



Fairtrade International

CHALLENGE AND OPPORTUNITY

Annual Review 2010-11



FAIRTRADE

The Fairtrade Vision

A Human Face to Global Trade

Fairtrade is an ethical certification system and movement with a people first approach to trade. Fairtrade offers farmers and workers in developing countries a better deal, and the opportunity to improve their lives and invest in their future.



Fairtrade's core products: cotton, bananas, tea, sugar, cocoa, coffee - 27 000 Fairtrade certified products sold worldwide

Fairtrade International (FLO)

Fairtrade International (FLO) is an internationally recognized, non-profit organization that works to secure fairer trade terms so that farmers and workers in developing countries can invest in a better future for themselves and their communities. Our global team works to directly connect producers and consumers and promote fairer trading conditions and sustainability. We are responsible for the strategic direction of the Fairtrade system, the Fairtrade Standards and support to Fairtrade farmers and workers worldwide.

Voices of Fairtrade International

Three regional producer networks representing farmers and workers from Africa, Asia and Latin America/Caribbean and 19 national labelling initiatives are full members in Fairtrade International's governance. There are also three marketing organizations and two associate members.

Fairtrade Standards and Certification System

A product with the FAIRTRADE Mark means independent certification against the Fairtrade Standards at each step of the supply chain. FLO-CERT certifies all Fairtrade producer organizations; FLO-CERT or the national labelling initiatives certify trading companies. FLO-CERT was the first ISO 65 accredited certification body for an ethical label. ISO 65 is the leading internationally accepted norm for certification bodies operating a product certification system.

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Front cover: Member of the Dougoura Koroba cooperative, Mali

Challenges and Achievements 2010

Message from the Board Chair

2010 was a year of challenge, yet at the same time one of achievements. Fairtrade sales remain resilient despite the economic downturn in many of our established markets, demonstrating once again the attractiveness of Fairtrade for consumers. Estimates indicate healthy growth and 2010's financial performance will be published later this year.



Jean-Louis Homé

Over the past year, every time I heard news of a natural disaster leaving devastation in its wake, I thought how these events should remind us all to put our concerns in perspective and reinforce our efforts to help build a better life for those who need it most.

During 2010, the Board of Fairtrade International put in place the final organizational structures approved in our Global Strategy for Fairtrade. The producer networks now have executive teams which will be further reinforced in 2011. The Fairtrade Standards are now easier to understand and more adaptable to producers' reality. Our new look and corporate identity is a better reflection of Fairtrade International as a vibrant, active and global organization.

Improving the efficiency of Fairtrade was a paramount subject for the Board. We have made decisions to facilitate a more global approach and build on the strength and capabilities that already exist in our national organizations, our producer networks and at the Fairtrade International office. We have embarked on this fundamental review taking into consideration cultural diversity, historical differences and ideologically diverse aspirations. The challenge is huge, the opportunity even bigger.

I would like to thank our strategic funding partners for supporting Fairtrade in the pursuit of its mission and vision and I personally congratulate the Fairtrade International staff for their dedication and work. I am confident that our global strategy will make the way we work together easier and more effective, delivering more benefits to more members of the Fairtrade family around the world.

After six years as board member and three years as Chair, and as stipulated by the governance rules, I will leave the Board at the end of this year. It has been an incredible, challenging and exciting task. I've loved working with all of you.



Jean-Louis Homé
Chair of the Board of Fairtrade International

Fairtrade's Vision

A world in which all producers can enjoy secure, sustainable livelihoods, fulfil their potential and decide on their future.

Fairtrade's Mission

To connect disadvantaged producers and consumers, promote fairer trading conditions and empower producers to combat poverty, strengthen their position and take more control over their lives.

Fairtrade International's Purpose

To provide the leadership, tools and services to inspire and empower more people to achieve Fairtrade's vision and mission.

2010 – A Stronger Fairtrade

Message from the Chief Executive

If we embrace the opportunities before us, we have the capacity to change the terms of trade and make a contribution to ensuring that all producers, through fairer trade conditions, can enjoy secure and sustainable livelihoods.



As our Board Chair points out, 2010 saw many crises in the developing world. But it was also the year in which our members' and funders' investments in our strategy to strengthen, broaden and deepen Fairtrade began to pay real dividends. We face urgent and difficult challenges that we are now equipped to meet. Examples of our responsiveness this year are:

- the development of a "disaster response" plan so we can better respond to crises,
- further steps to address child labour in some of the most demanding circumstances,
- a coffee action plan in response to the challenges caused by recent unexpected coffee price movements.

And for long-term results, growth strategies for the key Fairtrade products are now being implemented.

The commitment of producers, traders and companies means we are already seeing impact.

Meanwhile, we are increasing Fairtrade sales, managing relationships with multinational licensees, and deepening the commitment of companies to supporting Fairtrade farmers and workers.

... broadens reach

The decision of the Board of Fairtrade International to look into diversifying the types of producer organizations in the system has great potential to broaden Fairtrade's reach and increase sales for all producers. Democratically run cooperatives often represent Fairtrade at its best. But in order to be true to our mission, we must enable farmers and workers, in other types of organizations, to benefit from Fairtrade. This change, however, will be done with sensitivity to the needs of all.

