GROWING OUR MOVEMENT FOR CHANGE

Fairtrade at





Contents

Welcome from our Patron, Adjoa Andoh The future is fair - if we work together, Michael Gidney Our story so far		5
		6
		8
1. Th	e importance of a fair price	11
1.1	How a fair price changes everything	11
1.2	Fairtrade Minimum Price	12
1.3	Fairtrade Premium	14
1.4	Going further on price	15
2. The importance of a fair share of power		17
2.1	Championing equity and female empowerment	18
2.2	Supporting farmer decision-making	19
2.3	Farmers on the world stage	20
2.4	The power of our movement	21
3. The importance of working at pace		23
3.1	Tackling the climate crisis	24
3.2	Creating a trade policy for people and planet	26
3.3	More effective regulation	27
3.4	Pre-competitive collaboration	28
4. Thank you for being part of our movement for change		
Calls to action		30

Fabio Orejanera, banana farmer, Coobafrio, Colombia.

Welcome from our Patron, Adjoa Andoh

I am so proud to be Patron of this extraordinary organisation.

Evolving from a grassroots movement to a truly global phenomenon, Fairtrade has provided three decades of practical commitment and solidarity to the men and women across the world who grow the products we rely on every day. It has revolutionised the way we think about trade, our shopping and the goods we consume.

We now work with more than two million farmers and workers around the world from South Africa to Cuba, Ecuador to Ghana to Fiji. When you factor in their families and dependents, that adds up to 10 million people across Africa, Latin America and Asia, all benefiting from the sale of products on Fairtrade terms. I have seen the transformative impact the Fairtrade Minimum Price and Fairtrade Premium have had on the lives of farmers, workers, their families and communities.

Across the years, producers have used Fairtrade to help create a better future. They have built healthier, stronger and more resilient communities, with improved choice and better life chances through access to healthcare and education. They have responded to the climate crisis by investing in sustainable eco-friendly farming practices. They have raised up their farms and their families in ways unimaginable before.

This is a seismic shift in the way trade works. And it has been achieved thanks to unstinting public support. People across the UK have shown companies that they want their products to be free of exploitation, and they want them to be part of the solution. Fairtrade is backed by many thousands of grassroots campaigners in towns, villages, schools, universities and communities all over the UK. And leading companies have responded with real commitment – there are now almost 5,000 Fairtrade products available to buy in the UK, and all major retailers and many brands are actively engaged.

This is an incredible achievement. All those who have contributed to our movement have made powerful choices to support Fairtrade, as consumers, businesses, legislators and campaigners. Standing together alongside farmers and workers, every part of our movement has made a difference. To each one of you, we say thank you.



But too many producers are still struggling to feed their families and send their children to school, in a global trading system that continues to favour the powerful few.

As we celebrate our 30th anniversary, and look towards the next 30 years and beyond, we know there is still so much more we can do together to improve lives and the land that sustains us.

And as we express our gratitude for all that you have already done – all that we have achieved together – we ask that you continue to strengthen the transformational impact of Fairtrade across the world, working alongside producers and their communities to ensure a fair future for all.

The future is fair – if we work together

Michael Gidney, Fairtrade Foundation CEO



Fairtrade is built on a powerful vision for the future, where trade works better for people and planet. A world in which all producers can enjoy secure and sustainable livelihoods, fulfil their potential and decide on their future.

We believe that trade really can fight exploitation, reduce human rights abuses and tackle the climate crisis. But only if trade is managed fairly, for the benefit of all, in lasting partnership.

Fairtrade began as a response to the collapse of global coffee prices in the late 1980s. This had a devastating impact on smallholder coffee farmers, who were being

paid below the costs of production and who were forced to choose between feeding their families or investing in their farms, with no confidence in the price they would receive for future harvests. Thirty years ago, a group of UK civil society organisations – among them Oxfam, Christian Aid, the Women's Institute, Traidcraft and CAFOD – came together to change that, building on a concept launched in the Netherlands. The group's vision was that an approach to trade based on robust minimum standards – economic, environmental and social – would not only benefit producers, but also help UK companies wanting to trade sustainably, and consumers wanting to ensure their shopping was part of the solution, not the problem. A partnership in a race to the top, not the bottom. A community of commerce.

And how far that vision has come. The incredible public support for Fairtrade, which has made the FAIRTRADE Mark the best known, most trusted ethical label in the UK, has been an inspiration. Campaigners have consistently beaten the drum for Fairtrade in thousands of local groups across the UK, setting world records and discovering the joys of dressing up in banana suits along the way. Companies have responded in their hundreds, with Fairtrade certified products in their thousands, from cosmetics to cola and poinsettias to platinum, available in supermarkets, cafés and workplaces across the country. This is the result of many thousands of people, over many years, playing their part in making the UK a fairer place. You have built a lasting movement – thank you for standing with millions of others around the world, shoulder to shoulder with producers.

It is not only a belief in the importance of minimum standards that has helped Fairtrade to become mainstream. It is also because ethics in trade should be indivisible – you cannot separate environmental sustainability from human rights or good governance; the 'E', the 'S' and the 'G' of ESG are inextricably connected. That is why Fairtrade Standards are robust and holistic: prioritise one over the other and you undermine your efforts to create long-term sustainability.

Fairtrade's focus from the start has been to tackle the causes of poverty and exploitation, not just the symptoms. Many of the major challenges in long, global supply chains - including child labour, gender-based exploitation and deforestation – are exacerbated by poverty and uneven negotiating power. That's why Fairtrade has taken such a unique stand on the importance of price: still too often farmers around the world struggle with unsustainably low prices. Since 1989, the world coffee price has been below the Fairtrade Minimum Price and Premium almost 60 percent of the time¹, for example. Unless producers earn a fair price that enables them to care for their families, farms and futures, these systemic problems will remain. A fair price changes everything. It can mean families able to afford food and clothing, and communities building schools and health facilities. It provides working capital for farmers to invest in stronger businesses, improving quality, productivity or adding value to their produce. Meanwhile, climate change is making fair prices even more urgent. Without the ability to invest in their farms, how can producers hope to mitigate the impact of global heating, and the risks to production and supply? Price matters, more than ever.

Tackling the causes not the symptoms of problems in trade is also why Fairtrade places such emphasis on good governance and ensuring that everyone in the chain is able to be heard, to have power and a voice. Fairtrade is unique in being co-owned by farmers and workers themselves, who ensure their voices are heard at all levels, from a local co-operative meeting through to having 50 percent of the votes in Fairtrade's global General Assembly. Sharing power – between producers and markets, between seller and buyer – locks in a perspective on how to create sustainable trade that is missing from so many debates about trade and development. In fact, our experience over the last 30 years shows how much more resilient Fairtrade partnerships are, thanks to enabling a richer dialogue across the supply chain. Power matters too.

