

Building resilience in a changing world

ANNUAL REPORT 2021-2022



FAIRTRADE
INTERNATIONAL



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Cover photo: Lindaura Choque is a coffee farmer and member of Asociación de Productores de Café Ecológico (APROCAFE) organic coffee cooperative in Bolivia.

Key Fairtrade figures at a glance

More than **1.9 million** farmers and workers in 70 countries



1,930

Fairtrade certified producer organizations

Fairtrade farmers and workers earned **€190 million** in Fairtrade Premium in 2021 for the top 7 products



Fairtrade products sold in **143 countries** in 2021



2,568 companies licensed more than

37,600

Fairtrade products in 2021



Sales of Fairtrade flowers rose by

21%

in 2021, topping

1 billion

stems and plants for the first time



€15.8 million

in Fairtrade

COVID-19 relief

funds have benefitted **667**

cooperatives and 815,000 farmers and workers



Fairtrade carbon credits have raised more than

\$7 million

for projects



And an additional

\$450,000

in Fairtrade Premium, offsetting more than

650,000 tonnes of carbon emissions.

Many Fairtrade products are also organic:

63% of Fairtrade coffee

61% of Fairtrade bananas

56% of Fairtrade cotton



Foreword



On behalf of the Board of Directors of Fairtrade International, it is with greatest pleasure that I welcome you to our latest annual report. If I may highlight one vital element before we begin, it would be the collaboration needed to make each activity highlighted in the next pages a reality. From businesses, to governments, civil society, farmers and conscious consumers – it is all of us who make Fairtrade. In this context I would like thank our Board of Directors for their expertise, commitment and drive to make positive change. Their guidance is a true compass.

Lynette Thorstensen
Chair, Board of Directors
Fairtrade International



We are pleased to jointly present this year's annual report, for the first time with Sandra Uwera as the new Nairobi-based global CEO joining Executive Director Melissa Duncan in co-leadership of Fairtrade International.

In these uncertain times, building resilience is more important than ever. Farmers and workers, like everyone else, are trying to adapt and prepare for a future marked by climate change, uncertain markets and rising costs, disruption and conflict. Fairtrade has worked closely with producers to navigate these crises, and draw learnings about the factors that define and contribute to resilience. We would like to especially thank the German Federal Ministry of Economic Cooperation and Development for their contributions to our COVID-19 relief and resilience efforts for producers across the globe.

Fairtrade sales, programmes, partnerships and advocacy are key components of our strategy. Climate justice for producers is at the forefront of our agenda, from promoting sustainable agriculture solutions, to policy advocacy, to building capacity for producers to adapt to climate change. We have achieved advocacy gains on human rights and advanced on our digitalization aims to expand traceability, transparency and data ownership by producers. Our living income and living wage work continues to progress, despite challenging economic circumstances. Expanding sales for producers and embedding sustainability into supply chains require innovation and partnership. And the three Fairtrade producer networks have delivered incredible levels of service to producers by adapting support during COVID-19 and assisting them to build local markets for their goods.

This year we are celebrating 25 years since the first pioneering fair trade organizations formed Fairtrade International to lead a growing movement. Our first quarter century has seen exciting growth for producers and the establishment of Fairtrade as the most trusted ethical label in the world. In June, we bestowed life-time achievement awards on Dieter Overath, founder and former CEO of Fairtrade Germany, and Dr. Nyagoy Nyong'o, former Fairtrade Global CEO and former Executive Director of Fairtrade Africa. Their decades-long contributions have helped take Fairtrade from a fringe idea to the mainstream, and remind us how individual actions can ripple out to widening circles of influence and change.

Now, we are proud to support the next generation of sustainability leaders through Fairtrade producer networks' efforts with young farmers, and our new Fairtrade Ambassador programme. And we recognize the countless farmers, workers, businesses and supporters who are doing their part every day to make the world a fairer place.

The urgency to accelerate this work is enormous.

Fairtrade is everyone's responsibility. Let us work together to achieve resilient, sustainable livelihoods and a fairer future for all.

Sandra Uwera
Global CEO
Fairtrade International

Melissa Duncan
Executive Director
Fairtrade International

The Fairtrade system: standing for social justice

Fairtrade is the most recognized and trusted sustainability label in the world.

Rigorous standards and verification:

Fairtrade products meet rigorous social, economic and environmental standards, all the way from farm to shelf. Independent certifier FLOCERT audits producers and traders throughout supply chains.

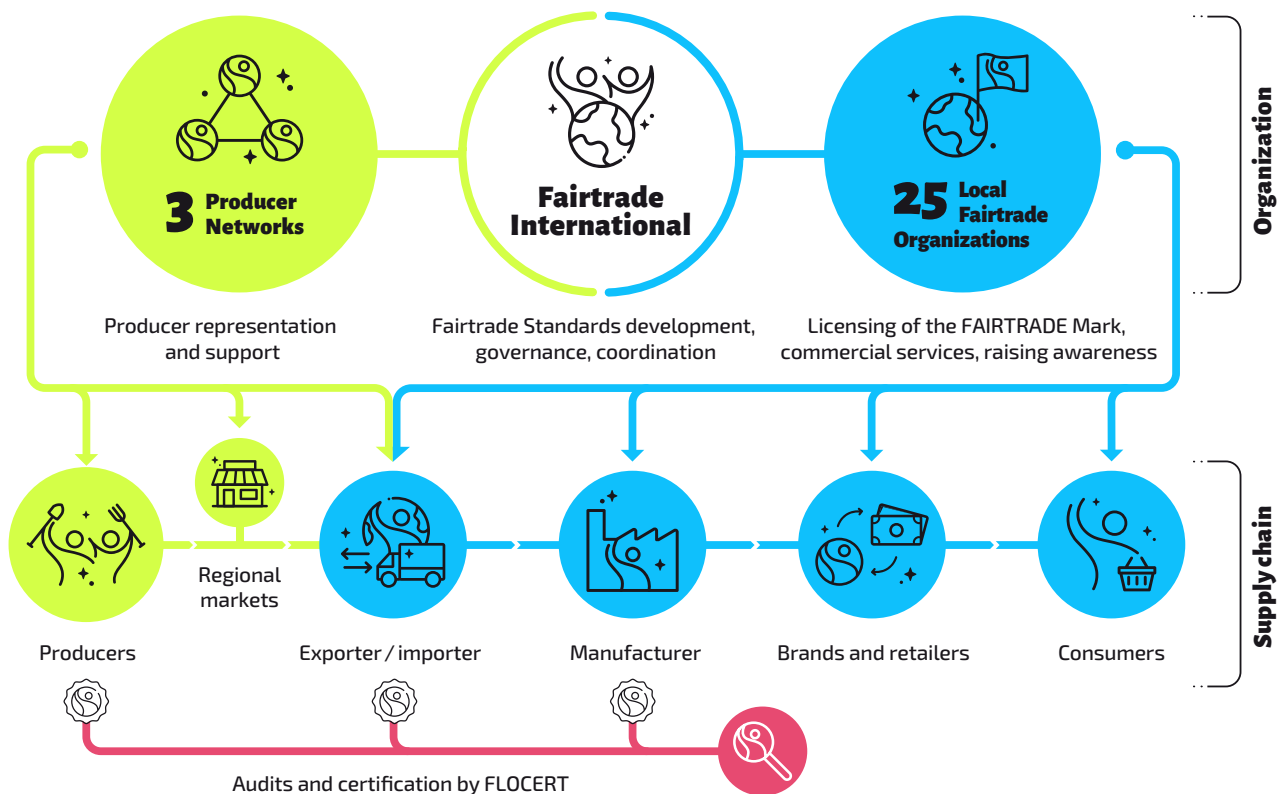
Stronger producers: Three Fairtrade regional producer networks offer expert support to certified producer organizations. Fairtrade farmers and workers strengthen their businesses and communities, strive for decent working conditions, and gain more power in trade relationships.

