: Bananas lend stability in post-conflict Colombia

In 2012, Fairtrade commissioned research into the impacts of Fairtrade for banana producers in Colombia. The research was undertaken by CODER, with support from the Dutch-Colombian Public Private Partnership for Sustainable Banana Production. The researchers undertook data collection with six Fairtrade certified Small Producer Organizations, and four Hired Labour Organizations in the regions of Magdalena and Urabá respectively. Attempts were also made to obtain some counterfactual data.

The research with small producer organizations found that Fairtrade has contributed to increasing the standard of living for banana farmers in the following ways:

- Sales of Fairtrade bananas at the Fairtrade minimum price have increased household income and stability.
- The investment of the Fairtrade Premium in services for smallholder, including loans, has facilitated housing improvement, purchase of household assets, and better access to medicine and education.
- Around 35 percent of the Fairtrade Premium is being invested in enhancing on-farm productivity and lowering banana production costs.

This group of farmers has relatively low per capita income because their farms are quite small. Twenty-three percent of farmers said they had food security constraints. Nevertheless, Fairtrade has contributed to improvements in a number of income indicators including overall income, income stability, cash flow, promotion of a savings culture, lowered production costs, and better access to credit and emergency funds. The Fairtrade Premium has been an essential factor in achieving this.

The research also found evidence that Fairtrade was supporting stronger cooperatives, and better relations between the coops and their members. The cooperatives are founding a second level organization to improve their bargaining power and margin in the Fairtrade banana value chain.

Risks and concerns for small banana farmers and their cooperatives were the need to grow the Fairtrade banana market further, and concern that the Fairtrade minimum prices for bananas do not cover real banana production costs. The

researchers recommended that the Fairtrade system should focus on ensuring better market penetration and cost-covering prices, which would in turn increase the viability of these organizations.

On the Fairtrade banana plantations, the researchers found the following:

- Housing was a major priority for plantation workers. Fifty-two percent of the workers had improved their housing with the help of the Fairtrade Premium.
- Workers on Fairtrade plantations reported better labour conditions, and greater job stability. Only 16 percent of workers on a non-certified plantation had labour contracts, in contrast to 100 percent on the Fairtrade plantations. Workers at the non-certified plantation had less access to formal loans and scholarships, and requested more sick leave than Fairtrade plantation workers.
- Fairtrade Premium Committees (Joint Bodies) have resulted in greater worker participation in decision making, and strengthening of leadership, skills and capacities of worker representatives.
- Fairtrade Premium Committees from different banana plantations are working together with each other and with municipalities and development agencies to implement joint planning and execution of larger Fairtrade Premium projects.
- However, plantation management also expressed concern that the Fairtrade minimum price for bananas is not covering the real cost of production, and that profit margins through Fairtrade are minimal, which is a challenge to the long-term sustainability of the business.

The full study was published in April 2014 and can be downloaded from [http://www.fairtrade.net/fileadmin/user\\_upload/content/2009/resources/140330-Banana-Colombia-Fairtrade-Impact-Study-final.pdf](http://www.fairtrade.net/fileadmin/user_upload/content/2009/resources/140330-Banana-Colombia-Fairtrade-Impact-Study-final.pdf)

## Building a school out of bananas

## PRODUCER REPORT

Fairtrade banana workers often look among themselves when deciding how to invest the Fairtrade Premium that they receive for every box of bananas sold. But Premium Committee members from 15 Fairtrade certified estates in Colombia have now banded together to create FUNTRAJUSTO, their own foundation to support community efforts. Their first joint project was building a school for 35 students who had been taking their lessons in an old pig shed until workers learned of the situation and changed it.

Read the full story here: <http://bit.ly/lqmBQvD>





### 7.3 Fact file: Fairtrade cocoa

- At the end of 2012, 122 small producer organizations in 19 countries held a Fairtrade certification for cocoa, representing nearly 167,000 small-scale farmers. At the end of 2011 there were 71 cocoa producer organizations, so the numbers increased significantly in 2012.
- This increase was largely due to growth in certification in Côte d'Ivoire, where the number of certified organizations grew from 20 to 52 during 2012. The numbers of Fairtrade producer organizations marketing fine flavour cocoa in Peru also increased markedly.
- Reported sales volumes of Fairtrade cocoa increased by 46 percent in the reporting period, to 68,400 MT. This apparently very rapid growth in part reflects under-reporting in 2010–11, when the crisis in Côte d'Ivoire made it very difficult to gather accurate data about the situation. In 2011–12, Fairtrade cocoa producer organizations reported receiving more than €9.4 million in Fairtrade Premium.
- Cocoa producers that were Fairtrade certified and eligible to make Fairtrade sales during the **full reporting period** sold 46 percent of their production as Fairtrade on average.
- However, during 2012 the rapid entry of many new cocoa producers into the Fairtrade system increased the certifiable cocoa volumes to almost 176,000 MT, a more rapid growth than in market demand for Fairtrade cocoa.
- Recognising the need to create additional opportunities for cocoa farmers to sell their cocoa on Fairtrade terms, Fairtrade has developed new sourcing opportunities for cocoa, allowing companies to source and use Fairtrade cocoa in more flexible ways within their products. For more information about the Fairtrade Sourcing Program for cocoa, and how it is designed to help farmers sell more of their cocoa on Fairtrade terms, go to [www.fairtrade.net/fsp-overview.html](http://www.fairtrade.net/fsp-overview.html)
- Nearly 40,000 MT of the cocoa produced by Fairtrade producers was also organic-certified.
- By the end of 2012, Côte d'Ivoire production capacity for Fairtrade-certifiable cocoa was more than double that of Ghana, and by far the largest origin for Fairtrade-certified cocoa. This reflects a push by traders to encourage cocoa organizations to pursue multiple certifications.
- In cocoa as in other products, Fairtrade Premium is increasingly being used to support producer organizations and farmers in strengthening their business. In 2011–12, 45 percent of the Fairtrade Premium was used to invest in producer organizations. Two thirds of this was used to invest in facilities and infrastructure for crop collection, warehousing, quality checking, and processing. Thirty-six percent of the Fairtrade Premium was used to offer services to farmer members, including agricultural tools and inputs, training, and credit services, although the largest expenditure was on direct payments to the farmers.
- Worldwide, the average area of land that a Fairtrade small-scale farmer devotes to cocoa cultivation is 2.7 hectares. Farm cultivation areas in Western Africa and in South America are very similar.
- In Côte d'Ivoire Fairtrade undertook contract training with small producer organizations to strengthen their trading position. The objectives of the training were to help producer organizations to understand their rights and liabilities under contracts with traders; to negotiate clear contracts with traders; and to challenge unclear terms and handle disputes with greater confidence. In total, 64 people from 35 cooperatives attended the training. The training was led by an expert in contract law, commodities, and international trade.



#### InBrief

A new effort will unlock the power of Fairtrade cocoa farmers, Fortin Bley explains how.

<http://vimeo.com/86106940>

FIGURE 7.11

**Fairtrade cocoa: Product certifications 2007–2012**

Number of product certifications

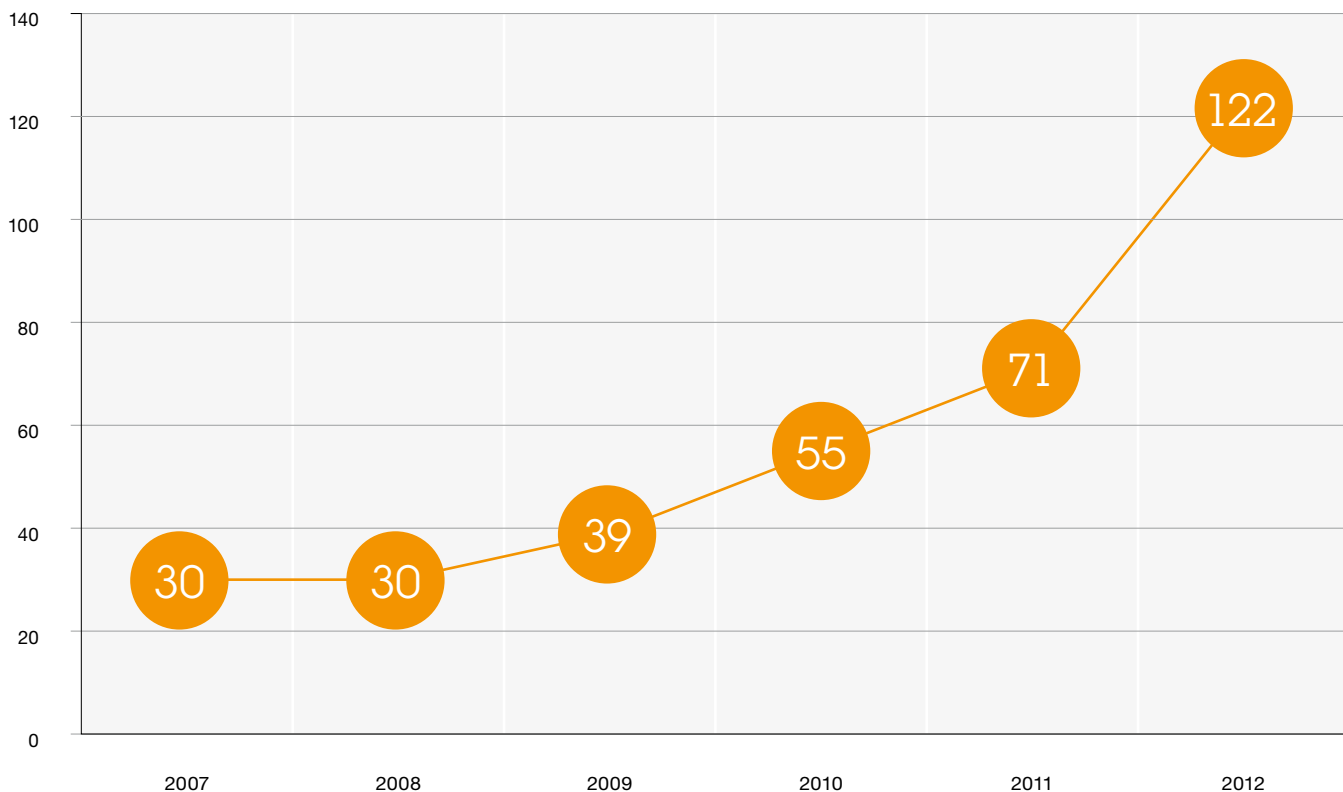
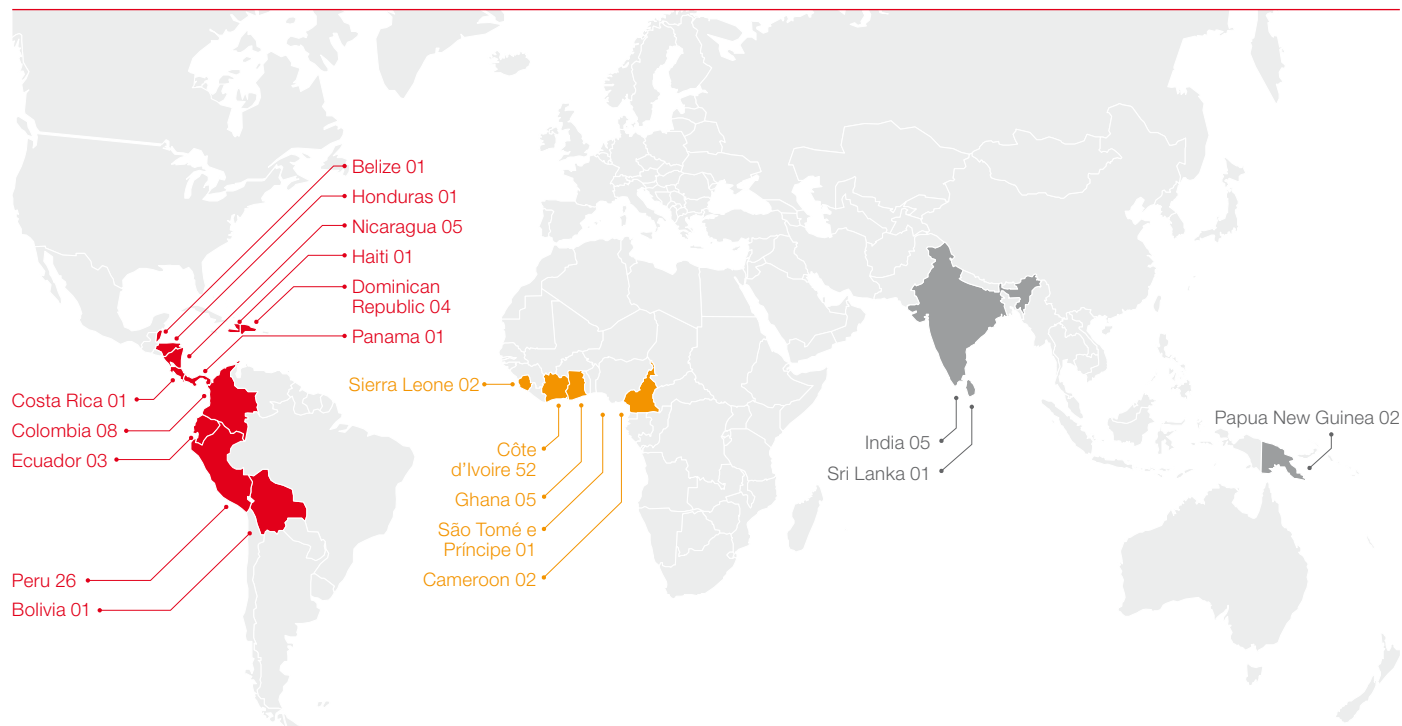


FIGURE 7.12

**Fairtrade cocoa: Producer organizations with Fairtrade cocoa certification 2012**



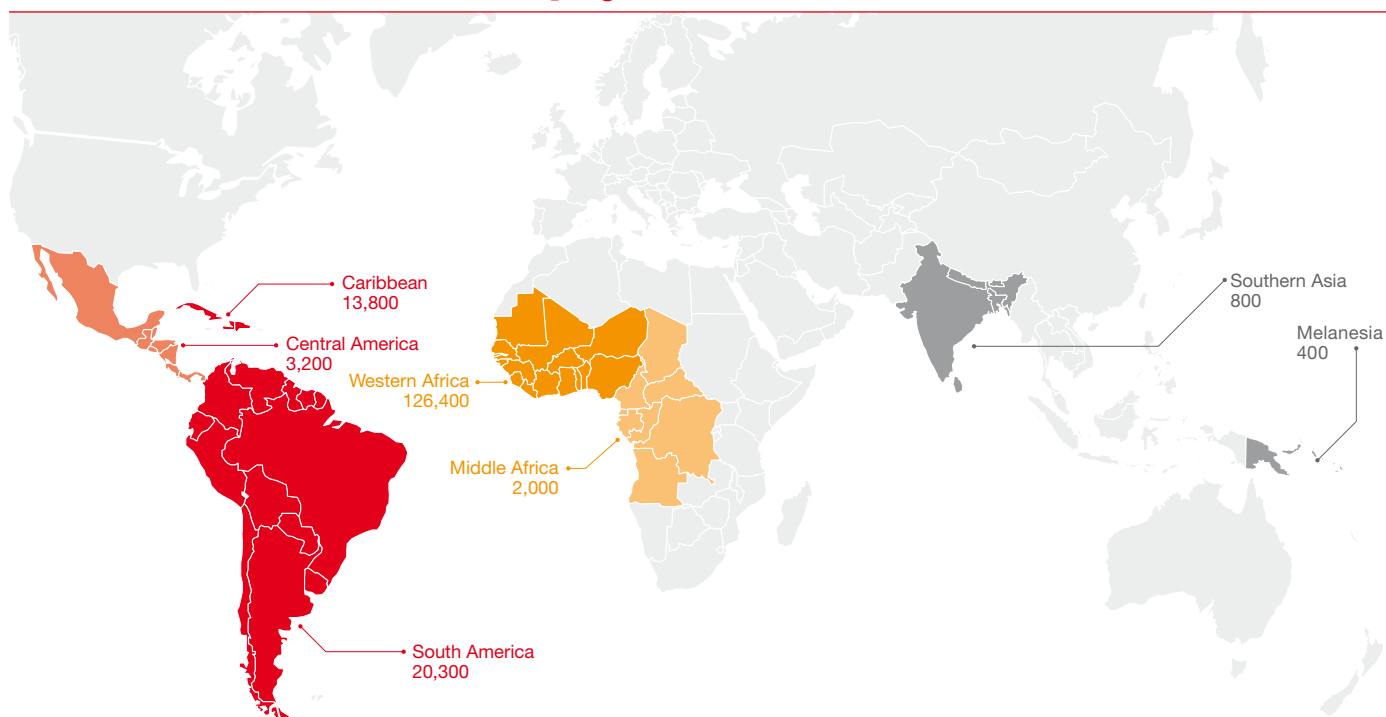
**Latin America and the Caribbean**  
52

**Africa and the Middle East**  
62

**Asia and Oceania**  
8

**Grand Total**  
122

FIGURE 7.13

**Fairtrade cocoa: Number of farmers by region 2012****Latin America and the Caribbean**

37,300

**Africa and the Middle East**

128,400

**Asia and Oceania**

1,200

**Grand Total**

166,900

Data only for producer organizations registering cocoa as their first certified product.

TABLE 7.3

**Fairtrade cocoa: Key data 2012**

	2011-12	2010-11	Percentage change
Total number of farmers	166,900	141,800	18%
Total number of hectares under Fairtrade cocoa cultivation*	448,700	215,000	109%
Total certifiable volume (MT)	175,900	124,000	42%
Organic Fairtrade-certifiable volume (MT)	38,600	27,000	43%
Organic volume as percentage of total certifiable volume	22%	22%	--
Total Fairtrade sales volume (MT)**	68,300	46,600	47%
Total Fairtrade Premium received (€)	9,433,900	7,640,000	23%

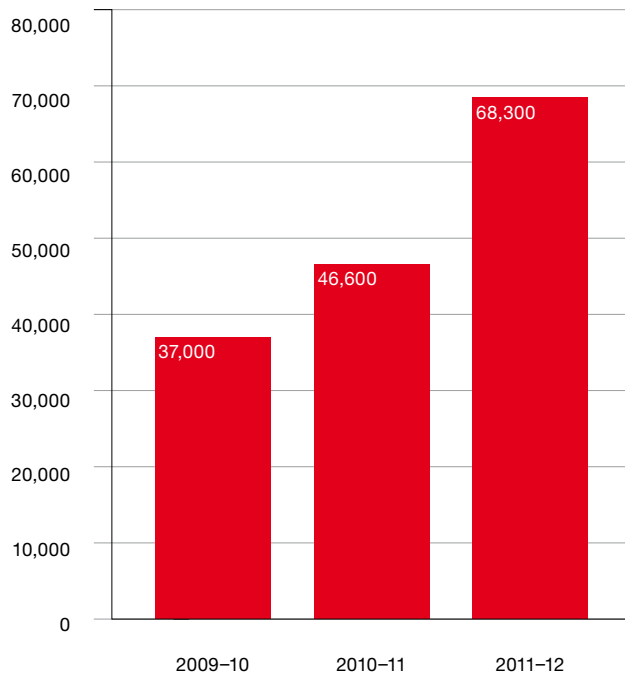
\* For the first time, the dataset includes data on area under cultivation for the largest Fairtrade cocoa producer. This is reflected in the large apparent increase in 2011-12.

\*\* As indicated in the previous report, the data for volumes sold in 2010-11 was an underestimate. This was the result of lack of access to the Fairtrade co-operatives in Côte d'Ivoire for auditing during the conflict in 2011.

