MONITORING THE SCOPE AND BENEFITS OF FAIRTRADE

THIRD EDITION, 2011

Fairtrade Labelling Organizations International e.V.

FAIRTRADE INTERNATIONAL

CONTENTS

INTRODUCTION: ABOUT THIS REPORT

Uma Uttara Kannada, Fairtrade vanilla producer in India

This report gives the results of the annual monitoring data collection from Fairtrade certified producer organizations which took place during 2010. It presents the scope and scale of Fairtrade in 2010, and gives data for some key Fairtrade performance indicators from a producer perspective.

The information generated through our annual monitoring processes is used to inform and guide the Fairtrade system. It gives us an important indication of how we are performing in relation to our ambitions to strengthen, broaden and deepen Fairtrade's impact for farmers and workers in developing countries. The data show that Fairtrade is performing well and growing rapidly in some areas, while indicating other areas where we have challenges to overcome. Being aware of these challenges allows us to reshape our programme activities in order to tackle them.

Fairtrade International makes this information public as part of our commitment to transparency, openness, and information-sharing with our stakeholders and supporters. We recognise that there are some shortcomings in the reliability of the data, and we try to be open about these shortcomings. We hope that you will find the report interesting and useful. We welcome your feedback and comments: these will help us improve future editions of the report.

1.1 Where does the data in this report come from?

There are two main sources of data used to generate this report.

Data on the number, type, and geographical spread of Fairtrade certified producer organizations and product certifications are drawn from the main certification database held by FLO-CERT GmbH, the Fairtrade certification body. These data capture the number, type and location of Fairtrade producer organizations at the end of 2010. Since some Fairtrade producer organizations are certified for more than one product, we differentiate between producer organizations and product certifications. This data source also gives us information on the numbers of product certifications held by Fairtrade producer organizations.

In order to have a more detailed picture of Fairtrade producer organizations and of Fairtrade performance from the producer perspective, Fairtrade International requests FLO-CERT GmbH to collect data for a range of monitoring indicators during the Fairtrade audits. The list of indicators that we collect are given in Box 1.1 below.

The data in this report are drawn from the reports of all audits undertaken between March 2010 and February 2011. For producer organizations where no audit was undertaken within this time period, data from the 2009 audit report have been used. More than 80 percent of the audit reports in this monitoring round date from 2010 or 2011 (see Table 1.1).

Table 1.1: Audit years for reports included in monitoring data

Audit year	Number of reports included	%
2011	25	3%
2010	688	79%
2009	152	17%
2008	4	0%
Grand Total	869	100%

BOX 1.1

Key indicators used in this report

Data against the following indicators are currently collected through the monitoring process:

- Number and type of Fairtrade certified producer organizations
- Number of members and number of workers in Fairtrade certified producer organizations
- Number and type of other certifications of the group
- Gender breakdown of membership or workforce
- Land area used for cultivation of the Fairtrade certified crop or crops
- Total crop volume produced
- Organic/conventional breakdown of crop production
- Total volumes sold
- Total sales revenues
- Total volumes sold as Fairtrade
- Total Fairtrade sales revenues
- Total Fairtrade Premium received
- Fairtrade Premium expenditure

Data for each indicator can be aggregated and analysed by country, by region, by product, or by producer type.

1.2 Data coverage and completeness

Product and producer coverage

Information on the numbers, types, and geography of Fairtrade producer organizations represents the status of the Fairtrade producer organizations at the end of 2010 and is complete to the best of our knowledge.

Information on numbers of product certifications is largely complete. There may be some instances of second or third product certifications that are missing from these data, but we are confident that the majority of active multiple certifications are included.

The monitoring data drawn from the audit reports cover 869 of the 905 producer organizations that were certified at the end of 2010. This means that **96 percent of all certified producer organizations** are covered in this report. As such, this is the most complete batch of monitoring data so far collected and should therefore give a more comprehensive picture of the status of Fairtrade International than the two preceding monitoring reports.

The data include 97 percent of the hired labour organizations certified at the end of 2010 (221 of a possible 228), and 96 percent of the small producer and contract production organizations certified at the end of 2010 (648 of a possible 677). Where producer organizations were not included this was because no sufficiently recent audit report was available. The data for seed cotton were disproportionately affected in this respect.

Analysis of the coverage by product indicates that:

- This year's monitoring data cover more than 94 percent of all product certifications;
- The data cover between 94–98 percent of all product certifications for the major Fairtrade products (bananas, cane sugar, cocoa, coffee, flowers, seed cotton, tea).

Analysis of the coverage by year indicates that:

- For almost all products, more than 80 percent of the data included is based on a 2010 or 2011 audit report.
- The major exception is the data for **seed cotton**, for which 2010 or 2011 audit reports were available for only 50 percent of the certified producer organizations.

As such the data on seed cotton is more outdated than for the other products and cannot be considered to give an accurate picture of the current status of Fairtrade seed cotton production.

Not all producer organizations report against all indicators; for example, some choose not to report the value of their sales. For each of the specific indicators under review, data completeness is indicated throughout the report.

Time period covered by the data

In the audit reports, producer organizations are asked to report production volumes, sales volumes and sales and Premium incomes retrospectively. Many organizations report this for the 12-month period preceding the audit. This means that the reporting of retrospective data does not always correspond to a precise calendar year. In the case of this report, the majority of these data span calendar years 2009–10. In all cases, the data represent the most recent audit-based information available for the producer organization in question.

Data such as the numbers of farmers and workers participating in Fairtrade producer organizations, and areas under cultivation, are 'snapshot' data, accurate at the time of audit. Since we are primarily drawing on 2010 audits, we consider these data to reflect the status of these indicators for 2010.