Resilient supply chains: Business and donors partner with producers through Fairtrade to tackle challenges and build resilience for the future.

Expanding markets: National Fairtrade organizations raise awareness and build demand for Fairtrade products. Producers have the know-how to expand into local markets and develop new offerings.

Making a difference: We bring our voices together, including a vibrant grassroots community, to advocate for more sustainable trade policies that benefit everyone.

The Fairtrade system



Global strategy with local relevance

The three key tenets of our global 2021-2025 strategy are:

Decent livelihoods are a human right.

Social justice drives sustainability.

Radical collaboration powers deep impact.

This report describes our progress across the following strategic priorities – look for the icons in each section to see the connections.

1. Shifting the balance of power to farmers and workers

We will secure decent and sustainable livelihoods, build resilience to climate change, and support women and youth as leaders of the future.



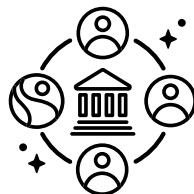
2. Growth and innovation

We will strengthen existing relationships, develop Fairtrade markets in new directions, and offer supply chain services that benefit producers and businesses – fairly and sustainably.



3. Advocacy and citizen engagement

We will champion change that addresses human rights risks, climate change, inequality, and power imbalances in supply chains.



4. Digitalization for fairer supply chains

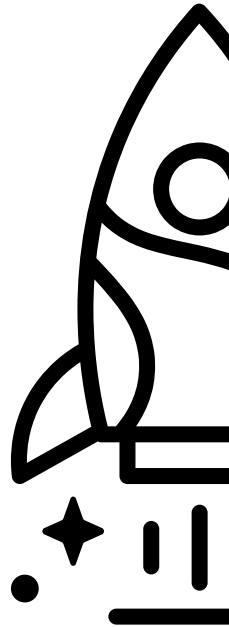
We will unlock the power of fair supply chains through data, transparency and traceability.



How we'll get there: Launchpad for the future

The Fairtrade system is made up of more than 25 organizations, 860 staff and 1.9 million farmers and workers around the globe. Bringing us all together to drive greater impact and make fairness the norm is part of what makes Fairtrade unique – but it's no small feat. Our fifth strategic priority focuses on increasing innovation, partnerships and efficiency as a system.

For example, we have set up new ways of collaborating and tapping into expertise across the Fairtrade system, including centres of excellence in climate change, advocacy, and human rights and environmental due diligence. In 2021, we strengthened collaboration to develop data solutions for producers, commercial partners, and internal analysis. Fourteen Board members and 107 staff members from the three regional Fairtrade producer networks gained new skills in good governance, agile methodologies, financial management, value chain development and many other areas, so they can increase the impact of Fairtrade programmes and services. Financial support from the European Union has made possible many activities to strengthen our system and build support for fair trade globally through partnerships and advocacy (see pages 19-20).

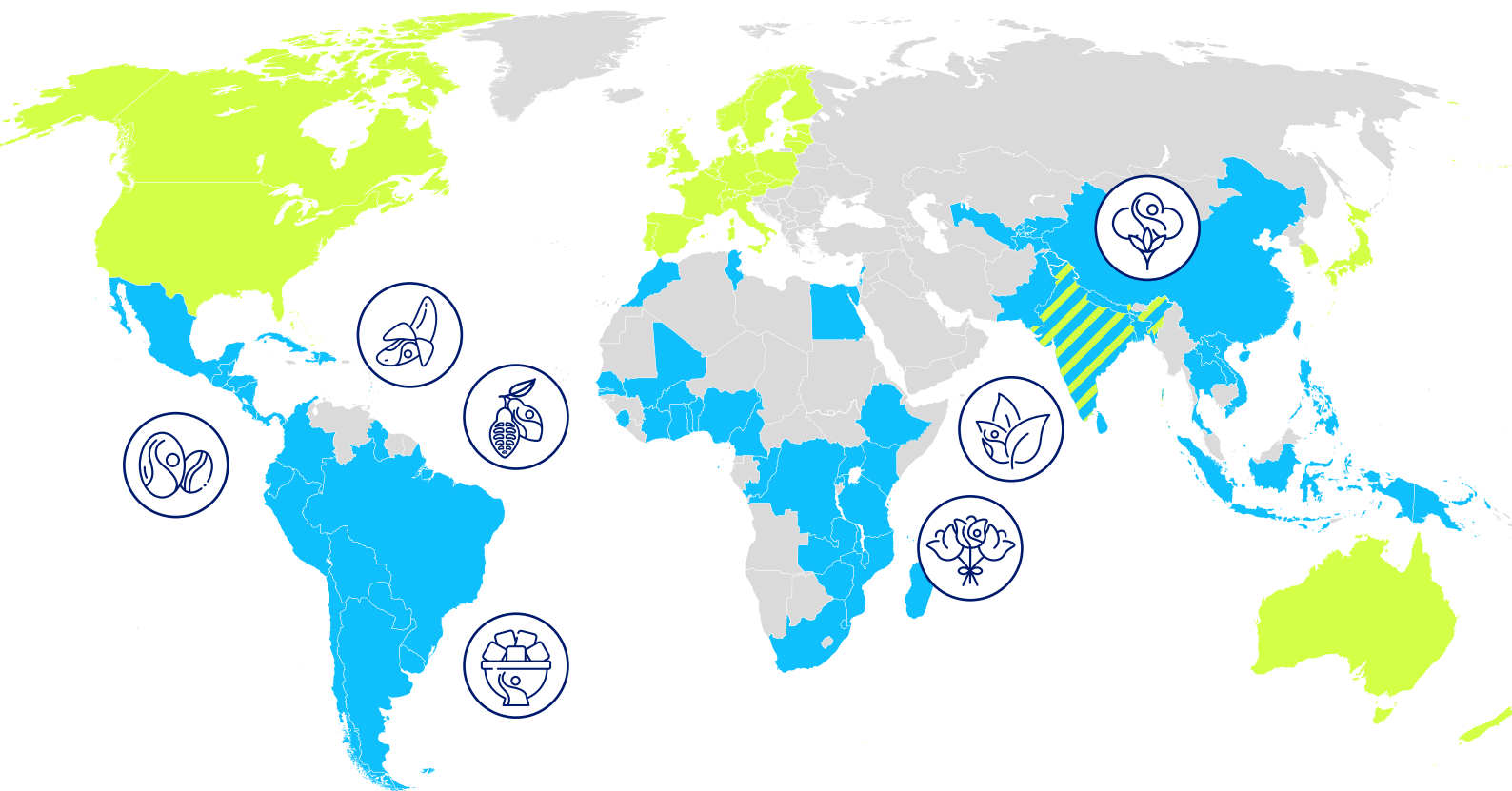


A world of fairness

 Fairtrade producer country

 Local Fairtrade organization country

 Fairtrade producer networks



Latin America and Caribbean (CLAC)