FIGURE 7.14

**Fairtrade cocoa: Fairtrade sales volumes and Fairtrade Premium received 2009–2012**

**Fairtrade cocoa volumes sold (MT)**



**Fairtrade Premium received (€)**

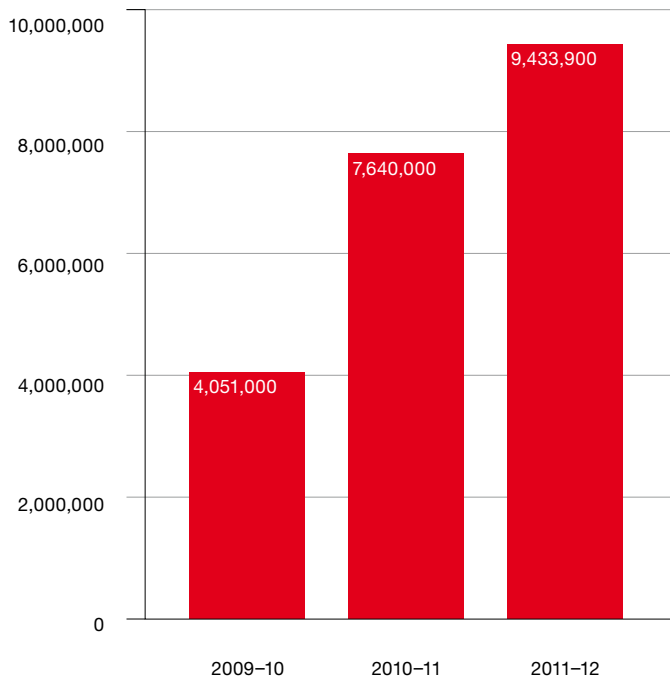
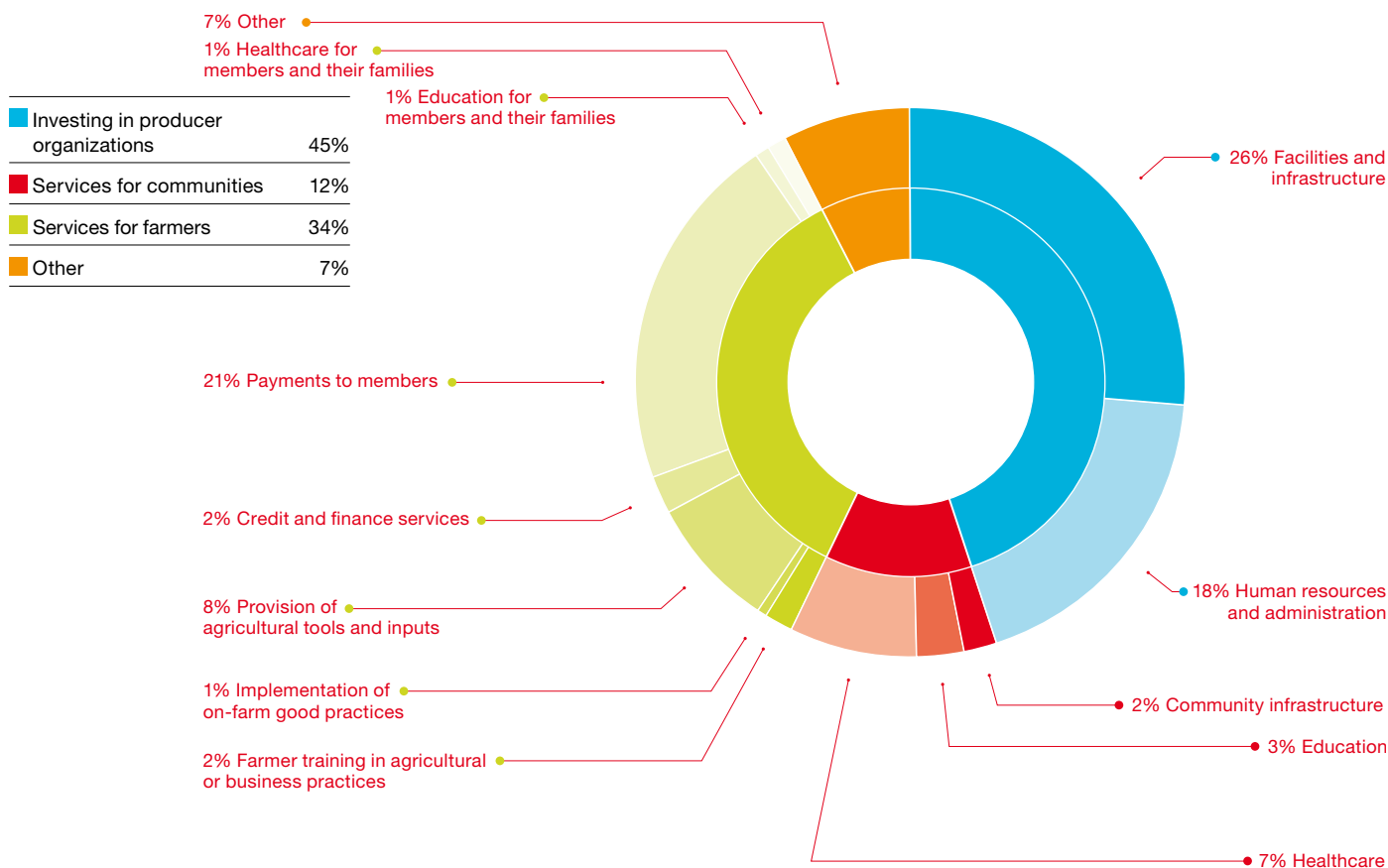


FIGURE 7.15

**Fairtrade cocoa: Fairtrade Premium use 2011-12**



### Average area of Fairtrade cocoa cultivated per farmer 2011–12 (hectares) by region

Caribbean	3.7
Central America	1.8
Melanesia	0.8
Middle Africa	3.1
South America	2.8
Western Africa	2.6
<b>Grand Total</b>	<b>2.7</b>

### Fairtrade cocoa production capacity: Top five countries (MT) 2012

Côte d'Ivoire	88,500
Ghana	42,900
Peru	18,900
Dominican Republic	16,200
Ecuador	4,500

### Fairtrade organic cocoa production capacity: Top three countries (MT) 2011–12

Peru	18,700
Dominican Republic	11,800
Ecuador	4,500

### Fairtrade cocoa: Top selling countries by volume 2011–12 (MT)

Ghana	29,300
Côte d'Ivoire	21,100
Dominican Republic	11,200
Peru	6,000

## 7.4 Fact file: Fairtrade tea

- At the end of 2012, 94 producer organizations in 11 countries held a product certification for Fairtrade tea. Of these 88 were for *Camellia sinensis* tea (black tea), and six were for rooibos. The data here primarily relate to *Camellia sinensis* tea and not to rooibos.
- More than 285,000 people were involved in Fairtrade tea as small farmers or as workers on Fairtrade tea plantations. Over 117,000 of these were in Kenya, and nearly 73,000 in India.
- The global Fairtrade tea sales volumes in 2011–12 showed a nine percent increase against reported sales for 2010–11. Sales volumes from plantations appeared to decrease by 38 percent, while volumes from small farmer organizations grew significantly.
- Kenya, India, and Malawi continued to be the top-selling origins for Fairtrade tea.
- Fairtrade tea certifiable volumes decreased slightly, to 188,400 MT. Since the number of hectares under cultivation of Fairtrade tea increased, there may be some under-reporting of certifiable volumes, or historical under-reporting of cultivation areas.
- On average, Fairtrade tea producers sell less than 10 percent of their production as Fairtrade. This, combined with the high number of certified groups with large numbers of farmers and workers, means it continues to be a challenge for Fairtrade to make a real impact for these producers. Exceptions include tea producers in Malawi, who have seen considerable benefit from Fairtrade in recent years.
- Fairtrade continues to work on several fronts to support better impacts for Fairtrade tea producers. Our new Fairtrade Hired Labour Standards have introduced a quality requirement for on-site housing for workers, particularly important in the tea sector in India where workers are often housed on the plantation, but there is little or no enforcement of government-set norms. Similarly, Fairtrade is working with a wide range of partners to support improved wages for workers on tea estates. We hope that this collaboration will facilitate a new approach to setting tea industry wage benchmarks and the promotion of wage bargaining, so that better wages become a commitment of everyone along the supply chain.
- The Fairtrade Premium for tea is significant, with nearly €5 million paid directly to small farmer organizations or to workers' organizations on Fairtrade tea estates.
- In 2011–12 the amount of Fairtrade Premium paid to plantations decreased somewhat, in line with decreasing sales, while Fairtrade Premium paid to small producer organizations grew by 44 percent.
- The data show that small farmer organizations invest 45 percent of their Fairtrade Premium in community, education, and health projects and over 40 percent of their Fairtrade Premium money in business and organizational development or production and processing.
- On tea plantations, community, education, and health projects account for about 50 percent of Fairtrade Premium spending, while direct support to workers—e.g. through the provision of various goods and services to workers (see section 6.2)—accounted for nearly 40 percent of spending. Investments in worker training and worker organizations were relatively low on Fairtrade tea plantations, compared with other Fairtrade hired labour settings.
- Smallholder tea farmers report very small cultivation areas for their tea, with small farmers in Eastern Africa cultivating their tea on just 0.4 hectares on average.



FIGURE 7.16

**Fairtrade tea: Product certifications 2007–2012**

Number of product certifications

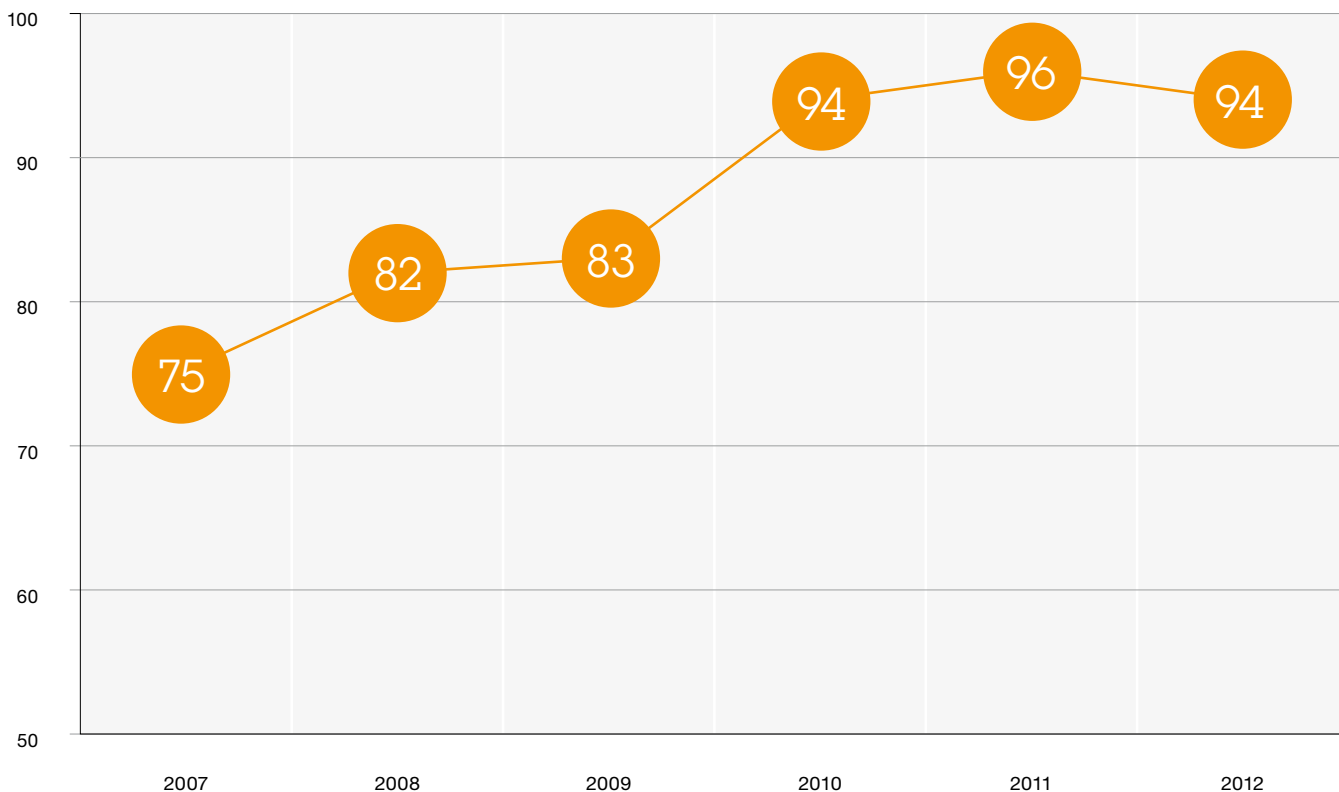
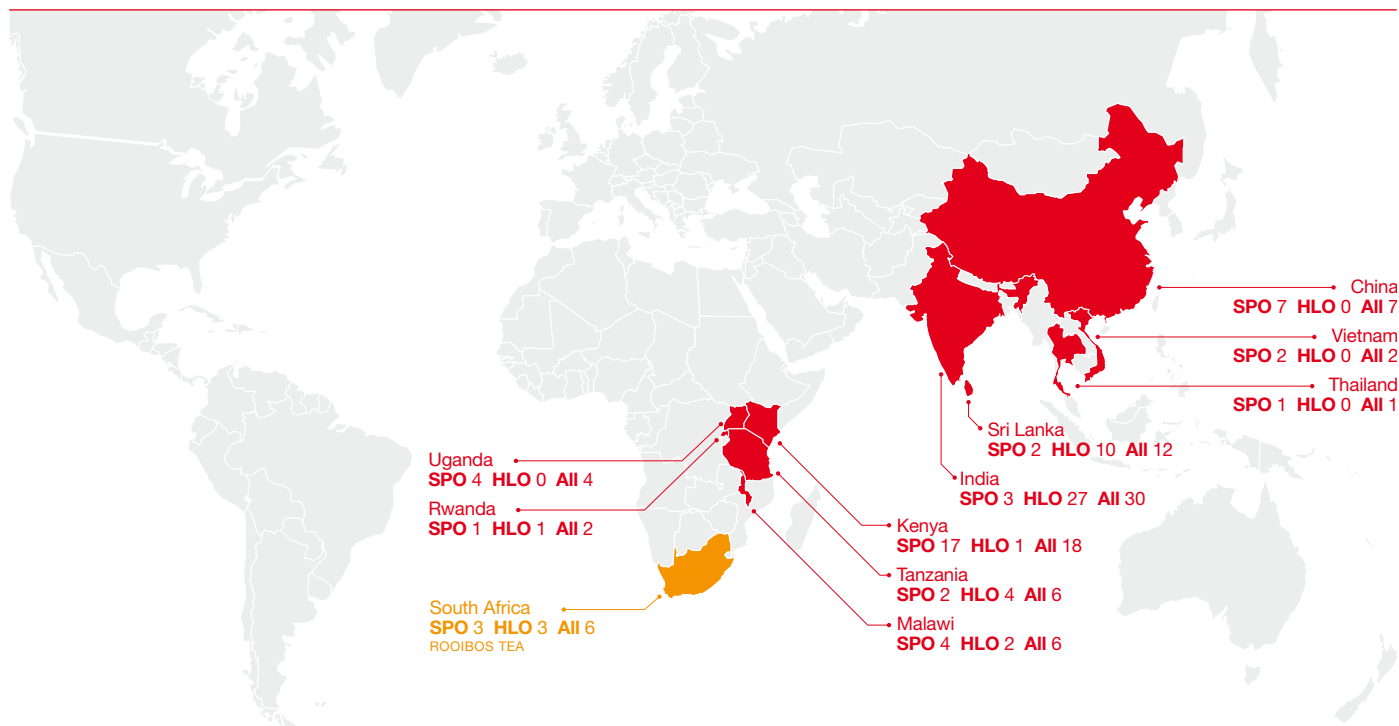


FIGURE 7.17

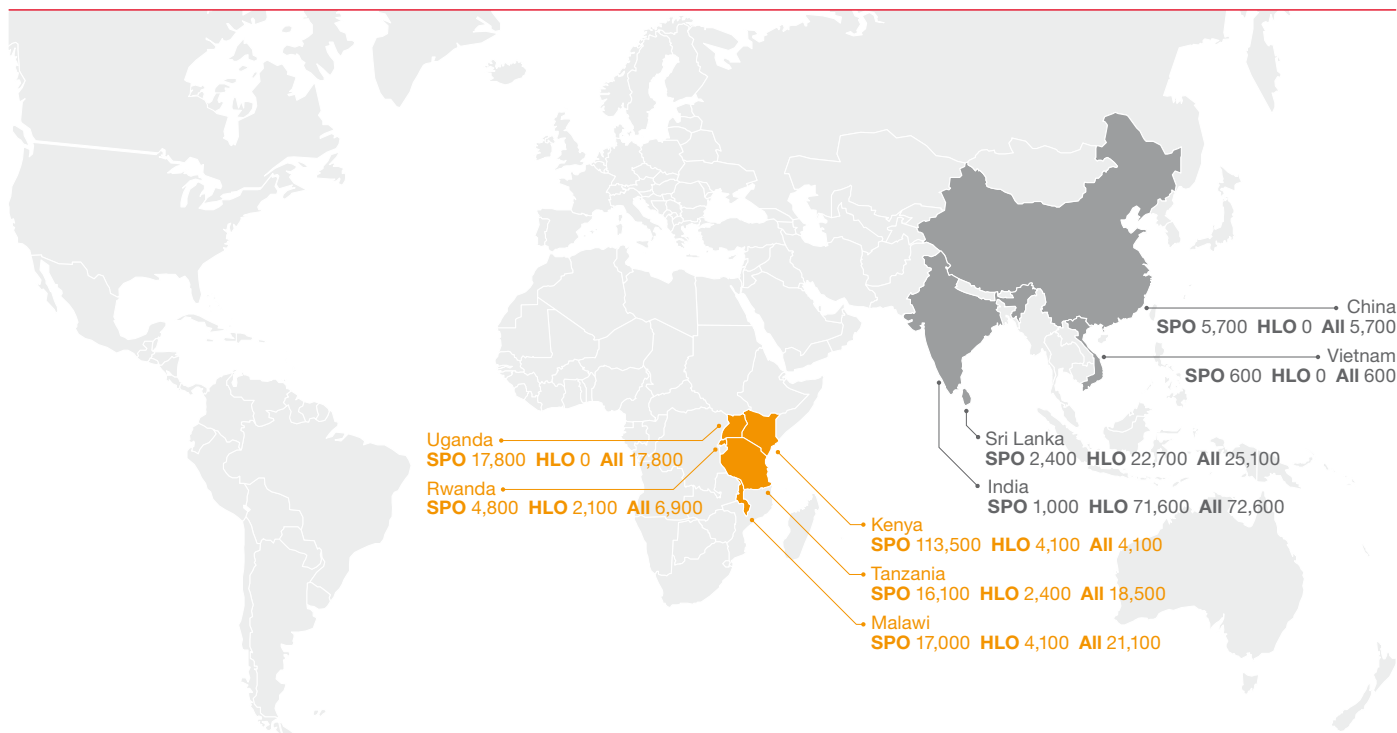
**Fairtrade tea: Producer organizations with Fairtrade tea certification 2012**



**Tea (*Camellia sinensis*) total**  
SPO 43 HLO 45 AII 88

**Rooibos tea total**  
SPO 3 HLO 3 AII 6

FIGURE 7.18

**Fairtrade tea (*Camellia sinensis*): Number of farmers and workers by country 2012****Africa and the Middle East**

SPO 169,200 HLO 12,700 AII 181,900

**Asia and Oceania**

SPO 9,700 HLO 94,300 AII 104,000

**Total**

SPO 178,900 HLO 107,000 AII 285,900

SPO Small Producer Organization  
HLO Hired Labour Organization

Data only for producer organizations registering tea as their first certified product.

TABLE 7.4

**Fairtrade tea: Key data 2012**

	2011-12	2010-11	Percentage change
Total number of farmers and workers	285,900	258,200	11%
Total number of hectares under Fairtrade tea cultivation	102,800	83,300	23%
Total certifiable volume (MT)	188,400	205,900	-8%
Organic Fairtrade-certifiable volume (MT)	13,700	7,000	96%
Organic volume as percentage of total certifiable volume	7%	3%	--
Total Fairtrade sales volume (MT)	13,800	12,700	9%
Total Fairtrade Premium received (€)	4,906,500	4,843,000	1%

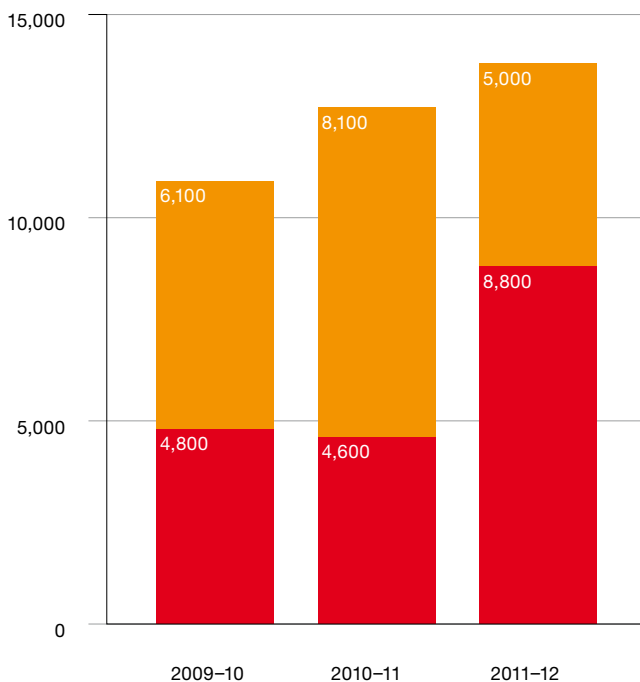
FIGURE 7.19

**Fairtrade sales volumes and Fairtrade Premium received 2009–2012**

- Small Producer Organizations
- Hired Labour Organizations

Only data for *Camellia sinensis* are included in these figures, not for rooibos tea.