We are broadening our reach further through partnerships. For example, Fairtrade and Fairmined gold, launched with the ARM, is benefitting artisanal gold miners. We have created a pilot timber standard with FSC. And, together with the German development bank KfW, we are building a producer finance strategy that will enable us to link producers to financing opportunities. A partnership has also led to a new marketing organization in Korea this year.

... deepens impact

We aim to deepen impact in all areas of our work. Our Fairtrade Standards are one of our greatest strengths, but we can always do more to improve them. The recently launched New Standards Framework creates greater flexibility for

farmers to follow their own development path and makes the Standards much easier to use.

While Standards are the framework for Fairtrade, we also serve the needs of producers through advice and support. A new operational model for Fairtrade producer support identifies key services and clarifies the means through which we can deliver them.

Many labelling initiatives continued to report growth in sales in 2010. I am convinced that at least some of this success is thanks to the great progress and changes we have made in Fairtrade International. With greater and more efficient tools and leadership, we have assisted in bringing more profit and more benefits to producers through consumer sales of their products.

And finally...

None of this would have been possible without the great team at Fairtrade International. It's a team of many nationalities and cultures united by a common goal to benefit producers and make trade fairer. I respect each and every one of them and thank them all. Finally, as Jean Louis Homé points out, his term as Board Chair ends this year and I want to thank him for his amazing contribution. I will very much miss his support, humour, patience and wise counsel.



Rob Cameron
Chief Executive

Making a Difference for Producers

More Benefit to More People

Two years ago, Fairtrade International embarked on a plan to strengthen Fairtrade, broaden its reach and deepen its impact. In the last year, our strategy has born fruit and is making a difference for farmers and workers worldwide.



Gladys Asafo and Mercy Dzade at the Volta River Estates, Ghana, where nearly 600 metric tonnes of bananas are sold on Fairtrade terms.

Strengthening the system

We saw a need to improve connections between producers and businesses. We recognized that our work across borders could be more efficient and easier. And to compete, we needed better strategic thinking and ways of working. Three newly created units are meeting these needs.

Broadening reach

We are expanding to reach more people in more countries through partnerships. Together with the Forest Stewardship Council and the Alliance for Responsible Mining, we are bringing Fairtrade to timber producers and artisanal gold miners. A new marketing organization in Korea will bring more Fairtrade products to this growing market.

Deepening impact

We revised the Fairtrade Standards to better suit the needs of producers. Producers will be able to create customized business and development plans as part of their Fairtrade certification. Likewise, the influence and services of our producer networks have grown considerably and will continue to do so.

Strengthening Fairtrade

Policies and Programmes

How can we become more effective in responding to today's most pressing issues? One way is by creating policies that make a positive difference in people's lives, at their workplace and in their communities. Fairtrade policies, programmes and partnerships are targeted to enable millions of people to overcome the challenges that keep them locked in poverty and create opportunities for greater impact for those who need it most.

Strengthening the Protection of Children

In 2010, we strengthened our efforts to combat exploitative child labour through child rights and protection.

Fairtrade International convened two forums on the Elimination of Exploitative Child Labour in the West African cocoa sector. The first, held in Bonn, included Fairtrade staff, UN officers, international non-government organizations, as well as industry representatives. The second, held in Ghana, included representatives from cocoa producer cooperatives in Ghana and Cameroon.

Fairtrade International and Plan Canada, an international child rights NGO, are partners in support of child rights and child protection training for our Producer Services and Relations' team and liaison officers in the field. Fairtrade International also worked with Plan to conduct child-sensitive focus groups with boys and girls in cocoa growing communities in Ghana, and gathered information on the impact Fairtrade has on their well being. We conducted similar focus groups in Fairtrade cotton producer communities in India, and also visited tea plantations to learn from operators and workers about children in their communities.

We engaged with the US-based Harkin-Engel Cocoa Protocol process and its oversight body, the Payson Center for International Development at Tulane

University. We shared information and gave input into the process of understanding Fairtrade product certification and how it addresses exploitative child labour elimination in the West African cocoa sector.

In the months ahead, we will also engage with producers' cooperatives in Cote d'Ivoire to hear their recommendations. A final forum will then be hosted to present Fairtrade's strategic approach to child labour elimination.

The United Nation's Millennium Development Goals guide our work. Fairtrade strives to protect workers rights, enable fair and decent working conditions and ensure freedom from forced labour, including the elimination of exploitative child labour. We also facilitate coping with climate change and encourage sustainability.

Girl from Ethiopia going to school thanks to the Fairtrade Premium paid to her community's Fairtrade cooperative, SCFCU.





Hardeep Singh, President of Shahdevpur Village Club/Sunstar Rice in North India pictured with his wife Anrandeep and relative, Shanti.

The Shahdevpur Village Club used part of its Fairtrade Premium to build an access road to the rice fields and to set up an organic composting unit.

Sustainable Futures

Our holistic approach to sustainability gives Fairtrade a unique opportunity to improve lives. We recently published the paper 'Fairtrade's Contribution to a More Sustainable World,' which outlines how the Fairtrade system provides for sustainable futures. True sustainability lies at the juncture of the economic, environmental and social spheres of human life. A balance must be achieved in all of these areas to eradicate poverty.

People First

Whichever issue is at stake – climate change, food security or water security – people come first with Fairtrade. True sustainability can only be achieved once people are able to face their economic, environmental and social challenges.