354,154 farmers and workers
18% of total

Bananas

91% of Fairtrade bananas come from Latin America and the Caribbean

Top 3 countries: Dominican Republic, Colombia, Ecuador

Coffee

84% of Fairtrade coffee comes from Latin America and the Caribbean

Top 3 countries: Peru, Honduras, Colombia

Sugar

66% of Fairtrade sugar comes from Latin America and the Caribbean

Top 3 countries: Belize, Paraguay, Mauritius

Fairtrade Africa

1,354,294 farmers and workers
69% of total

Cocoa

82% of Fairtrade cocoa comes from Africa

Top 3 countries: Côte d'Ivoire, Ghana, Dominican Republic

Flowers

99% of Fairtrade flowers come from Africa

Top 3 countries: Kenya, Ethiopia, Uganda

Asia and Pacific (NAPP)

242,715 farmers and workers
12% of total

Cotton

95% of Fairtrade cotton comes from Asia Pacific

Top 3 countries: India, Pakistan, Senegal

Tea

56% of Fairtrade tea comes from Asia Pacific

Top 3 countries: India, Kenya, Malawi

For information on other Fairtrade products, including rice, wine grapes, honey and more, read our [latest monitoring report](#).

Based on producer sales volumes in 2021

**The Fairtrade Premium
has allowed me to invest
in my business so that
I can earn more money
when the cocoa production
rate is down.**



Sankara Azéta is a cocoa producer, Women's School of Leadership graduate, and member of ECAMOM in Côte d'Ivoire. She also owns a shop selling fabric and cosmetics, thanks to Fairtrade Premium funds.



The foundations of sustainability: starting with decent livelihoods

There is no sustainability if farmers and workers live in poverty. Decent livelihoods are the foundation for farming communities to be able to tackle issues like child labour and deforestation. Fairtrade producers and partners have joined forces to lead the way on living income, living wages, and opportunities for women and young people.

Living incomes require partnership

Achieving a living income depends on a variety of elements, including sustainable crop yield, a viable farm size, and an adequate price. We calculate this price – our voluntary Living Income Reference Price – based on these parameters as well as the cost of living in a particular region. Earlier this year, we launched a second Fairtrade Living Income Reference Price for coffee, this time for Indonesia. Prices for additional coffee origins including Uganda, Honduras, Peru and Ethiopia are in development, with cost of living research and consultations with farmers and other stakeholders as part of the process. While global coffee prices were unusually high in the past year, cocoa prices are stagnant – the Fairtrade Minimum Price has been higher than market prices since April 2021.

To make living incomes a reality, farmers and cooperatives play their part by improving farm efficiency and practices. Governments set policies that raise the bar for fairer trade practices, and companies make long-term sourcing commitments with cooperatives and invest strategically in productivity, quality, diversification, financial literacy and more.

To that end, eight companies are currently paying the cocoa Living Income Reference Price to eleven cooperatives in Côte d'Ivoire and Ghana as part of pilot projects that also incorporate some of the other elements necessary for a living income, such as crop diversification. Other companies are working with Fairtrade cocoa cooperatives to strengthen one or more elements while continuing to pay the Fairtrade Minimum Price and Premium. Analysis of these initial projects is underway with farmers and commercial partners, so we can share learnings more broadly.

Fairtrade also developed a streamlined methodology for establishing living income reference price estimations, or 'proxies', whether for a region or a specific supply chain. Products include cashews from Tanzania, coconuts from Sri Lanka and orange juice from Brazil. Companies can take these steps together with cooperatives to build resilience and progress toward living incomes.

Decent work includes a living wage

The ability of workers to organize is fundamental to achieving decent work, including fair contracts, health and safety protections, gender equity,



Living income is the means that allows me to take care of my farm, that enables me to take care of my family, take care of my children in case of any illness, and also to be able to make achievements in the future."

Finda Kouadio Théodore
member of CAPRESSA cocoa cooperative in Côte d'Ivoire

Fairtrade is having a positive impact on producers' income, wellbeing and resilience

A review of 63 studies showed that overall Fairtrade has a positive effect on farmer household incomes, assets and benefits such as education and health services. Fairer prices and the investments made possible by the Fairtrade Premium are important factors in this area. In addition, other factors such as better trading conditions and greater food security for households contribute to farmers' and workers' wellbeing.

Source: Jodrell and Kaoukji, *Exploring Fairtrade's Impact: A review of research on Fairtrade from 2015-2020* (2022)



Ana Zoila Coto Guillen and Blanca Estela Chamol are coffee and sugarcane producers in El Sunza, El Salvador, and members of Asociación Cooperativa de Producción Agropecuaria El Sunza R.L.

and a living wage. While the Fairtrade Standards spell out many requirements for plantations that hire workers, our ambition is that workers have the power to improve their own livelihoods and negotiate their terms of work.

Following the launch of the base wage for bananas in 2021 – which requires companies to pay at least 70 percent of a living wage – we are carrying out an analysis across major Fairtrade banana-producing regions to see whether progress has been made. As founding members of the Global Living Wage Coalition, we initiate research on gender pay gaps in agricultural supply chains, among other topics.

In late 2021, we launched a partnership with IDH sustainable trade initiative based on their salary matrix, a web-based tool that uses wage data to show the gap to the relevant region-specific living wage benchmark. With the ability of Fairtrade's independent certifier, FLOCERT, to verify wage payments, several retailers are collaborating with Fairtrade to pay a 'living wage differential' in proportion to the volumes they source, to pay their share of closing the living wage gap.

In addition to the activities of our Workers' Rights Advisory Committee, a number of projects support workers to know their rights, address unacceptable

labour practices and strengthen collective bargaining. These include projects with workers on small-scale orange farms in Brazil (funded by Fairtrade Max Havelaar Switzerland), and with flower workers in Ethiopia and vineyard workers in South Africa (funded by the Finnish Ministry for Foreign Affairs).

Opportunities for women and young people mean a fairer future

The resilience of farms and families depends on everyone being able to contribute, and on young people having a promising livelihood.

Fairtrade leadership schools for women have been run in 19 countries, including one most recently launched in Timor-Leste. In the Asia Pacific region, 22 'small entrepreneurship projects' led by leadership school participants are underway. In Latin America, 380 producers across six countries took part in CLAC's schools in 2021.

The third cohort of students graduated from the school in Côte d'Ivoire at the end of 2021, bringing the total number of graduates to 121, with another

cohort of 84 participants currently in progress with funding from the French government's Equité 2 programme. Thanks to the school's success, the Ivorian government has committed financial support for future rounds of the year-long programme.

New funding from the Norwegian Agency for Development Cooperation (Norad) is supporting the creation of a women's leadership school in Ghana, and the launch of a young cooperative managers academy for cocoa farmers in Ghana and Côte d'Ivoire, which is now training 30 young farmers from 15 cooperatives.

The Fairtrade Global Youth Convention, a virtual global forum held in November, brought together young representatives of the three regional Fairtrade producer networks in Africa, Asia, and Latin America. Around 750 participants created networks and built skills in leadership, agripreneurship, climate change, and more.

NAPP is working with more than 20 young farmers to start a Youth Knowledge Hub in India, which will foster virtual and physical connections to share information and scale up learnings on agribusiness, diversified income opportunities, climate change issues, and using technology effectively in agriculture.



