



FAIRTRADE  
INTERNATIONAL

# The Future is Fair

ANNUAL REPORT 2020-2021

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Cover photo: Caroline Jepkogei Rono, Kenyan coffee farmer featured in the Fairtrade documentary series *Farmers: Fighting the Global Crisis* (see page 5).

# Foreword

For more than 30 years, Fairtrade has stood with farmers and workers, pursuing our shared vision of a world in which all producers can enjoy secure and sustainable livelihoods, fulfil their potential and decide on their future.

During the past year, **we have pulled together as a global community to respond to the COVID-19 pandemic.** Our Fairtrade COVID-19 Relief and Resilience Fund has supported more than 500,000 farmers and workers in almost 60 countries to meet their immediate needs, and invest in infrastructure and technology to make their businesses more productive, resilient and able to reach customers in new ways.

We **launched a new brand, one that highlights our interconnectedness and the desire for fairness** that is in all of us. As an organization, we said a warm farewell to Fairtrade International's former global CEO, Dario Soto Abril, and **welcomed some new leadership and new structure within our system.** To deliver on our global strategy and commitments, we now have a global CEO leading the 30 organizations in the Fairtrade system. And we have a new Executive Director managing Fairtrade operations in Bonn, Germany. Both report to the Fairtrade International Board.

We have also **renewed our commitment to being a social justice organization,** launching an ambitious global strategy that will guide our work to make fair and sustainable business the norm. We consulted with hundreds of stakeholders – including producers, traders, brands, NGOs, governments and many others – and dove deep into more than 650 data points as part of a comprehensive look at where we are today, and what we need to do to bring most value to farmers and workers. Three key tenets of the strategy that reflect our shared humanity and beliefs are reflected in this report:

**Decent livelihoods are a human right.** Earning a living income for hard work is not an extra – it is a right. This is the basis for sustainability.

**Social justice drives sustainability.** Farmers and workers must have the opportunity and the means to decide on their own futures.

**Radical collaboration powers deep impact.** None of us can go it alone – we are all connected and accountable.

Together with Fairtrade farmers and workers across the globe we are looking forward and acting now. For a better way of doing business. For global trade that respects human rights and ensures climate resilience. For a better quality of life for everyone.

**A fairer future is here. Will you be part of it?**



**Nyagoy Nyong'o**  
Fairtrade Global CEO



**Melissa Duncan**  
Fairtrade International Executive Director

# Key 2020 figures at a glance

**1.9 million**

farmers and workers in **71** countries are members of

members of

**1,880**

Fairtrade certified

producer organizations



Fairtrade farmers and workers earned

**€179.4**

million in

Fairtrade Premium in 2020

for the **top 7**

products



**2,552** companies licensed more than

**37,000**

products in 2020



Fairtrade is the most trusted ethical label

**67%**

of shoppers recognize

the Fairtrade mark



Of them,

**87%** trust it

**78%** of coffee cooperatives sold

at least half

of their total production

on Fairtrade terms



Women represented **17%**

of Fairtrade farmer members

and **41%**

of Fairtrade workers

in 2020



Fairtrade products sold in

**131**

countries in 2020



**€15.1** million

in COVID relief

funds raised in 2020



And nearly **7 in 10** feel that they are part of a community standing up for fairness and justice when they buy

**Fairtrade**



For more information on the characteristics of Fairtrade producers and farms, visit our website: [www.fairtrade.net/impact](http://www.fairtrade.net/impact)

# The Fairtrade community responds to COVID-19

Farmer cooperatives and producer organizations are often the heart of rural communities. Fairtrade producers used their own resources, including Fairtrade Premium funds, to support their neighbours during the global coronavirus pandemic. For instance, Chamong Tee Exports Pvt. Ltd., a tea producer in India, organized a vaccination campaign on four tea estates, which was made available to all workers and family members. The organization also partnered with one of their German buyers to add COVID-19 isolation wards to some of their health dispensaries.

## Mobilizing the Fairtrade system and partners to support immediate relief

More than 500,000 farmers and agricultural workers in nearly 60 countries are also reaping the benefits of [Fairtrade's €15 million COVID Relief and Resilience Fund](#) – a joint effort developed by Fairtrade International, its member organizations, and government and commercial partners, aimed at delivering direct financial help to small-scale producers hard hit by the COVID-19 pandemic.

The funds have been used for a variety of immediate relief measures, such as health and safety at workplaces, food supplies, and covering increased storage and transport costs during lockdowns. In addition, looking at the long-term effects of the pandemic, producers are also using these funds to diversify their production, adopt new agricultural practices, and even access new markets through e-commerce.

[▶ Listen to what producers had to say.](#)



Workers and family members on Chamong tea estates receive their COVID-19 vaccination, thanks to Fairtrade Premium funds and help from the local health department.

**900**  
producer  
organizations in

**57**  
countries have  
received funding  
so far

positively  
impacting  
**540,000**  
farmers and  
workers

“ The fund has helped producers during these difficult times in meeting their immediate and future needs. [It] is also being deployed to improve production capacity, for buying seeds and other planting materials, setting up local food security initiatives, vegetable gardens, farming equipment and more. ”

Sanjeet Khurana, Chief Operating Officer, Fairtrade producer network NAPP (Asia Pacific region)

“ Hunger, poverty and unemployment are rising dramatically. We are providing €8 million to this fund to help smallholder farmers and cooperatives carry on farming even in these times of crisis and, so, provide sufficient food for hundreds of thousands of people. ”

Dr. Gerd Müller, Germany's Federal Minister for Economic Cooperation and Development (BMZ)



Caroline is a Kenyan coffee farmer featured in the *Farmers* documentary. She and her husband, Nahashon, are members of Fairtrade certified Kapkiyai cooperative in western Kenya.



"Since I was a kid, my family's livelihood has relied on coconut trees. These are my roots that I can't leave behind." – Ponisih, farmer and member of the first Fairtrade certified coconut sugar cooperative in Indonesia

### Fairtrade documentary: Sharing farmers' stories

A Fairtrade documentary series launched in 2021 provides a closer look at the experiences of three farmers during the global pandemic. *Farmers: Fighting the Global Crisis* is being filmed over six months in Peru, Indonesia and Kenya, and reveals the hopes, fears and aspirations of Fairtrade farmers Roberto, Ponisih and Caroline. Teams of local filmmakers with links to social activism are developing and creating moving, authentic portraits about the impact of the pandemic, but also other challenges such as climate change, living wages, and the next generation of farming.

[▶ Watch the series here.](#)

# Our strategy: 2021 and beyond



Carmen Boniella is manager of the plant nursery at Fairtrade certified ACOPAGRO cocoa cooperative in Peru.

We have a new global strategy, grounded in our core principles. Farmers and workers continue to be central to governance and decision-making within Fairtrade, while we innovate together in areas that are most pressing for producers, and for our planet.

Our strategic pillars are:

1. EMPOWERED FARMERS AND WORKERS
2. GROWTH AND INNOVATION
3. ADVOCACY AND CITIZEN ENGAGEMENT
4. DIGITALIZATION FOR FAIRER SUPPLY CHAINS
5. LAUNCHPAD FOR THE FUTURE

## How does Fairtrade make a difference?

We did an in-depth analysis into **Fairtrade's impact on the aspects of global trade, sustainability and farmers' and workers' livelihoods** that we aim to influence. We updated our Theory of Change to focus on what brings the greatest benefit for producers, and are transparent in what we measure.

A review of more than 150 studies spanning the past five years shows that Fairtrade has clear impact on:

- Increased incomes, well-being and resilience among farmer and worker households;
- Building stronger, well-managed democratic organizations for small-scale producers;
- Improving decent work for workers, including labour conditions and freedom of association of workers;
- Contributing to greater environment sustainability and resilience to climate change.

## How does our global strategy reflect our learnings?

It is clearer than ever that 'empowerment' – farmers and workers being able to make decisions over their own futures – is closely intertwined with all aspects of sustainability, from earning decent livelihoods, to climate resilience, from equality for women and opportunities for young people, to protecting human rights.