Fairtrade's unique holistic approach to sustainability carefully balances the long-term economic, environmental and social conditions faced by farmers and workers. We support producers to economically and sustainably strengthen their livelihoods through fairer prices, the Fairtrade Premium for local development and long-term trade relationships.

"Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs."

The definition of sustainability adopted by Fairtrade International from the World Commission on Environment and Development.



Coffee cherries at Gumutindo Coffee Co-operative in Uganda where the Fairtrade Premium has been invested in protecting natural water sources.

The Climate Change Challenge

Climate change knows no borders. Fairtrade farmers and workers were among the hundreds of thousands of people who suffered from earthquakes or were hit by flooding, hurricanes and landslides. Fairtrade producers represent many of the people most affected by climate change, the same people who have contributed least to the problem. Fairtrade is responding to global climate change with concrete actions that will help farmers and workers adapt to the consequences and find innovative ways to face the challenges.

In close cooperation with producer organizations and labelling initiatives, Fairtrade International has developed a Climate Change Strategy.

Two priorities guide our work:

- Enabling producers to face challenges by adapting to the consequences of climate change and mitigating their own environmental impact;
- Positioning the Fairtrade system as an important tool for addressing climate change challenges by advocating for policy changes and building consumer awareness of climate change issues.

Fairtrade International shared its work on climate change at the Development and Climate Day 2010, which was held alongside the United Nations Framework Convention on Climate Change in Cancun, Mexico. Fairtrade staff and producers were among representatives from academic institutes, civil society organizations, development agencies, governments and businesses.

The event allowed Fairtrade producers to speak out about the challenges they are facing, to share the way Fairtrade is helping them combat climate change and to exchange knowledge with other climate change actors.

"We have planted trees and reduced the amount of pesticides we use by 80 percent in the last ten years. We've used the Fairtrade Premium to buy environmentally friendly ovens to dry our coffee."

Gerardo Arias Camacho, Coffee Farmer, Llano Bonito (COOCAFE) Cooperative in Costa Rica

Response to Climate Change in 2010

- Developed a producer support programme for climate change adaptation and mitigation
- Partnerships to address climate challenges faced by producers
- Advocacy work for policy changes and consumer awareness
- Carbon foot printing to develop a carbon reduction plan for Fairtrade operations

Working for Workers

Fairtrade International is taking significant steps towards our vision of worker empowerment. One of the concrete measures in 2010 to strengthen our knowledge and partnerships with trade unions and labour rights organizations is the new Advisory Committee on Workers' Rights and Empowerment (WRAC). The committee is made up of representatives from trade unions, labour rights NGOs, companies and our members, as we seek external advice on protecting freedom of association, encouraging workers to organize, and increasing wages.

The Fairtrade Standards protect workers' basic rights according to International Labour Organization conventions, but workers on plantations and in factories remain among the most vulnerable within the global trading system. The establishment of WRAC is a move to help change that and is part of our larger effort to improve rights for all workers in Fairtrade.

Fairtrade International started a review of its hired labour strategy at the end of last year. Our goal is to have a holistic review of the current strategy and tools to drive for greater impact for workers. This includes, among other issues, worker empowerment, joint body and Premium use, unionization and wage issues.

Fairtrade Action for Worker Empowerment

"The workshop was a good example of how we can deepen the collaboration and also replicate this example in other areas. The most affirming thing was the good relations between joint bodies and local union branches."

Sue Longley, Agricultural Coordinator, International Union of Food Workers (IUF)

- Active cooperation and dialogue between Fairtrade, global and local trade unions and labour rights organizations
- Regional meetings with producer organizations, trade unions and labour experts in Latin America, and the Caribbean
- Workshop in East Africa with IUF and local affiliates to develop closer working relations and give input to hired labour review
- Dialogue with COLSIBA and its member unions representing banana workers in Latin America
- Building capacity in our Producer Services and Relations team on workers' rights issues
- On-going dialogue with Euroban and World Banana Forum on wages and workers' conditions.



A woman harvesting rice at the Sunstar Federation of Small Farmers of Khaddar Area, India

Challenge Creates Opportunity

Historic Change for Fairtrade Standards

One of Fairtrade International's most significant projects in 2010 was the year-long review and reorganization of the Fairtrade Standards. The New Standards Framework (NSF) will help create a more effective Fairtrade system and greater opportunities for farmers, workers and their communities.

The New Standards Framework (NSF) makes the Fairtrade Standards easier to understand, more adaptable to producers' local situation, and gives producers more freedom to determine their own development path.

In the new model, the Generic Standards for Small Producer Organizations and Contract Production have been rewritten into simple, straightforward language. All of the requirements for producers are included in one document. This makes it easier for producers to see what is needed and invest their money and time wisely. In addition, the Standards have been reorganized into four sections: Production, Trade, Business & Development, and General Requirements.

- **Production:** outlines the ethical and sustainable production practices that producers need to comply with, such as labour conditions and environmental requirements.
- **Trade:** outlines the rules companies and producers need to comply with to sell a Fairtrade product.
- **Business & Development:** outlines the requirements that are unique to Fairtrade. This includes requirements regarding the Fairtrade Development Plan, the Fairtrade Premium, and democratic decision-making processes.
- **General Requirements:** relate to the certification process and to the scope of the Standards.

All of the requirements are split into two categories: core and development. All the core requirements must be fulfilled and development requirements are scored on an average. This gives producers more flexibility. Producers monitor their progress by creating their own development plans, determining which areas they want to focus on and when, and charting the best way for their organization to develop.