Focus on climate change and human rights

Human and environmental rights, including climate change, are critical global challenges that go far beyond trade, yet trade must be a part of the solution. Fairtrade emphasizes building partnerships and supporting farmers and workers to be leaders in advocating for their rights and for the necessary resources to address these fundamental issues.

Farmers leading: Adapting to climate change as an urgent priority

Fairtrade works in several ways so that producers better understand their specific risks in the face of climate change and can take action to protect their environments and livelihoods. Our global strategy for climate and the environment reflects the most recent sustainability debates, and led us to clarify our approach to sustainable agriculture by embracing the overarching principles of agroecology.

The three Fairtrade producer networks support cooperatives in responding to climate change. An analysis and systematization of Fairtrade climate-related projects show a focus in three main areas: climate change education (such as the EXCHANGE programme that reached 470,000 producers in five Latin American countries with climate change-related messages in 2021), design of climate adaptation plans, and training on best practices for climate resilience. In total, more than 500 producer organizations are adopting climate resilience practices such as agroforestry, organic mulching, and diversifying incomes.

Fairtrade mobilizes other funds as well, such as the US\$200,000 Fund for Climate Eventualities and Catastrophic Events in the Latin American and Caribbean region managed by the Fairtrade producer network CLAC. In 2021, more than 2,800 producers of coffee, wine grapes, fruit, quinoa, honey, nuts and sugarcane from eight countries received emergency aid through the fund.

Fairtrade carbon credits, available through the Fairtrade Climate Standard, are a way for producers to finance important projects while offering companies a mechanism to offset their carbon emissions. About 66,000 households are engaged

in Fairtrade carbon credit projects in Burkina Faso, India, Lesotho, Uganda, Ethiopia, and Peru. Producer organizations have earned more than US\$7 million for the credits, as well as US\$450,000 in Fairtrade Premium funds for additional investment. More than 650,000 tonnes of carbon emissions have been offset to date.

Finally, donor-funded projects are an important way for companies or governments to invest in new approaches. In 2021, there were 33 Fairtrade projects around the world tackling various aspects of environmental sustainability and climate change.

We are working with Earthworm Foundation to pilot a deforestation satellite system so that cocoa farmers in Côte d'Ivoire can monitor deforestation risks and proactively manage their members and promote healthy forests. Similar efforts are also taking place in Latin America.

Fairtrade climate change projects build resilience while improving livelihoods

Successful Fairtrade climate-related adaptation activities improved agricultural production, yield, and/or diversification, thereby strengthening farmers' livelihoods and building their resilience to climate change. Mitigation activities can create complementary employment opportunities for women and young people, such as building energy-efficient stoves or biogas units.

The timeline for achieving sustainable benefits for climate change projects needs to be at least five years. Investment is urgent given the hotspot analysis we published last year on [how climate change will affect producers of six major Fairtrade crops](#).

Source: Pacha and Clemens, *Fairtrade climate change projects: Learning from experience* (2021)



Betman González Saavedra grows organic specialty cocoa. His cooperative, ACOPAGRO in Peru, practices agroforestry and generates income through the sale of carbon credits.

A holistic approach to tackling child labour

Fairtrade Standards for producers and traders incorporate human rights, specifically prohibiting child and forced labour as well as workplace violence, harassment and discrimination. We updated the Fairtrade Coffee Standard in 2021 to include new provisions on child labour risk assessments and monitoring and remediation systems.

In December 2021, we published a study that compared different types of child labour monitoring and remediation systems, to guide producers and other stakeholders in selecting and paying for such systems.

It is important to recognize that child labour is the product of systemic inequalities and unfair trading conditions, especially endemic poverty. Through the Fairtrade Minimum Price and Premium, our focus on living incomes as well as training and programmes, Fairtrade works to address many of the factors necessary to eliminate child labour: better incomes, quality schooling, awareness of child rights, and appropriate systems. For example, in 2021, Fairtrade producer network CLAC trained more than 200 producer organizations in Latin America and the Caribbean on child rights and implementing child labour monitoring and remediation systems.

Fairtrade system engages young people and communities to address child labour

Fairtrade's Youth-Inclusive Community-Based Monitoring and Remediation (YICBMR) system was considered more effective in finding and removing children from harmful labour, and engaging communities, governments and young people themselves, as compared with a common Internal Control System (ICS). The ICS was perceived as more effective in trader engagement, and more cost-efficient in the short term. However, the YICBMR system can yield greater financial sustainability if it becomes integrated within national action plans for the elimination of child labour and into community structures.

Source: Erb et al, [Comparative Assessment of Monitoring and Remediation Systems on Child Labour as implemented by Fairtrade Small-scale Producer Organizations](#) (2021)

Human rights and environmental due diligence

While voluntary certifications alone cannot guarantee that rights are respected, Fairtrade has an important role to play in building awareness of rights, assessing risks, and ensuring rights holders are at the table and part of the solution. The Fairtrade Standards increasingly encourage due diligence: our Cocoa Standard is being updated to include well-rounded provisions on human rights and environmental due diligence (HREDD), and similar requirements are part of our Trader Standard consultation.

We created a first-of-its-kind guidebook for producers, called [Implementing Human Rights and Environmental Due Diligence: Why and how to align your policies and processes with HREDD](#). It aims to equip farmers and workers in global supply chains with the know-how to build on their existing environmental and human rights work, influence companies on HREDD practices, and have an impact on how HREDD laws are written.

We have also advocated alongside farmers and workers for lawmakers to make sure that HREDD legislation includes references to living income and living wages, fair purchasing practices, pricing, dialogue with producers, and avoiding 'cut and run' tactics where companies simply dump producers based in high-risk areas. More than 270 Fairtrade producer organizations [signed an open letter](#) to the European Union making these points. [Read our take on the European Union's HREDD proposal](#).

An online risk map is in development to highlight which human rights and environmental risks are salient in various commodities and regions, and provide insights to businesses, particularly in Europe, as new HREDD laws begin to take effect.



Strong and resilient producer organizations improve the lives of farmers and workers

Fairtrade provides significant support to producers across economic, environmental, social, and governance aspects. Over the past year, we invested in research to explore Fairtrade's impact, including what makes a strong producer organization and how farmers and workers benefit – especially in times of hardship.

Fabio Rafael Pagero is an organic banana farmer at Banelino cooperative in the Dominican Republic.

Fairtrade producer organizations tend to be better managed

A review of studies from 2015 to 2020 showed that Fairtrade producer organizations tend to have better management, better systems and greater financial capacity than non-certified producers. Perceived benefits of working with Fairtrade are high for farmers as well as staff at producer organizations. A study of coffee farmers in Kenya showed links between Fairtrade training, improved governance and transparency, and benefits for farmers.

Source: Jodrell and Kaoukji, *Exploring Fairtrade's Impact: A review of research on Fairtrade from 2015-2020* (2022)

The three Fairtrade producer networks provide services and support to certified producer organizations. In 2021, that support included:

- **Latin America and Caribbean region: Training and assistance to 836 producer organizations, representing 83 percent of all Fairtrade certified organizations in the region**
- **Africa and Middle East region: Support from Fairtrade Africa to increase productivity, quality or efficiency, after which 84 percent of producer organizations took action**
- **Asia Pacific region: Training for more than 1,000 farmers and workers (47 percent women) from 255 producer organizations**

The Fairtrade West Africa Cocoa Programme reaches 270 cooperatives, with 25 participating in the highest-intensity services. Through training, coaching and advisory support, the programme aims to build strong and resilient cocoa producer organizations that are responsive to their members' and their business partners' needs. In 2022, the first set of cooperatives will 'graduate' from the programme, making space for more cooperatives to benefit. Last year, [the majority of participants reported](#) that their cooperatives listen to their concerns and act in their best interests (85 percent), and that trainings contributed directly to positive improvements in their organization (100 percent).