**Fairtrade tea volumes sold (MT)**



**Fairtrade Premium received (€)**



FIGURE 7.20a

**Fairtrade tea: Small Producer Organizations Fairtrade Premium use 2011-12**

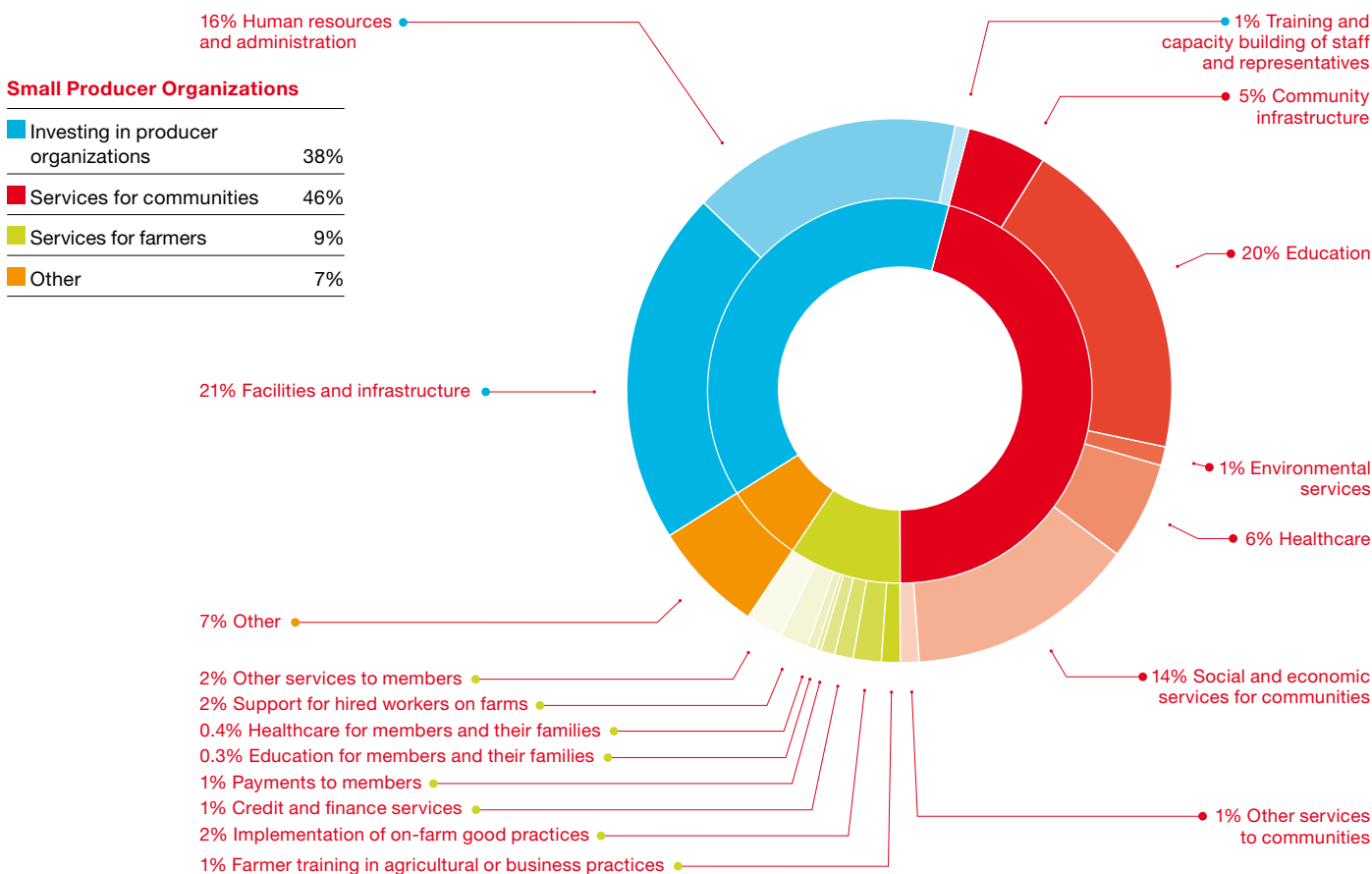
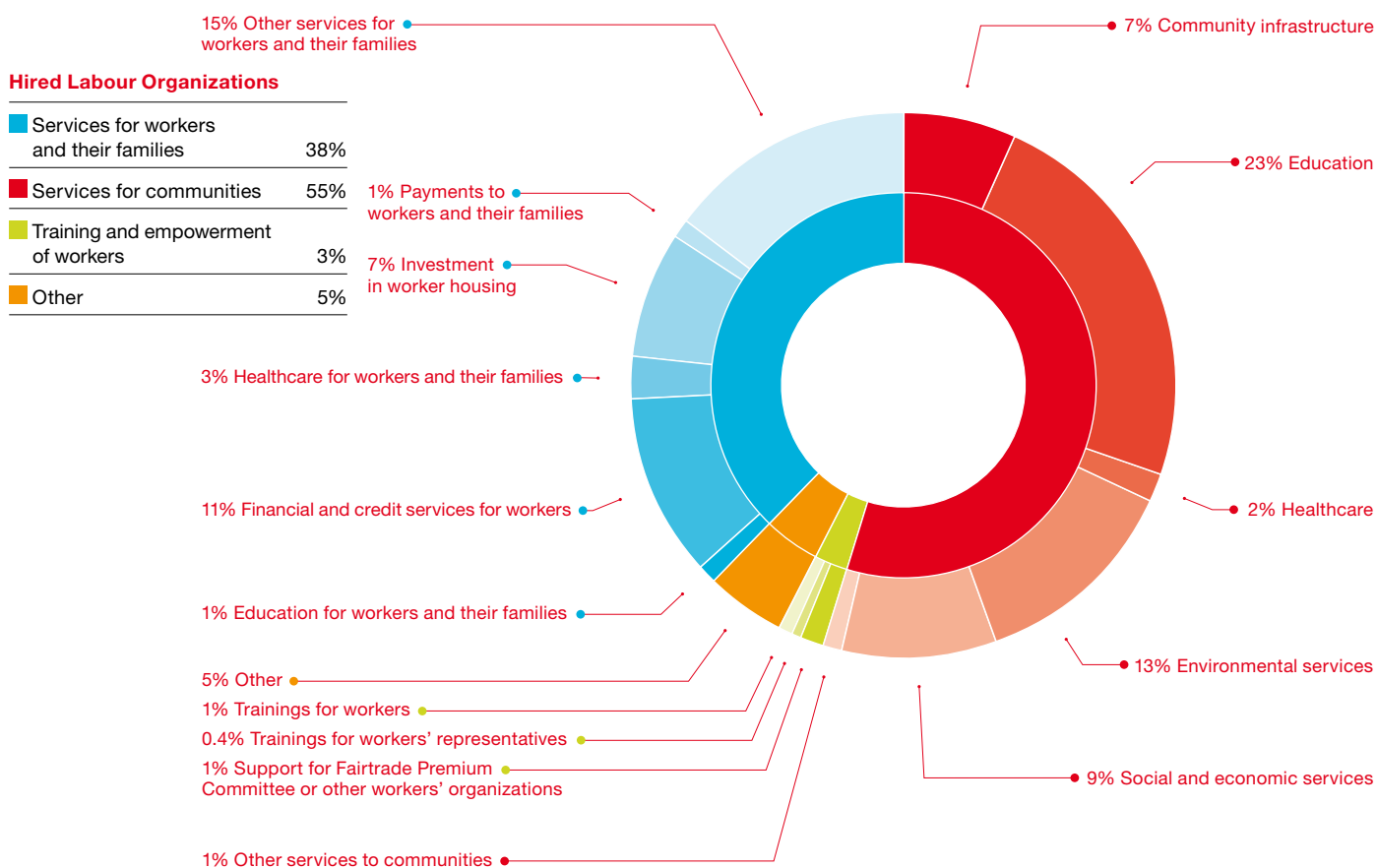


FIGURE 7.20b

### Fairtrade tea: Hired Labour Organizations Fairtrade Premium use 2011-12



### Average area of Fairtrade tea cultivated per farmer 2012 (hectares)

Eastern Africa	0.4
Eastern Asia	0.7
South-Eastern Asia	0.8
Southern Asia	0.7
<b>Tea worldwide average</b>	<b>0.4</b>

Only data for *Camellia sinensis* are included in this table, not for rooibos tea.

### Fairtrade tea production capacity: Top five countries 2012 (MT)

Kenya	80,500
India	33,400
Sri Lanka	27,700
Tanzania	16,200
Uganda	15,800

Only data for *Camellia sinensis* are included in this table, not for rooibos tea.

### Fairtrade organic tea production capacity 2012: Top five countries (MT) 2011–12

India	8,400
China	2,100
Sri Lanka	1,800
Uganda	600
Tanzania	600

Only data for *Camellia sinensis* are included in this table, not for rooibos tea.

### Fairtrade tea: Top five selling countries by volume 2011–12 (MT)

Kenya	4,600
India	3,900
Malawi	1,800
Tanzania	1,000
Sri Lanka	1,000

Only data for *Camellia sinensis* are included in this table, not for rooibos tea.

#### Research Insight: Longitudinal research with Malawi tea farmers and workers

Fairtrade has been tracking the experiences of five Fairtrade certified producer groups in Malawi since 2009, in a longitudinal research project led by Natural Resources Institute at University of Greenwich. The research includes three tea producer organizations: one estate (hired labour organization) and two smallholder organizations. In 2012 the second research phase was undertaken, allowing comparison of the 2012 situation of the Fairtrade producers with the 2009 findings. The researchers synthesised findings from both the first and second phases of the research to draw out the key trends in, and future prospects for, Fairtrade tea in Malawi.

The three organizations are at differing levels of development, maturity and capacity. Sukambizi Association Trust (SAT, an association of smallholder tea producers) has moved towards greater autonomy from the estate to which it sells its produce by opening an Association office and appointing a professional administrator. It also aspires to work towards greater command of the value chain by developing its own processing facility in time. SAT now has its own development plan, with milestones and budgets.

Eastern Outgrowers Trust (EOT, also a smallholder organization) has purchased land on which to build an office, and has appointed an administrator. It has an

annual workplan, and has received a number of trainings on Fairtrade standards and on management-related topics. As with SAT, the membership of EOT has increased significantly since 2009. Sustainability of the organization has been enhanced by the establishment of income-generating enterprises (e.g. nurseries and a grain mill).

The third organization under study was Satemwa, a tea estate. At Satemwa the Fairtrade Premium Committee (previously known as the Joint Body) is well established and respected by both workers and management. Communication and relations are good with both. An annual work plan has been drawn up for premium-funded projects, although Satemwa management feels that the Fairtrade Premium Committee needs external assistance to conduct a needs assessment with both workers and communities to identify appropriate premium projects.

There is scope for Fairtrade, through the Fairtrade field officer and the country network, to play a stronger role in supporting the three organizations to build their capacity and skills through partnering with other local development organizations. The Malawi Fairtrade country network can also play a crucial role in fostering an exchange of experiences and ideas across the three organizations.

Sukambizi and EOT members, who are largely smallholder tea farmers, have benefited from several projects (schools, water, bridges, food security, clinics and ambulance) that were funded by Fairtrade Premium income. Many of these are shared with others in the community. EOT members felt strongly that more of the premium benefit should accrue to smallholder farmers directly, rather than being spent on community projects.

For workers at Satemwa, three major social impacts were discernible. Firstly an improvement in relationships between workers and management, mediated by the Fairtrade Premium Committee. Secondly, the benefits from community projects and those that affect the food security of workers' families (subsidised fertilizer and maize). Thirdly, the influence of Fairtrade on the working conditions of the workers (maternity leave, leave entitlements, protective clothing, overtime).

In economic terms, it is clear that the smallholder tea sector in Malawi continues to face many challenges and remains dependent on big estates for their patronage and support. The study of both Sukambizi and EOT shows that smallholder tea farmers believe they are receiving low prices for their greenleaf which are not covering their costs of production. As smallholders are completely reliant on 'patron' estates for the purchase and processing of their tea, they are constrained in their ability to negotiate or influence prices of greenleaf or made tea in any significant way. A spokesperson for the Tea Association of Malawi felt that unless smallholders were able to get the value-added income from processing they would always struggle to improve their economic situation significantly. For the moment, improvements in income can be gained from focusing on improving productivity from their plots by improving tea husbandry and harvest operations to more closely mimic the estate's standards and productivity, and perhaps by expanding the acreage under smallholder tea. However, in the long run, value-addition and ability to influence prices of greenleaf and made tea are the most definitive ways of ensuring economic improvement. Fairtrade has a role to play in such a context by providing support to smallholder organizations that are ambitious to set up their own processing facilities through development of a long term feasibility and financial plan.

For workers at Satemwa, working as labourers on the estate seems to be one of many sources of household income and often not the primary source. Although Satemwa management claims it provides its workers with wages that are well above the national minimum, the workers themselves still feel the wages are inadequate.

In environmental terms, all of the organizations are aware in a general way of the risks posed by climate change. However, none appears to have a clear idea of specifically what might happen or how to mitigate the impacts.

**To download the full research report, go to:** [www.fairtrade.net/fileadmin/user\\_upload/content/2009/resources/2013-04-Malawi-Fairtrade-Impact-FinalLR.pdf](http://www.fairtrade.net/fileadmin/user_upload/content/2009/resources/2013-04-Malawi-Fairtrade-Impact-FinalLR.pdf)



## 7.5 Fact file: Fairtrade sugar

- Fairtrade sugar continued to see strong growth in sales and production levels during 2012.
- At the end of 2012 there were 84 producer organizations in 18 countries holding Fairtrade certification for sugar, a further increase on the 2011 levels.
- The volumes of sugar reported sold as Fairtrade grew by 23 percent on 2010–11 levels.
- Large organizations of sugar farmers in Belize and Fiji continued to generate the most Fairtrade sales volumes of any origin, but sales from Paraguay and from African origins such as Mauritius and Malawi also grew in importance.
- In 2012, new sugar origins included Mozambique, Jamaica, and Swaziland. Producers in Mozambique and Swaziland developed projects for improving storage of chemicals, mobile toilets in the fields, and separate washroom facilities for men and women.
- Overall, the certifiable volume for sugar grew to over 717,000 MT. The volumes of available Fairtrade-certifiable sugar therefore outstrip current Fairtrade sales volumes.
- Sugar producers that were Fairtrade certified and eligible to make Fairtrade sales during the **full reporting period** sold 46 percent of their production as Fairtrade on average. Given the rapid growth in certifiable volumes during 2012 sales volumes will also need to increase significantly in the next reporting period to maintain this sales proportion.
- The Fairtrade system has developed new sourcing opportunities for sugar, allowing companies to source and use Fairtrade sugar in more flexible ways within their products. This should start to generate new market opportunities for Fairtrade sugar producers. For more information about the Fairtrade Sourcing Program for sugar, and how it is designed to help farmers sell more of their sugar on Fairtrade terms, go to [www.fairtrade.net/fsp-overview.html](http://www.fairtrade.net/fsp-overview.html)
- Fairtrade's global strategy for sugar focuses on supporting farmers in ACP (African, Caribbean and Pacific) and least-developed countries, recognizing that sugar farmers there experience very low prices and are not prepared for the challenges of operating in fully liberalized trade environments. New rules in Europe abolishing quotas for sugar beet and isoglucose from 2017 will negatively impact on farmers in these countries. Fairtrade is working with producers and companies to consider how we can develop adaptation strategies.
- In April 2014, Manduvira, a Fairtrade sugar cooperative in Paraguay, proudly inaugurated the world's first producer-owned organic sugar mill allowing the cooperative and their farmer members to capture more value from their sugar production and processing.
- A Fairtrade Africa sugar network was established to bring together sugar producers from across Africa, reflecting the growth in certification of sugar producers in African countries. The network held its first meeting in South Africa in 2013.
- Several countries have taken steps to support the uptake of Fairtrade certification or practices in sugar. In Fiji and Swaziland, the government has implemented policies to ban the herbicides that are banned by Fairtrade. Mauritius, Swaziland, Jamaica and Fiji have made policy supporting Fairtrade, and are supporting Fairtrade certification connected to market demand as a programme for small farmers in their countries. Through market demand these producers can use the Fairtrade Premium to improve agriculture and yield and thus their income.

FIGURE 7.21

**Fairtrade sugar: Number of producer organizations with Fairtrade sugar certification 2007–2012**

Number of product certifications

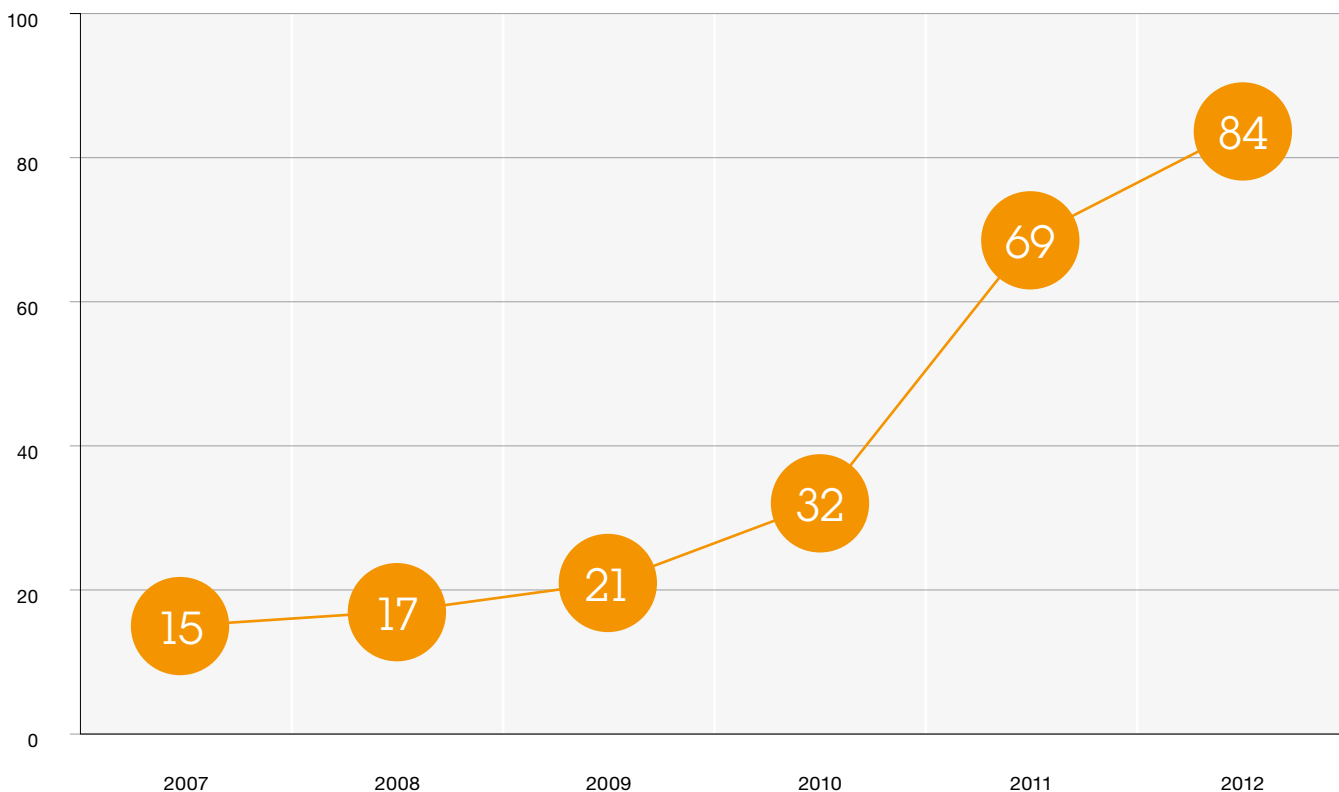
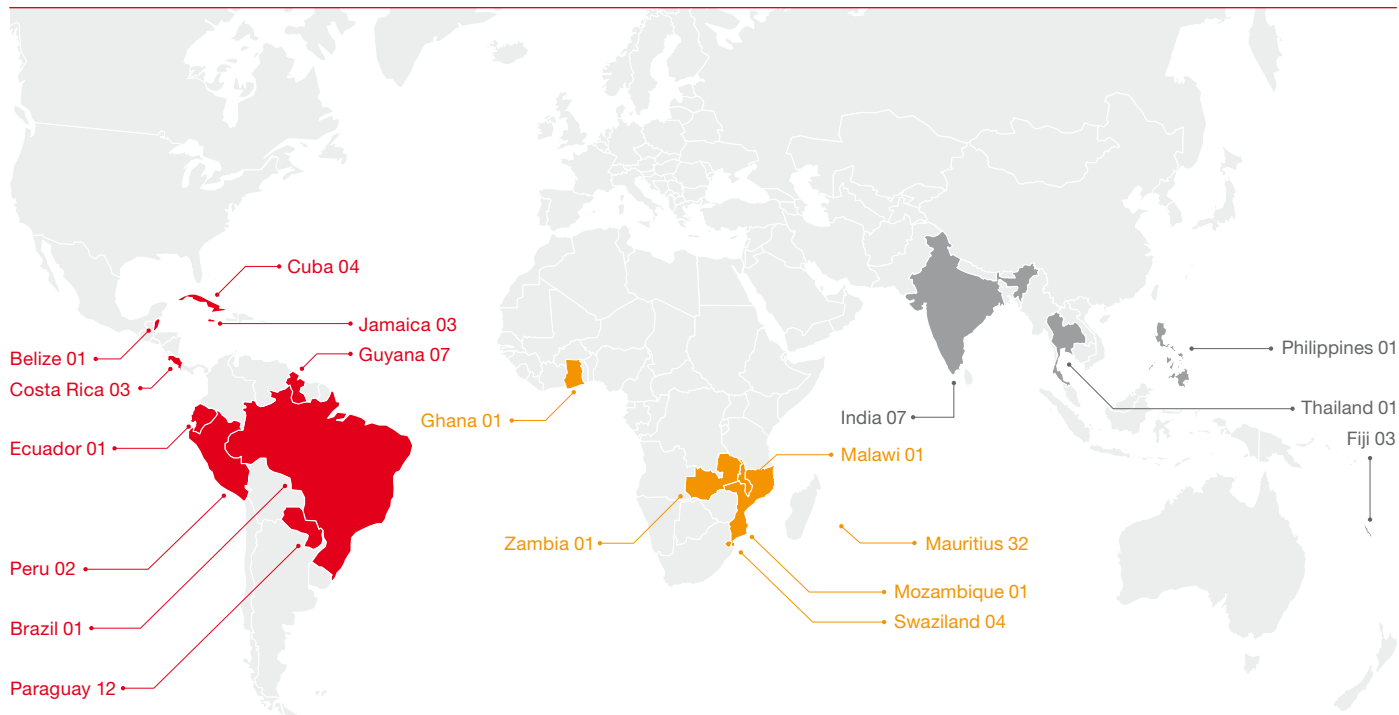