As part of the NSF project, the Fairtrade environmental requirements were revised. Strong core criteria protect producers' health and safety, conserve nature and ban the use of GMOs and dangerous chemicals. Then with the benefits received through Fairtrade, producers work on development priorities of their choice, which leads to even greater sustainability.

"The NSF is a timely response to a changing world in which producers are increasingly marginalized and Fairtrade must demonstrate its relevance more than ever before."

Andreas Kratz, Director of Fairtrade International's Standards Unit

Fairtrade Premium money helped the Manduvira Sugar Cooperative convert to organic production.



Asian Consultation



Bangkok, Thailand: 30 producers from eight countries with translations in all languages.

Latin American Consultation



Lima, Peru: 61 producers from 17 countries. Conducted in Spanish, with simultaneous translation into Portuguese and English.

African Consultation



Nairobi, Kenya: 37 producers from 17 countries attended the workshop in English and French.

Shaping the future of Fairtrade

In Fairtrade International's biggest consultation to date, we invited all our stakeholders to participate in written consultations and workshops to receive feedback and input on the New Standards Framework.

The NSF consultations took Fairtrade International to three continents in order to gather input from as many stakeholders as possible and give producers more opportunity to shape the Standards that will guide their own development. Four workshops (three in the producer regions), written consultations, plus a meeting with all three Producer Networks ensured a high level of participation.

The consultations were also an opportunity for staff from the Strategy and Policy Unit to collect input on their work to expand the types of producer set-ups, develop financial benefits beyond the Fairtrade Minimum Price and Premium and respond to climate change. In-depth presentations and comprehensive workshops on these issues were held at each regional meeting.

Producers were heavily involved in striking the balance between what is affordable for them and credible to the market place. The input and response was another example of Fairtrade International's determination to give producers a stronger role in Fairtrade. Representatives from over 100 producer organizations took part in the regional meetings and almost half of the 140 written responses came from producers.

Strengthening the Core – SCORE

Along with the introduction of the NSF, FLO-CERT is revamping its certification system. FLO-CERT is the independent certification company working to ensure that producers and traders comply with the Standards and that the producers receive the Fairtrade Minimum Price and Premium.

Strengthening the Core (SCORE) will provide a more efficient and cost effective approach to certification. Producers are “scored” on a scale of one to five according to their performance, making certification decisions more uniform and transparent.

Fairtrade International is working closely with FLO-CERT to ensure a harmonized and effective roll-out of this improved system.



Cocoa beans from COOPROAGRO Cooperative, Dominican Republic

Opportunities for Growth

Harvesting more Benefits with Fairtrade

Fluctuating markets presented significant challenges and opportunities to Fairtrade in 2010. Increased demand for Fairtrade products from around the world also provided a market for new and established producers in the Fairtrade system.

The Coffee Challenge

Coffee remains the largest Fairtrade certified product, representing almost half a million farmers around the world. The volatility of this year's market creates challenging circumstances for producer organizations trying to fulfil coffee contracts with international buyers and secure supply from their members. Prices for coffee have risen, harvests have been smaller than expected, competition on the ground for high quality coffee is intense and some cooperatives are having a difficult time fulfilling contracts. Fairtrade International responded to these developments by taking a number of concrete steps to help producer organizations, traders and roasters cope with the market fluctuations and support them in maintaining and increasing sales.

Fairtrade Coffee Actions

- Optimize pre-financing and funding for producers
- Provide support in the case of contract defaults
- Work to reduce certification costs
- Facilitate training in price negotiation and risk management
- Bring traders and industry together so Fairtrade can respond better to the needs of producers and the market

Revised Standards and Prices

- An increase in the Fairtrade Premium earmarked for productivity and quality improvement
- An increase of the Fairtrade Minimum Price provides a stronger safety net for farmers if prices fall
- An organic price differential as incentive to increase organic production
- New Trade Standards to encourage fairer negotiations, clarify the role of price fixing and reduce speculation



Valentín Chinchay is a coffee farmer and President of the FAPECAFES coffee cooperative in Ecuador, where a majority of the total coffee production is sold under Fairtrade terms.

The Cocoa Challenge

Cocoa is in a global crisis. Cocoa farmers around the world aren't earning enough money to maintain their farms. Supply is dropping. Many farmers live in poverty or abandon their land and move to cities.

But the crisis is also a wake-up call to the global cocoa industry. Cocoa brands are looking for opportunities to invest in cocoa farms and increasingly turn to Fairtrade.

More and more companies include Fairtrade cocoa in their chocolate bars, ice cream, cookies, baked goods and even as an ingredient in cosmetics. In just over a year, the number of Fairtrade cocoa producer organizations increased by nearly 50%. By the end of 2010 there were 55 producer organizations representing 122 000 farmers.

This year Fairtrade International updated its cocoa prices and trade standards to meet farmers' changing needs. Benefits to farmers now include:

- A higher Fairtrade Premium to improve quality and productivity and to benefit cocoa farming families.
- A higher Fairtrade Minimum Price creates a stronger safety net to guard against market volatility.
- Simplified trading for cocoa powder, butter and liquor allowing easier market access.

"Now the farmers can do so many things with this money. They can be seen by doctors, invest in schools and help their communities. More farmers will have more benefits."