We are developing new business approaches to grow existing markets and expand into new ones, creating opportunities for farmers and workers. Our investments in traceability and transparency contribute to fairer markets, and we are advocating for policy changes that will lead to fairer terms of trade for farmers and workers. [Read more here.](#)

# Progress in 2020: a year of challenges and hope

Despite the challenges and heartbreak of COVID-19, climate-driven weather emergencies, and global change on a rapid scale, we also see stories of resilience and a greater realization that a better way of doing business is not just an ideal, but essential.

This report describes our focus in the past year, the progress made, and where we're headed.

## 1. SHIFTING THE BALANCE OF POWER TO FARMERS AND WORKERS

Fairtrade's social, economic and environmental requirements provide a robust basis for fairer and more sustainable terms of trade for family farmers and workers. This includes the Fairtrade Minimum Price and Premium, requirements on good governance, biodiversity, gender equality, health and safety, and much more. We also certify traders so that Fairtrade principles are followed throughout the supply chain.

Producer organizations – and their supply chain partners – have their own sustainability goals as well. The three regional Fairtrade producer networks provide training and targeted programmes that support strong, well governed producer organizations, better livelihoods, and greater rights and opportunities for farmers and workers.

### Strong producer organizations at the heart of sustainability

Fairtrade certified producers aim to strategically strengthen their businesses, expand their markets and better serve their members and trading partners. **Research shows that well managed, democratically governed producer organizations make better decisions that benefit their members**, such as:

- Strategic investment of the Fairtrade Premium into value-added activities such as coffee roasting, or providing access to credit for developing branded finished products;

- Good financial management and strategic outlook, which enables organizations to better weather difficult economic periods;
- Services for members that build resilience, such as training on climate-smart agriculture or investing in drought-resistant crops.

The Fairtrade West Africa Cocoa Programme reaches around 180 cocoa cooperatives in Ghana and Côte d'Ivoire where more than 80 percent of Fairtrade cocoa – and more than two-thirds of the world's entire cocoa supply – is grown. This programme, launched in 2016, engages around 90 of the participating cooperatives in more intensive trainings and support, including financial management, child labour monitoring and remediation systems, and income diversification.

**Latin America and the Caribbean:**  
CLAC conducted more than **700** trainings with **5,000** farmers and workers, of whom **36%** were women

**Africa and the Middle East:**  
**93%** of all Fairtrade certified producer organizations in the region received training or support in 2020

**Asia Pacific:**  
**19%** of all trainings conducted in 2020 focused on **supply chain management & business development**



Deborah Osei-Mensah is a cocoa farmer and Livelihood Development Officer at Asunafo North Farmers Union in Ghana. She is a Fairtrade representative within Asunafo and trains fellow farmers on issues like child labour through the 'Dignity for All' project. She also advocates for climate action as a Fairtrade Youth Ambassador. [Read more here.](#)

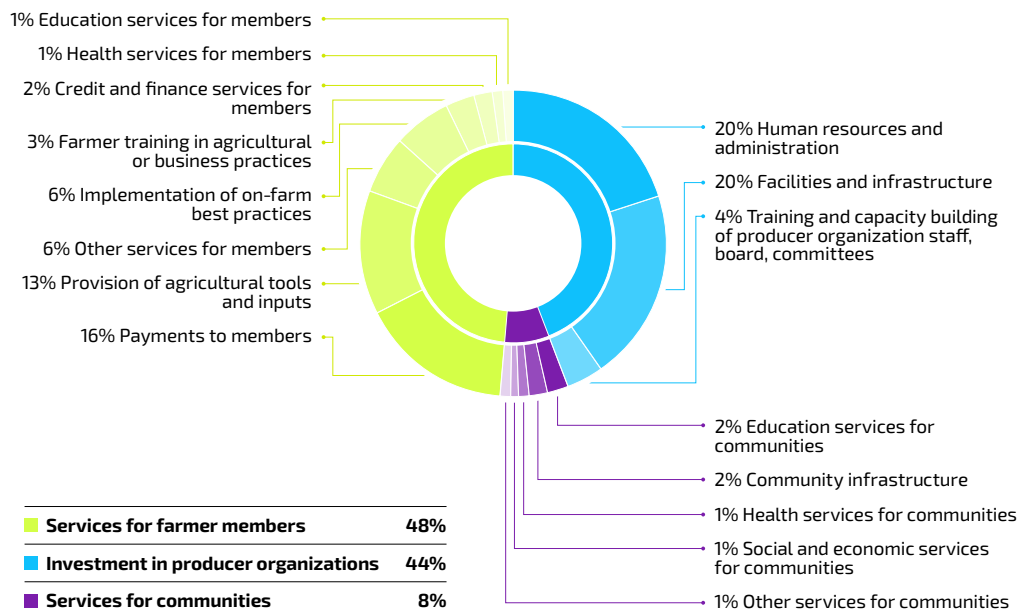
## THE FAIRTRADE PREMIUM: SIGNIFICANT INVESTMENT IN SERVICES FOR FARMERS AND WORKERS

The Fairtrade Premium is a key benefit of being part of Fairtrade. It is an additional fixed amount on top of the selling price that producer organizations earn for every Fairtrade sale. Farmers and workers decide for themselves how they want to invest it.

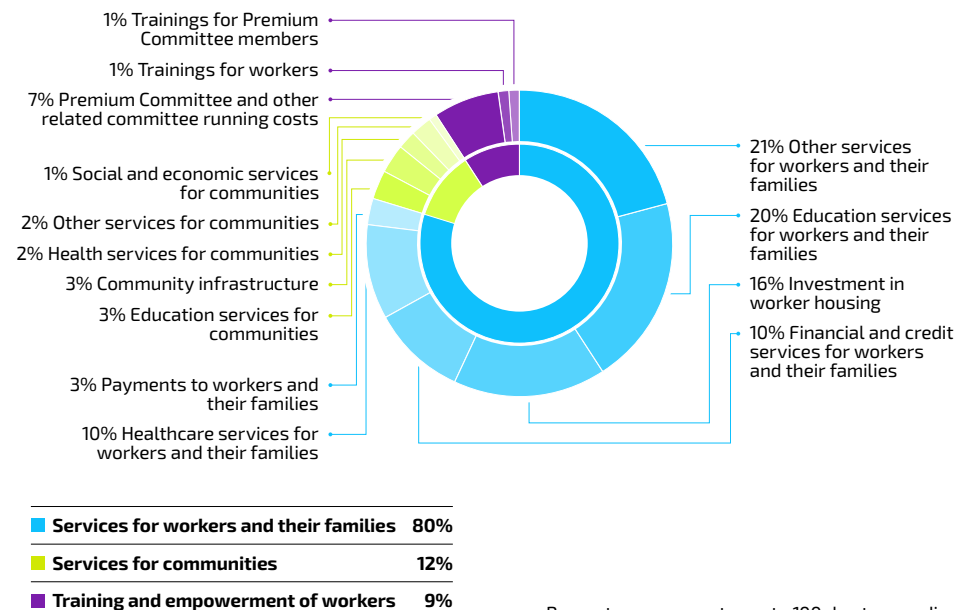


"Our dream was to have a place to store our coffee. We managed to build our warehouse and Fairtrade has been of great importance."  
Juares Carlos Pereira, President of COOCAMINAS coffee cooperative in Brazil

### Use of Fairtrade Premium by small-scale producer organizations 2020



### Use of Fairtrade Premium by hired labour organizations 2020



Percentages may not sum to 100 due to rounding.





Oxfam is one of eight companies currently paying the Fairtrade Living Income Reference Price to CANAAN cooperative in Côte d'Ivoire for their Bite to Fight chocolate bar.

## Living incomes

Farmers are earning a living income when they can afford decent housing, food, clothing, education, healthcare and other essential household expenses. Their earnings usually come from farming activities as well as from off-farm work, and should at least equal the cost of a decent living where they live once farm costs are factored in.