FIGURE 7.22

**Fairtrade sugar: Producer organizations with Fairtrade sugar certification 2012**



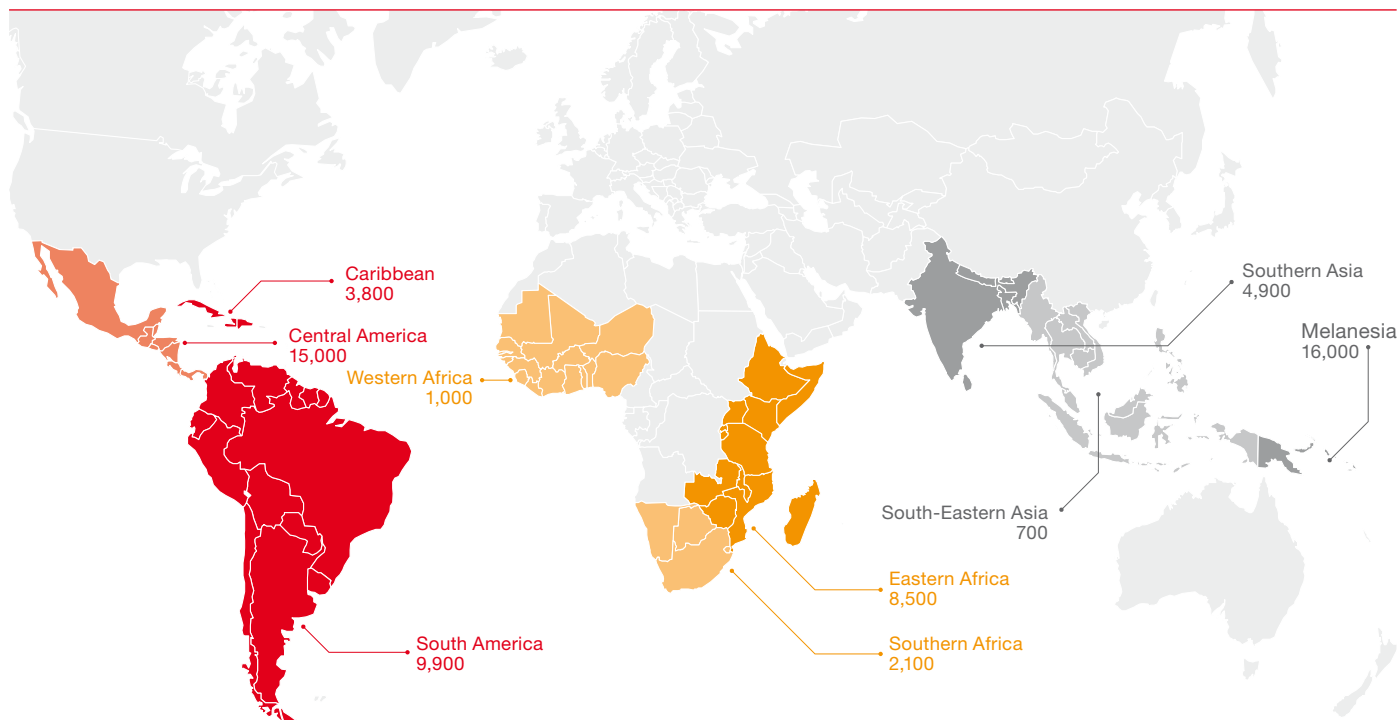
**Latin America and the Caribbean**  
32

**Africa and the Middle East**  
40

**Asia and Oceania**  
12

**Grand Total**  
84

FIGURE 7.23

**Fairtrade sugar: number of farmers by region 2012****Latin America and the Caribbean**

28,700

**Africa and the Middle East**

11,600

**Asia and Oceania**

21,500

**Grand Total**

61,800

TABLE 7.5

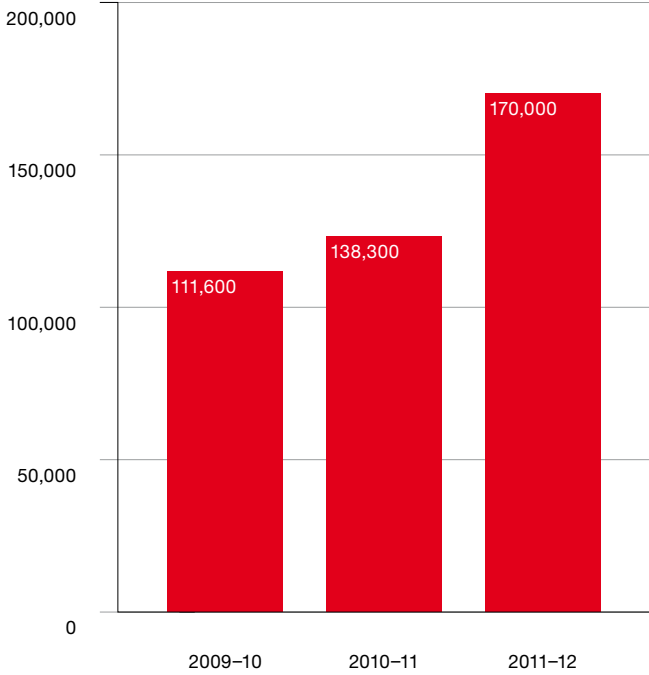
**Fairtrade sugar: Key data 2011–12**

	2011–12	2010–11	Percentage change
Total number of farmers	61,800	37,200	66%
Total number of hectares under Fairtrade sugar cultivation	157,400	79,300	98%
Total certifiable volume (MT)	717,300	533,900	34%
Organic Fairtrade-certifiable volume (MT)	82,500	57,500	43%
Total Fairtrade sales volume (MT)	170,000	138,300	23%
Total Fairtrade Premium received (€)	9,244,400	7,370,000	25%

FIGURE 7.24

**Fairtrade sugar: Fairtrade sales volumes and Fairtrade Premium received 2009–2012**

**Fairtrade sugar volumes sold (MT)**



**Fairtrade Premium received (€)**

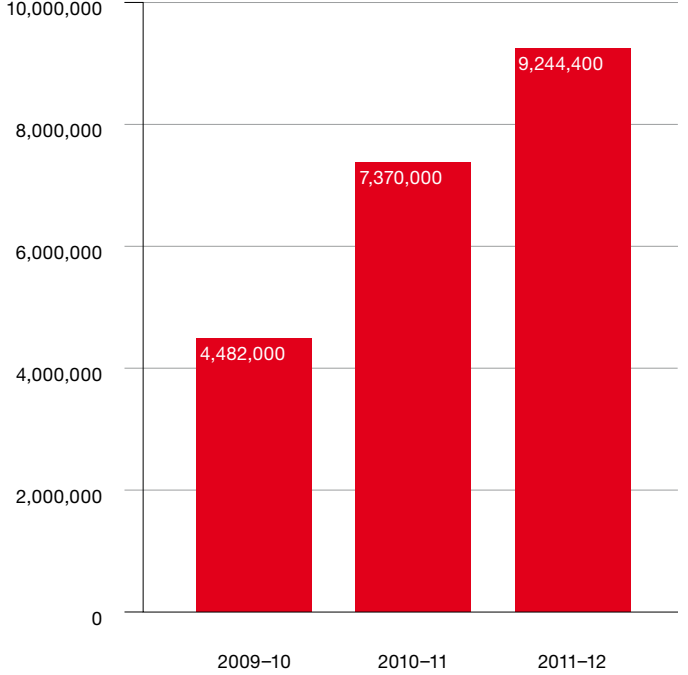
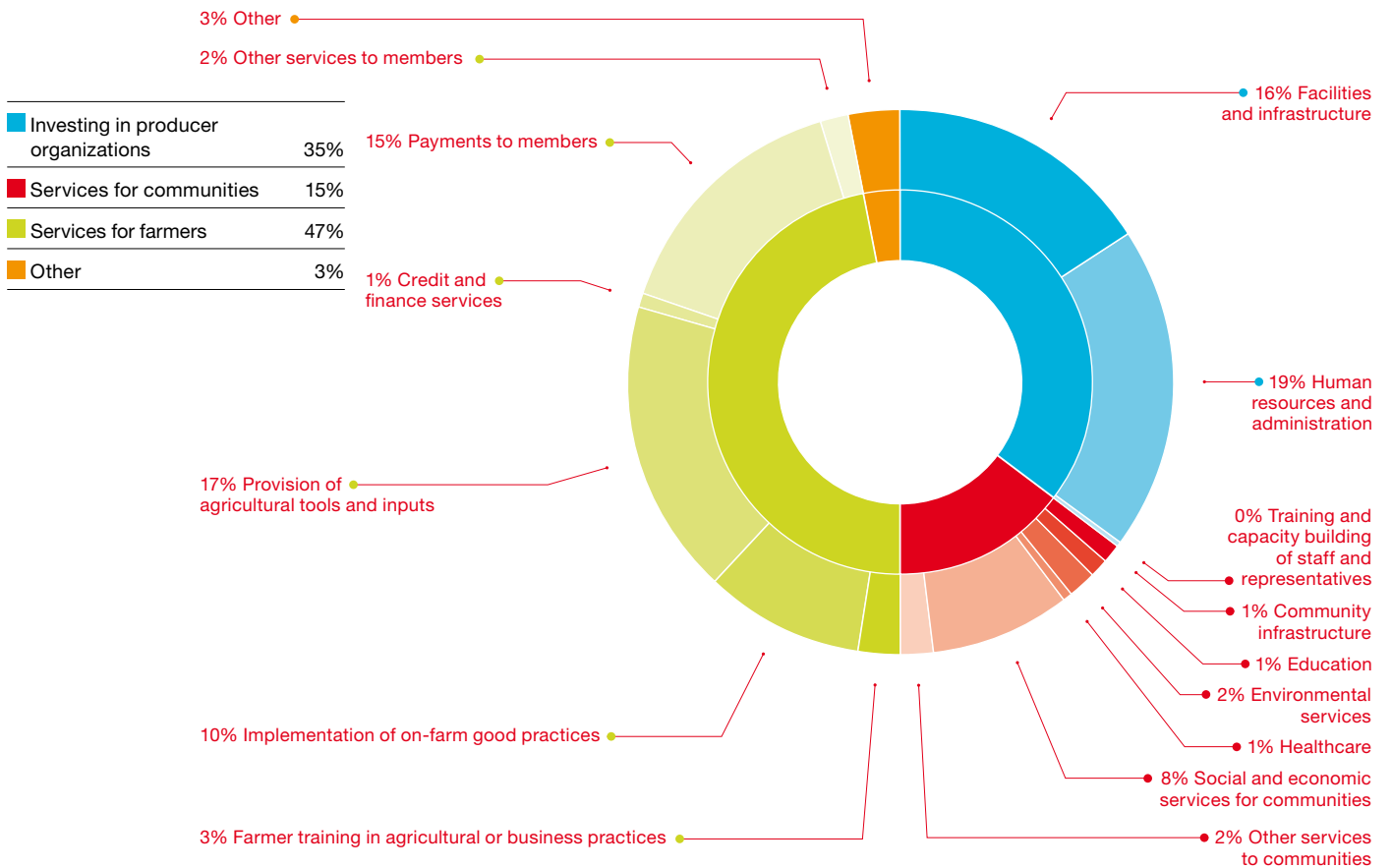


FIGURE 7.25

**Fairtrade sugar: Fairtrade Premium use 2011–12**



## Average area of Fairtrade sugar cultivated per farmer 2012 (hectares)

Africa and the Middle East	1.1
Asia and Oceania	3.5
Latin America and the Caribbean	2.5
<b>World</b>	<b>2.6</b>

## Fairtrade sugar: Top five selling countries by volume 2011-12 (MT)

Belize	67,000
Fiji	43,700
Paraguay	29,900
Mauritius	18,200
Malawi	7,700

### Research Insight: Improving quality and living standards for Malawi sugar farmers

Fairtrade has been tracking the experiences of Fairtrade certified producer groups in Malawi since 2009, in a longitudinal research project led by Natural Resources Institute at University of Greenwich. The research includes a Fairtrade sugar producer, Kasinthula Cane Growers Association. In 2012 the second research phase was undertaken, allowing comparison of the 2012 situation of the Fairtrade producers with the 2009 and 2010 findings. The researchers synthesised findings from both the first and second phases of the research to draw out the key trends in, and future prospects for, Fairtrade sugar in Malawi.

The research found that Kasinthula farmers' standards of living are well above those of their non-member neighbours (who do not grow sugar cane commercially and have little or no access to irrigated land). Since 2010, most member families have upgraded their houses, have purchased bicycles, are able to pay school fees and have invested in some form of diversified income generation to their core business of growing sugar cane (livestock, transport, houses for rent).

The potentially negative impacts of this have been mitigated by Fairtrade Premium-funded development projects that benefit the wider community, which include boreholes, and the building of a primary school. Kasinthula has also been expanding to include more farmers from the vicinity in the Association.

The research found that the quality of cane has improved slightly over the last two years because of the introduction of a new variety of cane. The quality (i.e. sucrose content) produced by small farmers in Kasinthula is actually better than that of the nearby estate.

However the technical knowledge and motivation for farmers to produce quantity and quality need to be increased further through new payments structures and training. At the time of the research, farmers were receiving a set monthly payment plus benefits in kind from a 40 percent share of the Fairtrade Premium. This does not provide incentives to produce more cane or to improve cane quality. New payment incentives were planned to be implemented during 2013, where a bonus payment will be paid to each farmer in accordance with their production.

Kasinthula farmers and leaders are aware in a general way of the risks posed by climate change. However, they do not have a clear idea of specifically what might happen or how to mitigate its impacts.

## 7.6 Fact file: Fairtrade seed cotton

- At the end of 2012, 33 producer organizations held Fairtrade certification for seed cotton in eight countries, a slight reduction on the previous year's figures. There were 18 small producer organizations, with a concentration in West Africa, and 15 contract production organizations in India.
- The cotton plots of Fairtrade farmers in India were twice as large on average as those in Africa, at 1.7 and 0.9 hectares respectively.
- Fairtrade cotton continued to face a challenging market environment in 2011–12, with drops in sales volumes and Fairtrade Premium receipts. Because the Fairtrade data for seed cotton is not as current as for other products, this rapid fall in sales primarily reflects the situation in 2011 with some stabilization following in 2012.
- A large cotton producer in Cameroon stopped its Fairtrade certification in the face of the market challenges in 2012.
- Despite the lacklustre performance of the Fairtrade cotton market, there were new organizations certified in 2012, and overall the number of farmers and hectares under Fairtrade cultivation grew in 2012.
- There was a total Fairtrade-certifiable production volume for cotton of 50,600MT by end of 2012.
- Cotton producers that were Fairtrade certified and eligible to make Fairtrade sales during the **full reporting period** sold just 13 percent of their production as Fairtrade on average.
- In 2013, recognising the challenges for Fairtrade cotton, Fairtrade developed new sourcing opportunities for cotton. These will allow companies to source and use Fairtrade cotton in more flexible ways. This should start to generate new market opportunities for Fairtrade cotton producers. For more information about the Fairtrade Sourcing Program for cotton, and how it is designed to help farmers sell more of their cotton on Fairtrade terms, go to [www.fairtrade.net/fsp-overview.html](http://www.fairtrade.net/fsp-overview.html)
- Fifty-eight percent of all Fairtrade producer organizations held an organic certification in 2012.
- Fairtrade producers reported Fairtrade Premium receipts of €662,000 in 2011–12.
- Around 45 percent of Fairtrade Premium expenditure was invested in producer organizations, particularly in developing facilities and infrastructure. A further 39 percent was spent on community projects, primarily for education.



### InBrief

Farmers in Senegal seeking appropriate partners for a long-term relationship.

<http://vimeo.com/85454316>

TABLE 7.6

## Fairtrade seed cotton: Key data 2012

	2011–12	2010–11	Percentage change
Total number of farmers	73,400	66,500	10%
Total number of hectares under Fairtrade seed cotton cultivation	92,800	70,700	31%
Total certifiable volume (MT)	50,600	48,100	5%
Percentage of Fairtrade seed cotton producer organizations holding organic certification	58%	57%	
Total Fairtrade sales volume (MT)	6,400	20,800	-69%
Total Fairtrade Premium received (€)*	662,000	1,167,000	-43%



FIGURE 7.26

**Fairtrade seed cotton:  
Number of producer organizations with Fairtrade seed cotton certification 2007-2012**

Number of product certifications

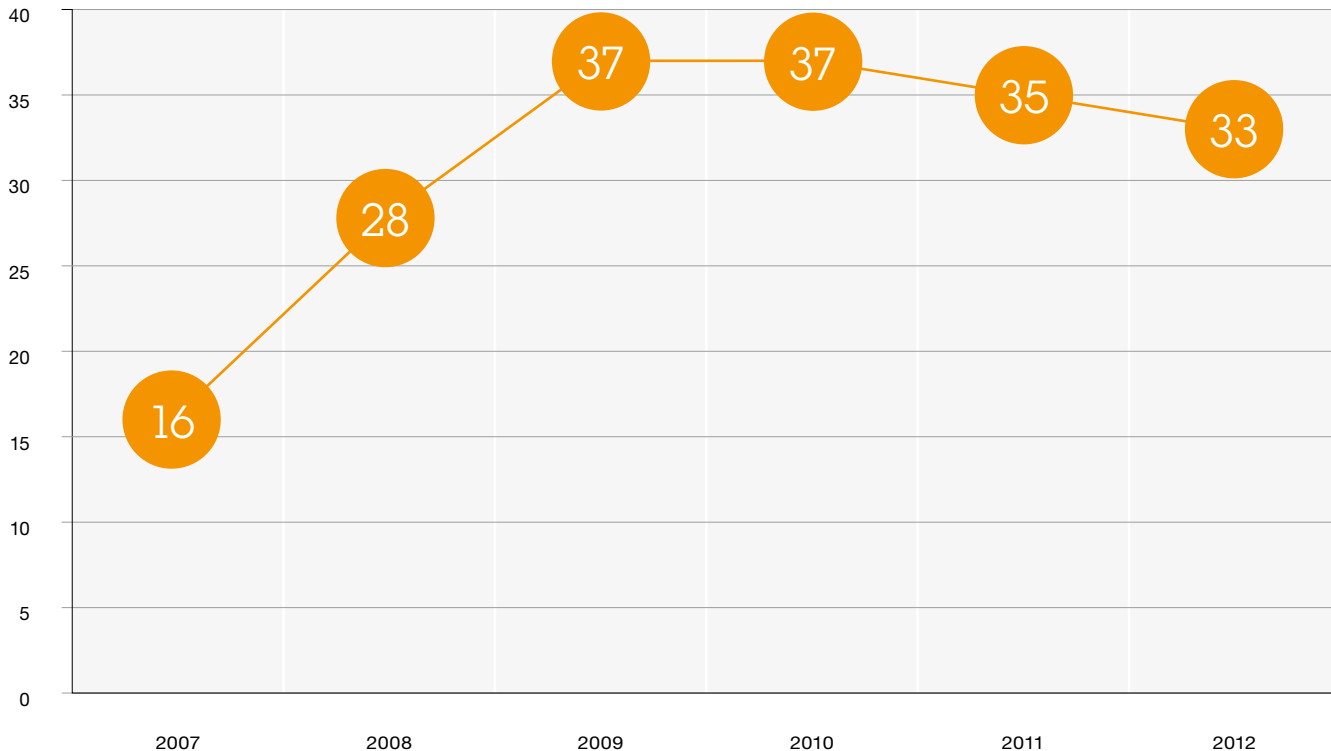
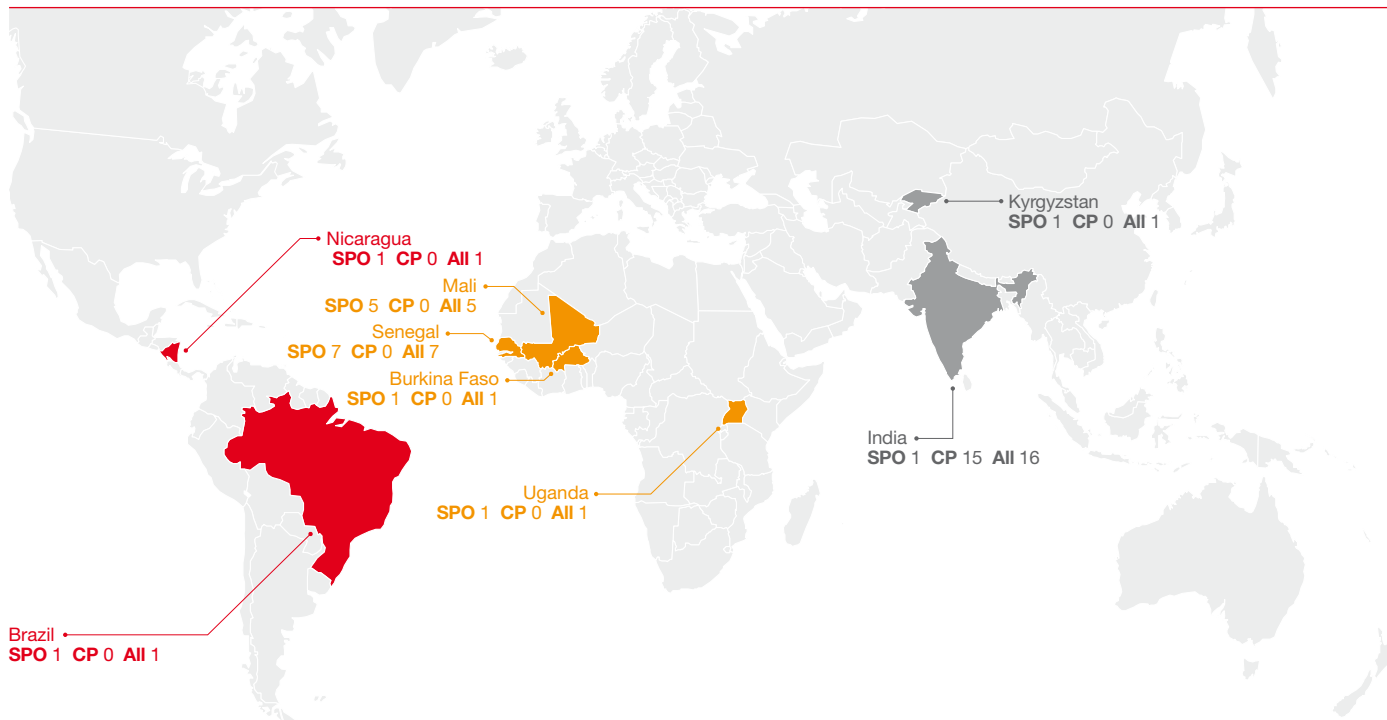


FIGURE 7.27

**Fairtrade seed cotton: Producer organizations with Fairtrade seed cotton certification 2012**



SPO Small Producer Organization  
CP Contract Production Organization

**Grand Total**  
SPO 18 CP 15 All 33

FIGURE 7.28

**Fairtrade seed cotton: Number of farmers by country 2012**



**Latin America and the Caribbean**

SPO 100 CP 0  
All 100

**Africa and the Middle East**

SPO 38,500 CP 0  
All 38,500

**Asia and Oceania**

SPO 7,700 CP 27,000  
All 34,700

**Grand Total**

SPO 46,400 CP 27,000  
All 73,400

Data only for producer organizations registering seed cotton as their first certified product

# Cotton Farmers Take the Lead in India

# PRODUCER REPORT

Making the leap from a group of individual cotton farmers to a full-fledged, farmer-owned producer organization is a long road. But the members of the Pratima Organic Growers Group chased their dream and established their group in just three and a half years.