Lasting sustainability is possible, when these two elements – a fair share of price and a fair share of power – are the cornerstones. Over the pages that follow, we reflect on our progress on both, and the opportunities and challenges for the future. We are as ambitious for change in our 30th year as we were when we began, and we can see that we need, all of us, to create even greater change at pace in the face of today's challenges.

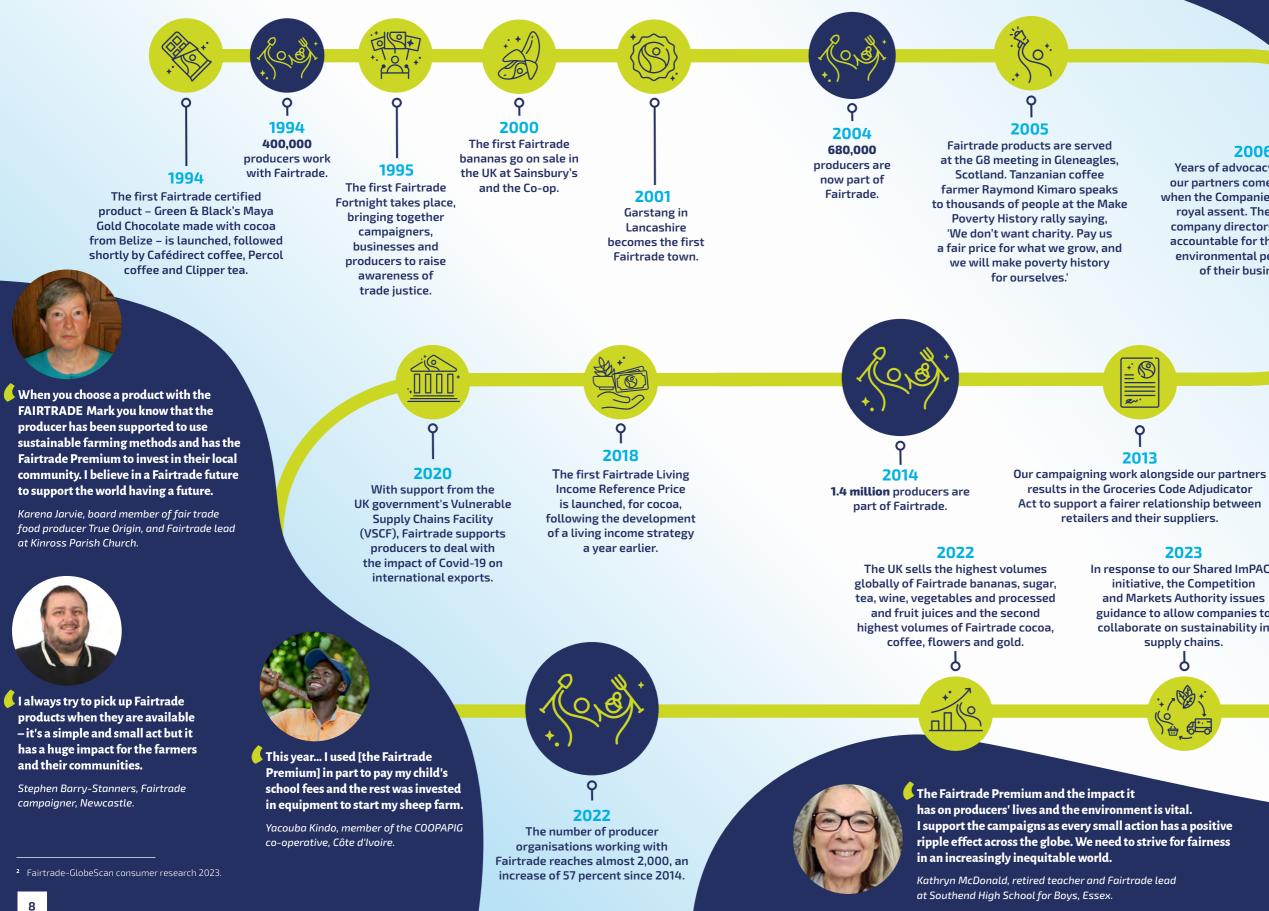


¹ Fairtrade historical data of the Intercontinental Exchange futures coffee for arabica

Our story so far...

Fairtrade's project not only empowered me but also empowered other members of the gender committee. I am very grateful to the project donors for their support of our workers.

Beredu Sitea, Herberg flower farms, Ethiopia.





Fairtrade has supported us in dealing with the current cost of living crisis... If I was working on a farm that wasn't certified. my life would be much more difficult.

Marlon Antonio Arellano Berrío, a worker on the Yumaná banana plantation, Colombia.

2006 -

Years of advocacy work with our partners comes to fruition when the Companies Act receives royal assent. The Act makes company directors personally accountable for the social and environmental performance of their businesses.

2012

The National Campaigner Committee is established as a formal member organisation of the Fairtrade Foundation, giving the grassroots campaign movement a formal voice and place in the organisation's governance.

2023

In response to our Shared ImPACT initiative, the Competition and Markets Authority issues guidance to allow companies to collaborate on sustainability in supply chains.

2023

The FAIRTRADE Mark is the most recognised and trusted ethical label in the UK, with 92% awareness and 88% trust among those who recall seeing the Mark.²



Fairtrade cocoa farmer Sadick Abanga, Ghana.

1. The importance of a fair price

Around one third of the world's food is produced by 570 million small-scale family farms, many in some of the poorest parts of the world.³ Faced with fluctuating costs and global commodity prices, and the unequal distribution of power across supply chains, producers often have no choice but to sell below the cost of production. They receive a tiny proportion of the final cost the consumer pays for the product.

Unfair pricing contributes to a range of interconnected issues. Across the world, 80 percent of the extreme poor and 75 percent of the moderately poor live in rural areas,⁴ the majority of whom work in agriculture. For many, poverty puts them in a situation where they are forced to consider negative coping strategies to feed their families. This may include deforestation: it is estimated that Ghana lost 7,000 square kilometres of forest between 2001 and 2014 – 10 percent of its entire tree cover – with approximately one quarter of that deforestation connected to the chocolate industry.⁵ Although this will only be attributable in part to the action of smallholder

On average, cocoa farmers earn just 6% of the final value of a bar of chocolate. In Côte d'Ivoire, a living income is calculated to be around £1.86 per day, yet a typical cocoa farmer earns under 75p.⁶

³ Ritchie, H, (2021), Smallholders produce one-third of the world's food, less than half of what many headlines claim, ourworldindata.org, https:// ourworldindata.org/smallholder-food-production

- ⁴ 2019 Global food policy report, media factsheet, the International Food Policy Research Institute, https://gfpr.ifpri.info/2019-gfpr-fact-sheet/
- ⁵ Higonnet, E., Bellantonio, M., & Hurowitz, G., Chocolate's Dark Secret, (2018), Mighty Earth, https://www.mightyearth.org/wp-content/ uploads/2017/09/chocolates_dark_secret_english_web.pdf
- ⁶ Taylor, D., Henty, S., (2019), Craving a change in chocolate: how to secure a living income for cocoa farmers, Fairtrade Foundation, https://www. fairtrade.org.uk/wp-content/uploads/legacy/Craving-a-Change-in-Chocolate---February-2019.pdf
- ⁷ This figure is based on KIT research, which found productivity to be between 351kg and 432 kg per hectare, and the Fairtrade Living Income strategy which recommends a productivity benchmark of 800 kg/ha. However, higher yields are possible. Tyszler, M., Bymolt, R., & Laven, A., (2018) Demystifying the cocoa sector in Ghana and Côte d'Ivoire (KIT Royal Tropical Institute), https://www.kit.nl/wp-content/uploads/2018/11/Demystifyingcocoa-sector-chapter10-production-and-yield.pdf
- ^a Taylor, D., (2021), Blooming back better: towards living wages and resilience in the flower industry, Fairtrade Foundation

farmers, addressing the issue of unfair pricing can make an important contribution to retaining forest.