[Find the latest regional monitoring reports in our library.](#)

Source of resilience during COVID-19

The Fairtrade COVID-19 Relief and Resilience Fund supported 667 Fairtrade producer organizations and benefitted more than 815,000 farmers and workers to date. Over €15.8 million was raised from internal sources and multiple external donors, including BMZ (Germany), SECO (Switzerland), and FCDO (United Kingdom). According to research we conducted in late 2021 financed by BMZ and SECO, the Africa and Middle East region seems to have been hardest hit, with almost 70 percent of sampled producer organizations there reporting declines in production and Fairtrade sales volumes.

Fairtrade's direct financial support was found to be one factor that mitigated the negative effect of the pandemic on producer organizations and farming households, according to a separate forthcoming study.

Governance of producer organizations is an important sustainability factor

In case studies of banana, cocoa and coffee producers looking at four sustainability dimensions – economic resilience, social wellbeing, good governance and environmental integrity – good governance of producer organizations is linked to greater economic benefits for farmer members. The Fairtrade certified producer organizations tend to be more transparent and engage more widely with stakeholders. Compared to their non-certified counterparts, Fairtrade producers have more financial resources and capacity to carry out democratic processes, thanks in part to the way they manage the Fairtrade Premium.

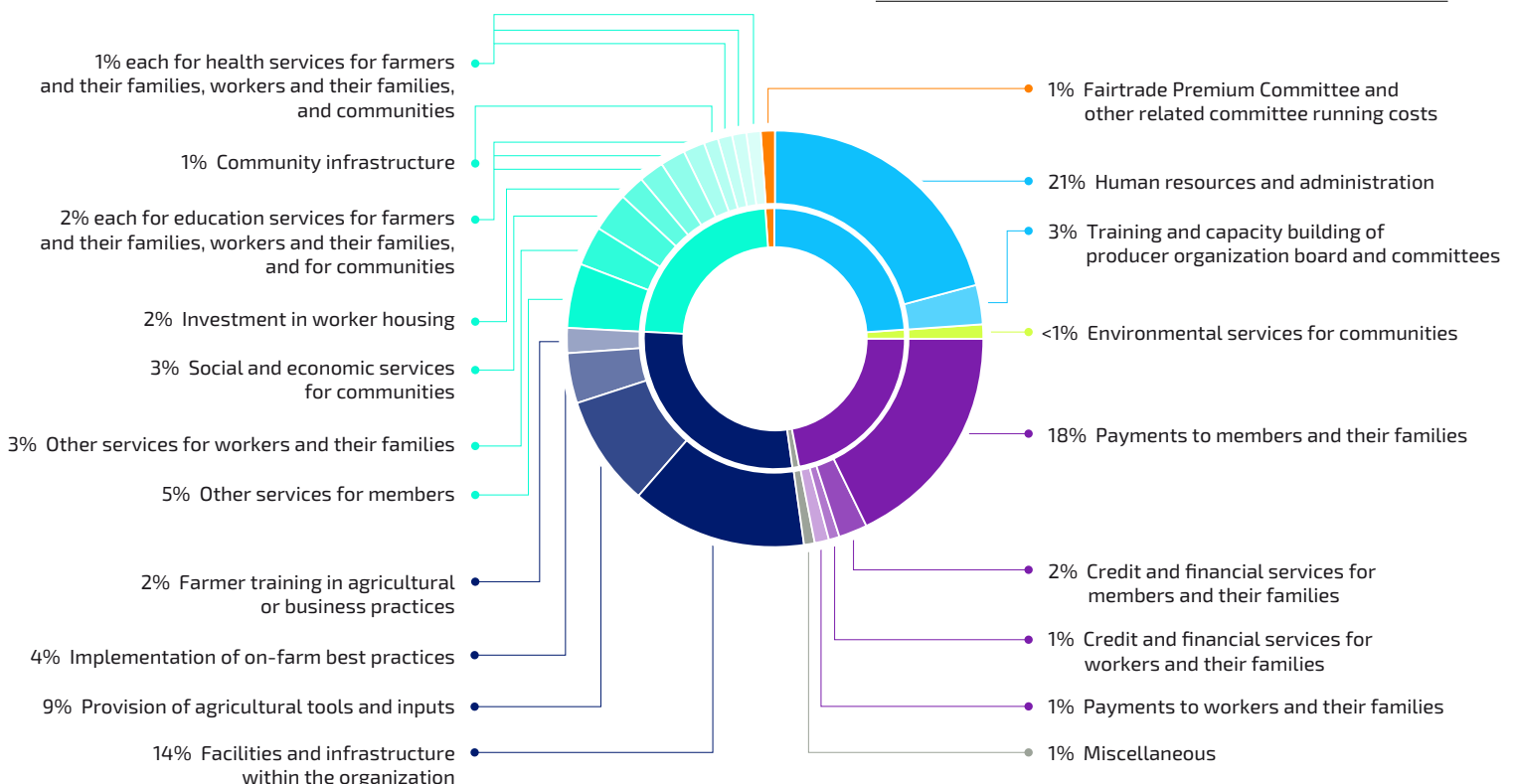
Study authors emphasize that "...unless good governance is serious considered, sustainability will remain a mirage."

Source: Mauthofer and Santos, *Assessing the Impact of Fairtrade on Poverty Reduction and Economic Resilience through Rural Development* (2022)

Use of Fairtrade Premium by producer organizations in 2021

As of 2022, we have updated the categories of Fairtrade Premium investment that producer organizations report each year. The new categories better reflect the purpose and impact of the Premium investment, and they are better aligned so that the choices made by farmer cooperatives and by workers at plantations are more easily compared.

■ Production	28%
■ Business and organizational development	24%
■ Social investment	23%
■ Financial benefits	22%
■ Training and empowerment of workers	1%
■ Other	1%
■ Environmental investment	<1%





Focus on data

Data has the potential to improve insights and allow people to take responsible action, whether farmers, shoppers or businesses.

Our global strategy prioritizes transparency and traceability, while making sure that producers have ownership of their own information first and foremost – what we call 'fair data'.



Kouadio Koua Herman is a cocoa farmer at ECAMOM cooperative in Côte d'Ivoire.


Traceability means knowing the path a product has taken from farm to shelf, while transparency refers to insights into the conditions under which it was grown and traded. Our systems are carefully built and administered to support insights, balance privacy, and to overcome unequal access to market information that has historically disadvantaged small-scale producers.

For instance, producer organizations have begun to store information about their Fairtrade Premium investments and impact in our FairInsight platform, which also allows them to efficiently share this information with their commercial partners. Meanwhile, we continue to develop FairLens as a data warehouse that provides sales and other supply chain information to stakeholders.