Our holistic living income model combines multiple factors: sustainable farm yield, viable farm size, and a price that supports the costs of sustainable production, including payment of a living wage to hired workers.

In order to understand the current income situation of farmers, we have introduced farm record-keeping among coffee and cocoa farmers using tools that are suitable for lower literacy settings. In 2020, **farm record books were rolled out among more than 2,000 coffee farmers** across seven countries and three continents. The exercise is continuing this year, focusing on Honduras, Peru and Ethiopia, to establish a baseline and define Living Income Reference Prices for coffee.

After a year of record-keeping, farmers have better insight into their actual incomes and expenses. Thanks to funding

from GIZ, we are also developing a smartphone app so that these data are even easier to record and analyse. **Some producer organizations have already reported being able to negotiate higher prices in their contracts** based on the information they can now share with their buyers. We use the aggregate data to analyse income gaps and see how farmers' incomes improve over time. [▶ Watch the video here.](#)

Based on farm data, we have set **Fairtrade Living Income Reference Prices for three products**: cocoa from Côte d'Ivoire and Ghana since 2018, vanilla from Madagascar and Uganda since 2019, and, as of earlier this year, [coffee from Colombia](#). These are voluntary prices that companies can pay to Fairtrade cooperatives they source from to enable living incomes in their supply chains. Living Income Reference Prices for coffee from Uganda, Indonesia, Honduras, Peru and Ethiopia are also under development. Eight companies are currently paying the cocoa Living Income Reference Price to eleven cooperatives in Côte d'Ivoire and Ghana.

In addition to price commitments, companies can support producers in their efforts to improve productivity, efficiency, quality, income diversification, and other factors necessary to achieve living incomes. Such projects are developed through close collaboration between the supply chain partners and Fairtrade.

**11** cocoa cooperatives are earning the Fairtrade Living Income Reference Price

through projects with **8** commercial partners

“**The greatest poverty of a coffee producer is not knowing the type of coffee he has. If you don't know your coffee and what it is worth, you'll accept any price you're offered. But when you know the quality of your product and how much it costs you to produce, you demand a higher price so you can have an income.**”

Camilo Enciso, farmer and commercial manager of the coffee producer association, ASOPEP, in the state of Tolima, Colombia



Luis Adan Reigosa is a coffee farmer and member of COOAGRONEVADA cooperative in Colombia. He started using a Fairtrade farm record book to better track his expenses and income.

## PROGRESS TOWARDS LIVING INCOMES FOR COCOA COOPERATIVE IN GHANA



Fanteakwa cooperative in Ghana supplies German retailer REWE Group with Fairtrade cocoa for its Very Fair chocolate bars. The company pays the Fairtrade Living Income Reference Price to these farmers.

In addition, Fanteakwa farmer members are trained on sustainable cultivation practices and management practices such as farm record-keeping to better track their expenses and revenue.

Fairtrade Germany is working with Fanteakwa farmer members to record their own stories.

[▶ Watch a segment from their short 'impact diary' film.](#)

**“ Not only did Fairtrade provide us with technical expertise for sustainable cocoa production and business management, they also provided all the necessary support to our union to secure our market in difficult times as we experienced last year. Today we are happy that our cocoa beans have been sold and farmers can earn a decent income. ”**

Kwasi Kublenu, cocoa farmer and president of Fanteakwa Union Cooperative, speaking at a ceremony in April to distribute the living income payments to farmers

Mina Antwiwaa is a member of Fanteakwa, and in April collected payment of the Fairtrade Living Income Reference Price for her cocoa crop.

## IVORIAN COCOA FARMERS INCREASE HOUSEHOLD INCOMES BY 85% OVER FOUR YEARS



Impact Institute evaluated the household incomes of cocoa farmers in Côte d'Ivoire to compare to data from four years earlier. The findings show the gains made since 2017 and provide important learnings:

- The average annual household income increased by 85 percent, from US\$2,670 to US\$4,937.
- The increase was driven primarily by higher crop yields – they rose by 43 percent compared to the previous study – and income diversification, both of which are areas that Fairtrade Africa supports through the West Africa Cocoa Programme.
- 15 percent of households are earning a living income, up from seven percent in the previous study.
- A second branch of the study found that if all farmers met the target yield and received the Fairtrade Living Income Reference Price, more than 90 percent would move out of extreme poverty and a third would be earning at least a living income.

Higher prices help to address farmer poverty and cocoa farmers are seeing tangible improvements through Fairtrade. But more needs to be done to extend the income gains, including by expanding sales on Fairtrade terms and engaging more partners in living income projects that pay the Fairtrade Living Income Reference Price. [Read more here.](#)

“ **This base wage means for us more access to health, education, self-improvement, happiness and motivation to continue working. With perseverance, hard work and a living wage, anything can be achieved.** ”

María Jorge, banana worker and a leader in the Fairtrade Worker Network in the Dominican Republic

## Living wages and workers' rights

After a year of work and public consultation, we implemented a base wage on Fairtrade certified banana plantations in early 2021. The Fairtrade Base Wage is set at a minimum of 70 percent of the take-home pay needed for a living wage, which has been established by the Global Living Wage Coalition of standard setters for more than 30 countries and regions.

Fairtrade is the **first standard setter to put such a base wage in place for fresh fruit** (we previously did so for floriculture) and take a concrete step towards achieving a living wage for banana workers. **The changes mean wages will increase by up to 15 percent** for thousands of workers in origins where workers currently earn less than the Fairtrade Base Wage, such as West Africa and Mexico.

The Fairtrade Fresh Fruit Standard for Hired Labour Organizations now requires banana plantations to share wage data. This means that **Fairtrade can track gaps between actual wages and living wages**, also disaggregated according to gender.

In addition, we have introduced a **voluntary living wage differential that companies can choose to pay as a contribution towards a full living wage**. We calculate the living wage differential for each certified banana plantation and companies pay the corresponding living wage differential in proportion to their Fairtrade sourcing commitment. Fairtrade will ensure contracts are put in place and offer monitoring and evaluation services to measure impact.

In addition to wages and transparency, Fairtrade supports **collective bargaining and advocacy** as important ways for workers to build long-term gains. In collaboration with trade unions and labour rights organizations, we support workers to know their rights and to negotiate agreements via collective bargaining on various aspects of decent work, such as working conditions or job security. In the Dominican Republic, Fairtrade has worked with trade unions, banana producers and civil society groups to devise a 'roadmap' which seeks to improve the status and situation of migrant workers. [Read more here.](#)

Read more about our [living wage strategy for banana workers.](#)



Victor Manuel Pimentel works at Kellisa II S.R.L. banana plantation in the Dominican Republic as a packer. Thanks to Fairtrade, he was able to afford a motorbike so now he spends less time travelling and more time with his family.



A tea picker works on the United Nilgiri Tea Estates in Tamil Nadu, India.



Anny Cabreja is a banana farmer and member of ASOBACAS cooperative in Montecristi, Dominican Republic. She has been able to build a cafeteria for workers on her farm: "it provides a space where we can eat and rest with dignity." Fairtrade has also enabled Anny to finish her studies as a licensed accountant.

### GLOBAL COLLABORATION ON LIVING WAGES



Fairtrade instigated and funded a **new rapid assessment methodology for living wages**, developed by the Anker Research Institute. The methodology has been endorsed by the Global Living Wage Coalition of which Fairtrade is a founding member, and by IDH, the Sustainable Trade Initiative. This innovation means there is now a **faster, cheaper and more scalable way to determine how much money is needed for workers to earn a living wage** and producers to earn a living income. The resulting Living Wage Reference Values are consistent with the widely recognized Anker methodology for Living Wage measurement. [Read more here](#).

Fairtrade is also funding the development of a framework to measure gender differences in wages as a supplement to the Anker living wage values. This will help employers, trade unions and other key actors to understand gender pay gaps and to address underlying barriers to better wages for women workers.