Unfair pricing can also prevent farmers from investing in their farms; tackling unproductivity; and mitigating against the impacts of climate change through exploring climate friendly agriculture. This results in farms becoming even less profitable and more vulnerable, fuelling a vicious cycle of low productivity and declining incomes. In Ghana and Côte d'Ivoire, farmers harvest on average approximately 50 percent below the yields their farms could produce per hectare.⁷

Unfair pricing also serves to entrench existing vulnerabilities and inequalities, leaving workers unable to build a financial buffer to help them withstand unexpected shocks and leaving women in a particularly precarious situation. Fairtrade Africa estimates that in Kenya, for example, as many as 90 percent of all flower workers were affected by the Covid-19 pandemic through reduced pay, unpaid leave or loss of jobs. Women, who make up around half of the flower industry workforce, bore the brunt of the crisis, as schools and childcare facilities closed, forcing many to take unpaid leave to look after their children.⁸

1.1. How a fair price changes everything

The drive for a fairer price is one of the founding principles of our movement. Fairtrade was launched in response to a trade system stacked against the interests of producers.

At the heart of Fairtrade's work on price, there have been two simple but revolutionary measures:



- Fairtrade Minimum Price. This creates a safety net by defining the lowest possible price that a buyer must pay. It ensures producers receive the money they should for their labour, skill and experience.
- Fairtrade Premium. This is an additional sum of money paid into a communal fund for producers to use to improve the social, economic and environmental conditions of their businesses and communities.

1.2. Fairtrade Minimum Price

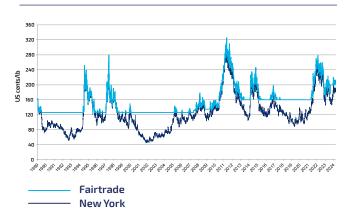
Businesses paying the Fairtrade Minimum Price means producers struggling with low incomes can directly tackle many of the difficulties they face. They can create more secure livelihoods and build resilience in the face of challenges including falling commodity prices, the impacts of climate change and unexpected shocks, such as the Covid-19 pandemic. Farmers and workers can better provide food and shelter for their families, give their children access to education, healthcare, sanitation and work opportunities, and invest in environmentally sustainable practices. In the examples that follow, we illustrate the benefits that the Fairtrade Minimum Price has had for producers of a range of commodities including coffee, cocoa, bananas and flowers.

Before Fairtrade, I don't want to say that our house or farm was a shack, but we were not in optimal conditions. There was no toilet, and to have water we had to fetch it from the river. Now the farm and my house have both improved a lot.

Elena Noriega de Colinas, banana farmer, Banafrucoop, Colombia.

Fluctuating global prices present a particular challenge for producers. The price of coffee, for example, is especially volatile: the below diagram demonstrates the frequency and severity of fluctuations of washed arabica coffee on the New York market since 1989, compared to the Fairtrade Minimum Price and Premium during this period.⁹ This has made farming untenable in some traditionally coffeegrowing communities, forcing many farmers and labourers to abandon their farms and communities.

The washed arabica coffee market 1989-2024: comparison of Fairtrade and New York prices¹⁰



Fairtrade historical data of the Intercontinental Exchange futures coffee for arabica.
Fairtrade historical data of the Intercontinental Exchange futures coffee for arabica. Fairtrade Price = Fairtrade Minimum Price of 180 cents/lb for washed arabica + 20 cents/lb Fairtrade Premium.

¹¹ Mauthofer T., and Santos M., (2022), Final Report 2nd Follow-up Study: Assessing the Impact of Fairtrade on Poverty Reduction through Rural Development, Main level Consulting AG, https://www.fairtrade.net/ library/assessing-the-impact-of-fairtrade-on-poverty-reduction-andeconomic-resilience-through-rural-development



In the context of uncertain incomes, the Fairtrade Minimum Price provides the security and consistency that means producers can maintain a decent livelihood. Coffee farmers in the La Florida Fairtrade co-operative in Peru report an average income 50 percent higher than non-Fairtrade farmers in the country.¹¹

Fairtrade cocoa producers have also asserted the critical value of the Fairtrade Minimum Price, in the face of fluctuating prices.

Previously, cocoa was negotiated and bought at the price they (the market) wanted, and prices were raised or lowered at will due to the absence of regulations, meaning there was no control. But after Fairtrade things changed. Now we receive a fair price, the Minimum Price. This was an extraordinary achievement for us.

Miguelina Santos, a farmer from the Dominican Republic whose cocoa co-operative has been working with long-term partners such as Green & Black's to produce cocoa for 20 years.

The security the Minimum Price offers provides a crucial buffer against a range of other shocks producers have been confronted with in recent years. Fairtrade research assessing the resilience of producers growing bananas in Peru, coffee in Indonesia and flowers in Kenya, in the face of Covid-19, climate change and inflation, found that higher product prices contributed significantly to producer organisations, their members and workers being able to build their resilience.¹² Producer organisations that received a higher price in 2020 relative to 2019 were 34 percent less likely to report a high impact of Covid-19 on their members and workers.

¹² Günther, M. K., Afroz, B., & Rathinam, F. X., (2022), Fairtrade certification and producer resilience in times of crises, Scio Network & Athena Infonomics, https://www.fairtrade.net/library/fairtrade-certification-and-producerresilience-in-times-of-crises

Lucy Twenewaa, cocoa farmer, Ghana.