"The most interesting part about Fairtrade for the farmers is leadership and ownership. It is a dream for them, owning their own organization and commanding all the responsibilities," said Pravakar Meher, Project Director.

Read the full story here: <http://bit.ly/1xBXfpl>



FIGURE 7.29

**Fairtrade seed cotton: Fairtrade Premium received 2009–2012**

Fairtrade premium received (€)

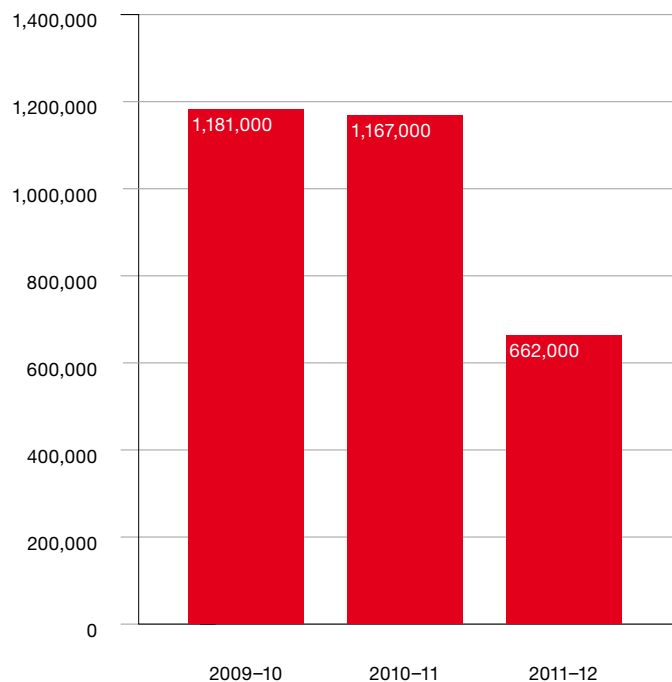
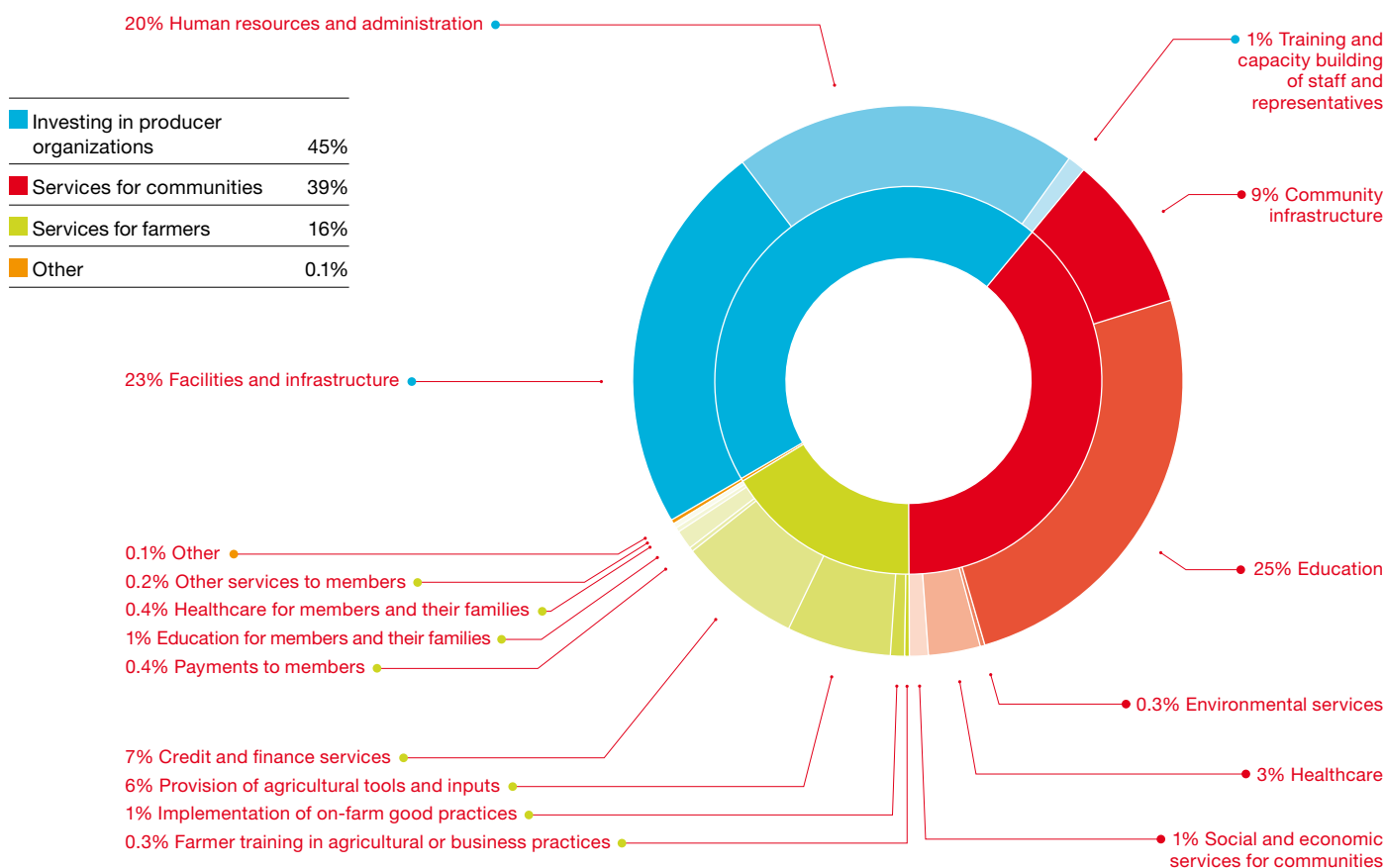


FIGURE 7.30

**Fairtrade seed cotton: Fairtrade Premium use 2011-12**



---

**Average area of Fairtrade seed cotton cultivated per farmer 2012 (hectares)**

---

Africa and the Middle East	0.9
Asia and Oceania	1.7
Latin America and the Caribbean	0.8
<b>World</b>	<b>1.3</b>

## 7.7 Fact file: Fairtrade flowers

- At the end of 2012 there were 52 producer organizations in six countries with a Fairtrade certification for flowers and plants. More than half of these organizations are in Kenya, with Ecuador as the next most important origin.
- More than 50,000 workers were employed on Fairtrade flower farms in 2012, and more than 48,000 of these workers are in Africa, mainly Kenya and Ethiopia. In Ethiopia, one of the largest flower farms in the world gained Fairtrade certification in 2012.
- The total production capacity of Fairtrade flowers was 2.8 million stems at the end of 2012.
- The volume of sales grew by nearly 40 percent to 554 million stems in 2012. This was primarily the result of significant increases in market sales in Germany.
- Flower producers that were certified and eligible to make Fairtrade sales during the **full reporting period** sold 21 percent of their production as Fairtrade on average.
- In 2012 the Fairtrade flower plantations reported receiving Fairtrade Premium payments of €4.7 million in total.
- Seventy percent of all Fairtrade Premium expenditure on flower farms was used to support services for workers and their families. This included 24 percent used to support education for workers and their families, 14 percent for improvements to worker housing, and 11 percent for financial and credit services for workers.
- Eighteen percent of the Fairtrade Premium was used to fund community services—mostly supporting education services within communities—for example through the renovation of school buildings, and the provision of bursaries for students.
- The remaining 12 percent of the Fairtrade Premium was used for training and empowerment of workers, of which more than half was spent on training for workers and their representatives, and the remainder for supporting the running costs and development of worker organizations including the Fairtrade Premium Committee.

FIGURE 7.31

### Fairtrade flowers: Number of producer organizations with Fairtrade flowers certification 2007–2012

Number of product certifications

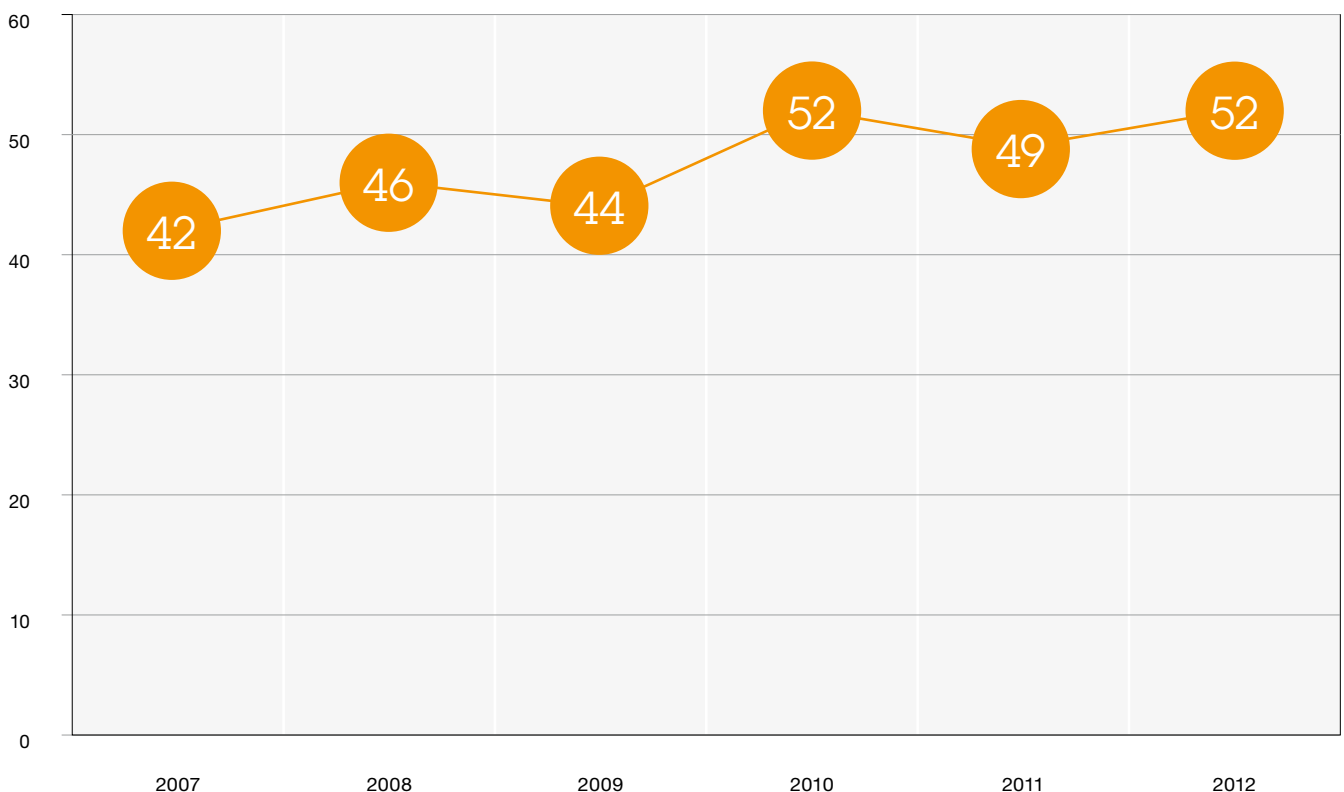
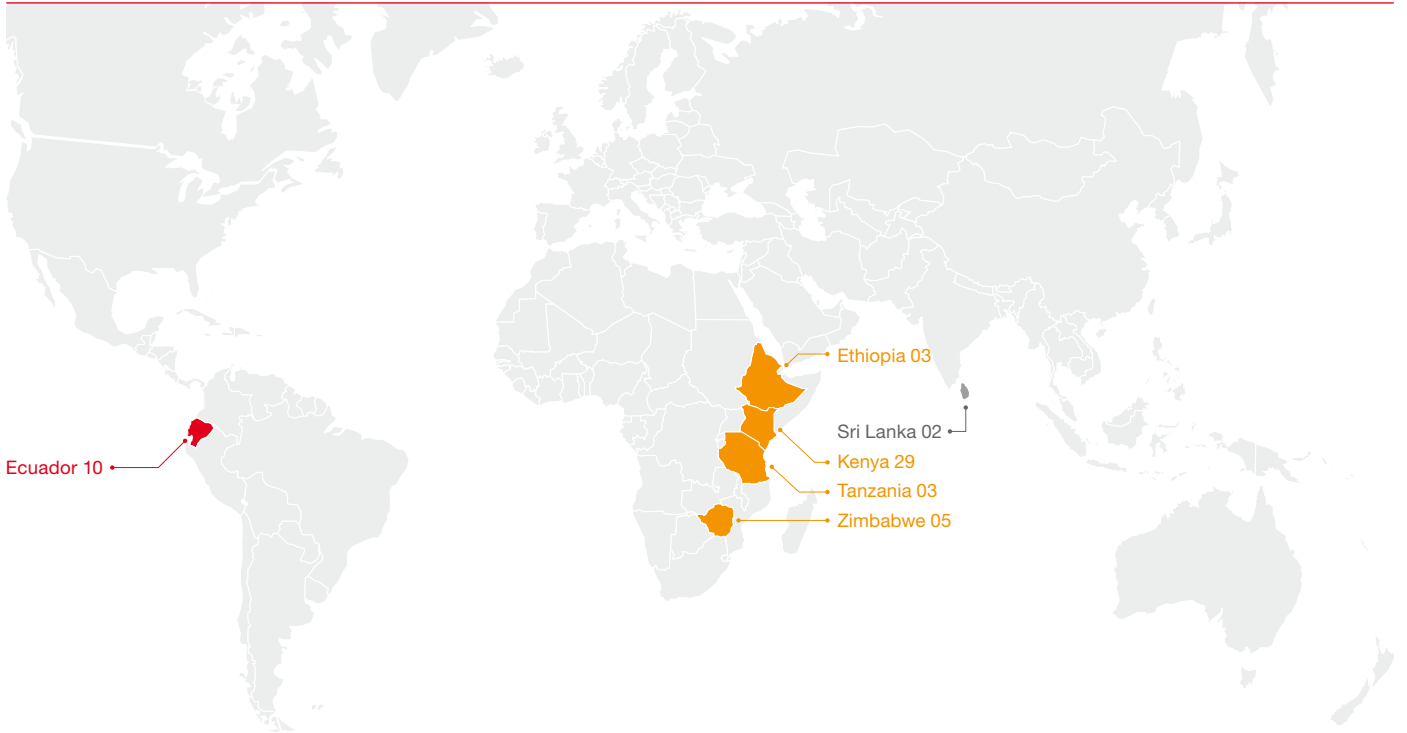


FIGURE 7.32

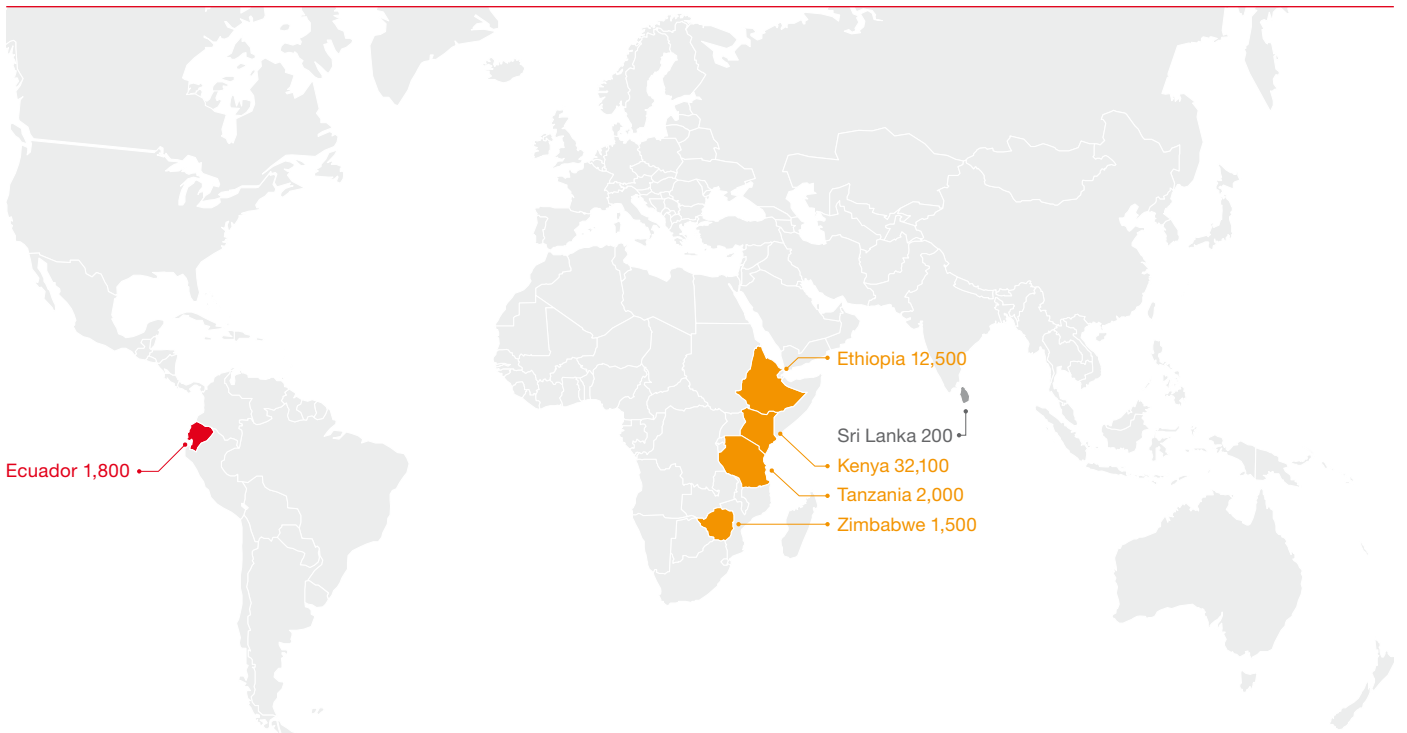
**Fairtrade flowers: Producer organizations with Fairtrade flowers certification 2012**



**Total 52**

FIGURE 7.33

**Fairtrade flowers: Number of workers by country 2012**



**Latin America  
and the Caribbean**  
1,800

**Africa and  
the Middle East**  
48,100

**Asia and Oceania**  
200

**World**  
50,000



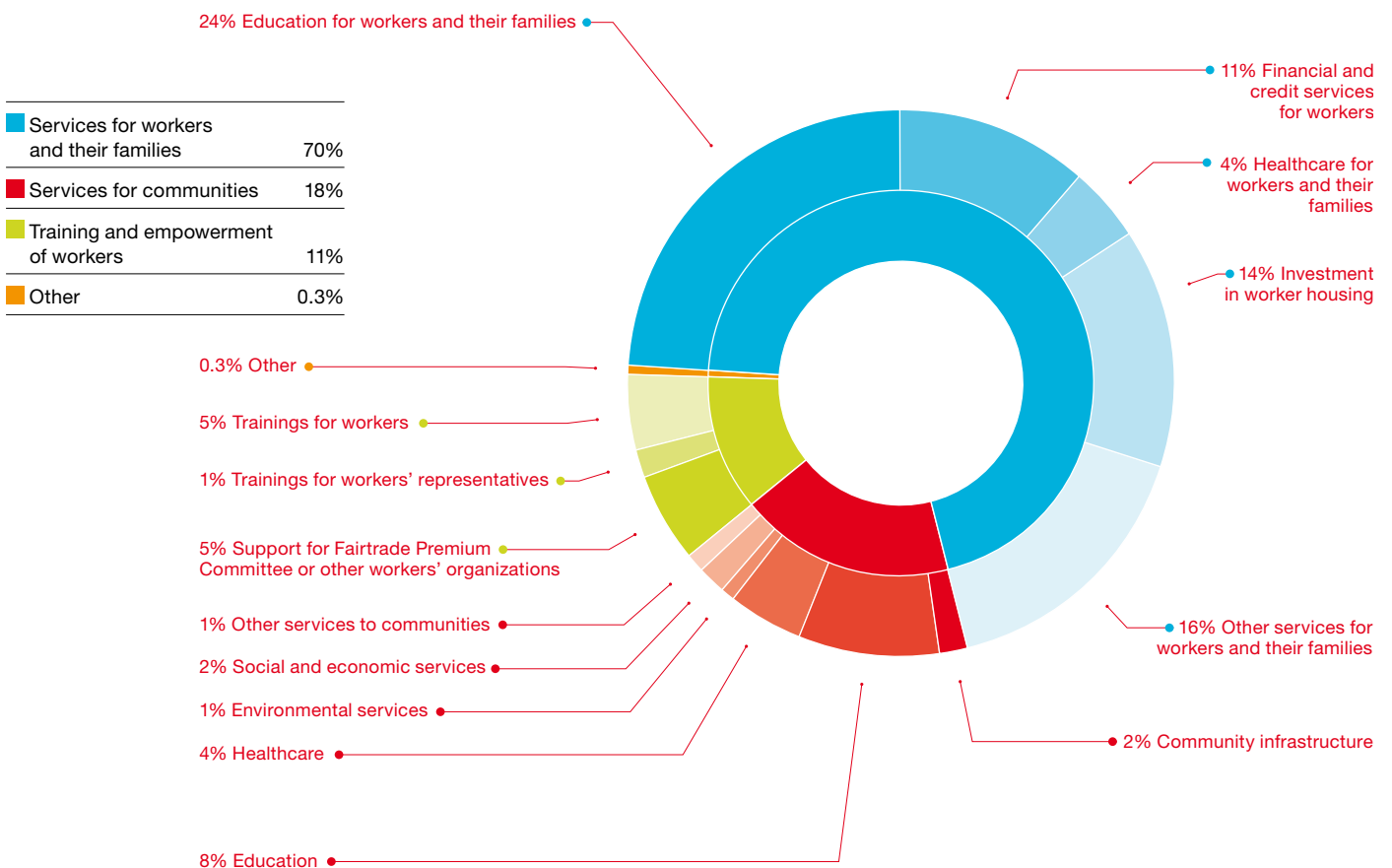
TABLE 7.7

**Fairtrade flowers: Key data 2012**

	2011-12	2010-11	Percentage change
Total number of workers	50,000	37,500	33%
Total certifiable volume (stems)	2,813,288,100	1,949,000,000	44%
Total Fairtrade sales volume (stems)	554,440,000	400,000,000	39%
Total Fairtrade Premium received (€)	4,718,500	3,825,000	23%