### STRENGTHENING WORKERS' RIGHTS ON FAIRTRADE CERTIFIED TEA ESTATES



Tea workers in India and Sri Lanka face poor working and housing conditions, including too little power, and additional disadvantages for women. The Fairtrade Standard for Tea was updated earlier this year to strengthen Fairtrade tea workers' rights and benefits.

- Certified tea estates must have a **gender policy** and **prohibitions against forced labour and gender-based violence**, as well as monitoring and remediation systems.
- They must ensure certain types of work and conditions for the **legal employment of young people**.
- Stronger specifications are included for **housing standards, sanitation and washing facilities**, with new requirements on regular assessments of housing and working conditions.
- A **Fairtrade Compliance Committee** must now be established on tea estates with the aim of giving workers a greater voice in the certification process and in dialogue with management.
- More work is needed in closing the gap to a living wage for tea workers in many origins, and especially in Assam.



Despite COVID-19 restrictions, women cocoa farmers celebrated being part of the second cohort of graduates from the Women's School of Leadership in Côte d'Ivoire in 2020.

## Growing opportunities for women and young people

When women have equal opportunities as leaders and farmers, they are able to realize their own personal goals, boost their household income, and lift up others in their community.

And when young people see a future in farming, including being able to earn a sustainable livelihood and incorporate new technologies, they become the next generation of farmers and entrepreneurs.

**That is why our global strategy strengthens our focus on gender equality and ramps up our work on inclusion of young people.** We are also deeply committed to continuing our efforts to eliminate child labour and other human rights violations.

## Women as leaders

The Women's School of Leadership for cocoa farmers in Côte d'Ivoire welcomed its third cohort comprising 144 participants in January 2021. Almost 3,800 community members have been directly reached through trainings held by graduates to date. Fairtrade Africa is also poised to expand the school into Ghana. [Meet some of the 2020 graduates of the Women's School of Leadership.](#)

The Fairtrade Network of Asia and Pacific Producers (NAPP) has rolled out its Gender Leadership School in seven countries. Almost 90 graduates, including those from Kyrgyzstan and Pakistan, are now sharing their learnings and starting new businesses in their communities.

In Latin America in the past year, Fairtrade producer network CLAC trained 280 women from 45 producer organizations on gender equality as part of the Women's School of Leadership and Empowerment. This school, started in 2014, includes participants from El Salvador, Honduras, Guatemala and Peru. [▶ Watch what participants have to say.](#)

**“ We have formed a small group with 14 women from the village. I applied and got approved for [funding for] a micro-project on dairy products processing. ”**

Dilbar Sydykova, 2020 graduate of the Fairtrade Gender Leadership School in Kyrgyzstan. [Read more here.](#)

## FAIRTRADE INCREASES WOMEN'S PARTICIPATION IN FARMER COOPERATIVES



Researchers from the Center for International Forestry Research looked at six coffee cooperatives from Guatemala, Indonesia and Kenya, and assessed how well they had met the Fairtrade gender strategy targets.

- Access and inclusion: Women are involved in governance and leadership in all six participating cooperatives while women's membership ranges from 12 percent to 40 percent.
- Empowerment and equity: Developing leadership skills is most effective when combined with expanding economic opportunities for women.

Fairtrade supports women in transforming their organizations and communities, including providing guidance to producer organizations in drafting gender policies, scaling up successful programmes, such as the women's leadership schools, and encouraging use of the Fairtrade Premium to fund women-centred projects.

[Read more here.](#)



Yola Condori, a member of ANTOFAGASTA in Bolivia, participated in the Fairtrade programme known as 'Youth Leading Climate Change Adaptation in Fairtrade Coffee Organizations' which combined development of young farmers with building climate resilience.

### Investing in young people

There is no future for sustainable agriculture if there are no farmers. Taking over the family farm would be a dream for many young people if they could earn a decent living and use modern technology, all while preserving the environment for the next generation.

Decent youth employment in agriculture, skills development and business opportunities, including participation in decision-making, are all needed to ensure food security and economic advancement.

**That's why Fairtrade producer networks are all working with young people to build their skills in farming, climate adaptation, leadership, and more.** A Youth Forum will take place virtually in late 2021 giving up-and-coming Fairtrade farmers the chance to network and share best practices.

In Latin America, Fairtrade producer network CLAC created a low interest revolving credit fund specifically for young Fairtrade farmers so they can finance improvements or jump-start a new project linked to the value chain of products grown by their cooperative. Launched with US\$100,000, the fund allows cooperatives to borrow up to \$5,000 for a period of almost three years.

Fairtrade Africa coordinates the Fairtrade Alumni Association, which brings together young adults who have graduated from school thanks to support from the Fairtrade Premium funds invested by the parents and communities. These young people network and share their stories of success, whether in farming or in other fields.

NAPP, the Fairtrade producer network in the Asia Pacific region, started a youth camp series beginning in Thailand last December. More than 40 young people in their teens and early twenties from Fairtrade farming families producing coffee, lychee, herbs and spices took part. NAPP also highlights the voices of rising young farmer leaders like Diana Faith Diamante who comes from a sugar farming family in the Philippines. She writes blogs and conducts social media campaigns to get her message across to a wider audience. [Listen to Diana.](#)

### Protecting the rights of children and vulnerable adults

Human rights are central to Fairtrade, from the right to a decent livelihood and equal treatment to the right to freedom from slavery. Fairtrade also addresses the ongoing risks of child labour, forced labour and gender-based and other forms of workplace violence.

Our approach to preventing child labour includes rigorous requirements in our Standards, as well as programmes that build farmers' and communities' understanding of child and human rights. Our producer networks support them to implement systems that detect child labour if it is occurring, and to take appropriate action to safeguard children. Fairtrade also tackles the root causes of child labour by improving farmers' incomes, and providing funding through the Fairtrade Premium for education and childcare.

For example, a joint project in Honduras between three Fairtrade coffee cooperatives and their buyers aims to improve the living and working conditions of coffee producers, and prevent human rights violations with a focus on child protection and women's rights. Child Protection Committees have been created in each cooperative and have developed plans and innovative campaigns to reach young people and the wider community.

**Fairtrade producer networks are supporting around 30 projects related to child labour**

**“ I was elated when the water conservation project was started in our community through investment of the Fairtrade Premium. Now we can sustainably manage the natural resource of fresh water to meet the current and future community needs and prevent water pollution. (...) I want to encourage and influence the global youth not to take our natural resources for granted. ”**

Diana Faith Diamante, a young member of the Dama Farm Workers Agrarian Reform Association



CLAC created a five-part radio series designed for small-scale producers that explains the concept of climate change risk assessments and adaptation plans. "We know earlier the behavior of the rains and the temperature in the coming years and have the practical adaptation measures that allow us to improve our beekeeping production. The benefit of having adaptation plans is that we have good production in the end."- Dalila Tema Gomez, member of COPIASURO honey cooperative, in Guatemala.

[▶ Watch more about CLAC's beekeeping initiatives.](#)



The Fairtrade Climate Academy taught coffee farmers in Kenya how to adopt climate-resilient agricultural practices, diversify crops, and install alternative energy sources. Fairtrade published a free guide for farmers in other countries this year. [Read more here.](#)

## Climate resilience

Farmers are on the frontline of climate change: they are the most impacted but often have the least resources to adapt and protect their livelihoods.

We consulted with stakeholders, including farmers, to target several key areas in the next decade:

- Expand the use of agro-ecological practices;
- Take action on climate risks: conduct assessments, then implement mitigation and adaptation strategies;
- Promote carbon offsetting through Fairtrade carbon credit options;
- Advocate collectively for climate action at all levels.

Education is a first step. Fairtrade producer networks conduct trainings on climate change risks and adaptation. For example, **Fairtrade Climate Academies in six countries have provided mentoring and delivered in-depth training to farmers,** including on the use of shade trees, diversifying incomes, and using technology to track weather patterns. In 2020, CLAC conducted a virtual young climate leaders' academy in Ecuador as part of the regional EXCHANGE project, building climate awareness, leadership and advocacy across Ecuador, Bolivia,

Guatemala, and Nicaragua. The project has trained 112 young farmers to date. [Read more here.](#)

Earlier this year, Fairtrade Africa released a Climate Academy Guide, a free resource including a book and training videos on topics such as water management, energy use and farm forestry. [Read more here.](#)

Translating knowledge into action is essential. **Fairtrade producer networks supported cooperatives in implementing almost 130 climate change projects in 2020.** New environmental requirements introduced to the Fairtrade Standard for Coffee earlier this year further encourage cooperatives to evaluate environmental risk and develop climate adaptation plans.