1.3. Fairtrade Premium

FAIRTRADE PREMIUM IN FIGURES

Globally, between 1994 and 2022, producers have shared an estimated

£1.7 billion



in Fairtrade Premium payments

In 2022, worldwide sales of Fairtrade products generated



of Fairtrade Premium

In 2023, UK Fairtrade sales generated an estimated

£28 millio



The average Fairtrade Premium amount earned by each producer organisation in 2022 was more than

£99.000



Fairtrade Premium also plays a critical role in supporting livelihoods. Producers who benefit from the full package of Fairtrade Standards, pricing, Premium and programmes have been found to be more resilient in times of global crisis. On average, households from Fairtrade certified producer organisations were found to be less affected by Covid-19 than those at non-Fairtrade certified producer organisations (36 percent versus 48 percent respectively).13

And because Fairtrade Premium is allocated according to producers' own priorities, it has driven a variety of benefits, tailored to different contexts and changing circumstances, addressing urgent needs and longer-term sustainability. In Ghana, producers in the banana sector have used Premium to subsidise food in cafeterias, build schools and health centres, and establish transportation infrastructure.¹⁴ Between 2022 and 2023 the Fairtrade Premium generated by sales of Fairtrade sugar to Tate & Lyle was used to fund a programme for women in Belize by the Progressive Sugar Cane Producers Association. The project trained 60 women in financial literacy and small business entrepreneurship. Meanwhile, Fairtrade coffee co-operative ASOPEP, in Colombia, is running a new lab and training school, supported by Waitrose & Partners,

¹⁴ Dr. Hänke, H., & Wadham R., (2023), Exploring the benefits of the Fairtrade Premium in the context of living wages, Fairtrade Foundation, https:// www.fairtrade.org.uk/wp-content/uploads/2023/03/Exploring-thebenefits-of-the-Fairtrade-Premium-in-the-context-of-living-wages.pdf

to help improve the quality of their coffee. Farmers hope to earn more from sales and prevent younger generations from turning away from coffee farming due to low incomes. The Manduvirá sugar co-operative in Paraguay used their Fairtrade Premium to build their own sugar mill, giving the co-operative power over how and when their crop is processed, and increasing the value of their sugar.

When we started. we didn't have anything. Fairtrade helped us connect with the market. In Paraguay, people said: "You are poor. You are crazy. You will never be able to sell or export your sugar directly or think about having your own sugar mill." Fairtrade said we could.

Andrés González, General Manager, Manduvirá co-operative.

¹³ Ibid

THE BENEFITS OF FAIRTRADE PREMIUM

The Fairtrade Premium generated by M&S, the UK's highest selling retailer for Fairtrade coffee and tea, has benefited Henry Serrato Artuluaga, a coffee farmer from the ASPROTIMANA co-operative in Colombia.

With the money it has brought to us, I've been learning and improving my quality of life, the quality of my family's education and the quality of my farm's productivity.

The Fairtrade coffee served in M&S Café is roasted by Matthew Algie, a company that has sourced Fairtrade coffee for over 25 years and brought the first Fairtrade espresso to the UK market. Long-term commitments like this allow producers to invest their Fairtrade Premium however they choose, in a wide range of projects such as climate mitigation, community welfare, productivity and healthcare.

Fairtrade Premium generated by the sale of long-term partner Ben & Jerry's products made up 4 percent of the total global Fairtrade Premium producers earnt in 2022. Ben & Jerry's are committed to making a living income possible for cocoa farmers in their supply chain. They introduced the world's first Fairtrade certified ice-cream product in 2006 and finished converting their cocoa, bananas, coffee, vanilla and sugar to Fairtrade in 2015.



Clipper became the UK's first and longest-standing Fairtrade tea company in 1994, selling more Fairtrade tea than any other brand globally. Clipper's long-term relationships and £6.8 million in Fairtrade Premium has meant workers and their families have had more financial security. Likewise, Greggs' Fairtrade commitment over the last 18 years has generated over £7.6 million in Fairtrade Premium having a huge impact on producers' lives.

This is incredibly important for smallholder farmers who receive low and fluctuating prices for their produce – a fraction of what might be paid for a cup of tea or coffee in the UK.

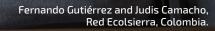
1.4. Going further on price

Fairtrade is at the forefront of calling for change that goes beyond the basic principle of a minimum price. We're now leading calls for living incomes for farmers and living wages for workers so they can achieve a decent standard of living and cover the costs of their basic human rights, such as a nutritious diet, their children's education and healthcare for their families.

Fairtrade's approach to minimum prices has been honed over decades, and is widely recognised as best-in-class. For example, the governments of both Ghana and Côte d'Ivoire committed to introducing a new Living Income Differential on all cocoa sales from October 2020. Ghanaian Vice President Dr. Mahamudu Bawumia quoted Fairtrade's research in his call for progress towards living incomes. And at the 2024 World Banana Forum in Rome, there were repeated calls from farmers, workers and other industry experts for Fairtrade prices to be adopted across the sector.

Similarly, through Fairtrade's long-term partnership with Sainsbury's and Fyffes, the world's largest retailer and importer of Fairtrade bananas respectively, every single banana bought at Sainsbury's will contribute towards paying thousands of workers a fairer wage and support the future of banana growers in Cameroon, Colombia, the Dominican Republic, Panama and Ghana.

Fairtrade continues to pursue a range of other ambitious programmes to support producers to achieve better rewards for their work and trade their way out of poverty. In-depth research initiatives such as the Sustainable Livelihoods Landscape Study funded by Cocoa Life, Mondelēz International's global cocoa sustainability programme, have provided evidence-based strategies on how to tackle the systemic issue of cocoa farmers living in poverty. These include the need for improved co-ordination across the cocoa sector, and increased support for farmers who are being left behind, such as women, those in more rural areas, hired workers and sharecroppers. The study also recommends that the sector uses approaches that put the voices of farmers and workers front and centre as the cocoa industry and its partners collectively address why the sector is not functioning for them.

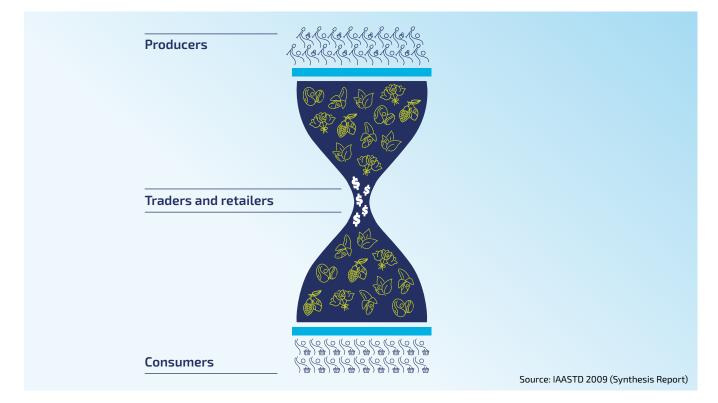


2. The importance of a fair share of power

Thirty years ago, the scandal of poverty and exploitation in global supply chains was two-fold. As already discussed, too many producers were trapped in a cycle of long-term low pricing. But producers also too often went unseen and unheard. Their limited bargaining power was a fundamental blocker in creating positive change. An imbalance of power in trade kept prices low, and conditions for producers unchanged.

The problem was exacerbated by market concentration, especially in food. A lack of information, collective bargaining power and access to a wide range of buyers meant that producers were dependent on a small number of buyers and retailers who often traded with them on terms which favoured the buyer over the seller. Written contracts were unusual, and fierce competition worked against long-term partnership. This was a longstanding problem, based on lengthy and complex supply chains, where the end buyer was often unaware of the situation – and risks – at the start of the chain.