A project supporting a group of cocoa cooperatives in Côte d'Ivoire to set up integrated management systems was successfully piloted in 2021 and began

to expand further during 2022. The Farmforce agricultural software allows cooperatives to map their members' farms and track production and sales, which is important for traceability. A new partnership with the Earthworm Foundation is rolling out a satellite monitoring tool (Starling) with some Fairtrade cocoa cooperatives in Ghana and Côte d'Ivoire to capture critical deforestation data and support better management of forest landscapes. Thanks to forest cover change monitoring, deforestation alerts, and risk analyses, cooperatives will have the tools they need to prevent deforestation and address environmental vulnerabilities.

Each component fits into an overarching digital FairMarket that facilitates trade interactions and online traceability to follow products across the whole supply chain. Data can contribute to fairer trade, more informed choices for consumers, and a sustainable future.

A man with a mustache, wearing a dark grey zip-up jacket and a dark bucket hat with a yellow interior, stands in front of a wooden wall. He has a light-colored bag strap over his shoulder. The jacket has "MFASTONES" written on the left chest. In the top left corner, there is a large white quotation mark.

We the people of Aceh Gayo have been coffee farmers for generations. I inherited this house and the field from my father, as he did from his father. You can say that it's a generational thing.”

Muhammad Karim is a farmer from Takengon in Indonesia, known for its Aceh Gayo Robusta coffee beans. With unpredictable weather in the mountains, it is the farmers' expertise which enables them to produce the highest quality coffee. Muhammad is part of a group of farmers from Koperasi Kopi Gayo Organic (KKG0) who kept farm records for a year to track their expenses and revenues. Households gained greater insight, and Fairtrade analysed the aggregate data to develop a Living Income Reference Price for coffee from the Aceh region.

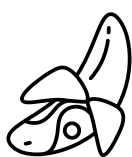


Market perspective: Producers' sales in 2021

Despite the ongoing pandemic context, many Fairtrade producers achieved some recovery in 2021, reaching €190 million in Fairtrade Premium earned worldwide. However, rising farm and household expenses are still threatening farmers' and workers' financial security.

Bananas

Sales of Fairtrade bananas were stable, with six out of 10 Fairtrade bananas also certified organic. Fairtrade producers have been facing continuous increases in production costs, especially packing materials, fertilizers, energy, logistics and higher freight rates. Early in 2022, in the face of depressed banana prices, seven Latin American governments took the unprecedented step of calling for shared responsibility, fairer prices for farmers, and the use of the Fairtrade banana pricing methodology as a reference in the industry. The response to this advocacy will be seen early in 2023 as annual contracts are set. The top consumer markets for Fairtrade bananas in 2021 were the UK, Germany and France, with strong gains in Austria, Canada and Spain.



around the world. The top markets for Fairtrade flowers and plants in 2021 were Germany, the UK, and Switzerland, followed closely by Finland, Sweden and Austria. Italy, France and Ireland showed particularly strong growth trends.

Coffee

Fairtrade producers' coffee sales remained relatively stable with a slight decline of three percent, as out-of-home coffee purchases were still affected by COVID-19. Rising global market prices were largely offset by spiking costs of fertilizer and transport, which have further increased in 2022 along with the cost of living. Fairtrade's well-respected national Golden Cup competitions were held in 13 countries, continuing to showcase the high quality of Fairtrade coffee and attract new buyers. To support expanding markets, small-scale roasters in a growing number of countries can offer Fairtrade coffee more affordably, and coffee can now be Fairtrade certified as part of multi-ingredient products. The revised Fairtrade Coffee Standard, published in 2021, includes clearer restrictions on unfair trading practices, and new requirements on human rights and environmental assessments and actions. The top markets for Fairtrade coffee in 2021 were Germany, the UK, Canada, France and the US. Switzerland and smaller emerging markets showed double digit growth in 2021.



Cocoa

Fairtrade cocoa producers recorded significant sales growth of 37 percent in 2021. This followed contraction in 2020 due to traders selling off excess Fairtrade cocoa stock, logistical challenges caused by the pandemic, and the impact of the Fairtrade Minimum Price and Premium increase for farmers as of October 2019. The growth is attributed to continued support from commercial partners and new commercial partners choosing to buy Fairtrade. The top markets for Fairtrade cocoa products in 2021 were Germany, the US, UK, Netherlands and France. Emerging markets saw cocoa sales grow by 60 percent in 2021.



Flowers

Following a difficult year in 2020, Fairtrade flower producers saw sales increase by 21 percent in 2021. The pandemic influenced this as consumers shopped at supermarkets – the main source for Fairtrade flowers – more often during lockdowns. Flower farms are investing more in solar and other green technology, while a study of Kenyan flower farms found that transport by ship to Europe reduces CO₂ emissions by up to 95 percent compared to air freight. Workers in East Africa, particularly Kenya and Ethiopia, grow nine out of 10 Fairtrade blooms sold



The Fairtrade Premium has helped us a lot. We have everything one needs in terms of protective equipment. We also planted some seedlings. So it has served us a lot."

Isabel Jaramillo

with banana organization
Asociación Agropecuaria
Las Guayas, Ecuador

Cotton

In 2021, Fairtrade cotton producers experienced an uneven pace of recovery from COVID-19. Two-thirds of all Fairtrade cotton came from India, which saw a decrease in sales, while Pakistani farmers' sales increased by 27 percent. Fairtrade launched a pilot project in India in 2021, in which an additional 'organic differential' is paid in addition to the Fairtrade price for organic cotton. With support from ISEAL, Fairtrade also participated in pilot projects to test the Delta framework methodology, designed by cotton and coffee initiatives as a harmonised approach to sustainability performance reporting for agriculture. The biggest markets for Fairtrade cotton in 2021

were Germany and France, both of which showed strong growth compared to 2020.



Sugar

Fairtrade sugar sales ticked up in 2021, consistent with a pattern of fluctuation that is in part due to a bounceback from the onset of the pandemic in 2020, but also the timing of Fairtrade Premium payments to producer organizations, which in some countries fall in different reporting years. Fairtrade sugarcane producers played a key role in Belize's adoption of a National Child Labour Policy and Strategy through 2025, thanks to their own youth-inclusive initiatives with Fairtrade's support. Fairtrade is also conducting a number of carbon and water footprint studies with supply chains in specific origins. The UK, the US and Germany again led in retail market sales in 2021, with Finland and Italy showing strong growth.



Tea

Globally there is a downward trend in the demand for tea, possibly due to a shift to other beverages in some markets, and Fairtrade producers sales have unfortunately been no exception. Although not all retail markets saw growth in 2021, the largest markets for Fairtrade tea were the UK, Switzerland, and Netherlands. Sales growth was positive in Australia, New Zealand and Ireland, among others.



Estimated volume of the top seven products sold by Fairtrade producers in 2021

PRODUCT	VOLUME	UNIT ¹	CONVENTIONAL	ORGANIC	FAIRTRADE PREMIUM EARNED
Bananas	739,111	MT	39%	61%	€ 34.67 million
Cocoa (cocoa bean)	241,455	MT	82%	18%	€ 49.12 million
Coffee (green bean)	222,328	MT	37%	63%	€ 82.33 million
Cotton (cotton lint)	10,903	MT	44%	56%	€ 1.55 million
Flowers and plants	1,150,970	1,000 items	100%		€ 8.52 million
Sugar (cane sugar)	180,348	MT	77%	23%	€ 9.88 million
Tea (<i>Camellia sinensis</i>)	7,690	MT	57%	43%	€ 3.93 million

Notes

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

The majority of Fairtrade Premium is paid to producers in US dollars although Fairtrade International reports in euros for consistency. The annual growth rate in US dollars for Fairtrade Premium earnings for the top seven products in 2021 was eight percent.