Following the devastation of hurricanes Iota and Eta in Central America in 2020 and as part of their new climate strategy, **Fairtrade producer network CLAC set up a Fund for Climate Eventualities and Catastrophic Events.** Starting with more than US\$200,000, it provides relief support after catastrophic weather events as well as funds for preventive measures. [Read more here.](#)

Partnerships are the key to developing and scaling up holistic solutions. Fairtrade International has established a partnership with Cool Farm Alliance and is in dialogue with other leading conservation, research and development organizations to collaborate and amplify our work.

**“ I have been trained as a leader in the face of climate change, it has been a very important issue for us. We have also learned about the importance of leadership in our networks, in our organizations and as young people we have committed to undertaking new challenges. ”**

Irene Huarachi Arcayne, member of the National Association of Quinoa Producers (ANAPQUI) in Bolivia and youth representative



Elqui Alfredo Sepúlveda is a member of Colombian coffee cooperative ASOBRIS. He and his family have been farming organically for five years. Elqui is setting up a biofactory, funded by the Fairtrade Premium, where other farmers will be trained in composting and making biofertilizers from organic coffee pulp. ASOBRIS farmers also treat the 'honey water' by-product from washing the coffee beans that can otherwise be harmful to the ecosystem. In addition, the cooperative supplies shade trees to members, enhancing the quality as well as sustainability of their coffee. Fairtrade's new Living Income Reference Prices for Colombian coffee are a further step towards achieving sustainable livelihoods for farmers.

## FAIRTRADE PRODUCERS AND CLIMATE CHANGE: IDENTIFYING HOTSPOTS AND HIGH PRIORITY ACTIONS



A new study analyses the risks that producers of six Fairtrade commodities face around the world – bananas, coffee, cocoa, cotton, sugarcane and tea – as well as farmers' own views of their most pressing challenges.

A central finding is that climate change impacts will vary by region and crop, including higher temperatures, more dry spells, increased precipitation or extreme weather. Regional and crop-specific approaches and understanding of local farmer perspectives are needed.

This report is a valuable resource that can help producers, as well as political leaders and policymakers, identify where and what climate change initiatives are most urgently needed.

*[Read more here.](#)*



## 2. GROWTH AND INNOVATION

The pandemic and the increasing effects of climate change are highlighting the systemic inequalities that exist in global trade, and are making the need to shift to a better way of doing business even more urgent. At its core, our new strategy continues to focus on building producer sales and the associated financial benefits, while boosting our emphasis on responsibility throughout the supply chain and new services and models that meet companies' ambitious sustainability needs.

### Producer sales and the market picture

The 2020 sales picture for the seven highest volume Fairtrade products is mixed, with the COVID-19 pandemic being a major factor. Some producers faced logistical and transport challenges, both in-country and for export, although not all products were affected equally. While greater at home consumption benefitted sales of Fairtrade products through supermarkets, out-of-home consumption dropped.

In this section, we sketch out the dynamic between producer sales and sales of final packaged products in destination markets.

### Bananas

After a record year in 2019, sales of Fairtrade conventional bananas slightly decreased, while sales of Fairtrade organic bananas kept growing, resulting in an overall drop of four percent. The price wars in some markets led to some decreases in Fairtrade sourcing; COVID-19 related disruptions in supply chains, distribution and consumption were another contributing factor. With Latin American producers selling nine out of ten Fairtrade bananas, and faced with climate-related crop loss in 2020, CLAC is supporting producers to adapt and recover. The top markets for Fairtrade bananas in 2020 were the UK, Germany, France, Switzerland, and the Netherlands.

[Watch our webinar](#) from earlier this year to get more insights into the challenges posed by COVID-19, climate change and more in the banana sector.

### Cocoa

Fairtrade cocoa had a strong year in consumer markets although, paradoxically, producer sales contracted by 30 percent in 2020. After many years of apparently high stocks of Fairtrade cocoa in the supply chain, the situation reversed, partly due to weakened demand during the pandemic and partly as a result of the new Fairtrade Minimum Price. Some commercial partners stopped buying on Fairtrade terms and others reduced their stock holding. However, with a steady stream of new commercial partners, demand is projected to rise in the coming years meaning producer sales should return to growth. Italy, the US, Austria and Belgium are examples of markets with strong growth in sales of finished cocoa products in 2020, ranging from 26 to 37 percent growth.

### Coffee

Overall, Fairtrade producers' coffee sales remained stable, despite major disruption due to COVID-19. Travel restrictions within producing regions and a lack of shipping containers limited transport. In the second quarter of 2020, the out-of-home sector collapsed by 90 percent in large coffee-consuming countries, severely affecting demand, although this was somewhat offset by supermarket sales for in-home consumption. Out-of-home sales have been slowly recovering and Fairtrade producers have been able to hold competitions, such as the Golden Cup, which have showcased the high quality of Fairtrade coffee in 14 countries, either virtually or in-person. The top markets for Fairtrade coffee in 2020 were Germany, the UK, the US, Canada, and France.

**78%**  
of coffee  
cooperatives sold  
at least half of their  
total production on  
Fairtrade  
terms

“There is a need to radically transform our food systems to make them more efficient and sustainable.”

Chris Oluoch, Fairtrade Africa Programme Director, speaking at the Africa Fairtrade Convention, June 2021



Indonesian cooperative Koptan Gayo Megah Berseri used Fairtrade Premium funds to purchase seeds for a coffee tree rejuvenation project during the pandemic. The cooperative's coffee nursery, funded by Max Havelaar Switzerland under the Fairtrade Coffee Development Plan, hires and trains young people like Raihan.

## Cotton

Although the fashion sector suffered a massive setback due to the pandemic, Fairtrade producers' cotton sales grew by a strong eleven percent overall in 2020. Post-pandemic, sustainability is expected to be an important topic for fashion and textile businesses with increased pressure on brands and initiatives to deliver benefits for farmers and workers. Three-quarters of all Fairtrade cotton came from India in 2020. Meanwhile, the biggest markets for Fairtrade cotton were Germany and France. We are also seeing steady expansion in markets like Norway and Austria, indicating growing interest in Fairtrade cotton.

## Flowers

As fresh products, Fairtrade flowers and plants must be exported and sold in the market fairly quickly. In 2020, producer sales remained almost stable, declining only two percent, despite massive logistical challenges due to the pandemic restrictions. Fairtrade flower producers showed resilience and determination during a very difficult time in spring 2020 when exports ground to a halt. The top markets for Fairtrade flowers and plants in 2020 were Germany, the UK, Switzerland, Sweden, and Finland, while the most significant growth was seen in Germany, Austria, Sweden and France.

## Sugar

Producers' recorded sugar sales in 2020 decreased from the previous year, although the complexity of the sugar supply chain, harvest season timeframes and COVID-related delays mean some sales will be retroactively reported in 2021. Compounding pandemic-related challenges, climate-related weather events hit sugar producers hard in Central America, and Fiji was devastated by Tropical Cyclone Yasa in December. Despite this, retail sales of Fairtrade sugar grew in 2020, likely reflecting home baking and consumption during lockdown. The UK, the US and Germany topped the sales list. [Read more about what Fairtrade sugar sales mean to farmers in Eswatini.](#)








## Tea

Producers' tea sales grew by three percent in 2020, a positive development reflecting higher consumption and purchases of Fairtrade tea during lockdowns. In many producing regions, lockdowns and workplace health and safety requirements impacted the harvest season. Although not all markets saw growth in 2020, the largest markets for Fairtrade tea were the UK, Norway, Switzerland, Germany and the Netherlands.