The dynamics and distribution of power within supply chains are reflected in the hourglass model, which demonstrates how for many commodities, market power remains concentrated in the hands of a few large companies.



The unfair distribution of power, which denies producers the right to make their voices heard or to influence the terms on which they trade, is seen at every level of decision-making, from the governance structures of small companies, through to attendance at global policy discussions.

Fairtrade – including the farmers and workers at the start of these global supply chains – is changing this. We are achieving this through the Fairtrade Standards, which promote democratic and accountable governance, and require transparency and clarity between trading partners. We have also developed programmes with many commercial partners that address the systemic imbalances of power, especially related to the role of women in trade. And we have lobbied with our partners for better regulation to support fairer terms of trade as the norm. Underpinning all of this has been the role of campaigners in asking to know the people behind the products, in seeking to understand their lives and their needs, and in calling out those companies that refused to acknowledge their social and environmental impacts.

2.1. Championing equity and female empowerment

Building fairer power dynamics throughout the trade system requires a commitment to equity at its foundations. From its beginnings 30 years ago, Fairtrade has committed to supporting a fair model of governance within producer organisations via the Fairtrade Standards, which are founded on principles of democratic decisionmaking and non-discrimination.

A key focus of the Fairtrade Standards is addressing gender dynamics and the situation of women farmers and workers within supply chains. Women make up 43 percent of the small-scale agricultural workers in low-income countries¹⁵ but face discrimination and exclusion that restricts their ability to realise their potential as producers and traders. As a result of barriers such as lack of formal land ownership in many countries and the household and care-giving duties required of women, they are estimated to produce 20 to 30 percent less than male farmers and workers.¹⁶

Through the design of its Standards, governance and programme work, Fairtrade sets out to tackle gender inequality, increase women's participation and empower more women and girls to meet their potential by accessing the benefits of Fairtrade.

WOMEN'S SCHOOL OF LEADERSHIP

Fairtrade Africa are implementing a gender equality programme for cocoa farmers, the Women's School of Leadership (WSOL). The programme pilot, part funded by Co-op, in Côte d'Ivoire focuses on personal development, gender, leadership, income diversification, project management, strategic negotiation, financial management and entrepreneurship.¹⁷ The programme was scaled with additional funding from the French Development Agency (AFD) in Côte d'Ivoire. 265 women and men have graduated from the school since it was founded in 2017.¹⁸ Funding from Aldi UK and the Ministry of Foreign Affairs Finland expanded the WSOL to the flower sector in Ethiopia.



¹⁵ Oxfam International, Empowering women farmers to end hunger and poverty https://www.oxfam.org/en/empowering-women-farmers-endhunger-and-poverty

¹⁶ Ibid

¹⁷ Fairtrade International, (2021), Fairtrade's Women's School of Leadership holds graduation ceremony for third group of cocoa farmers in Côte d'Ivoire https://www.fairtrade.net/news/fairtrades-women-school-ofleadership-holds-graduation-ceremony-2021

¹⁸ Fairtrade International, (2023), Women's School of Leadership project annual report (compilated reports), Equity II Program in Côte d'Ivoire

2.2. Supporting farmer decision-making

In order to exercise genuine influence over the terms of trade, producers need greater representation in the governance structures of the businesses they supply. This brings clear benefits for producers but also for businesses, enabling them to deepen their relationship with those they source from, draw on their expertise and lay the foundations for a more successful and sustainable long-term relationship.

A number of Fairtrade's most established commercial partners are leading the way in ensuring that producers are formally involved in decision-making. Cafédirect, for example, includes farmers on their board of directors, enabling them to better understand the needs and challenges of the farmers they work with. Producers themselves are share owners in Divine Chocolate. As a co-owner, the Kuapa Kokoo Farmers' Union in Ghana receive a share of the distributable profits from the sales of chocolate.

Programmes represent another area where producers' participation and decision-making is key. By contrast with the top-down approach that has characterised many development and livelihood programme approaches, Fairtrade has worked with partners to support programmes where producers are actively involved in shaping, owning and implementing interventions that set out to improve their lives. Under the Livelihoods Ecosystem Advancement Program (LEAP) project, partfunded by Mars,¹⁹ a collective of cocoa co-operatives from Côte d'Ivoire (ECOOKIM) represent the needs, views and experiences of their members and contribute to its design. LEAP is working with more than 5,000 producers from four co-operatives to support them with a range of services to help them grow more cocoa and earn higher incomes, diversify their incomes and expand their access to financial services like loans. The ambition is to support 70 percent of the participating producers to reach a living income by 2030.

With LEAP, we're partners from start to finish. We're involved at every stage, we sit down, we discuss, then we move forward.

Abdoul Magyd, President of the Administrative Council of the Coopérative Agricole Unité de Divo (CAUD).

Farmers being on the Cafédirect board means we get to speak up and make our voices heard. Instead of just watching decisions have a big impact on our lives, we're discussing what's important. We're right at the centre, not just watching from the sidelines.

Silvia Herrera, (pictured), coffee farmer, Unión de Ejidos y Comunidades San Fernando, Mexico (supplier to Cafédirect).





I am very proud to be a member of a co-operative that co-owns Divine Chocolate. People all

over the world know Kuapa Kokoo because we co-own Divine and we are very proud of our chocolate company. I wish to entreat more people to buy Divine!

Christina Ohene-Agyare, (pictured), a member of Kuapa Kokoo Farmers' Union, Ghana.

¹⁹ The initiative is partly funded by Fairtrade Finland's development cooperation programme Dignified Opportunities Nurtured through Trade and Sustainability (DONUTS), which receives funding from the Ministry of Foreign Affairs Finland (MFA).



2.2. Farmers on the world stage

As the world works towards eradicating human rights abuses, fighting climate change and implementing programmes to achieve the UN's Sustainable Development Goals, the first-hand experience and insight of farmers and workers is crucial. But their voice is too often missing from national and global policy processes, and from the summits where critical decisions are taken.

Fairtrade is committed to amplifying the voice of producers, and providing a platform wherever possible for them to engage with key decision-makers. Producers have participated in numerous Fairtrade events in the UK Parliament and at global summits, such as the COP 26 climate negotiations, where Benjamin Francklin N'Dri Kouame from Fairtrade Africa, and Bismark Kpabitey from the Kuapa Kokoo co-operative in Ghana, were part of a delegation of producers facilitated by the Fairtrade Foundation to share their perspectives on the climate crisis. There are some positive signs that the perspectives of smallholder farmers are becoming less peripheral to global policy negotiations. The recent declaration on Sustainable Agriculture, Resilient Food Systems and Climate Action at COP 28 acknowledges the importance of supporting 'workers in agriculture and food systems to maintain inclusive, decent work'²⁰ and contains numerous references to smallholders. But a greater commitment is needed from politicians to genuinely listen to and address the needs of farmers and workers.