¹ MT = metric tonnes.
'Items' includes flower stems and plants.

Tapping into new opportunities

Global strategy priority



Fairtrade producer networks are expanding local market demand and supporting producers as they bring their own products to market and build their business skills.



Ana Sayago (centre) is an organic honey producer at COOPSOL, Argentina. COOPSOL is part of CLAC's Latina Honey initiative to build markets for honey from the region.

Fairtrade India continues to raise awareness about sustainable choices, including through social media campaigns and in schools and universities. More than 20 Novotel hotels across the country have begun sourcing sustainable bath products from a local business, made with local Fairtrade ingredients and with low-plastic packaging. Indian consumers bought more than €1.22 million worth of Fairtrade food and fashion products in 2021.

More widely in Asia, NAPP has expanded its presence at trade shows to expand market opportunities, including for coffee and organic products.

Fairtrade Africa supports producer organizations to develop their entrepreneurship and tap into growing local market interest, reaching 144 producer organizations in 2021. Five new Africa-based companies started sourcing

and labelling Fairtrade products, including wine, coffee and tea, and regional Fairtrade sales grew by 31 percent.

In **Latin America**, CLAC has started a 'south to south' pilot project in Brazil, strengthening links with companies that have a strong presence in the region and studying the potential of the Brazilian market for the sale of Fairtrade products.

Farmers are also honing their business skills and finding new ways to reach buyers. We launched the virtual Fairtrade Coffee School in early 2022, with 475 farmers enrolled in the 10-month curriculum aimed at increasing market access. Delivered in partnership with Vuna Origin Consulting, topics include green coffee trading fundamentals, digital market access and client engagement.

Flashback to 1997

Fairtrade International was formed 25 years ago by 14 national fair trade organizations that had a variety of different names and logos. Back in 1997:

Fairtrade certified coffee, tea, bananas, cocoa, sugar and honey – far fewer than the **153 products** and more than **300 herbs and spices** covered today



The first Fairtrade bananas had only just appeared in a Dutch supermarket one year before, in **1996**.



The **FAIRTRADE Mark** only appeared in 2002 – **20 years** ago!



Partnerships for the future

Partnerships are essential for scaling up benefits for farmers and workers. Fairtrade organizations collaborate locally, nationally and regionally with private companies, governments, research institutions, UN agencies and civil society organizations. We have implemented more than 150 programmes to date.

Investing in a sustainability agenda

Government agencies increasingly are investing in programmes that build sustainability in communities and food systems.

For instance, the Australian and New Zealand governments fund Fairtrade Australia and New Zealand to support producer organizations in the Pacific region: Fiji, Papua New Guinea, Samoa, Solomon Islands, Timor-Leste and Tonga. Topics include governance, strengthening trade relationships, climate adaptation, child protection, labour rights and gender equity. In 2021, European Union funding enabled Fairtrade to make greater strides in policy advocacy, research, building capacities and implementing women

and youth-inclusive programmes – including working with 15 Fairtrade ambassadors: young farmers who are building their capacity to speak to the urgent priorities of farmers and workers around the world.

Partnering for more resilient supply chains

Companies work with Fairtrade producer networks to invest in their supply chain partners, tackling workers' rights, improving farming practices or advancing toward living incomes. Some projects have been mentioned in other sections of this report.

As an example of leveraging the value of both public and private investment,

Sankofa 2.0 is building climate resilience and scaling up dynamic agroforestry practices with cocoa farmers from Kuapa Kokoo Farmers Union in Ghana. The programme draws on a pilot project funded by the Swiss and Danish governments, the Swiss chocolate manufacturer Halba, Coop Switzerland, the International Trade Centre (ITC), and Fairtrade Max Havelaar Switzerland. More than 1,500 farmers have been trained, and are earning between 25 and 125 percent more thanks to the additional cash crops they have planted.

Stronger together for the SDGs

Fairtrade contributes in a meaningful way to many of the 17 UN Sustainable Development Goals (SDGs). Joining forces with like-minded organizations enables us to contribute to the global drive for sustainability and accelerate change toward common goals.

We launched 10 new collaborative partnerships in the past year. For instance, we are now a partner in the UN SDG Action Campaign, which celebrates transformative initiatives that scale up sustainability and social justice efforts around the world. We set up a tree planting crowd-funding project with Grow Ahead, which secured US\$100,000 for Kuapa Kokoo in Ghana. Fairtrade became a member of the Cool Farm Alliance, and we have commissioned studies that use its tool to measure greenhouse gas emissions in order to determine the carbon or water footprint of several products.

Visit our [interactive map](#) to browse our current projects.

We have prioritized 12 SDGs that are most closely linked to our work. [Read more.](#)



Advocacy and engagement

Fairtrade has strong grassroots support, global reach and a well-trusted mark, yet research showed we had not changed global trade beyond Fairtrade as much as we wanted. That's why advocacy plays an important role in our current strategy – bringing producer voices to the fore and amplifying our messages on fairer trade that benefits everyone.

Through events such as the Africa Fairtrade Convention and Global Youth Convention, Fairtrade mobilized producers and consumers, the private sector, civil society organizations and governments, to join our advocacy efforts and build partnerships.

In late 2021, we published an [analysis of how public policies on fair trade can enable access to markets](#) for producers, support fair trade enterprises and enhance recognition of fair trade principles and networks by governments.

Producers speaking up

In addition to taking a stand on HREDD legislation (see page 11), we are advocating for changes to the [EU's deforestation legislation](#), so that small-scale cocoa and coffee farmers are protected from unintended harm, and root causes of deforestation, such as poverty, are taken into account. More than 50 NGOs signed an [open letter from producers](#) to the EU Green Deal leadership on the subject, thanks to collaboration with the Fair Trade Advocacy Office.

In a more local example, CLAC supported the Paraguayan Fair Trade Platform to become an important actor in the sugarcane sector, advocating on issues of women and young people and

promoting government policies for sustainable sugarcane and its by-products. Fairtrade producers also took part in the COP26 global climate meeting in Glasgow in 2021, along with other actions surrounding the event to call for resources for farmers and workers to deal with climate change.

Fair engagement

Consumer action campaigns such as [Good Clothes, Fair Pay and Justice is Everybody's Business](#) are the product of partnerships with other sustainability organizations, where we aim to increase visibility and change public policies on issues of fairness in food and apparel choices. In 2021, Fairtrade Africa mobilized more than 40,000 people through a social media campaign in several countries, raising awareness on issues of climate change and empowering women and young people. For World Fair Trade Day in May 2022, NAPP hosted a webinar for Indonesian business leaders, government representatives and civil society on fair trade as an opportunity in the local and global market.

The 14th International Fair Trade Towns Conference took place virtually in November 2021, hosted by the Swiss Fair Trade network. More than 50 speakers from 23 countries, representing local governments, international agencies and civil society

organizations, led discussions on how cities are 'game changers' for sustainable development. There are more than 2,000 Fairtrade towns and thousands of Fairtrade schools and universities harnessing the energy and commitment of citizens and young people for fairness and sustainability.



Through Fairtrade, I am motivated to raise my voice and take action. Our diverse thoughts, skills and talents are stronger together, so let us not watch and wait, let us advocate!"