A worker carries cotton ready for ginning (removing seeds and particles) for Fairtrade certified Chetna Organic Agriculture Producer Company Limited in India.

## Estimated volume of the seven major products sold by Fairtrade producers in 2020

PRODUCT	VOLUME	UNIT <sup>1</sup>	CONVENTIONAL	ORGANIC	FAIRTRADE PREMIUM EARNED
 Bananas	738,874	MT	37%	63%	€35.84 million
 Cocoa (Cocoa bean)	175,412	MT	78%	22%	€37.09 million
 Coffee (Green bean)	226,338	MT	34%	66%	€86.31 million
 Cotton (Cotton lint)	11,759	MT	44%	56%	€1.66 million
 Flowers and Plants	943,859	1,000 items	100%		€7.25 million
 Sugar (Cane sugar)	120,230	MT	72%	28%	€6.81 million
 Tea ( <i>Camellia sinensis</i> )	8,341	MT	60%	40%	€4.40 million

<sup>1</sup> MT = metric tonnes.

'Items' includes flower stems and plants.

### Notes

The data in this table are from the seven products produced by more than 90 percent of all Fairtrade farmers and workers. The volumes reported are of sales on Fairtrade terms regardless of ultimate market destination, and reflect the best available information at the time of publication.

Sales growth percentages cited in this report are based on updated 2019 sales figures for all seven products. These slight changes were recorded since our last annual report was published, and are usually due to reports from Fairtrade buyers that are received after publication. The most recent data are available here: <https://www.fairtrade.net/impact>

## Better for everyone: growing demand

Expanding sales for Fairtrade producers requires encouraging more companies to source sustainably, developing new markets for Fairtrade products, and expanding options for both producers and shoppers.

### *Fairtrade tagged on Amazon as 'Climate Pledge Friendly'*

Fairtrade was one of the first ethical labels to be featured in the online retailer's Climate Friendly Pledge programme, which aims to make it easier for shoppers to identify which products are helping to preserve the natural world. [Read more here.](#)

### *Boosting organic and sustainable livelihoods*

Some projects are taking a holistic approach, which will also enhance producers' opportunities and marketability. For instance, a €1 million project including funding from the French Development Agency (AFD), and supermarket chain Carrefour, will support eleven Fairtrade banana cooperatives in the Dominican Republic and Peru to strengthen organic farming and diversify incomes. At the same time, the project will tap into women's leadership skills and support producers to invest in climate change resilience, ultimately benefitting 10,000 farmers and community members. [Read more here.](#)

“ **This project will improve banana production, making it more sustainable, and it will also improve the competitiveness of the participating organizations to generate better income for more than a thousand producers in the Dominican Republic and Peru. The project comes at a time of deep crisis and generates new hope for family farming.** ”

Marike de Peña, President of CLAC's banana network



Javier Ordinala Valledares has been a member of the Cooperativa Agraria APPBOSA for more than a decade. The cooperative invested Fairtrade Premium funds in a cable line to more easily transport bananas during harvest time.



INDCOSERVE, India's largest tea federation, became Fairtrade certified in 2021. More than 30,000 small-scale tea growers are members, many of whom have been with the cooperative for decades.



Members of Kuapa Kokoo in Ghana are diversifying their crops as part of the Sankofa Project: Empowered by Alliances for Action.

**Sweet opportunity: Developing Fairtrade sugar supply chains in the Philippines**

Sugar farmers in the Philippines are forging new trade partnerships thanks to support from Fairtrade producer network NAPP and the United Nations International Fund for Agricultural Development (IFAD). With the building of a muscovado sugar processing plant in South Bukidnon, jointly owned by three sugar cooperatives, and training and market development support from NAPP, around 350 farmers will be able to expand Fairtrade sales further up the value chain and improve their incomes.

**Expanding demand for Fairtrade in South Asian markets: SWITCH-Asia**

The European Union-funded SWITCH-Asia project supported ongoing activities to increase consumer awareness of sustainable options and expand markets for Fairtrade producers.

Despite the challenges caused by COVID-19, virtual campaigns for Fashion Revolution and Fairtrade Week engaged thousands of people online, while school activities on sustainability reached more than 9,000 students.

In addition, three Indian brands launched sustainable Fairtrade products in 2020, with India's first high street brand introducing a sustainable Fairtrade collection. Indian consumers bought

Fairtrade food and fashion products worth more than 119 million rupees (€1.41 million) in 2020.

**Partnering for impact: Bespoke solutions for fair and resilient supply chains**

Fairtrade works with companies and their producer partners to develop tailored solutions that meet their shared sustainability goals. Nineteen national Fairtrade organizations along with the three regional Fairtrade producer networks and Fairtrade International itself provide expertise and three decades of experience in tackling challenges in global trade.

**Cross-cutting innovations: Sankofa Project: Empowered by Alliances for Action**

A partnership with Swiss chocolate company HALBA – a division of Coop, Fairtrade certified cocoa union Kuapa Kokoo in Ghana, the International Trade Centre (ITC), the Worldwide Fund for Nature (WWF) Switzerland and others is advancing multiple interlinked goals:

- Climate resilience;
- Biodiversity conservation;
- Income diversification, including establishing links to new markets.

Additional project partners include Fairtrade Africa, Fairtrade/Max Havelaar Switzerland, Ecotop Suisse, South Pole, Nature and Development Foundation, Yam Development Council.

Despite the challenges of COVID-19 in 2020, the second year of the project, 31 smallholder farmers established almost 45 hectares of dynamic agroforestry, integrating the production of cocoa, timber, biomass and fruit trees, yam and other associated crops for income, food security and nutrition. This will be scaled up to reach 400 farmers. An additional 1,016 farmers, mostly women, established another 45 hectares of yam, maize and other crops in climate-smart cropping systems, with a target of 2,500 farmers by 2023. Almost 7,000 farmer household members have benefitted from the project to date. Kuapa Kokoo has also hired 15 full-time and 19 part-time community members to support the project and share best practices with other communities and farmers.

The farmers' non-cocoa crops topped US\$168,000 in value, contributing to living incomes and food security. This is in addition to HALBA – a division of Coop sourcing more than 1,300 metric tonnes of cocoa beans from Kuapa Kokoo on Fairtrade terms. Developing new market linkages is an essential step for farmers if they are to make investments in alternative income streams pay off.

## Human Rights and Environmental Due Diligence: building in accountability with producers at the table

Our new global strategy recognizes the importance that human rights and environmental due diligence (HREDD) will increasingly play as companies seek to ensure that people and the planet are protected throughout their supply chains.

Certification alone cannot guarantee that human rights and environmental violations do not occur, which is why **a holistic approach to building rights awareness, assessing risks, and ensuring rights holders are part of the solution** is necessary. Justice would not be served if companies sought to avoid risks by only sourcing from lower-risk regions, harming producers who are working hard to prevent and remediate violations in more challenging environments.

For several years, we have been building our human rights commitment and a comprehensive approach to due diligence so that we can **strengthen our own system and offer support to farmers, workers and companies engaging in HREDD initiatives**. We analysed how Fairtrade aligns with the United Nations Guiding Principles on Business and Human rights and looked at specific case studies, which we published in a report called [How does Fairtrade mitigate human rights violations in global supply chains?](#)

Currently, we are bringing farmer and worker perspectives to European Union policymakers who are preparing HREDD legislation, and carrying out a Fairtrade-wide assessment of human rights and environmental risks and impacts. [Read the Fairtrade Human Rights Commitment](#) and the [Fairtrade Vision for Human Rights and Environmental Due Diligence](#)

### The three areas of our HREDD action are:

#### Fairtrade's own HREDD processes and Standards


Fairtrade Standards and support focus on:

- living wages and living incomes;
- child labour, forced labour and gender-based violence;
- discrimination based on gender, ethnic origin or other status;
- freedom of association and unionization;
- conditions of work;
- environmental rights.