Emmanuel Kwabena Arthur, Executive Director of Kuapa Kokoo, Ghana's largest Fairtrade cocoa cooperative representing 50 000 farmers

In 2011, it is estimated that cocoa producer organizations will earn at least US\$10 million in Fairtrade Premium to invest in business and development projects of their choice.

Fairtrade remains committed to ensuring further development of producer capacity in cocoa to provide farmers with more income, new market opportunities and access to more efficient techniques and production practices.

A farmer at CONACADO Cocoa Cooperative



"The great thing about Fairtrade is that it enables cocoa farmers to have a say in shaping our future through talking and working directly with retailers and companies. Our biggest worry is ensuring that we have a guaranteed market for our cocoa that provides us with long-term sustainable livelihoods."

Santos Mendoza, President
CONACADO, Dominican Republic



Fatoumata Moussa is one of 65 women who belong to the Dougourakoroni Cotton Producers Cooperative in Kita, Mali.

The Dougourakoroni cooperative has been Fairtrade certified since 2004. With Fairtrade Premium money a school and extra classrooms have been constructed. Before this the children were taught outdoors under a tree which meant lessons were cancelled during bad weather. Fairtrade Premium has also been used to build dry and secure warehouses.

Fairness from cotton to clothes

The cotton supply chain is long and complex. Before products reach consumers, it is likely that workers have put in unpaid overtime to deliver more products under shorter deadlines, earn wages that do not cover their basic costs and, in worst cases, work in unsafe or abusive conditions. Industry demand for sustainable cotton is experiencing enormous growth, yet Fairtrade cotton represents less than one percent of the global market. Two major projects are now underway to change this.

In the Fairtrade Textiles Project, Fairtrade International is overseeing five parallel pilots to determine how to best bring benefits to workers in the textile industry. Currently, Fairtrade requires cotton manufacturers to demonstrate efforts to comply with International Labour Organization (ILO) conventions but there are no Fairtrade Standards specifically for textile workers. Fairtrade International is partnering with key players in the textile industry along with labour rights experts to focus on worker empowerment in this area.

"We're exploring things like wage improvement, the Fairtrade Premium, supporting unions and long-term contracts to find out what makes the difference for textiles workers."

Rossitza Krueger, Textiles Policy Manager,
Fairtrade International

At the same time, Fairtrade International is reviewing its Seed Cotton Standard:

- Revision of the Fairtrade Minimum Price and Fairtrade Premium
- Cotton by-products – the pros and cons of setting a Minimum Price for cotton lint instead of, or in addition to, seed cotton
- Retro certification – allows buyers of Fairtrade-eligible cotton bought under non-Fairtrade terms to convert it to Fairtrade at a later stage
- The Cotton Product Advisory Council (PAC) will also advise Fairtrade International on actions to improve the current Fairtrade cotton model



The Makaibari Tea Estate in India has invested the Fairtrade Premium in education and women's programmes.

The 2010 Global Tea Project

- 16% average increase in Fairtrade Minimum Prices
- No change in Premium – one of the highest for a single product
- Introduction of Fairtrade Minimum Prices for organic teas
- Retro-certification that gives traders more flexibility and producers more opportunities to sell on Fairtrade terms

Addressing barriers to future growth became a priority in 2010 due to the rising cost of tea production and fluctuating exchange rates. The Global Tea Project was initiated to create new sales opportunities and increase volumes for Fairtrade tea producers worldwide.

It was the largest ever Standards review and revision for tea involving producers, traders and experts from around world. The first ever Tea PAC meeting also brought together African and Asian producers as well as traders from the UK, Europe and the U.S.

The Banana Challenge

- 1.56% increase in the Fairtrade Minimum Price
- Better procedures for quality claims
- Realistic and clear payment terms
- Improved guidelines for contracts and sourcing

It was a challenging year for banana growers. As production costs increase, low supermarket prices for conventional bananas created an even larger gap between conventional and Fairtrade bananas.

Would consumers continue to choose Fairtrade if the price difference was too high? Would farmers and workers lose sales if the Fairtrade Minimum Price was raised?

With nearly all of Fairtrade's stakeholders responding to consultations, the answers came in the form of a slight increase in the Fairtrade Minimum Price and new Trade Standards for traders. The new prices will help cover costs of production and at the same time make it more feasible for retailers to continue selling Fairtrade bananas. A full price review is planned for 2011.

New Standards

- Fairtrade and Fairmined gold
- Dried cherries
- Blueberries
- Argan oil
- Bell peppers
- Watermelons

Supporting Fairtrade Farmers and Workers

Producer Services and Relations

A major part of Fairtrade International's global strategy is to give producers and workers a stronger voice within the system. In 2010, we turned to our producer networks in Asia, Africa and Latin America for input on areas of collaboration and joint planning.

Fairtrade International's Producer Services and Relations Unit (PSR) works with producer organizations to give information on the Fairtrade system and to help in compliance with our Standards. Many PSR staff members are now based in producer regions and over 50 liaison officers provide local support and advice to farmers and workers. We also offer financial assistance in the form of the Producer Certification Fund.

Collaboration and consultations with the producer networks in Asia, Africa and Latin America started early in 2010. The aim was to clarify roles and responsibilities and to help scale up Fairtrade producer services globally.