We want our world leaders to deliver on their commitments and recognise that we are part of the solution. They must bring us in... We are here and we are ready.

Benjamin Francklin N'Dri Kouame, a cocoa farmer from Côte d'Ivoire, and a producer representative on the Fairtrade General Assembly.

²⁰ https://www.cop28.com/en/food-and-agriculture

2.3. The power of our movement

Fairtrade's achievements would not be possible without the collective power of the voices of people all over the UK standing side by side with producers. Today, Fairtrade is one of the largest long-standing movements in the UK.

Our network of Fairtrade campaigners in communities, schools, places of worship and universities work hard to highlight the exploitation of farmers and workers. Over the course of 30 years, we have worked with more than 10,000 local Fairtrade groups and institutions in the UK, including more than 2,500 Fairtrade Schools and almost 7,000 Fairtrade Places of Worship.



The Fairtrade Towns campaign was first launched in 2001 in Garstang, Lancashire. Since then the movement has seen more than 650 local communities awarded Fairtrade status. Fairtrade campaigners encourage consumers to choose Fairtrade products every time they shop, to raise their voices on government policies that impact producers, and ensure climate and trade justice issues are understood and debated. Thanks to the energy and commitment of our campaigners, and the farmers and workers who visit the UK to share their experiences, fair trade has been put firmly on the agenda of MPs of all political parties. In the course of 2022 and 2023, campaigners in every UK parliamentary constituency wrote to their MP calling for action to deliver global trade justice.

More than one million children in the UK attend schools that are working towards the Fairtrade Schools Awards by teaching about the ethics of global food production and encouraging students to explore their understanding of the social and environmental impacts of their decisions. Fairtrade's teaching materials have been downloaded more than 225,000 times.

As we work with farmers and workers to build a better and fairer future, we must continue to use our voices to amplify and support their demands. Every single social media post, petition signature, local event, school presentation and media story helps to make the case for fairer trade and influence decision-makers to drive the changes we need.



Yacouba, Fairtrade cocoa farmer from Cote d'Ivoire.

3. The importance of working at pace

Working with farmers and workers, businesses and consumers, Fairtrade has taken enormous strides in supporting millions of Fairtrade producers to secure a better deal. This report contains many examples of how livelihoods have been strengthened and lives transformed across the world over the course of our 30 years. But the world feels more insecure than it did in the 1990s. The impacts of climate change, global conflict and the pandemic have increased the threats to producers' livelihoods and exposed the fragility of our shared food system. We are seeing more frequently how shocks in one part of the world can cause empty shelves and food price inflation at home.²¹ Poverty and inequality persist in agricultural communities, exacerbated by the climate crisis and the prevalence of unfair prices. Extreme poverty remains concentrated in parts of sub-Saharan Africa, fragile and conflict-affected areas, and rural areas.²²

There is an urgent need for ongoing change, both for the sake of producers' livelihoods and for the availability and affordability of our food. The UK is not food secure – we import almost half our food,²³ and approximately 16 percent from countries which are exposed to climate change and lack the capacity to adapt and respond.²⁴ So this matters to us all as never before. In our 30th year, we must therefore look forward and increase the pace at which change happens. We need to redouble our efforts, drawing on the breadth and diversity of our movement, identifying the systemic changes that are needed to deliver our vision for a fairer trade system, and be bolder and more creative about the approach we take. We see four urgent priorities explored in the pages that follow.



- ²¹ Bogmans, C., Pescatori, A., & Prifti, E., (2022), Global food prices to remain elevated amid war, costly energy, la niña, IMF blog, https://www.imf.org/ en/Blogs/Articles/2022/12/09/global-food-prices-to-remain-elevatedamid-war-costly-energy-la-nina
- ²² The World Bank, (2024), Understanding poverty, https://www.worldbank org/en/topic/poverty/overview#:~:text=Low%2Dincome%20countries%20 were%20most,million%20people%20compared%20to%202019
- ²³ Department for Environment Food & Rural Affairs, UK food security report 2021, https://www.gov.uk/government/statistics/unitedkingdom-food-security-report-2021/united-kingdom-food-securityreport-2021-theme-2-uk-food-supply-sources
- ²⁴ Energy & Climate Intelligence Unit, (2023), Climate impacts on UK food imports, https://ca1-eci.edcdn.com/food-vunerable-Nov-2023. pdf?v=1701692173

TACKLING THE CLIMATE CRISIS

For farmers and workers living on the frontline of climate change, changing weather patterns are already having devastating impacts on their ability to grow the crops they depend upon.²⁵ Without support, many producers will not be able to continue farming into the future, leading to increased poverty in many parts of the world and threatening the availability of food staples we rely on in the UK.

Food production is responsible for a third of global greenhouse gas emissions²⁶ caused by humans so reforming the global food system must be central in our efforts to tackle the climate crisis.

Smallholder farmers are the experts on sustainable stewardship of their land and environmentally sustainable practices lie at the heart of Fairtrade's programmatic work with global networks of Fairtrade farmers and workers (see box on the right). But environmental sustainability across the wider food system cannot be achieved without social and economic sustainability. Where producers are bound by trading relationships that require them to sell below the cost of production, they may be forced to resort to unsustainable practices such as using toxic chemicals and cutting down trees to sell timber or to clear land for cultivation. The ability of producers to earn a living income, through higher prices for their produce, is expected to be a key enabler as well as a precondition for ensuring effective climate action.

The payment of higher prices by businesses must be accompanied by greater action by governments, especially those in rich countries. As noted above, the recent declaration on Sustainable Agriculture, Resilient Food Systems and Climate Action at COP 28²⁷ was a long overdue acknowledgement by governments of the need for change and more must now be done to engage smallholder farmers in how we achieve this. Rich countries must also honour their commitments to deliver climate finance, with mechanisms that ensure producers are among those consulted and benefiting from the delivery of funds. The UK government's promise to deliver a £500 million fund to tackle deforestation, announced at COP 26, provides one such opportunity. This was a commitment to direct finance towards a crucial area of environmental sustainability. The next UK government must make good on this promise and if it is to achieve its objectives, a substantial proportion of this fund must be earmarked for supporting smallholder farmers.



²⁵ Abeeb Babatunde Omotoso, Simon Letsoalo, Kehinde Oluseyi Olagunju, Christopher Seleke Tshwene, Abiodun Olusola Omotayo, (2023), Climate change and variability in sub-Saharan Africa: A systematic review of trends and impacts on agriculture, Journal of Cleaner Production, Volume 414, https://doi.org/10.1016/j.jclepro.2023.137487

²⁶ Crippa, M., Solazzo, E., Guizzardi, D. et al, (2021), Food systems are responsible for a third of global anthropogenic GHG emissions. Nat Food 2, 198–209. https://doi.org/10.1038/s43016-021-00225-9

²⁷ COP28 UAE declaration on Sustainable Agriculture, Resilient Food Systems and Climate Action, https://www.cop28.com/en/food-andagriculture

Reducing the environmental impact of farming



The Fairtrade Alliance for Climate Smart Supply Chains in Africa (FACSCA) supports 12 producer organisations in Kenya, Ethiopia and Rwanda to mitigate against the impacts of climate change. The programme, which is funded by Co-op, has been designed in partnership with producers to help increase their knowledge of sustainable agriculture land management practices to boost productivity and reduce water consumption and carbon footprints. Producers have also introduced environmentally friendly incomegenerating activities and enterprises to diversify their incomes and protect themselves against climate shocks, such as establishing coffee, fruit and indigenous tree seedling nurseries as well as briquette production from agro-waste such as leaves and coffee husks.