#### Advocacy on HREDD legislation

Including:

- Legislation should cover entire supply chains, not just first tier suppliers;
- Companies should co-invest and address the most serious risks rather than abandon certain sourcing areas;
- Companies should engage in dialogue with workers, farmers and other rights holders.



Leticia Kwaw is head teacher at Asuadai MA School in Ghana, which reopened in January after being closed for ten months due to the pandemic. The junior high school block was built in 2016 using Fairtrade Premium funds earned by the Asuadai Cocoa Farmers Cooperative Society.

#### Services to support companies' HREDD obligations

Including:

- Dialogue with farmers and workers (rights holders);
- Guidance to prevent and mitigate adverse impacts;
- Follow up and measurement of actions taken;
- Support for remediation.

### 3. ADVOCACY AND CITIZEN ENGAGEMENT

Fairtrade is about people. We are thrilled that millions of people every year join with Fairtrade to raise their voices whether they are farmers, chocolate lovers, coffee drinkers, fair fashion wearers, students... or all of the above!

With more and more people caring about the living and working conditions of the people who grow and make the products enjoyed around the world, **Fairtrade stands as the most trusted ethical label.** In addition to encouraging people to choose Fairtrade, our aim is to build on the powerful groundswell of the global Fairtrade community to change laws and systems for the benefit of all farmers and workers – and therefore for us all.

#### Advocating for human rights

A major focus has been working with partners to call on governments and the European Union to enact laws that build farmer and worker rights into trade policy, including living incomes.

- In November, we published *Promoting living incomes in the cocoa sector: Policy options for consumer countries*, a paper outlining a range of possible public policy measures that consumer-country governments – chiefly the European Union and its member states – could take to contribute to living incomes in the two main cocoa-producing countries, Ghana and Côte d'Ivoire.
- Fairtrade producer networks conveyed the perspectives of farmers and workers at several international human rights and environmental due diligence (HREDD) events.
- National Fairtrade organizations have continued working with their countries' sustainable cocoa initiatives ('ISCOs') to promote living income goals, and have also participated in coalitions calling for HREDD legislation.



Fairtrade contributes to many of the UN's Sustainable Development Goals, joining with the global community.

Nearly **7 in 10** shoppers feel that they are part of a community standing up for fairness and justice when they buy Fairtrade.

There are more than **2,075** Fairtrade towns around the world.

About **a million** people participated in our World Chocolate Day campaign in July 2021.

**TRADE FAIR, LIVE FAIR PROJECT ENGAGED MORE THAN 1.2 MILLION EU CITIZENS**



Overall, this three-year EU-funded project raised awareness of sustainable consumption and production among 50 million people, including nearly 5,000 policymakers and 2,000 business representatives. Sixteen major campaigns included International Women's Day, Fashion Revolution, World Fair Trade Day, the European Parliament Elections, and coffee and climate-related issues.

The project's successful approach combined policy advocacy at all levels, rigorous research on sustainability issues to inform companies' actions, and mobilizing EU citizens to demand change. Learnings and recommendations from the project were shared by the European Commission earlier this year. [Read more about the project's results.](#)

## FAIRTRADE CONTRIBUTES TO THE SUSTAINABLE DEVELOPMENT GOALS (SDGS)

The United Nations set 17 sustainability goals to end poverty, protect the planet, and ensure peace and prosperity for all. With less than a decade to go until the target date of 2030, a lot of work remains to be done.

Of the 169 targets underlying the goals, there is barely a single one that isn't somehow related to food, farmers and agricultural workers.

We have prioritized twelve goals that are most closely linked to our work.

By aligning our goals and indicators with the SDGs, we unite our actions to a global movement that directly addresses inequality, and social and environmental justice.

[Read more here.](#)



- Together with Fair Trade Advocacy Office, we analysed the opportunities and risks of different legislative options on HREDD and made concrete proposals to promote human rights and the voices of farmers and farm workers in global supply chains. Our analysis and proposals were published, for example, in publications by the Business and Human Rights Resource Centre (BHRRC) and FTAO.
- As the European Commission prepares to propose due diligence legislation, we are working with allies to highlight how this legislation could address the lack of living incomes and living wages, unfair purchasing practices, and disparities of power in supply chains.

### Amplifying producers' voices

Fairtrade supports farmers and workers in making their experiences and policy demands heard. Some of these activities were supported by the European Commission's Framework Partnership Agreement grant.

- Fairtrade Africa collaborated with coffee cooperatives in Tanzania to successfully lobby the government to remove a tax levied on coffee producers.
- The EXCHANGE project led by CLAC in five Latin American countries strengthens farmers' leadership and advocacy skills related to climate change, and is targeting coordinated advocacy actions to drive adaptation and mitigation measures.
- Fairtrade producer networks contributed to identifying policy 'asks' to reduce the negative effects of the pandemic on Fairtrade producers and markets. The result was a joint Build Back Fairer statement with other fair trade advocacy partners, calling for a just and sustainable post-COVID-19 recovery.
- Fairtrade farmers, including youth ambassadors, will be taking action around the COP26 climate talks in Glasgow in November 2021, calling for more urgent action and for climate financing to reach family farmers and workers. [Learn more about the call for governments to honour the \\$100 billion climate pledge.](#)



Grace Mwagi is a worker at Karen Rosen Limited in Kenya. She has been a Fairtrade champion for the past five years, supporting fellow women workers.



Roberto Gallo, a member of Cooperativa Agraria Acopagro in Peru, has been growing bananas for more than a decade. He is featured in the Fairtrade documentary series *Farmers: Fighting the Global Crisis*.

#### 4. DIGITALIZATION FOR FAIRER SUPPLY CHAINS

Data and technology in the hands of producers means power. Technology enables farmers and cooperatives to know their full expenses, follow market prices, graph weather patterns, share information quickly, and so much more. All of this means they have valuable insights into their businesses that enable them to be on a more equal footing with trading partners.

**We are aiming for a comprehensive traceability strategy that assures privacy and provides fair access to information.** FairLens is a data warehouse that provides information on sales, the Fairtrade Premium, and more to actors throughout Fairtrade supply chains.

In 2020, we also launched the development of FairInsight, a platform that enables producer organizations to store and leverage their data to improve their positions in trade negotiations and to connect to the digital supply chain. Functionality will be added in late 2021 for organizations to upload information on their Fairtrade Premium investments and share it with members and partners.

One example of a customized data ownership project is the partnership between six Ivorian cocoa cooperatives, Farmforce agricultural software, and a local data services company to set up 'internal management systems' within each cooperative to store important information about their cocoa supply. **Cooperatives will be able to map their members' farms and track what they buy from each farm – known as 'first mile' traceability – and have data that helps unlock bank financing.** Each cooperative can use its system with multiple commercial partners rather than having to use each partner's system, or be tied to one specific commercial partner. [Read more here.](#)



## 5. LAUNCHPAD FOR THE FUTURE

The Fairtrade system is a powerful collaboration between producers – who have equal decision-making power at the highest level of our governance structure – and national Fairtrade organizations that build consumer awareness and license the FAIRTRADE Mark.

Our new global strategy highlights some of the ways we will continue to strengthen our capacity as a system, and ensure we are leveraging our expertise and resources to drive value for farmers and workers.

- We will continue developing smart partnerships in the priority areas of our strategy, including climate resilience, opportunities for women and young people, HREDD, digitalization and more.
- We will continue to seek funding partnerships that enable us as a system to deepen our interventions and impact.
- We will accelerate exploration of innovative ideas, increasing pilot projects and sharing learnings openly.

Through the European Commission Framework Partnership Agreement grant, we in Fairtrade continue to strengthen our own systems and those of producer organizations in key focus areas. Producer network CLAC was able to deliver workshops with producers related to gender equality and youth engagement, and to host a meeting for national workers' committees in the Dominican Republic. In 2020, Fairtrade Africa carried out consultations in eight countries and across multiple products related to improving and expanding Fairtrade Africa's programmes and services.