FIGURE 7.34

**Fairtrade flowers: Fairtrade Premium use 2011-12**



**Fairtrade flowers production capacity (stems):  
Top five countries 2011-12**

Kenya	1,491,937,200
Ethiopia	891,720,000
Zimbabwe	128,778,300
Ecuador	104,525,500
Tanzania	93,955,800

**Fairtrade flowers:  
Top five selling countries by volume 2011-12 (stems)**

Kenya	328,736,300
Ethiopia	166,726,200
Tanzania	33,097,300
Ecuador	20,802,100
Zimbabwe	3,408,200



**08**

**FOCUS ON  
FAIRTRADE  
REGIONS**

## 8.1 Fairtrade in Africa and the Middle East 2012

- At the end of 2012 there were 390 Fairtrade certified producer organizations in 31 countries in Africa and the Middle East, a significant increase on 2011 levels.
- Of these, 290 were small producer organizations and 100 were hired labour organizations.
- Reported Fairtrade Premium revenues to producers in Africa and the Middle East totalled nearly €20 million in 2011–12, and accounted for 23 percent of global Fairtrade Premium flows, though the continent represents 61 percent of all farmers and workers in Fairtrade.
- Thirty-six percent of reported Fairtrade Premium revenues to Africa and the Middle East flowed to Ghana and Côte d'Ivoire, reflecting the importance of West African cocoa in Fairtrade. Twenty-one percent of all Fairtrade Premium went to Kenya.
- Products from Tanzania, Uganda, Malawi and Ethiopia continued to grow in importance for Fairtrade in Africa.
- Cocoa sales accounted for 35 percent of all Fairtrade Premium in the region, in comparison to 21 percent in 2010–11. Cocoa producers from Sierra Leone and Liberia were starting to join Fairtrade during 2012.
- More than 40 percent of all Fairtrade hired labour workers are based in Africa, and 46 percent of hired labour organization Fairtrade Premium revenues are received by African plantations. This reflects the importance of African plantations in producing Fairtrade flowers, wine grapes, and tea.
- Since the African hired labour organizations capture a large proportion of the Fairtrade Premium flows to Africa, the average *per capita* Fairtrade Premium for Fairtrade small producer organization members is lower than for other regions.
- The African producer network Fairtrade Africa continued its work to strengthen relationships and networking between African producers. A survey with its members showed that African producers appreciate and find useful a range of services provided by the network. Their responses are summarized below.
- Fairtrade Africa continued to strengthen its country networks. In 2012 the Fairtrade Africa Ghana Network invited two social lenders, ResponsAbility and Shared Interest, to attend the Ghana Fairtrade breakfast. These networks presented their financing options to producer organizations. Since the meeting, a total of \$81,433 has been disbursed to two small producer organizations producing pineapples to support increased production. In addition, a loan of \$2.5 million was approved to enable a Fairtrade certified processor in Ghana to increase its production capacity. This means that the processor will be able to increase the amount of product it can receive from the seven certified citrus producer organizations in Ghana.

**opposite:** Workers at the Xuan En Yisheng Tea Cooperative harvest tea. ©Wai-yu Lam

TABLE 8.1

**Fairtrade in Africa and the Middle East 2012**

	Number of members and workers in Fairtrade producer organizations 2012	Fairtrade Premium receipts 2011-12 (€ millions)
Small Producer Organizations	781,500	14.1
Hired Labour Organizations	78,600	5.6
<b>Africa and the Middle East Total</b>	<b>860,100</b>	<b>19.7</b>
Percentage of global total Small Producer Organizations	64%	19%
Percentage of global total Hired Labour Organizations	42%	46%
<b>Percentage of global total overall</b>	<b>61%</b>	<b>23%</b>

**Fairtrade in Africa and the Middle East: Top ten countries Fairtrade farmers and workers 2012**

	Total farmers and workers	Percentage of all the Fairtrade farmers and workers in Africa and the Middle East
Kenya	265,800	31%
Tanzania	157,400	18%
Ethiopia	121,900	14%
Ghana	95,400	11%
Uganda	48,000	6%
Côte d'Ivoire	35,000	4%
Malawi	25,900	3%
Rwanda	18,900	2%
Mali	16,400	2%
Burkina Faso	13,500	2%
<b>Top ten countries total</b>	<b>798,200</b>	<b>93%</b>

### Fairtrade in Africa and the Middle East: Top ten Fairtrade Premium receiving countries 2011-12

	Total Fairtrade Premium revenues (€)	Percentage of total Africa and the Middle East Fairtrade Premium revenues
Ghana	4,808,000	24%
Kenya	4,157,000	21%
Côte d'Ivoire	2,348,000	12%
Tanzania	2,289,000	12%
Ethiopia	1,889,000	10%
Malawi	1,062,000	5%
South Africa	925,000	5%
Mauritius	676,000	3%
Rwanda	345,000	2%
Uganda	217,000	1%
<b>Top ten countries total</b>	<b>18,717,000</b>	<b>95%</b>

FIGURE 8.1

### Fairtrade in Africa and the Middle East: Fairtrade Premium distribution by product 2011-12

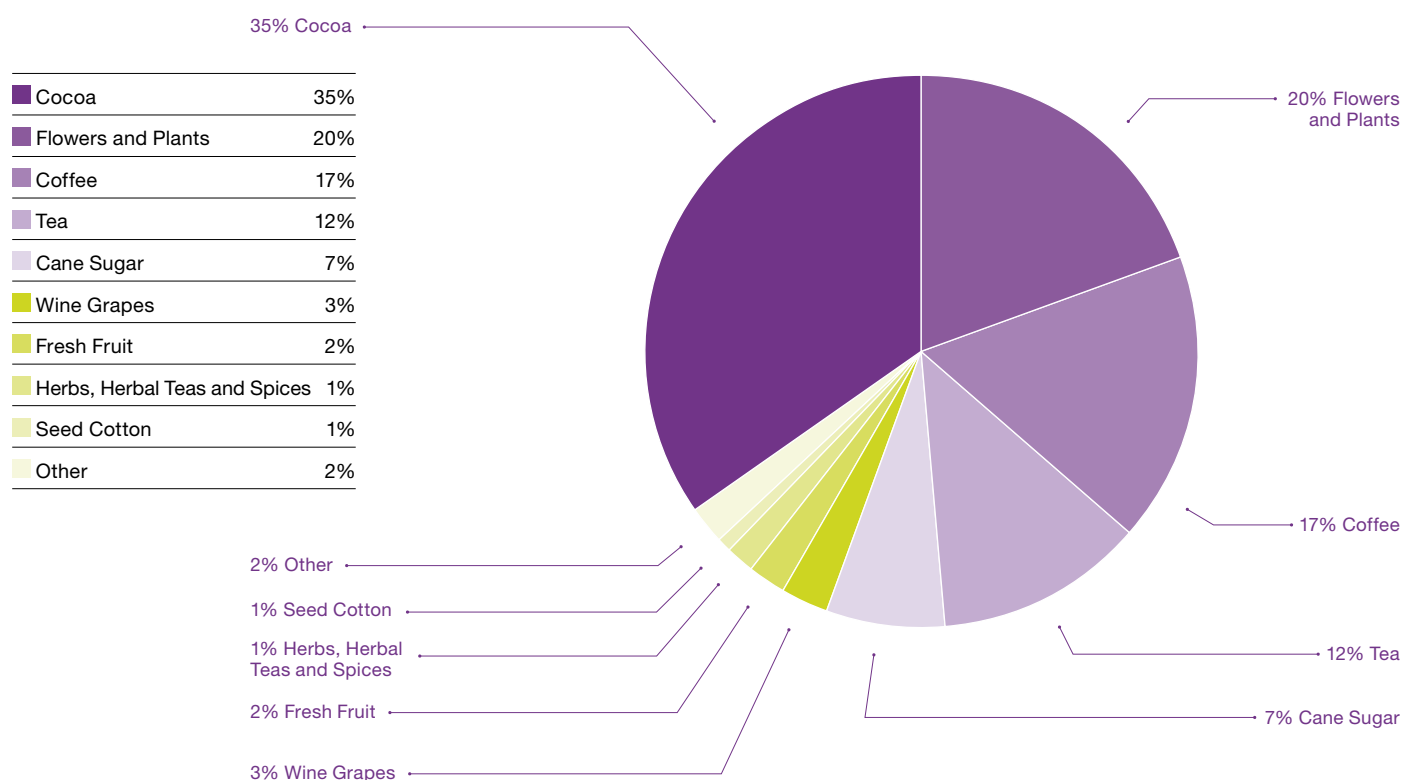




FIGURE 8.2

**Fairtrade in Africa and the Middle East: Producer organizations 2010–2012**

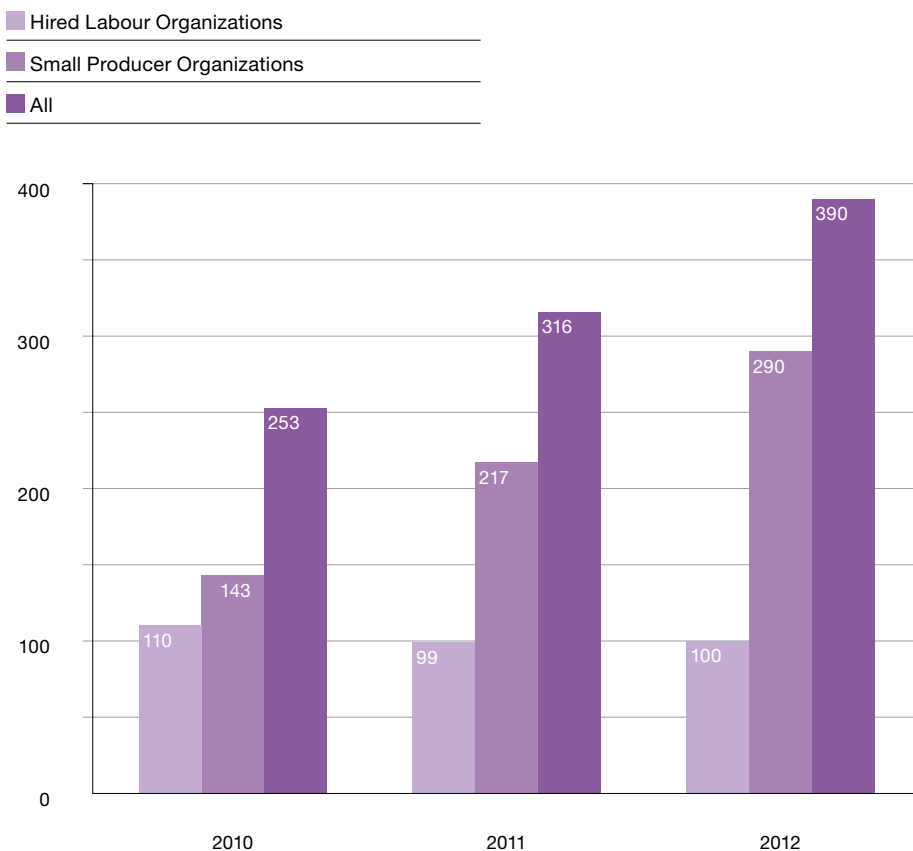
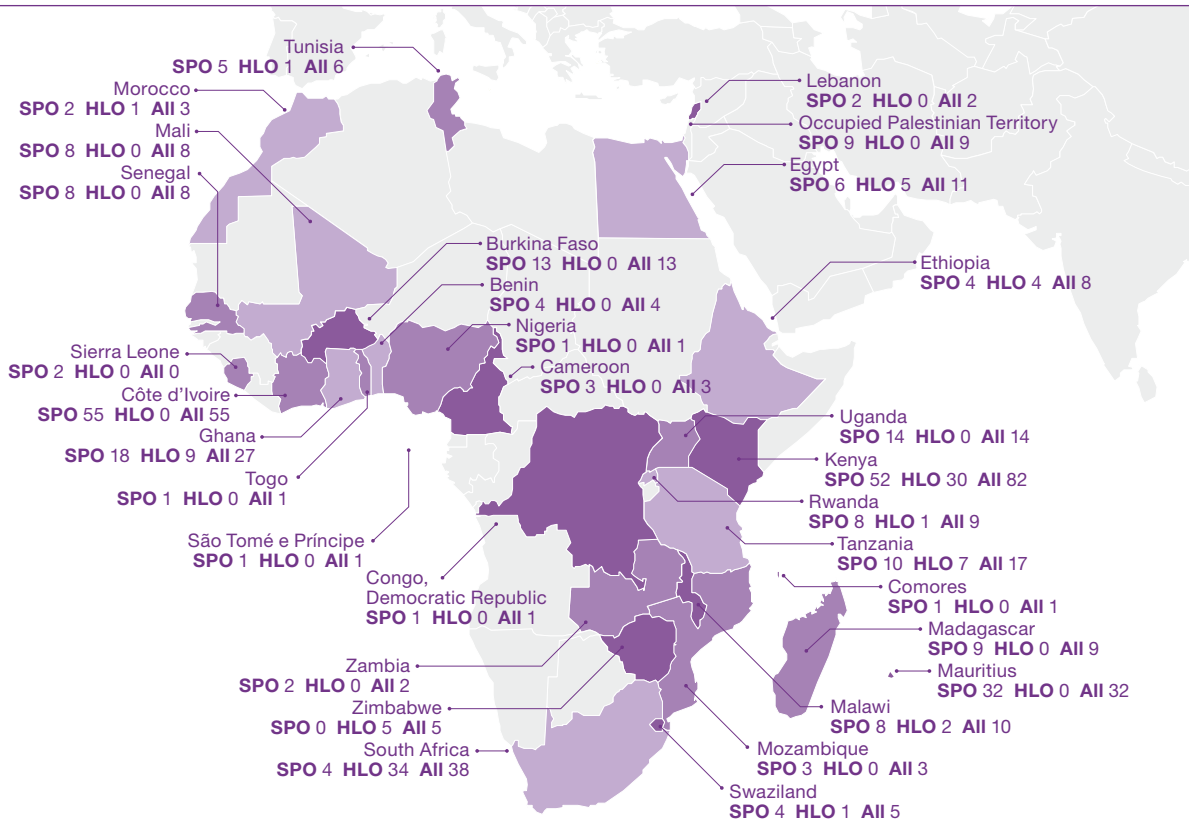


FIGURE 8.3

**Fairtrade in Africa and in the Middle East: Producer organizations by country 2012**



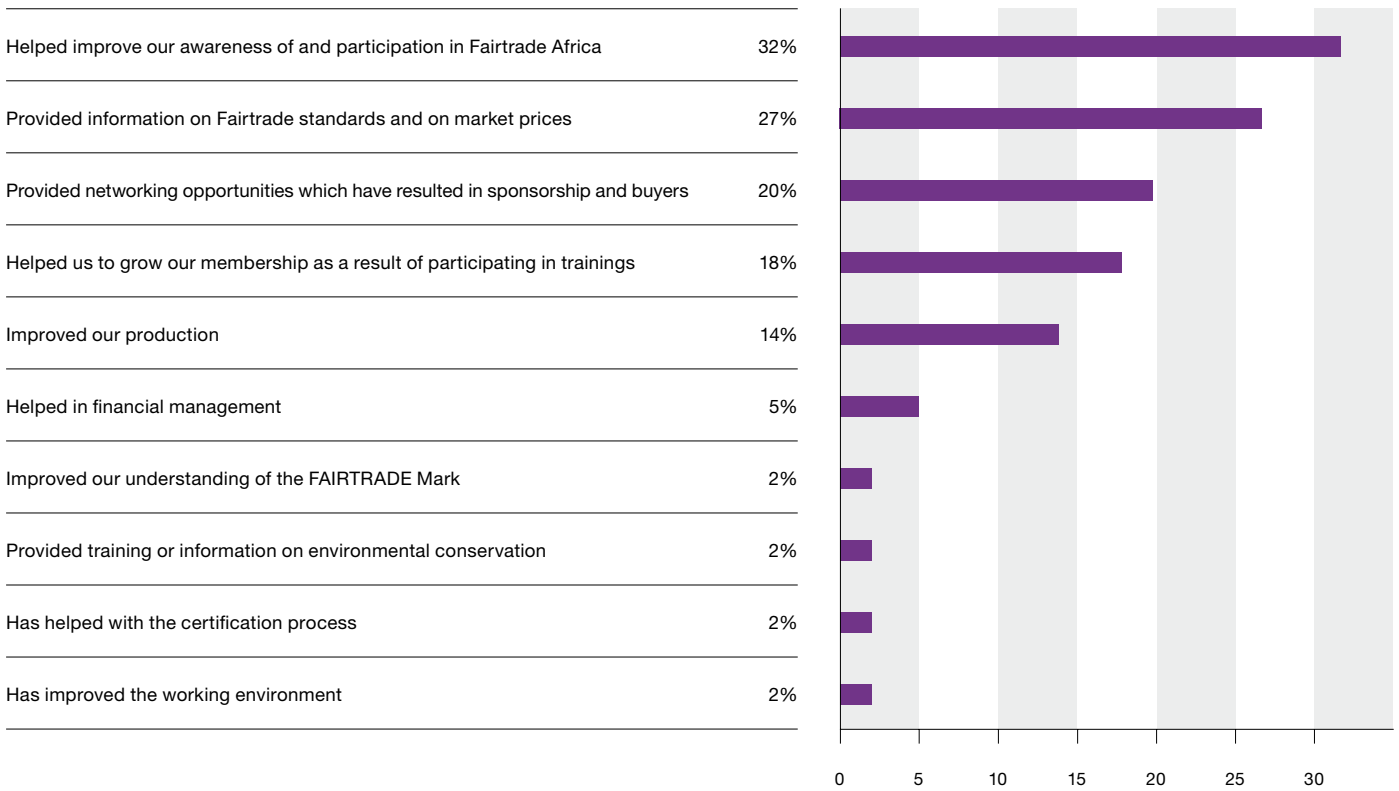
SPO Small Producer Organization  
HLO Hired Labour Organization

**Total**  
**SPO 290 HLO 100 All 390**

**Research insight: Understanding the benefits of producer networks**

Fairtrade Africa, the network of African producers, undertook research with its members to understand more about how producers value and perceive the range of services that Fairtrade Africa offers. The results showed that producers feel they are benefiting from the information provision, training, and networking opportunities that Fairtrade Africa offers.

**Producer organization perceptions of the impact of Fairtrade Africa service delivery**



## 8.2 Fairtrade in Asia and Oceania 2012

- Fairtrade in Asia and Oceania grew strongly in 2012.
- At the end of 2012, there were 161 Fairtrade certified producer organizations in 15 countries in Asia and Oceania, compared with 137 at the end of 2011.
- Of these, 94 were small producer organizations, 22 were contract production organizations, and 45 were hired labour organizations.
- Farmers and workers in Asia and Oceania represent 18 percent of all Fairtrade farmers and workers worldwide, while 11 percent of all Fairtrade Premium revenues were received by producer organizations in Asia and Oceania during 2010–11.
- Workers in hired labour organizations in Asia and Oceania account for more than 50 percent of all workers within the Fairtrade system worldwide. Yet, as in previous years, only 15 percent of the total global Fairtrade Premium flows to Asian hired labour organizations. This reflects the ongoing challenges for South Asian tea estates and sports ball producers to sell a significant percentage of their output as Fairtrade.
- The reported Fairtrade Premium revenues to producers in Asia and Oceania totalled €9.6 million in 2011–12, growing by more than 40 percent compared with 2010–11 levels.
- Eighty-three percent of Fairtrade Premium revenues to Asia and Oceania were received by producers in India, Indonesia, Fiji, and Papua New Guinea. This reflects the importance of Indian tea and seed cotton, coffee from Indonesia and Papua New Guinea, and the rapid growth in importance of sugar from Fiji.
- In terms of distribution of the Fairtrade Premium by product, the growth area in Asia and Oceania in 2012 was coffee, which went from accounting for 21 percent of the Fairtrade Premium in 2010–11, to 41 percent in 2011–12. The 2011 increases in the Fairtrade Premium for coffee underpin this growth. The proportion of the Fairtrade Premium generated by sugar, tea, and cotton producers decreased in comparison.
- Fairtrade staff and partners worked with coffee producers across the region to support growth in sales of Robusta coffee, and to train new coffee producer groups on Fairtrade and productivity improvements.
- The development of Fairtrade in Oceania took important steps forward with the extension of the Fairtrade cocoa standards to include Oceania, and new certifications for coffee producers in Papua New Guinea. Financial support from the New Zealand government will enable the certification of more producer organizations across Oceania.



