

FAIRTRADE AND SUSTAINABILITY



FAIRTRADE
FOUNDATION

STANDARD OF LIVING: INCOME AND FOOD SECURITY, REDUCED RISK AND VULNERABILITY

Fairtrade has been shown to increase standards of living and reduce risk and vulnerability for farmers and workers.

The Fairtrade Minimum Price provides a safety net for farmers which can mean they are less vulnerable to price volatility. In turn, this can mean a better cash flow, greater access to credit and the ability to save more easily. The stability of the Minimum Price means that co-operatives may also be able to access finances and loans. Co-operatives also gain security from longer-term contracts with exporters through the Fairtrade market, which in [some cases](#) has enabled them to negotiate better prices and trading terms.

For workers, the Fairtrade Standards can improve job security through ensuring correct employment processes, contracts and leave entitlements.

The combination of a more secure income and reduced vulnerability means farmers and workers are able to increase their assets and activities, such as paying school fees or boosting their savings, which raises their standards of living. While many still struggle with low incomes, the security that Fairtrade can offer means they are able to better plan and invest in their future.

Fairtrade Premium investments can mean that farmers and workers benefit from services that they may otherwise have had to pay for, such as fertiliser and school fees. This frees up their finances for other things, and increases their security and resilience to unforeseen events.

Food security is linked closely to economic growth, stable incomes and reduced risk and vulnerability. A better income means more money to buy food and the ability to invest in generating other food sources, such as growing new crops. This means farmers and workers can have more control over their lives when times are hard, worry less about how they will feed their families and be able to provide enough food for the people they care about, all year round.

The security of the Minimum Price means farmers are often able to take steps to diversify their income and produce food to eat as well as sell. The Fairtrade Premium is also often a vital resource for organisations to put into place programmes that support food security and diversification. For workers, the Premium can offer a valuable lifeline, supporting them during lean months with subsidised food loans or access to fertiliser so that they can increase the amount of food they are able to grow if they have their own land.

RESEARCH IN
COLOMBIA FOUND
AN AVERAGE **34**
PERCENT RISE IN
INCOME FOR
FAIRTRADE BANANA
FARMERS



CASE STUDIES

QUALITY OF LIFE

[A study in Colombia](#) found that many farmers felt their quality of life had improved since joining Fairtrade. And thanks to the Premium, many received loans or credit to improve their homes or farms, and educate their families.

'We experienced very difficult times when we weren't in Fairtrade. We didn't have the resources to provide an education for my children and the banana business barely provided enough for basic meals... Being in Fairtrade makes me very happy, knowing that there are opportunities to achieve some of the goals I had planned.' Foncho Cantillo, banana farmer, Colombia



Albeiro Alfonso 'Foncho' Cantillo Ruiz, banana farmer, Colombia

STANDARD OF LIVING

[Research in Malawi](#) with groundnut farmers in the Mchinji Area Small Farmers Association (MASFA) has shown that farmers feel their standard of living has improved in the years they have been Fairtrade certified due to increased income from groundnut sales and the benefits of Premium projects.

HIGHER INCOMES

A [study looking at the impact of Fairtrade](#), which included cocoa in Ghana, cotton in India and coffee and bananas in Peru, revealed that in all of the regions researched, small-scale farmers benefiting from Fairtrade enjoy a slightly [between 10 and 15 percent] higher and more stable income than producers in the respective comparison groups. Further [research](#) in Colombia found an average 34 percent rise in income for Fairtrade banana farmers.

New research by the National Resources Institute at the University of Greenwich evaluated the impact of Fairtrade for coffee farmers and their organisations in Indonesia, Mexico, Peru and Tanzania. The study found that Fairtrade farmers often reported higher incomes than non-Fairtrade farmers. They were also becoming less vulnerable to shocks – for example price crashes – as a result of the Minimum Price and Premium.

'Fairtrade gives us the security that we will get at least the minimum to be able to have a decent life in the future, to learn how to invest better and use all the Premium to live in a different way... there are better opportunities for us.' Christian Dubon, a third-generation coffee farmer and member of the COMSA co-operative, Honduras



Christian Dubon, coffee farmer in Honduras

ACCESS TO LOANS

Research on the impact of Fairtrade on flower farms in [Kenya](#) and [Ecuador](#) has found that Fairtrade certification has a positive impact on workers' economic situation, as it provides them with the opportunity to access loans at good rates.

With rising food prices over the last few years, it has become increasingly difficult for workers on flower farmers to cover any extra expenses. However, a credit and loan scheme financed with Premium money, with considerably lower interest rates than on the free market, means that workers can ask for support so that they can afford things they would otherwise not be able to buy. This can include items such as bicycles or house improvements, which can boost their quality of life and social status.

At [Satemwa Tea Estate](#) in Malawi, one of the most significant benefits workers believe Fairtrade certification has offered is food security. In the past, workers suffered from food shortages during December, January and February, and would often have to miss work to look for maize. However, the Premium has been used to subsidise the cost of the foodstuff for workers to purchase at a low price during the lean months. This has contributed to greater food security and significantly less absenteeism.

'On a day-to-day basis, my life would have been extremely difficult without Fairtrade. Take maize which is very expensive, I could not afford to buy for my family and feed them, but the allocations from Fairtrade makes a difference.' *Tsala Mwale, worker at Satemwa Tea Estate in Malawi*



Tsala Mwale, worker at Satemwa Tea Estate in Malawi

Meanwhile, COOMPROCOM coffee co-operative in Nicaragua has invested its Premium into a fund offering farmers emergency loans to buy food.

DIVERSIFICATION

Coffee co-operatives in Nicaragua and tea co-operatives in Kenya have invested Premium money to support farmers to set up projects to diversify, such as growing new crops and keeping bees for honey and animals for milk, eggs and meat.

'Across the whole Fairtrade system is a vision of non-dependency on the production of coffee. Instead we believe that our farms should help us on food security, give us what our families need and help us to find other products like cocoa, bananas etc. which can feed our families but also be traded locally and therefore provide us with additional income to spend on other products that we can't grow, like sugar, oil or soap.' *Fatima Ismael, General Manager of SOPPEXCCA coffee co-operative, Nicaragua*



'I have been able to buy pomegranate, some small animals, a calving cow – so now I have milk at home.' *Jose Cruz Mercado, coffee farmer and member of COOMPROCOM co-operative, Nicaragua*



'I've been taught on poultry keeping, other than just relying on tea plant.' *Jane Sepkazi, tea farmer and member of Sireet OEP co-operative, Kenya*

WHAT'S THE LINK TO THE SUSTAINABLE DEVELOPMENT GOALS?

The [Sustainable Development Goals \(SDGs\)](#) are a new set of global targets for future international development. They follow and expand on the Millennium Development Goals, which expire at the end of 2015. UN member states will be expected to use the SDGs to frame their agendas and policies over the next 15 years.

Fairtrade's work on raising standards of living, reducing risk and vulnerability and improving income and food security delivers towards the following SDGs:

- Goal 1 - end poverty in all its forms everywhere
- Goal 2 - end hunger, achieve food security and improved nutrition and promote sustainable agriculture