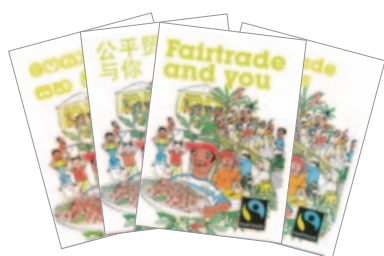
As a result, roles and types of service and who provides them are much more clearly defined. PSR will continue to provide core certification advisory services and business development support.

Producer networks will start taking on more product and trade related services, as well as services to support the wider Fairtrade system: like gathering producer input for Standards, providing supply information and supporting licensees sourcing and development plans. The networks will take on these tasks gradually as they increase their capacity to do so. PSR will also continue to work in collaboration with the Producer Networks on joint activities in all three regions.

PSR's Vision

Fairtrade farmers and workers have access to the services they need to succeed in Fairtrade, choosing from a variety of service providers based on location, capacity, cost and expertise.

Fairtrade Basics for Producers



In 2010, we produced our first printed brochure for farmers and workers worldwide, 'Fairtrade and You'.

The brochure is now available in 32 languages. 135 200 copies have been printed – roughly one for every nine farmers and workers in the Fairtrade system.

The brochure can be translated into any local language for existing and new producers. It includes an illustrated poster of a Fairtrade supply chain from producer through to consumer. It also explains:

- Fairtrade's main benefits to producers
- Core criteria and process to become Fairtrade certified
- Main Fairtrade actors
- How consumer purchases support Fairtrade producers

Available for download at:
www.fairtrade.net/brochure.0.html



Producers in Ghana using the brochure as a training tool



Market Linkages – Latin America in 2010

- Facilitated contact between Caribbean sugar producers and a major international retailer.
- Assisted a Haitian producer organization to resume 100% trading of Fairtrade mangos with major market player.
- Significant growth in banana exports from South America.
- Introduction of a Fairtrade vegetable producer from Mexico to a major buyer.

Cidora Samaniego Yancallaco, a coffee farmer at CEPICAFÉ, Montero, Peru.

Highlights for Latin America

The PSR Latin America and Caribbean team are pleased to welcome a new country to Fairtrade this year. Three cane sugar cooperatives in Guyana became Fairtrade certified and five more are in the application process. Cane sugar forms the backbone of many communities in Guyana, but farmers struggle to make a living. Many young people are leaving farming. The prospect of stable trading relationships and Fairtrade Premium money brings much needed hope to the region.

Fairtrade International staff worked hard to support Haitian producers following the devastating earthquake, the cholera outbreak and general political upheaval. We visited Haiti to support local mango farmers in meeting certification requirements. The local liaison officer worked closely with coffee producer groups that were struggling to supply their buyers. Haitian farmers also had their costs of certification covered through Fairtrade's Producer Certification Fund.

A series of workers' rights workshops in the Dominican Republic, Ecuador and Chile broke new ground. For the first time, Fairtrade workers, trade unions, plantation managers, labour law experts and government ministries all gathered at one table to discuss how to work better together to bring real change for workers.

Our Latin American field staff received risk management training so they can better support producers challenged by the volatile situation in the coffee market. We also held workshops in conjunction with local partners in Peru and Ecuador for managers of coffee cooperatives.

"We hope that through Fairtrade our farmers can concentrate more on their farming and not have to spend so much time worrying about having enough money."

Hazel Austin, Secretary of Good Intent & Sisters Cane Farmer Cooperative in Guyana



CLAC, the Coordinator of Fairtrade Latin America and the Caribbean, is a member of Fairtrade International. CLAC represents Fairtrade certified small farmer organizations in over 20 countries. CLAC estimates that the number of families of affiliated small producers exceeds 200 000, thus covering more than a million people.

Go to www.clac-comerciojusto.org for more information.

Highlights for Africa and Middle East

The PSR Africa and Middle East team worked closely with our African producer network, Fairtrade Africa. This year we developed a Joint Africa Plan outlining priorities for each region of the continent. We held regional workshops and are supporting producers to build their own national networks.

The first Fairtrade certified beans and peas from Kenya reached supermarket shelves in 2010. A new Standard allows farmers selling to plantations to become Fairtrade certified. We gave training on these requirements to new producer organizations and hope that producer groups from North Africa and Zimbabwe will gain certification in the near future.

We increased our support for coffee producers in the Democratic Republic of Congo through close collaboration with TWIN, an alternative trade organization. As an area badly affected by conflict it was important to be able to visit the producers and support them to meet the Fairtrade Standards.

At the Farmer Spring School, a workshop for Fairtrade workers from across South Africa, workers from thirty certified plantations learned about their rights and exchanged experiences. The event was organized by Fairtrade International, Fairtrade Africa and the Association for Fairness in Trade (AFIT).

The Africa team assisted the Fairtrade Standards Unit in setting prices for argan oil from Morocco. Many women in the region are dependent on this product for their income.

The pioneering partnership between Fairtrade International and SNV (Netherlands Development Organization) brings agricultural development training and assistance and to producers in over eleven African countries. We are now looking into extending this collaboration to other countries in Africa and possibly Latin America.

i Fairtrade Africa (formerly AFN) is a member of Fairtrade International and represents producers from all regions of the continent.

This year, the network organized the first Fairtrade Africa Forum held in Zimbabwe. African producers gathered to share best practices and train on improving business.