Emily says:

FACSCA has really supported me. When I go to the farm, I get good yields and thus I have money for food, children's clothes... The kitchen garden now gives me personal money. There is a huge difference.

Fairtrade and Co-op are exploring a continuation of the alliance, so more producers are equipped to face the impacts of climate change.

Sustainable production

A training centre for cocoa farmers in Côte d'Ivoire with the PROCACAO initiative, funded by Lidl, has trained over 18,000 cocoa farmers on sustainable production methods to increase the quality and value of their crop.

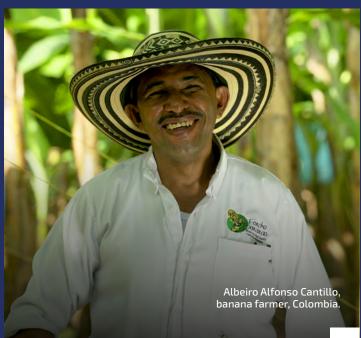
With their Fairtrade certified Way to Go own-brand range, Lidl pays an additional premium for every tonne of cocoa bought on top of the Fairtrade Minimum Price and the Fairtrade Premium. This additional money contributes to the establishment of living incomes in producing countries and supports a sustainable future and secure livelihoods for farmers and their families. Contributions are made in the form of direct payments and through the funding of joint project activities to support farmers to increase and diversify their income sources.

Recuperating soil health

Albeiro Alfonso Cantillo, also known as Foncho, says

The climate has definitely changed today. We can't predict the climate as you used to before like our elders did.

Foncho belongs to the Coobafrio co-operative, which is part of Fairtrade-run initiative the Productivity Improvement Programme (PIP). The programme, funded by long-term partners Co-op and banana supplier Fyffes, and developed by the Latin American and Caribbean producer network (CLAC), aims to support banana producers in Colombia and the Dominican Republic to recuperate soil health at banana farms and decrease the use of agrochemicals.



CREATING A TRADE POLICY FOR PEOPLE AND PLANET



Alongside the immediate need for changes to the global food system, the climate crisis also urgently requires a more environmentally sustainable approach to trade in general. We need to move away from a short-term focus on economic liberalisation as the main driver in trade policy, that has held sway for many years, and broaden the remit of UK trade policy to embrace fairer, more equitable and more resilient trading relationships that strengthen supply chains, and support environmental sustainability and livelihoods overseas.

2

The UK can play a leading role in this; we need a trade policy that supports climate action, and within which concerted action towards the UK's climate commitments is addressed. The same is true of the

UK's approach to trade and its development objectives.

By enabling producers to earn a living income and wage, trade can drive impact across a wide range of development areas, and support progress towards the Sustainable Development Goals on poverty, inequality and hunger, health, education, decent work and climate action. Harnessing the positive benefits of trade for people and planet, will require a joined-up approach to trade, development and climate policy. The development of an overarching trade strategy that addresses the close links between trade, environmental and development goals, and presents a coherent approach to meeting objectives across all three should be a priority for the next government.



MORE EFFECTIVE REGULATION

By helping to make a simple consumer decision become an ethical choice, the Fairtrade movement has created a public appetite for the regulation of unethical business behaviour. We have contributed to notable achievements on regulation, including the UK government establishing a Groceries Code Adjudicator in 2013 to give greater protection to producers and tackle unfair purchasing practices in agricultural supply chains. Now we need to go further. The next government should deliver strong regulation to reduce the threats associated with irresponsible business practices and to create an environment in which ethical business can flourish. Over 30 years, our partners have committed to doing the right thing via the



voluntary approach of Fairtrade certification. Effective regulation can drive sector-wide changes compelling other businesses to do the same and create the conditions for ethical business, at scale and at pace. But in designing and implementing new regulation, care must also be taken. If the development of legislation is to achieve its aims of curbing irresponsible business and protecting the vulnerable, it must also involve listening carefully to producers and addressing their needs in order to avoid unintended impacts on those at the end of supply chains.

Legislating to end deforestation

Before the election was announced, new legislation was expected to come before the UK Parliament to ban large businesses from importing certain commodities, including cocoa, into the UK sourced from illegally deforested land.

Deforestation is a significant driver of the climate crisis and regulation to tackle it within supply chains is a powerful tool to support those at the frontline of climate change. It is also crucial that the design and implementation of legislation fully considers the needs of producers, and doesn't inadvertently create additional challenges for them. Otherwise it risks the unintended consequence of pushing more people into poverty and will not have the effect of reducing deforestation as it sets out to do.

In line with ensuring a just transition towards a more environmentally sustainable approach to trade, we are therefore asking the next government to move forward with deforestation legislation while ensuring that the burdens of complying with this legislation are not pushed down to the bottom of the supply chain. Achieving better traceability and transparency will come with significant costs and new demands across supply chains. Smallholders and their producer organisations will need to be properly consulted, and provided with technical and financial support to meet these requirements and avoid being excluded from UK supply chains. New legislation should also be accompanied by measures working towards paying producers living incomes and encouraging businesses to commit to long-term contracts with suppliers.

PRE-COMPETITIVE COLLABORATION

Reforming our trade system requires a commitment to innovation. The challenges that face us need us to commit to new ways of approaching trade, and the removal of barriers that no longer serve the principles of trade justice, or the best interests of producers, progressive businesses and consumers.

A crucial emerging opportunity for businesses to come together to contribute to positive reform is to encourage more pre-competitive collaboration. To date, the sustainability sector has been driven by proprietary voluntarism, where individual companies drive improvements within their own supply chains. To go to scale, we need companies to work together so that entire sectors can be shifted, and markets transformed.

Until recently, concerns over the restrictions placed by competition law on collaboration had prevented many businesses from exploring collaboration with their competitors. But this is changing. In December 2023, the Competition and Markets Authority issued new informal guidance in support of Fairtrade's Shared ImPACT initiative, a means through which buyers of key agricultural commodities can work together to source on Fairtrade terms. Under its initial pilot, participating UK retailers will come together to source additional Fairtrade banana,

additional Fairtrade banana, coffee or cocoa volumes from specific certified Fairtrade producer groups, who are currently only able to sell a small proportion of their produce on Fairtrade terms.