### InBrief

Two sisters in China sing a song of thanksgiving for their tea harvest.

<http://bit.ly/1oHq8fC>

TABLE 8.2

### Fairtrade in Asia and Oceania 2011–12

	Number of farmers and workers in Fairtrade producer organizations 2012	Fairtrade Premium receipts 2011–11 (€ millions)
Small Producer Organizations and Contract Production	156,500	7.8
Hired Labour Organizations	99,400	1.8
Asia and Oceania Total	255,900	9.6
Percentage of global total Small Producer Organizations and Contract Production	13%	11%
Percentage of global total Hired Labour Organizations	53%	15%
<b>Percentage of global total overall</b>	<b>18%</b>	<b>11%</b>

### Fairtrade in Asia and Oceania: Top five countries Fairtrade farmers and workers 2012

	Total farmers and workers	Percentage of all the Fairtrade farmers and workers in Asia and Oceania
India	137,600	54%
Sri Lanka	26,400	10%
Indonesia	24,800	10%
Timor-Leste	21,600	8%
Fiji	16,000	6%

### Fairtrade in Asia and Oceania: Top five Fairtrade Premium receiving countries 2011-12

	Total Fairtrade Premium revenues (€)	Percentage of total Asia and Oceania Fairtrade Premium revenues
India	3,156,600	33%
Indonesia	2,303,500	24%
Fiji	1,862,000	19%
Papua New Guinea	649,700	7%
China	476,300	5%

FIGURE 8.4

### Fairtrade in Asia and Oceania: Fairtrade Premium distribution by product 2011-12

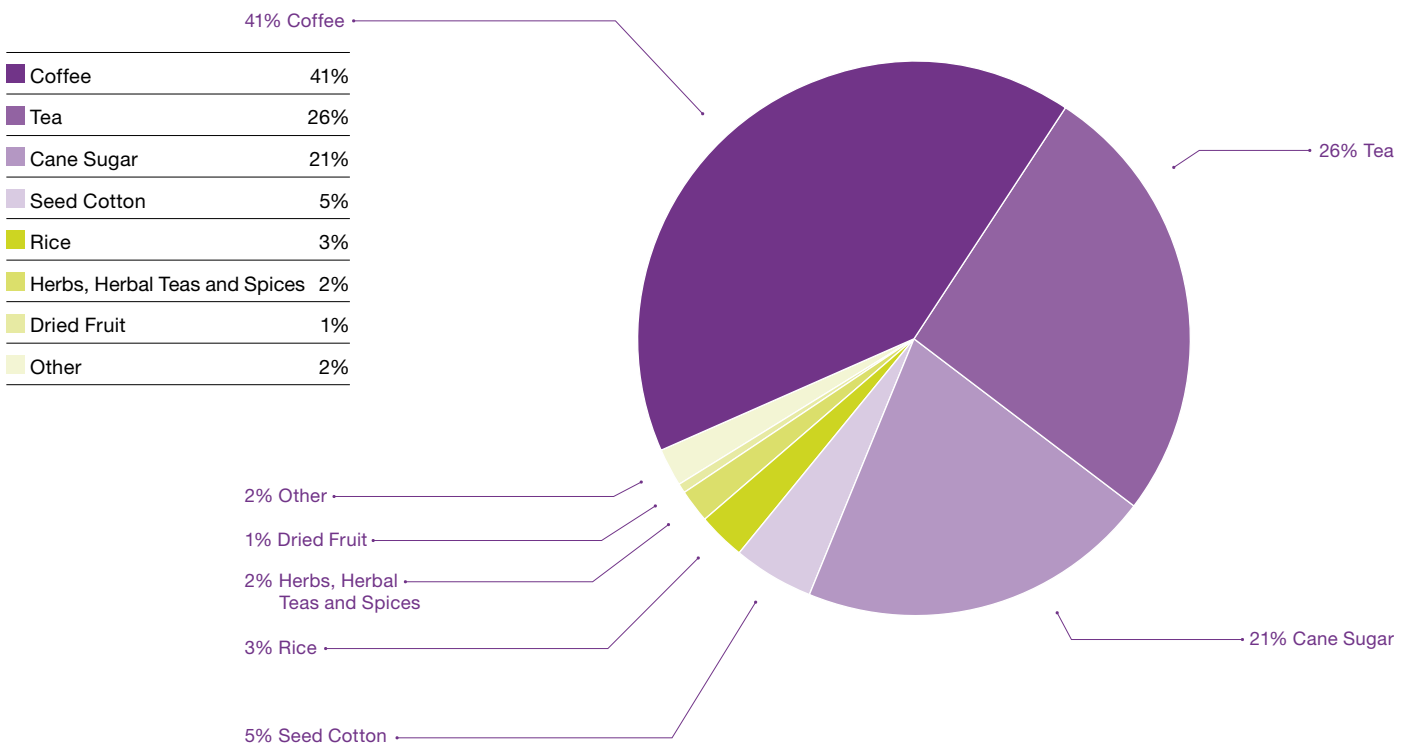


FIGURE 8.5

**Fairtrade in Asia and Oceania: Producer organizations 2010–2012**

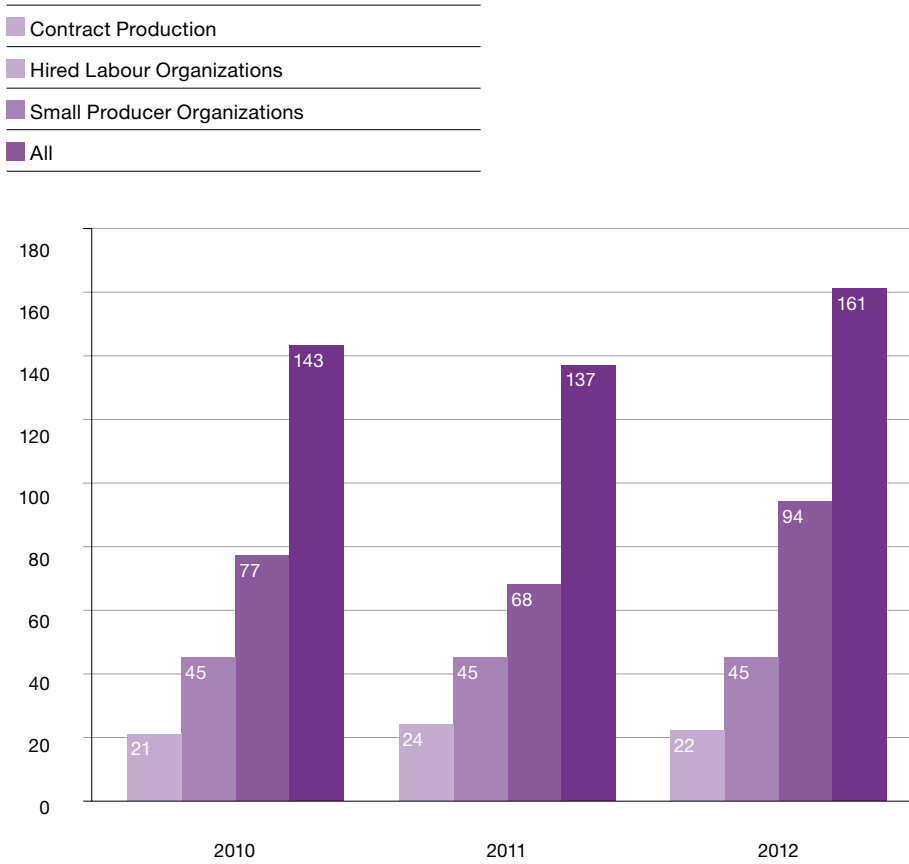
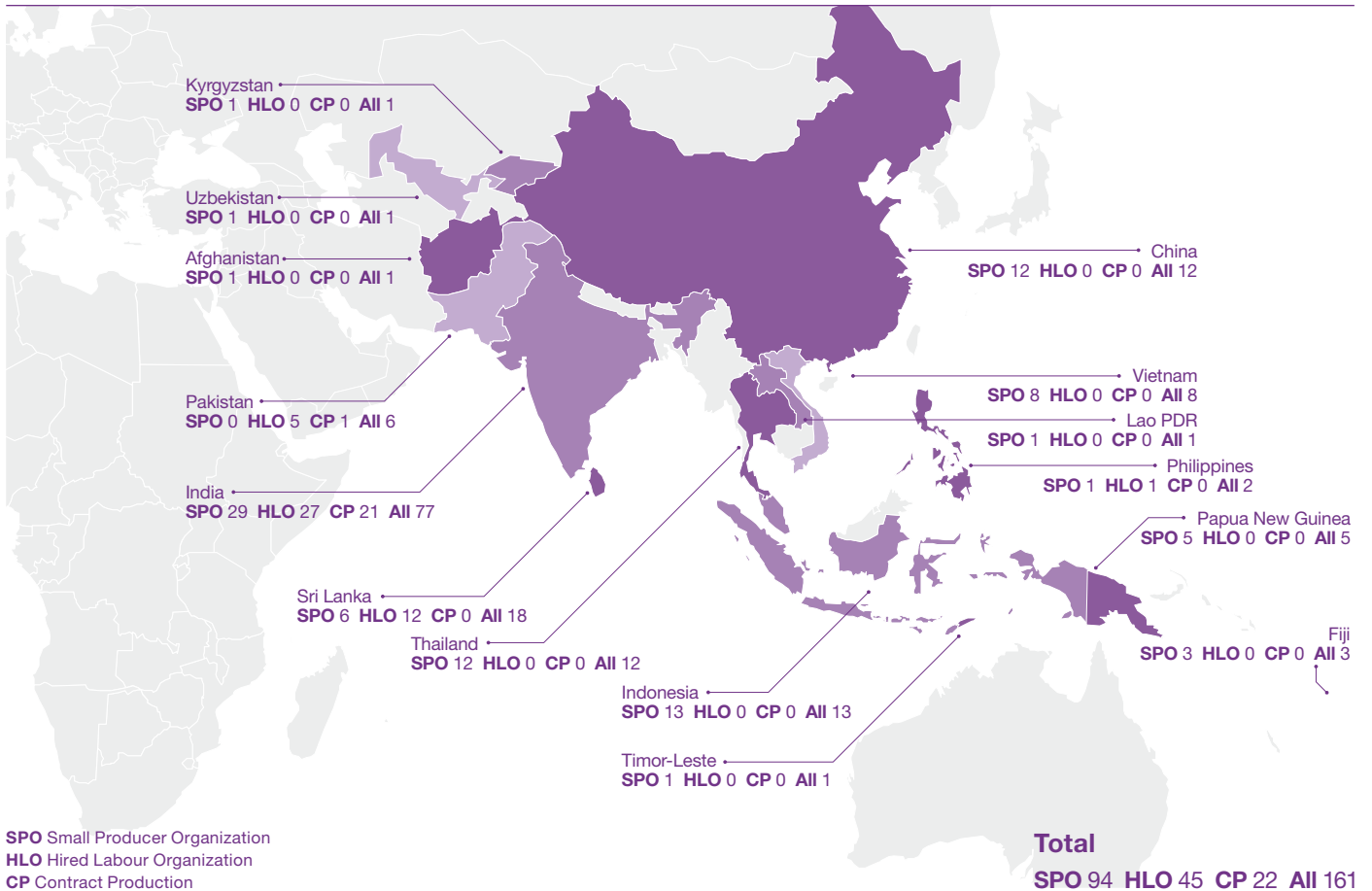


FIGURE 8.6

**Fairtrade in Asia and Oceania: Producer organizations by country 2012**



# Pomegranates of the Silk Road turn to Fairtrade

## PRODUCER REPORT

Pomegranates represent life and fertility in Uzbekistan. For the 50 farmers of Dustkul Bogi, they also represent opportunity. Producers in the area have a lot of needs—improved access to water, better infrastructure, and electricity—but it can't all happen at once. One of the key benefits of Fairtrade has been prioritization. Their first project with the Fairtrade Premium was to help attract more members to the cooperative and grow stronger.

**Find out what they built here:**

<http://bit.ly/1pzyRQz>



### 8.3 Fairtrade in Latin America and the Caribbean 2012

- At the end of 2012 there were 588 Fairtrade certified producer organizations in 24 countries in Latin America and the Caribbean.
- Of these, 522 were small producer organizations and 66 were plantations.
- Reported Fairtrade Premium revenues to producers in Latin America and the Caribbean totalled nearly €57 million in 2011–12, an increase of 38 percent on 2010–11 levels, largely due to the increase in Fairtrade Premium for coffee in April 2011.
- Sales of coffee and bananas accounted for 80 percent of Fairtrade Premium receipts, an increase on the 2010–11 levels. Cane sugar and cocoa were the next largest products in terms of Fairtrade Premium revenues. Latin American and Caribbean small-scale farmers and workers represent 21 percent of the Fairtrade farmers and workers worldwide.
- The success of Latin American and Caribbean producer organizations in the markets for Fairtrade coffee, bananas, sugar, and fine-flavour cocoa means that they receive 66 percent of all Fairtrade Premium flows worldwide.
- Across the region, Fairtrade worked with producers on issues related to climate change, productivity, and quality, including pilot projects on productivity and pest management with organizations in Nicaragua.
- Worker issues continued to be important within the region. Fairtrade continued discussions with the government in the Dominican Republic, seeking to improve the protection for Haitian immigrants in the banana industry. Fairtrade also agreed that the Fairtrade Premium may be used to support the legalization of Haitian migrant workers. Nicaraguan coffee cooperative SOPPEXCCA has pioneered a cooperative for part-time workers and a canteen for workers in the dry mill.

TABLE 8.3

#### Fairtrade in Latin America and the Caribbean 2012

	Number of farmers and workers in Fairtrade producer organizations 2012	Fairtrade Premium receipts 2011–12 (€ millions)
<b>Latin America and the Caribbean</b>		
Small Producer Organizations	287,200	51.9
Hired Labour Organizations	9,500	4.9
<b>Latin America and Caribbean Total</b>	<b>296,700</b>	<b>56.8</b>
Percentage of global total Small Producer Organizations	24%	71%
Percentage of global total Hired Labour Organizations	5%	39%
<b>Percentage of global total overall</b>	<b>21%</b>	<b>66%</b>



## Fairtrade in Latin America & the Caribbean: Top ten countries Fairtrade farmers and workers 2012

	Total farmers and workers	Percentage of all the Fairtrade farmers and workers in Latin America and the Caribbean
Peru	56,700	19%
Colombia	47,500	16%
Mexico	35,300	12%
Nicaragua	30,200	10%
Costa Rica	23,300	8%
Dominican Republic	20,100	7%
Guatemala	12,500	4%
Brazil	10,500	4%
Haiti	10,300	3%
Paraguay	9,300	3%

## Fairtrade in Latin America & the Caribbean: Top ten Fairtrade Premium receiving countries 2011-12

	Total Fairtrade Premium revenues 2011-12 (€)	Percentage of total Latin America and the Caribbean Fairtrade Premium revenues 2011-12
Peru	11,612,700	20%
Colombia	7,101,400	13%
Dominican Republic	7,007,000	12%
Mexico	6,483,700	11%
Honduras	4,510,300	8%
Ecuador	2,951,400	5%
Belize	2,891,200	5%
Brazil	2,528,300	4%
Paraguay	2,379,400	4%
Windward Islands	1,910,600	3%