Go to www.fairtradeafrica.net for more information.

Market linkages – Africa and Middle East 2010

- 13 small cocoa producer organizations are applying for Fairtrade certification in Côte d'Ivoire.
- The first producer applications for certification from Lebanon are opening up opportunities for further growth of Fairtrade in the Middle East.
- One of the largest orange juice processing plants in Ghana has applied for Fairtrade certification.
- We facilitated a visit to Senegal cotton producers by French fashion manufacturers.

The Volta River Estates in Ghana, East Africa, uses the Fairtrade Premium to fund medical facilities for workers and their families.



A sewing centre at the Sunstar Rohalaki Club in northern India paid for with Fairtrade Premium



Highlights for Asia

PSR Asia is increasing its support for farmers and workers in the region by strengthening cooperation with the Network of Asian Producers (NAP) and creating partnerships with organizations like the United Nations Development Programme. We are also helping Asian producers to develop essential business skills, such as accounting, marketing and contract negotiation. In 2010, we made 239 visits to producer groups in 14 countries.

Fairtrade officers play a vital role in hired labour set-ups, acting as a contact point between worker representatives on joint bodies and management. We organized three workshops in Sri Lanka, India and Pakistan to train Fairtrade officers on how to fulfil their role and train others in their organizations about Fairtrade.

Tea producer groups in China are also reaping the benefits of Fairtrade. Jiangxi Wuyuan Xitou Tea Farmers Association for example has grown from 400 to over 1000 members. The group is now building a brand new tea factory using their Fairtrade Premium money. Oxfam Hong Kong travelled with Fairtrade International to visit Chinese farmers in the field. As a result, the NGO is now giving producers financial support to attend trade fairs in Hong Kong.

i The Network of Asian Producers (NAP) is a member of Fairtrade International and represents farmers and workers in Asia. NAP represents over 96 producer organizations in a diverse range of countries in six different sub-regions.

Go to www.fairtradenap.net for more information.

Market linkages – Asia 2010

- Supported a joint visit of a Swiss buyer to a Fairtrade cotton producer
- Supported a flower producer to expand into new markets
- Explored possibilities for certification of walnut and almond producers in Jammu and Kashmir
- Supported market linkage between a coffee producer group in Nepal and a trader
- Explored possibilities for marketing Fairtrade certified rice in India
- Facilitated development of Fairtrade certification for table grapes in the region.

Committed to Fairtrade

Working to Grow Fairtrade

Fairtrade is a network of committed people, organizations and partners working together to change the injustice of conventional trade. Through trade, we are joining efforts to give disadvantaged farmers and workers more opportunity and market access.

New markets

The development of new markets is being pursued to make more Fairtrade products available to more consumers around the world. Attention is turning towards markets in developed countries not covered by labelling initiatives, as well as emerging markets in the global South.

Fairtrade Label South Africa has already shown how successful this can be. The marketing organization sold Fairtrade certified products to South African consumers at an estimated retail value of €500 000 in its first year of operation. Now Brazil, Kenya and India are looking to South Africa to replicate its success.

Business Commitment

In 2010, Fairtrade International's Global Account Management team engaged with 28 mainstream companies in 20 countries to help them understand how Fairtrade sales benefit producers. We are working to expand the commitment of existing accounts and lay the ground-work for future involvement.

International businesses with Fairtrade product lines include: Ben and Jerry's, Starbucks, Cadbury/Kraft Foods, Green & Black's, Sainsbury's, Barry Callebaut, Coop, and Divine Chocolate Ltd.

There are nearly 3000 licensees around the world selling Fairtrade products in over 70 countries. Fairtrade products are marketed and promoted by national Fairtrade labelling initiatives or Fairtrade marketing organizations working in 27 countries.

Labelling Initiatives

There are Fairtrade labelling initiatives or marketing organizations covering the following countries:

- Australia, Austria, Belgium, Canada, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Ireland, Italy, Japan, Korea, Latvia, Lithuania, Luxembourg, Mexico, the Netherlands, New Zealand, Norway, South Africa, Spain, Sweden, Switzerland, the UK, and the USA.

For full contact details visit our website at www.fairtrade.net



Fairtrade International's new Standard for baobab and marula was producer-initiated and allows harvesting groups in any African country to become certified. Groups in South Africa, Malawi and Namibia are interested in applying. Local communities have many uses for the nutritious fruits and they are gaining in popularity in international markets. Pulp and powder can be found in jams, juices, liquor and health foods.

Miriam, a farmer from Southern Africa holding harvested baobab fruit

Fairtrade's Partnerships

Growing Stronger Together

Fairtrade International is committed to bringing people together who share a common vision of sustainable livelihoods, empowerment and making trade fair. Our success in achieving this is largely dependent on the strength and diversity of our partnerships.

Fairtrade works because consumers, traders and producers work together to make trade fairer. Fairtrade International takes that spirit of partnership to an organizational level. We cooperate with organizations that have special expertise to add value to our work and benefit Fairtrade farmers and workers.

Fairtrade International networks with like-minded organizations to advocate for fairer trade. These include:

- The Fair Trade Advocacy Office (FTAO) in Brussels, that we support together with the World Fair Trade Organization Europe and the European Fair Trade Association. FTAO makes the voice of Fair Trade heard around the world.
- ISEAL, the global association for social and environmental standards, which brings us in touch with key ethical labelling organizations.