Nicole Gonzalez

Fairtrade ambassador and coconut farmer at Farmers Coconut Multipurpose Cooperative, Philippines

Working here I was able to start to improve my savings. With this, and with the support of my son, we could build up our own house.”



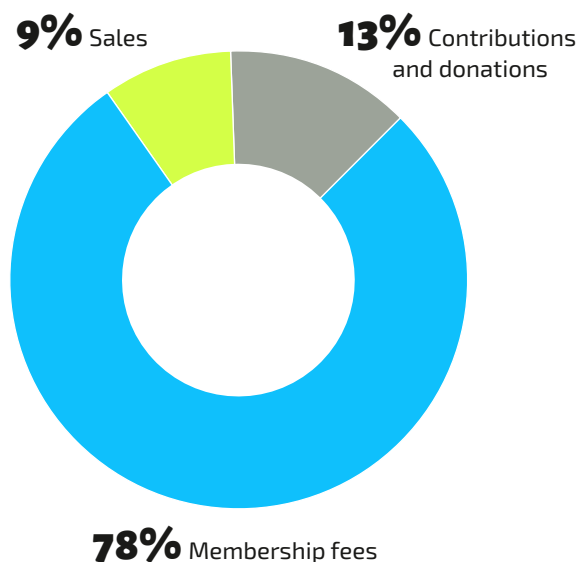
Lata Admi Shinde has been a garment worker at Purecotz Eco Lifestyles Pvt. Ltd. in India for 17 years. She lives with her husband, son and daughter-in-law. In her previous job she got paid on a piece-rate basis. At Purecotz, Lata's income is based on her responsibilities in the factory's finishing department. She has access to health care, and received her salary when the factory was shut down during the pandemic.

Fairtrade International's financials

Statement of Accounts for 2021

The summarized key financial figures outlined below have been extracted from internal management reports and from the audited financial statements for 2021. The latter, as in previous years, received an unqualified opinion (KPMG). Fairtrade International's accounting practices comply with generally accepted accounting practices and relevant German legislation (HGB).

Income

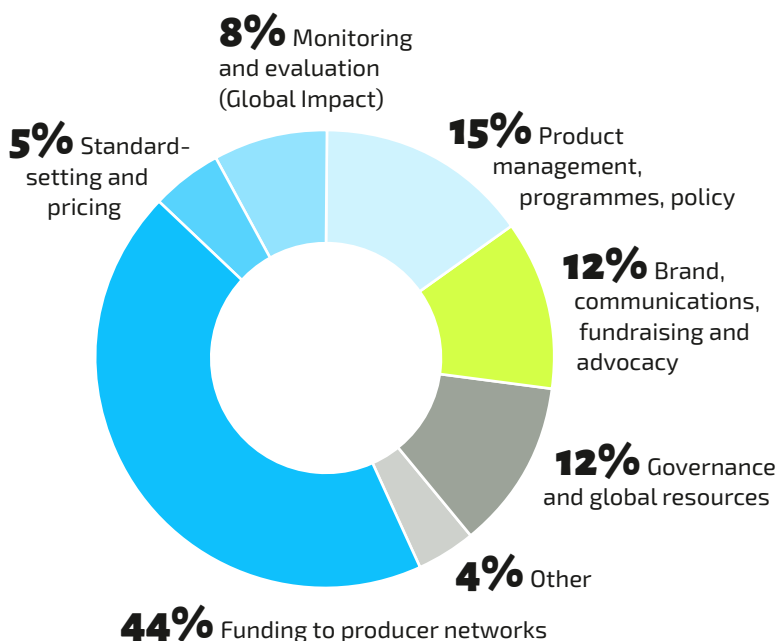


Membership fees: As a membership organization, Fairtrade International receives membership fees from the national Fairtrade organizations (NFOs), which receive fees from companies that license the FAIRTRADE Mark for use on their products. The membership fee is unrestricted funding and is calculated as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

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

Contributions and donations: This includes grant funding.

Expenditure



Funding to producer networks: Three Fairtrade producer networks receive this funding to provide support to producers in their regions. In 2021 this included Fairtrade COVID-19 Producer Relief and Resilience funds which producer networks distributed in their regions.

Brand, communications, fundraising and advocacy: This includes some grant pass-through funds to partners (€1.5 million), in addition to personnel related to these functions.

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

Income Statement

	2021 (€'000)	2020 (€'000)
Total income	30,423	34,280
Total expenditure	29,432	33,486
Income from investments	500	8
Taxes on income	162	77
Earnings after taxes	1,329	725
Profit carried forward	2,052	0
Changes in reserves	1,116	-1,153
Retained earnings	2,265	1,878

Balance Sheet 2021 (€'000)

	31.12.2021	31.12.2020
Fixed Assets	1,271	1,329
Intangible fixed assets	17	23
Tangible fixed assets	91	143
Financial assets	1,163	1,163
Current assets	14,669	14,912
Receivables	4,065	4,971
Other assets	441	613
Liquid funds	10,163	9,328
Pre-paid expenses	510	176
TOTAL	16,450	16,417

	31.12.2021	31.12.2020
Equity	8,643	7,315
Restricted and designated reserves	344	620
General reserve	6,035	4,643
Net income for the year	2,264	2,052
Provisions	3,570	3,179
Liabilities	1,752	1,599
For supplies and services	1,436	1,379
Other liabilities and accruals	316	220
Deferred income	2,485	4,324
TOTAL	16,450	16,417

Fairtrade International Board Members

The Board of the international Fairtrade system, as of June 2022:

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

Fairtrade International's Funding Partners in 2021

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

Additional funding partners to the Fairtrade global system in 2021

Australian Department of Foreign Affairs and Trade (DFAT)
 The Enhanced Integrated Framework (EIF)
 European Partnership for Responsible Minerals (EPRM)
 Fonds Français pour l'Environnement Mondial (FFEM)
 French Development Agency (AFD)
 German Federal Ministry of Economic Cooperation and Development (BMZ)
 German Agency for International Cooperation (GIZ)
 Inter-American Foundation (IAF)
 International Trade Center (ITC)
 ISEAL
 Italian Agency for Development Cooperation (AICS)
 Italian Ministry of Labour and Social Policies
 Ministry for Foreign Affairs of Finland
 New Zealand Ministry of Foreign Affairs and Trade (MFAT)
 Open Society Foundation
 Swiss Platform for Sustainable Cocoa
 Swiss State Secretariat for Economic Affairs (SECO)
 Textile Recycling for Aid and International Development (TRAID)
 Trias
 United Kingdom Foreign, Commonwealth and Development Office (FCDO)
 Veneto Region, Italy
 Waterloo Foundation



FAIRTRADE
INTERNATIONAL

Fairtrade International Bonner Talweg 177 53129 Bonn Germany
Telephone +49 (0) 228 94 92 30 Fax +49 (0) 228 24 21 713 info@fairtrade.net www.fairtrade.net

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Disclaimer

Data in this report were collected through various monitoring and data collection systems within Fairtrade, reported in some cases by producer organizations through the audit process and in other cases by other supply chain actors. Fairtrade International is not responsible for the accuracy of the data. The report has been compiled to the best of our knowledge and is provided for informational purposes only. Fairtrade International reserves the right to update the data as new information becomes available. The data are provided 'as is' and no warranty of any kind is given for the accuracy and reliability of the data. Fairtrade International will not be liable for any claims or damages related to the quality and completeness of the data, as far as it is permitted under law.

Credits

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