For producers, the aggregated impact of having multiple increased longer-term sourcing commitments will mean better incomes, more Fairtrade Premium, less dependency on businesses and thus a greater share of power in supply chains and more resources to invest in sustainability initiatives. For participating companies, the new model allows them to mitigate risks in their supply chain, drive forward a more resilient food sector, and fund real, lasting change in partnership with producers and other businesses. No single company can shift the sustainability dial alone, and under Shared ImPACT they can co-invest with other businesses and Fairtrade to drive change and supply chain resilience.

This makes Shared ImPACT groundbreaking for producers and businesses alike. Arguably, more important still, is the precedent it sets. Our hope is the future will be one of greater collaboration, even among competitors, so that fairer trading becomes the norm.



4. Thank you for being part of our movement for change



30 years ago, we stood up for what's right.

We ignored those who dismissed us and told us change was impossible. We persisted and we fought hard.

Look at what we have achieved. We have stood alongside the two million farmers and workers in the Fairtrade movement – and the millions more growing our food for unfair prices – to demand change.

By connecting people across the world we have achieved something remarkable.

We have raised awareness, changed attitudes and built a huge movement of people outraged by the brutal injustices of our global trade system and motivated to challenge the status quo.

In our interconnected world, the rich diversity of our movement and the strength of these relationships continue to be at the heart of our work.

Thanks to you, today's consumers will not tolerate unethical business practices, producers are no longer unheard, companies are required to report on their supply chains and paying a living income is finally starting to move from rhetoric to reality. The language of sustainability is now part of the mainstream.

Your role as part of our movement is now more important than ever.

We are faced with challenges of a greater complexity than ever before. The climate crisis is putting in jeopardy the future of farming and we are facing multi-faceted problems in our global supply chains.

We must push forward on fair prices and equitable power structures, and increase the pace of change.

Fairtrade supporters, businesses and legislators all have a part to play. If we want to increase the pace of change then we must ensure we take every opportunity to do the right thing and make the future fair.

THANK YOU FOR BEING PART OF THIS GROUNDSWELL OF SUPPORT FOR CHANGE.



Calls to action



For businesses

By working with Fairtrade, our commercial partners are leading the way to enable producers to achieve a fairer price, support them to achieve more sustainable livelihoods and secure the future availability of our staple everyday products. Now we're asking businesses to go even further so together we can create more resilient supply chains.

We call on businesses to:

- Increase your Fairtrade sourcing commitments and support more producers to achieve a better price for our most loved products. By deepening your partnership with Fairtrade, you will not only help tackle supply chain challenges and legislative compliance, you also demonstrate your genuine commitment to people and planet.
- 2. Work with us on innovative new approaches to help make true trade justice a reality. Whether it's committing to Fairtrade purchasing from producers in the long term, signing up to impact-led sourcing models like Shared ImPACT or investing in co-created programmes that align with your sustainability goals, together we can create long-term change.
- 3. Advocate with us to governments and the wider business sector to ensure legislation allows responsible businesses to thrive. Acting fairly and sustainably isn't just the right thing to do but must make good business sense too. Policy must be producer-centric to drive real change. Join us in asking for this.

At the heart of good business are values of fairness, decency and sustainability. It is this foundation of shared values, practical expertise and strong partnership that has allowed Fairtrade and businesses to accomplish so much together over 30 years.' Mark Price, former Chair of the Fairtrade Foundation Board (2018-24), former Trade Minister and former Managing Director of Waitrose & Partners.



For the next government

The issues that mean producers struggle with low incomes, that contribute to environmental damage, and threaten the long-term resilience of supply chains are structural. Through effective legislation and a coherent approach to trade, responsible business, climate and development policy, and an effective use of the aid budget, the next UK government can help support better prices for producers and a more equitable and environmentally sustainable trade system at the pace urgently required. These should be priority issues for the next UK government following the forthcoming election.

We call on the next UK government to:

- Deliver regulation that levels the playing field for responsible businesses by requiring all large companies to tackle deforestation and human rights violations in their supply chains, while ensuring that the costs and burdens of compliance do not fall to producers themselves.
- 2. Strengthen policies and legislation to provide support for innovations such as pre-competitive collaboration. Following the Competition and Market Authority's guidance on Shared ImPACT, the next UK government should reflect on the role of competition law in building markets that promote sustainable development (either as a barrier or an enabler) and consider what more can be done to contribute to further progress.
- 3. Provide a clear commitment to a whole-of-government approach to overseas trade, through the delivery of a cross-departmental strategy that addresses the key links between trade, development and environmental sustainability.
- 4. Deliver strengthened UK aid to support producers in their communities with programmes to tackle poverty and build their resilience, taking an approach driven by the voices and participation of producers themselves. In addition, honour climate finance commitments, including the £500 million deforestation pledge.
- 5. And we ask politicians of all parties to help us make the case for these policy and legislative priorities by continuing to play an active role in the Fairtrade All Party Parliamentary Group.



For our supporters and campaigners

Together we must continue to raise awareness of the issues of unfair trade and demand fairer trade deals for producers. In our 30th year, the issues that we are addressing through our public campaigns go to the heart of our calls for greater price and power for producers and the call for rapid action on environmental sustainability and climate justice, the most urgent issues of our time.

We call on campaigners to:

FAIRTRADE

- Continue to hold companies and governments to account, making sure they deliver on their responsibilities.
- Ask more people to choose Fairtrade so more farmers and workers can drive positive change in their communities.
- Continue to spread the word, showing the next generation that their choices are powerful, and their individual actions can create a fairer future.

'Fairtrade is important because it connects people and drives action on the issues that should matter to us all. As joint chairs of the Fairtrade All Party Parliamentary Group, we've been very proud to build political support to raise awareness and tackle injustices connected with global trade, as well as playing a small part in building a better system for all.'

> Since its founding Fairtrade has pursued a policy of strengthening the capacity of producers to increase their market access while also securing a living income. Expanding the reach and influence of the Fairtrade model is the route to change and the best way forward in the future.' Sandra Uwera Murasa, Global CEO,

Sanara Owera Murasa, Global CEC Fairtrade International.

> The 30th anniversary of the FAIRTRADE Mark is a milestone for the broader campaign for justice in global trade. As a product certification label, the FAIRTRADE Mark is trusted by both producers and consumers and it's a valuable tool for campaigners. In Scotland, the FAIRTRADE Mark is a key component of the wider campaign for global trade justice.'

Martin Rhodes, Chief Executive, Scottish Fair Trade Forum.

FAIRTRADE

ompoci.



We work with more than



farmers and workers

We have worked with more than

10,000

local Fairtrade groups and institutions in the UK over the last 30 years



Globally, between 1994 and 2022, producers have shared an estimated

£1.7 billion



in Fairtrade Premium payments

There are currently almost



Fairtrade products available to buy in the UK The FAIRTRADE Mark is the most recognised and trusted ethical label in the UK, with

awareness among consumers



fairtrade.org.uk

Fairtrade Foundation, 5.7 The Loom, 14 Gower's Walk, London E1 8PY Tel: +44 (0) 20 7405 5942 Email: mail@fairtrade.org.uk

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