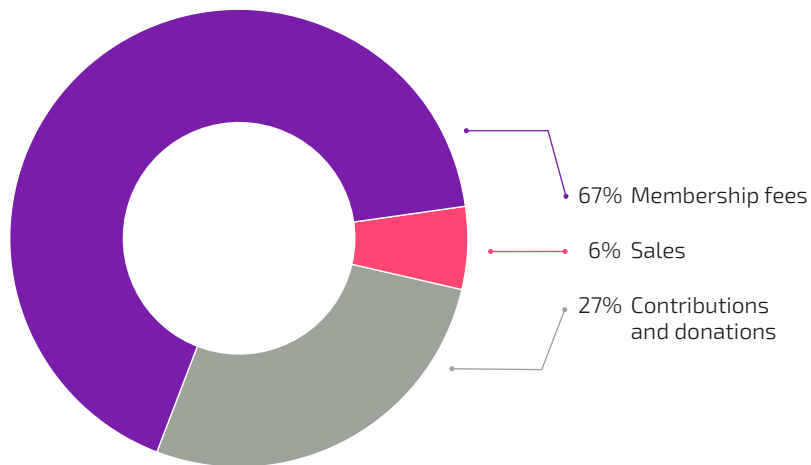
Our structure is one of our strengths, **ensuring that producers are owners and deciders, that they have high quality support through regional Fairtrade producer networks, and that companies have local partners to work with** in exploring Fairtrade's services, from sourcing to bespoke supply chain solutions.

Visit [www.fairtrade.net](http://www.fairtrade.net) to learn more.



# Fairtrade International's Financials

## Income



**Membership fees:** As a membership organization, Fairtrade International receives membership fees from the national Fairtrade organizations (NFOs), which receive fees from companies that license the FAIRTRADE Mark for use on their products. The membership fee is unrestricted funding and is calculated as a percentage of the licence fee income of each NFO.

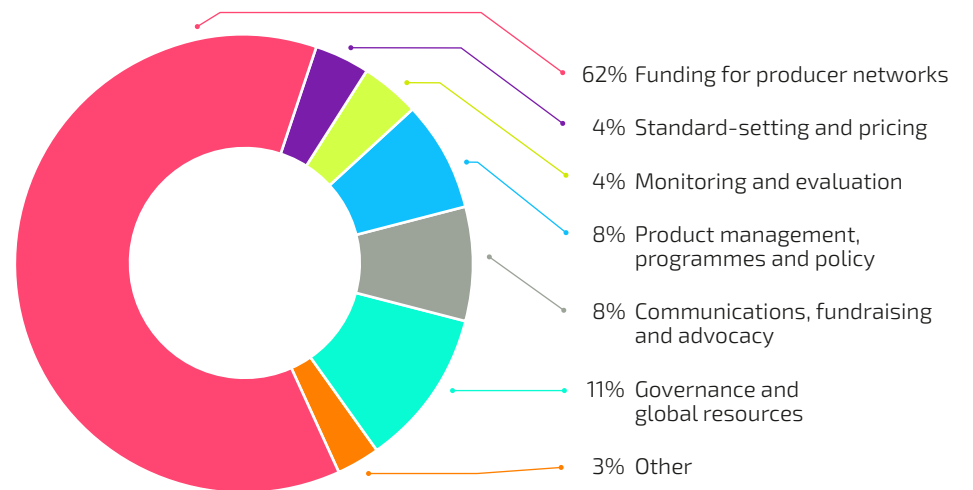
**Sales:** This includes income from cross-border sales and international licensing.

**Contributions and donations:** This includes grant funding.

## Statement of Accounts for 2020

The summarized key financial figures outlined below have been extracted from internal management reports and from the audited financial statements for 2020. The latter, as in previous years, received an unqualified opinion (KPMG). Fairtrade International's accounting practices comply with generally accepted accounting practices and relevant German legislation (KStG and HGB).

## Expenditure



**Funding for producer networks:** The three Fairtrade producer networks receive this funding to provide support services to producers in their regions. In 2020, this included Fairtrade COVID-19 Producer Relief and Resilience funds, which producer networks distributed in their regions.

**Product management, programmes and policy:** This includes costs associated with personnel related to these functions.

**Communications, fundraising and advocacy:** This includes some grant pass-through funds to partners (€1.3 million) in addition to personnel related to these functions.

**Governance and global resources:** This includes costs associated with the Board and General Assembly, as well as with the finance, IT, human resources, legal services, brand, trademark and international licensing functions.

## Income Statement

	2020 (€'000)	2019 (€'000)
Total income	34,288	27,700
Total expenditure	33,486	25,026
Income from investments	0	0
Taxes on income	77	297
Earnings after taxes	725	2,377
Profit carried forward	173	406
Changes in reserves	-1,153	2,609
Retained earnings	2,052	174

## Fairtrade International's Funding Partners in 2020

European Union – Development Education and Awareness Raising (DEAR)  
 European Union – Framework Partnership Agreement  
 European Union – SWITCH-Asia  
 German Federal Ministry of Economic Cooperation and Development (BMZ)  
 German Agency for International Cooperation (GIZ)

## Additional funding partners to the Fairtrade global system in 2020

Australian Department of Foreign affairs and Trade (DFAT)  
 Belgian Directorate-General for Development Cooperation and Humanitarian Aid  
 European Partnership for Responsible Minerals (EPRM)  
 French Development Agency (AFD)  
 Genesis Trust

## Balance Sheet 2020 (€'000)

	31.12.2020	31.12.2019		31.12.2020	31.12.2019
<b>Fixed assets</b>	<b>1,329</b>	<b>1,373</b>	<b>Equity</b>	<b>7,315</b>	<b>6,589</b>
Intangible fixed assets	23	32	Restricted and designated reserves	620	221
Tangible fixed assets	143	178	General reserve	4,643	6,195
Financial assets	1,163	1,163	Net income for the year	2,052	173
<b>Current assets</b>	<b>14,912</b>	<b>12,439</b>	<b>Provisions</b>	<b>3,179</b>	<b>2,455</b>
Receivables	4,971	4,366	Liabilities	1,599	1,540
Other assets	613	135	For supplies and services	1,379	1,315
Liquid funds	9,328	7,938	Other liabilities and accruals	220	225
<b>Pre-paid expenses</b>	<b>176</b>	<b>190</b>	<b>Deferred income</b>	<b>4,324</b>	<b>3,418</b>
<b>Total</b>	<b>16,417</b>	<b>14,002</b>	<b>Total</b>	<b>16,417</b>	<b>14,002</b>

German Agency for International Cooperation (GIZ)  
 German Federal Ministry of Economic Cooperation and Development (BMZ)  
 ISEAL  
 Italian Agency for Development Cooperation (AICS)  
 Italian Ministry of Labour and Social Policies  
 King Baudouin Foundation  
 Ministry for Foreign Affairs of Finland  
 New Zealand Ministry of Foreign Affairs and Trade (MFAT)  
 Open Society Foundation  
 Swiss Platform for Sustainable Cocoa  
 Swiss State Secretariat for Economic Affairs (SECO)  
 Textile Recycling for Aid and International Development (TRAID)  
 Trias  
 UK Foreign, Commonwealth and Development Office (FCDO)  
 Veneto Region, Italy

## Fairtrade International's Board Members

The Board of the international Fairtrade system, as elected in July 2021:

Lynette Thorstensen, Chair (Independent)  
 Bill Barrett, Vice-Chair (NFO representative)  
 Miguel Ángel Munguía Gil, Vice-Chair (Producer representative)  
 Frank Harnischfeger, Treasurer (Independent)  
 Rhea Beltrami (Independent)  
 Wambui Chege (Independent)  
 Andrea Debbané (Independent)  
 Kouame N'dri Benjamin-Francklin (Producer representative)  
 Gnanasekaran Rajaratnam (Producer representative)  
 Merling Preza Ramos (Producer representative)  
 Laurence Tanty (NFO representative)



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INTERNATIONAL

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## Disclaimer

Data in this report were collected through various monitoring and data collection systems within Fairtrade, reported in some cases by producer organizations through the audit process and in other cases by other supply chain actors. 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 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.

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