FIGURE 8.7

**Fairtrade in Latin America and the Caribbean: Fairtrade Premium distribution by product 2011-12**

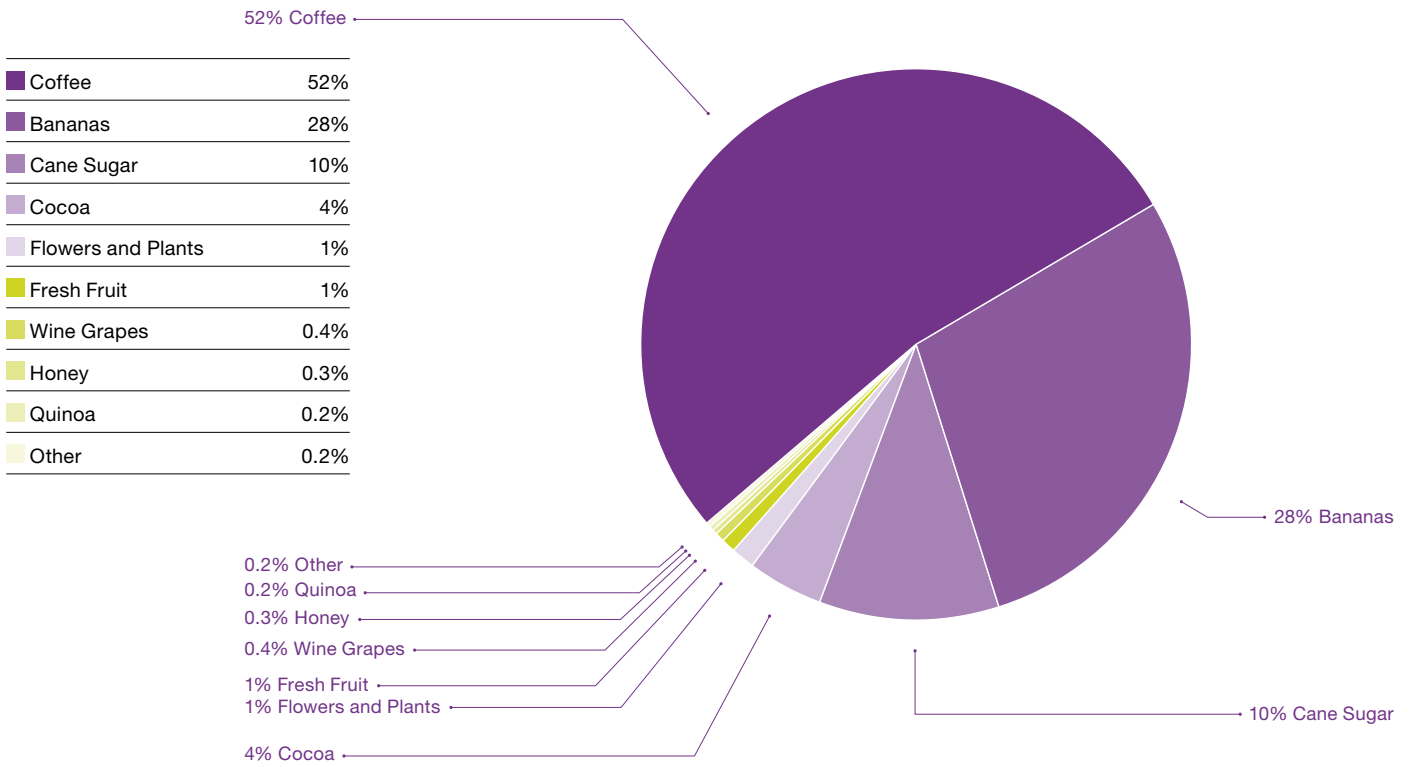


FIGURE 8.8

**Fairtrade in Latin America and the Caribbean: Producer organizations 2010-2012**

Organization Type
Hired Labour Organizations
Small Producer Organizations
All

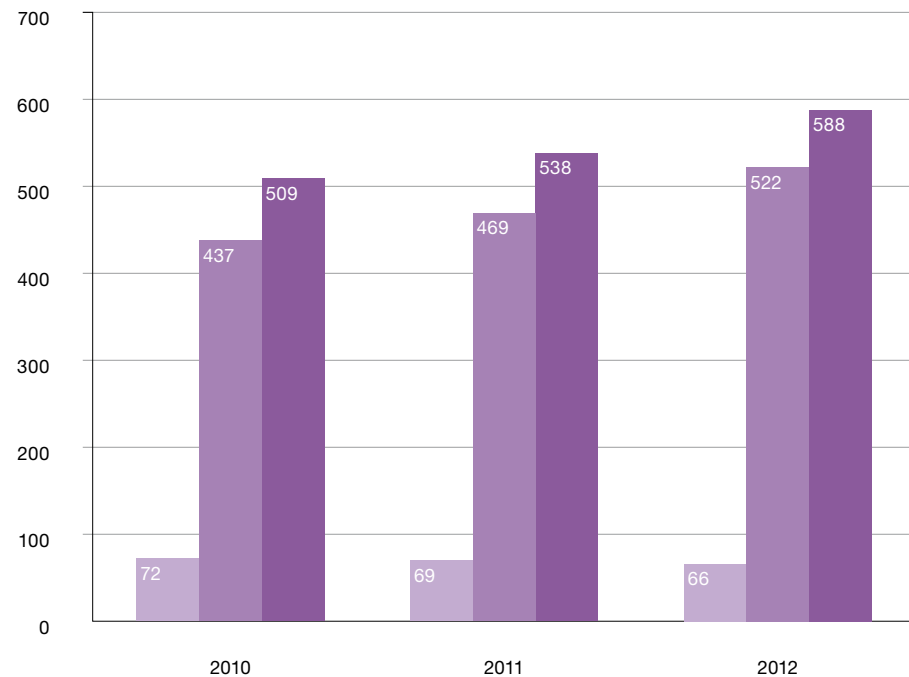
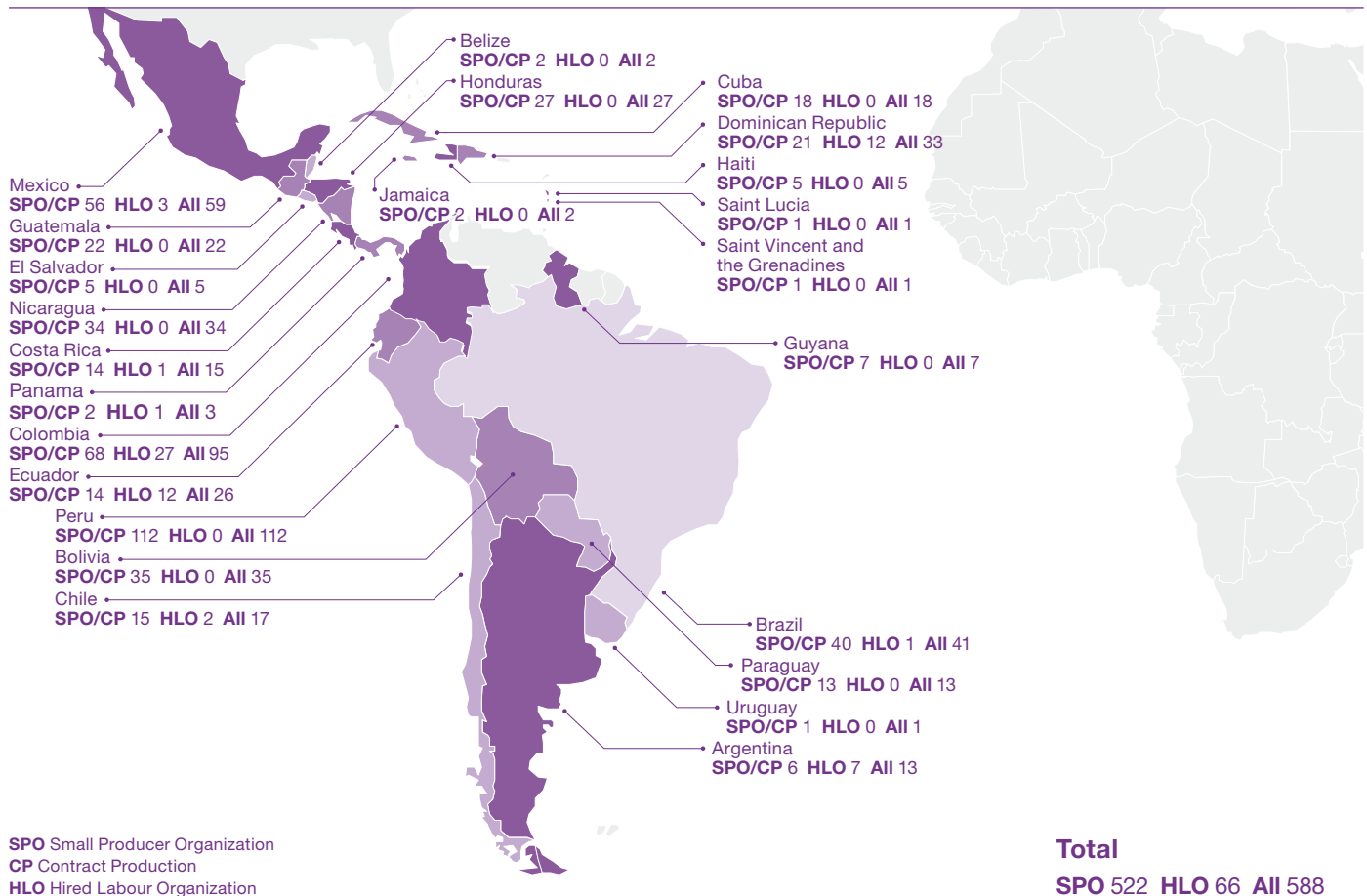


FIGURE 8.9

## Fairtrade in Latin America and the Caribbean: Producer organizations by country 2012



### Research Insight: Supporting the survival of small-scale orange farmers in Brazil

Many research studies trying to understand the impacts of Fairtrade focus on the major Fairtrade products, such as coffee, tea, or cocoa. This means that we know less about some of the smaller products. In 2012, Fairtrade commissioned a study of orange juice producers, focusing on three producer organizations in different regions of Brazil.

The research was undertaken by BSD Consulting. The research team found a series of positive developments amongst the Fairtrade producer organizations. Although they could not draw strong conclusions because the research did not include a counterfactual, the researchers found evidence that Fairtrade had:

- Accelerated economic growth and created higher income for the majority of producers.
- Had a positive impact on the quality of life of producers and their families by strengthening their capacity to invest in education and housing improvements through the Fairtrade Premium.
- Reduced volatility due to the guaranteed minimum price and enabled sales for small producers because of strong and long term relationships with their Fairtrade buyers, even in difficult market circumstances.
- Provided strong market linkages and market partnerships which also attracted and continue to attract other partner organizations offering training and financing to the certified groups.
- Promoted trust of producers in their organizations by increasing the quality of cooperative governance and transparency.
- Supported enforcement of labour laws and safety regulations.
- Helped to support reduced use of pesticides and increased health and safety.

The research also identified several areas of challenge for Fairtrade, or where Fairtrade impact has been lower:

- The impact on permanent farm workers and temporary workers is restricted, and the economic benefits to the farmers do not yet result in economic improvements for their permanent field workers.
- Dependency on a single product and market remains high. Only one cooperative has achieved diversification of production or markets.
- Although the research showed some evidence that Fairtrade had supported the survival of small-scale juice producers, the Brazilian juice industry remains a very difficult context for small farmers to compete, with high market concentration among a few players. Small farmers face ongoing challenges to survive in this context.
- Although Fairtrade appeared to have improved economic stability and business continuity, producers did not have enough resources to make all the investments necessary for significant growth.
- While Fairtrade supported producers to get training, the farmers' understanding of Fairtrade issues is still quite restricted.

The full research paper will be published on [www.fairtrade.net](http://www.fairtrade.net) in June 2014.



### InBrief

Oranges are a family affair for Sergio and his parents in Brazil.

<https://vimeo.com/84856258>

## Spirits high in Paraguay

## PRODUCER REPORT

For Fairtrade farmers around the world, big changes come when more value is added at the source, whether it's investing in processing or producing a shelf-ready product. In Paraguay, Cooperativa Montillo's new rum project is part of a diversification strategy to make sure their members get more out of the organic sugar cane they produce.

Read the full story here: <http://bit.ly/SJO6L4>







**09**  
**ABOUT  
THE DATA  
IN THIS  
REPORT**

## 9.1 Where do the data in this report come from?

There are three main sources of data used to generate this report.

Data on the number, type, and geographical spread of Fairtrade certified producer organizations and product certifications are drawn from the **main certification database** held by FLO-CERT GmbH, the Fairtrade certification body. These data capture the number, type and location of Fairtrade producer organizations at the end of 2012. Since some Fairtrade producer organizations are certified for more than one product, we differentiate between producer organizations and product certifications. This data source also gives us information on the numbers of product certifications held by Fairtrade producer organizations.

In order to have a more detailed picture of Fairtrade producer organizations and of Fairtrade performance from the producer perspective, Fairtrade International requests FLO-CERT GmbH to collect data for a range of monitoring indicators during Fairtrade audits. The list of indicators that we collect is given in Box 9.1 below.

**opposite:** Sun sets on a home in the cocoa-growing area of Wasalala, Nicaragua, home to the CACAONICA Cooperative.  
©Sean Hawkey

### Box 9.1 Key indicators used in this report

Data for the following indicators are currently collected through the monitoring process:

- Number and type of Fairtrade certified producer organizations
- Number of members and number of workers in Fairtrade certified producer organizations
- Number and type of other certifications held by the producer organization
- Gender breakdown of membership or workforce
- Land area used for cultivation of the Fairtrade certified crop or crops
- Total Fairtrade certifiable crop volume produced
- Organic/conventional breakdown of Fairtrade certifiable crop production
- Total crop volumes sold by the producer organization
- Total sales revenues of the producer organization
- Total volumes sold as Fairtrade by the producer organization
- Total Fairtrade sales revenues of the producer organization
- Total Fairtrade Premium received by the producer organization
- Details of the how the Fairtrade Premium has been used by the producer organization

Data for each indicator can be aggregated and analysed by country, by region, by product, or by producer type.

The data in this report are drawn from **the reports of all audits** undertaken between March 2012 and February 2013. For producer organizations where no audit was undertaken within this time period, data from the 2011 or in a very few cases the 2010 audit report have been used as the most recent data available. Seventy five percent of the audit reports used to generate this monitoring data set were compiled in 2012 or 2013 (see Table 9.1).

Table 9.1 Audit years for reports included in 2013 monitoring dataset

Audit year	Number of reports included	Percentage
2013	11	1%
2012	838	74%
2011	278	24%
2010	12	1%
<b>Grand total</b>	<b>1139</b>	<b>100%</b>

In addition to the annual monitoring process, Fairtrade International and other Fairtrade organizations commission **regular, independent in-depth evaluations of Fairtrade's performance** from the perspective of the farmers and workers who participate in Fairtrade. These evaluations and other research projects allow us to go beyond the limited set of indicators that we collect through the annual monitoring process to give us a better understanding of how Fairtrade is making a difference for farmer and worker livelihoods or empowerment. In this report, we include summary results from a number of research projects that were undertaken during 2012 or 2013. The Fairtrade system is committed to making the full results of evaluations public, wherever possible. Full results of the research projects referenced in this report are available on the Fairtrade International website.

## 9.2 Data coverage and completeness

### Product and producer coverage

Information on the numbers, types, and geography of Fairtrade producer organizations represents the status of the Fairtrade producer organizations at the end of 2012 and is complete to the best of our knowledge.

Information on numbers of product certifications is largely complete. There may be some instances of second or third product certifications that are missing from these data, but we are confident that the majority of active multiple certifications are included.

The monitoring data drawn from the audit reports cover all of the 1,139 producer organizations that held Fairtrade certification at the end of 2012, or **100 percent of all certified producer organizations**.

For almost all products, between 70 and 100 percent of the data included are based on a 2012 or 2013 audit report.

The major exceptions are:

- **Fruit Juices**, for which 2012 or 2013 audit reports were available for only 36 percent of the certified producer organizations.
- **Seed Cotton**, for which 2012 or 2013 audit reports were available for only 52 percent of the certified producer organizations. Since seed cotton data have been consistently weak in sequential rounds of monitoring, Fairtrade International will undertake an extensive cotton-specific data collection project in 2014 to try to fill some of the gaps in our knowledge about Fairtrade cotton organizations.
- **Herbs, Herbal Teas and Spices**, for which 2012 and 2013 audit reports were available for only 55 percent of the certified producer organizations.
- **Vegetables**, for which 2012 and 2013 audit reports were available for only 57 percent of the certified producer organizations.

As such, the data for these product categories are less current than for the other products.



Not all producer organizations report against all indicators; for example, in particular, several organizations do not report the monetary value of their total sales or of their Fairtrade sales. In this year's dataset 12 percent of hired labour organizations reported some Fairtrade sales volumes, but did not report the value of those sales. For small producer organizations, the equivalent figure was only four percent. This continues to indicate that there is some under-reporting of the performance of Fairtrade hired labour organizations within the dataset.

Where there is major under-reporting against a specific indicator we indicate that within the report. We continue to work with producer organizations to encourage full reporting of all of the monitoring indicators.

### Time period covered by the data

In the audit reports, producer organizations are asked to report their production volumes, sales volumes, and sales and Fairtrade Premium incomes retrospectively. Many organizations report this for the 12-month period preceding the audit. This means that the reporting of retrospective data does not always correspond to a precise calendar year. In this report, the majority of these data span calendar years 2011–12. In all cases, the data represent the most recent audit-based information available for the producer organization in question.

Data, such as the numbers of farmers and workers participating in Fairtrade producer organizations or areas under cultivation, are 'snapshot' data, accurate at the time of audit. Since we are primarily drawing on 2012 audits, we consider these data to reflect the status of these indicators for 2012.

### Producer data and market data

This report draws on producer-reported data. Fairtrade also publishes market figures separately, indicating Fairtrade's performance in the markets for which we are responsible.

The Fairtrade sales volumes that are reported by producer organizations do not correspond directly with the volumes sold in the markets. There are several reasons for this, including:

- Not all product volumes bought on Fairtrade terms are sold with the FAIRTRADE Mark on the final package. When producers sell their products to traders on Fairtrade terms, they often do not know the ultimate market destination of their product. In particular, they are not able to distinguish how much of their product will eventually be sold by other fair or ethical trade schemes, such as the Fair Trade USA label, as opposed to the international FAIRTRADE Mark. Fairtrade International's **market** figures do not include sales of products licensed by other fair or ethical trade schemes. When **producers** report their Fairtrade sales and Fairtrade Premium receipts, however, they include all sales made on Fairtrade terms and according to the international Fairtrade Standards, regardless of ultimate market destination. For this reason, we expect to see that producer reported sales for some products will be higher than reported market sales for products bearing the FAIRTRADE Mark. This affects coffee in particular.
- Market figures are based on conversions of finished product volumes – such as the vanilla or cocoa or sugar in a chocolate bar – into production volumes, which are often in an unprocessed form. This process can be unreliable, and can lead to apparent discrepancies between market and producer figures.
- Product wastage and storage, which means that goods sold as Fairtrade either do not reach markets, or enter market a long time after the sale is made; and
- Differing reporting periods.

### New producer organizations

The dataset includes data for 184 producer organizations that had only received an initial Fairtrade audit, and had not yet completed their first audit cycle. These groups were **applicants** for Fairtrade certification at the point of data collection, and became Fairtrade certified before the end of 2012. In the dataset we have included data about the number of farmers and workers, and the certifiable product volume and cultivation areas for these groups, to show as accurately as possible the current picture of the scale and scope of Fairtrade's activities.

Since these groups had not held Fairtrade certification, they were not eligible to have made Fairtrade sales in the period prior to data collection. Accordingly, these groups cannot report any retrospective data in relation to Fairtrade sales volumes, Fairtrade sales values, or Fairtrade Premium. Where we are trying to understand producer organizations' performance in relation to retrospective metrics such as their Fairtrade sales volumes or Fairtrade Premium incomes, it makes sense to exclude these groups, because the question of their Fairtrade performance is not relevant for the period before they were Fairtrade certified. For analysis where we have restricted the data set in this way, we indicate this in the notes to the relevant figures and tables. In summary:

- Data on the numbers and locations of certified producer organizations and product certifications are accurate to the end of 2012. We use '2012' to describe these data in the report.
- Data on the numbers of farmers and workers within producer organizations and the areas under production for Fairtrade crops reflect the status of Fairtrade in 2012. We use '2012' to describe these data in the report.
- Data on volumes produced, volumes sold, sales incomes, and Fairtrade Premium income and expenditure are usually retrospective for the 12-month period preceding the audit. Since the majority of the audits for this data set took place during 2012, the majority of producer organizations have reported on time periods spanning 2011–12. We use '2011–12' to describe these data in the report.

### 9.3 Data confidentiality

Under the terms of confidentiality agreements with Fairtrade producer organizations, data may be publicly reported in aggregate, but not used in ways that expose data belonging to a single producer organization. This limits our ability to report information at country level, where for any given product there may be only one or two Fairtrade certified producer organizations. For this reason, data in this report are typically presented at regional or sub-regional and not at country level. Every effort has been made to protect the data confidentiality of individual producer organizations.

### 9.4 Data accuracy and limitations

The data have been extensively checked and cleaned. However, in a monitoring project of this size and nature there are undoubtedly some errors and weaknesses. Weaknesses are likely to be more exposed in the smaller products (because the data sample is smaller), which is why the analysis here focuses on the major Fairtrade products. Data for smaller products should be taken as indicative only. Similarly, data at regional and country level are weaker than global-level data.

As in previous years, the data for producer organizations selling more than one product into the Fairtrade system are incomplete, creating some challenges for the presentation and calculation of data relating to those producer organizations. For example, for producer organizations selling more than one product as Fairtrade we do not always have a breakdown of the relative numbers of farmers or workers producing the different products, or the relative contribution of different products to the overall Fairtrade Premium income received by the producer organization.

The Fairtrade sales volumes and values are reported by producer organizations retrospectively at the time of audit. While some audit reports give a report on the preceding calendar year's sales, others report for the 12 months directly preceding the audit. For this reason, the reported Fairtrade volumes do not relate to a precise calendar year, and typically span two years, in this case 2011–12.

### 9.5 Disclaimer

The monitoring data in this report are based on data collected by FLO-CERT GmbH, and reported by producer organizations through the audit process. Fairtrade International is not responsible for the accuracy of the data. The report has been compiled to the best of our knowledge and is provided for informational purposes only. Fairtrade International reserves the right to update the monitoring data as new information becomes available. The data are provided 'as is' and no warranty of any kind is given for the accuracy and reliability of the data. Fairtrade International will not be liable for any claims or damages related to the quality and completeness of the data, as far as it is permitted under law.

### 9.6 Notes on the data

- The geographical regions used in the report are primarily the United Nations regions, which are also adopted within the Fairtrade Geographical Scope. A reference for this can be found at: [http://fairtrade.net/fileadmin/user\\_upload/content/2009/standards/documents/2011-07-01\\_Geographical\\_Scope\\_policy\\_EN.pdf](http://fairtrade.net/fileadmin/user_upload/content/2009/standards/documents/2011-07-01_Geographical_Scope_policy_EN.pdf)

The only divergence to this classification is that for the purposes of monitoring we use 'Africa and the Middle East', with the Northern Africa region being extended to include countries in the Middle East where there are Fairtrade producer organizations (currently Occupied Palestinian Territory and Lebanon). This change reflects the functional organization of Fairtrade's producer support and producer representation.

- The product classification used for this report follows the classification adopted for the Fairtrade Standards. More information about the Fairtrade product classification can be found at: [http://www.fairtrade.net/fileadmin/user\\_upload/content/2009/standards/documents/2012-07-26\\_Product\\_Classification\\_\\_Compatibility\\_Mode\\_.pdf](http://www.fairtrade.net/fileadmin/user_upload/content/2009/standards/documents/2012-07-26_Product_Classification__Compatibility_Mode_.pdf)
- Where the report uses average values, these are weighted according to the numbers of farmers or workers contributing to the value.
- Data for sales values, production and sales volumes, and cultivation areas are rounded to the nearest 100 in most cases. The rounding means that there are some tables where data do not sum completely accurately, and that there are slight differences in summed data between tables.
- Audit reports state financial values in many varying local and international currencies. All financial data have been converted into euro (€) values, based on the average exchange rate for the year in which the transaction took place.
- All product volume data have been converted into metric tonnes (MT), with the exception of flowers, which are given as numbers of stems, and sports balls which are given as units.

- For many products, different product forms exist. Audit reports often collect data based on different product forms for the same product, and sometimes the product form is not clear in the report itself, or changes according to the indicator. For example, wine production volumes are often expressed in terms of wine grape volumes produced, while sales volumes are expressed as litres of wine sold.

All efforts have been made to ensure that data are used in a consistent product form for each product; nevertheless it is likely that there are inaccuracies arising in the data due to product form and conversion issues, especially in cases where the form is not clearly indicated in the audit reports. The following products are often reported in different forms in the audit reports. We indicate here which form we have adopted for the monitoring data:

- Cocoa: cocoa beans
- Coffee: green bean equivalent (GBE)
- Dried Fruit: dried fruit (not fresh)
- Rice: paddy rice
- Seed Cotton: seed cotton (not lint)
- Sugar: cane sugar (not sugar cane)
- Tea: made tea (tea which has gone through the first processing stages of fermentation and drying, not greenleaf)
- Wine Grapes: grapes (not wine volumes)

- For the product categories of Nuts, Oilseeds and Oleaginous Fruit, Fruit Juice, and Herbs, Herbal Teas and Spices, the in-category diversity of products, combined with lack of consistency in reporting, means it is difficult to ensure that product forms are expressed consistently.

## 9.7 Acknowledgements

**Report text** Kate Kilpatrick, Kyle Freund

**Data analysis** Arisbe Mendoza, Jesus Aguirre, Miyako Takahashi, Kate Kilpatrick

**Editing and design management** Kyle Freund, Vicky Pauschert

**Design** [www.designland.com.au](http://www.designland.com.au)

**Data preparation** Jesus Aguirre, Daniela Geppert, Christina Hellwig, Chris-Anne Salazar, Christine Waschkeit, with project management from Andrea Perez

**Photography** Matt Crossick, Taneke D'haese, Santiago Engelhardt, Arlette Foeken, Didier Gentilhomme, Linus Hallgren, Sean Hawkey, Annette C. Kay, Vipul Kulkarni, Eduardo Martino, James A. Rodriguez, Lucy Russell, Eric St.-Pierre

**Additional thanks and acknowledgements to** Monika Berresheim, Frank Brinkschneider, Lee Byers, Silvia Campos, Rene Capote, Samantha Dormer, Wilbert Flinterman, Harriet Lamb, Andrea Perez, Damien Sanfilippo, Katharina Schwab, Anita Sheth, Renate Siemon, Miyako Takahashi, Tatiana Vanegas, Juliana Wachtmeister, Linda Wagner.



**FAIRTRADE**  
INTERNATIONAL

Bonner Talweg 177  
53129 Bonn  
Germany

Telephone +49 (0) 228 94 92 30  
Telefax +49 (0) 228 24 21 713  
[info@fairtrade.net](mailto:info@fairtrade.net)

**[www.fairtrade.net](http://www.fairtrade.net)**

[twitter.com/fairtrade](https://twitter.com/fairtrade)  
[facebook.com/fairtrade](https://facebook.com/fairtrade)