Christian Kuruug is making shea butter at the Akoma Cooperative, Bolgatanga, Ghana

Fairtrade's Partnership Strategy

In early 2011, Fairtrade International published its Partnership Strategy outlining how Fairtrade can be a driving force for change by working with and through other organizations.

Sharing of knowledge, experience and resources is critical for achieving the level of change that is both needed and desired. The key objectives of Fairtrade's Partnership Strategy include:

- Improved quality, accessibility and affordability of services
- Broadened business and consumer engagement
- New markets for Fairtrade
- A stronger voice for Fairtrade

Fairtrade Partnerships

Fairtrade International is dedicated to already well-established partnerships with many organizations including:

- **ARM** Alliance for Responsible Mining
- **Comic Relief**
- **DFID** UK Department for International Development
- **Ethical Tea Partnership**
- **Evangelischer Entwicklungsdienst e.V.**
- **Friedrich Ebert Stiftung**
- **FSC** Forest Stewardship Council
- **Fundacion Fortalecer**
- **GIZ/CCE** Certification Capacity Enhancement
- **HIVOS** Humanist Institute for Development Cooperation, Netherlands
- **ICCO** Inter-Church Organization for Development Cooperation, Netherlands
- **Irish Aid**
- **KfW** Development Bank
- **MISEREOR** The German Catholic Bishops' Organization for Development Cooperation, Germany
- **NORAD** Norwegian Agency for Development Cooperation
- **Plan Canada**
- **SNV** The Netherlands Development Organization
- **SECO** Swiss State Secretariat for Economic Affairs

Global Trust and Recognition

A New Look for Fairtrade

As the Fairtrade movement continues to grow, so does the need to be more easily identifiable and globally consistent. In early 2011, Fairtrade International was launched as our new name along with our new visual identity.

Fairtrade International's New Look

Our online presence, name and logos have all undergone changes to better express what Fairtrade is all about: people first.

Our new abbreviated name, Fairtrade International, reflects our vision to simplify the system and extend the benefits of Fairtrade to a greater number of farmers and workers, traders and consumers. Fairtrade International puts a human face to global trade and this is now proudly expressed in our brand.

The new round Fairtrade logo separates the key symbol from the FAIRTRADE Certification Mark and allows more creativity and inspiration in promoting the Fairtrade movement. The FAIRTRADE Certification Mark in its familiar black rectangle will continue to assure consumers, traders and producers that products bearing it have met rigorous Fairtrade Standards.

The Heart of the Fairtrade Brand

The Fairtrade symbol depicts a person with an upraised arm representing the optimism of producers. It links the everyday determination of people in developing countries with the aspirations of consumers around the world. The blue sky of potential is connected to the green of growth.

Along with the revised logo, we have a new palette of colours that bring global vibrancy to the Fairtrade system. These colours are a reminder of the land, the produce, the cultures and most importantly the people who are the heart of the Fairtrade system.

"I'm so pleased to see the values of Fairtrade – action, integrity, respect, challenge and optimism – reflected in what you see online and in publications."

Rob Cameron, Chief Executive at Fairtrade International

Brand Mark and Certification Mark



The introduction of the international Brand Mark fulfils a simple purpose – strength through unity. Members throughout the Fairtrade system can use the Brand Mark. This unity reflects the true global stretch of our work.



The FAIRTRADE Certification Mark certifies that products meet social, economic and environmental Fairtrade Standards. It is a registered trademark of Fairtrade International.



The FAIRTRADE Certification Mark is one of the most widely recognised ethical labels in the world.

Voices of Fairtrade

The Board of Fairtrade International

The Board of Fairtrade International decides on the long-term strategy for Fairtrade. The Board is made up of 14 people: five elected by the labelling initiatives, four by the producer networks and five by the Board based on recommendations from the Nominations Committee.

Independent experts

- Jean-Louis Homé, Chair of the Board of Directors
- Ian Bretman, Vice Chair of the Board of Directors
- Esther Guluma has over 30 years' experience in the aid and development sector in Asia and Africa.
- Molly Harris Olsson is a Director of Eco Futures Pty Ltd, an Australian-based international policy firm.

Representatives from the labelling initiatives

- Martin Rohner, CEO of Max Havelaar Foundation Switzerland
- Steve Knapp, Director of Fairtrade Labelling of Australia and New Zealand

- Judith Kyst, Secretary General of Fairtrade Mark Denmark
- Michael E. Conroy, board member of Fair Trade USA

Representatives from Fairtrade producer networks

- Binod Mohan, Managing Director of Tea Promoters India, a Fairtrade certified tea estate
- Raúl del Águila, Managing Director of COCLA, a Fairtrade certified coffee cooperative in Peru
- Carlos Eugenio Vargas represents producer organizations in Latin America
- Noel Oettle represents producer organizations in Africa and on the board of Fairtrade Africa

Representatives from Fairtrade certified traders

- Liz Jarman, Head of Grocery Product Development and Fairtrade at Sainsbury's
- Andrea Schlehuber, General Manager of EZA Fairer Handel GmbH in Austria

Our thanks also go to:

- Tom Bullock and Leo Ghysels who stepped down last year as Board members when their terms of office expired.

Fairtrade's 2010 financial performance and global sales figures will be published on our website later in the year at www.fairtrade.net

Credits

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Tea picker at the Makaibari
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