In summary:

- Data on the numbers and locations of certified producer organizations and product certifications are accurate to the end of 2010. We use '2010' to describe these data in the report.
- Data on the numbers of farmers and workers within producer organizations, and the areas and volumes of crops under production, reflect the status of Fairtrade in 2010. We use '2010' to describe these data in the report.
- Data on volumes sold, sales, and Fairtrade Premium income and expenditure are retrospective for the 12-month period preceding the audit. Around 50 percent of these data stem from 2009, and around 40 percent from 2010. As such, we consider this to reflect a 2009–10 time span. We use '2009–10' to describe these data in the report.

1.3 Data confidentiality

Under the terms of confidentiality agreements with Fairtrade producer organizations, data may be publicly reported in aggregate, but not used in ways that expose data belonging to a single producer organization. This limits our ability to report information at country level, where for any given product there may be only one or two Fairtrade certified producer organizations. For this reason, data in this report are typically presented at regional and not at country level, and every effort has been made to protect the confidentiality of individual producer organizations.

1.4 Data accuracy and limitations

The data have been extensively checked and cleaned. However, in a monitoring project of this size and nature there are undoubtedly some errors and weaknesses. Weaknesses are likely to be more exposed in the smaller products (because the data sample is smaller), which is why the analysis here focuses on the major Fairtrade products. Data for smaller products should be taken as indicative only. Similarly, data at regional and country level are weaker than global-level data.

As in previous years, the data for producer organizations selling more than one product into the Fairtrade system are incomplete, creating some challenges for the presentation and calculation of data relating to those producer organizations. For example, for producer organizations selling more than one product as Fairtrade we do not always have a breakdown of the relative participation of farmers or workers in the production of the different products, or the relative contribution of different products to Fairtrade Premium income. Improving data relating to diversified production should be a priority going forward.

1.5 Disclaimer

The monitoring data in this report are based on data collected by FLO-CERT GmbH, and reported by producer organizations through the audit process. 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 monitoring 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.

1.6 Notes on the data

- The geographical regions used in the report are the United Nations regions, which are also adopted within the Fairtrade Geographical Scope. A reference for this can be found at *http://fairtrade.net/fileadmin/user_upload/content/2009/standards/documents/2011-07-01_Geographical_Scope_policy_EN.pdf*
- In contrast to previous reports, this report uses weighted means for calculating average values, weighted according to the numbers of farmers or workers contributing to the value.
- There are some cases where data do not sum completely accurately. This is due to rounding.
- Audit reports state financial values in many varying local and international currencies. All financial data have been converted into Euro (€) values, based on the average exchange rate for the year in which the transaction took place.
- All product volume data has been converted into metric tonnes (MT), with the exception of flowers, which are given as numbers of stems, and sports balls which are given as units.
- For many products, different product forms exist. Audit reports often collect data based on different product forms for the same product, and sometimes the product form is not clear in the report itself, or changes according to the indicator. For example, juice production volumes are often expressed in terms of fresh fruit volumes produced, while sales volumes are expressed as juice concentrate sold. All efforts have been made to ensure that data is used in a consistent product form for each product; nevertheless it is highly likely that there are inaccuracies arising in the data due to product form and conversion issues, especially in cases where the form is not clearly indicated in the audit reports. The following products are often reported in different forms in the audit reports. We indicate here which form we have adopted for the monitoring data:
    - Cocoa: cocoa beans
    - Coffee: green bean equivalent (GBE)
    - Dried fruit: dried fruit (not fresh)
    - Fruit juice: juice concentrate (not fruit)
    - Rice: paddy rice
    - Seed cotton: seed cotton (not lint)
    - Sugar: cane sugar (not sugar cane)
    - Tea: made tea (not green leaf)
    - Wine grapes: grapes (not wine volumes)
- For the product categories of nuts and oilseeds and herbs and spices the in-category diversity of products, combined with lack of consistency in reporting, has made it difficult to ensure that product forms are expressed consistently.

1.7 Acknowledgements

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2. SUMMARY AND KEY DATA AT A GLANCE

Irene Kijara, Fairtrade tea farmer in Uganda

The data in this report show that in the period under review, Fairtrade has continued to grow, both in terms of the growing participation of farmers, workers, and their producer organizations in the Fairtrade movement, and also in terms of the volumes of products being sold under Fairtrade terms.

The reported increases in Fairtrade sales revenues and Fairtrade Premium returns to producer organizations are greater than the reported increase in farmer and worker numbers and in producer organizations. This indicates that there has been some progress in increasing sales and impact for existing Fairtrade producer organizations. Of course, for products where Fairtrade producers continue to sell on average only a minor proportion of their production as Fairtrade, the Fairtrade movement still has more work to do to support greater market access.

Analysis of Fairtrade Premium use shows some significant changes compared with the report for 2008. These data suggest that small producer organizations are increasingly investing in the development of their and their members' business – for example through investments in processing, productivity, quality improvements and investments in organizational strengthening – and in other forms of direct support to their members. Through this support for investment in producer organizations and their members, Fairtrade can support more sustainable and successful businesses which in turn can generate greater returns for farmers, their households, and communities.

Farmer and worker numbers

The number of farmers and workers participating in Fairtrade continues to grow, with some expansion into new countries in 2010. We estimate that the total number of farmers and workers in the Fairtrade system was **1.15 million** at the end of 2010, and that this will have exceeded **1.2 million** during 2011.

There has been growth in the numbers of Fairtrade farmers, workers, and producer organizations in all three continents. Although Asia and Oceania continue to show the smallest absolute participation levels, the data indicate that Fairtrade participation is growing faster in Asia and Oceania than in other continents.

Fairtrade sales values and volumes

Overall reported sales revenues and volumes and Premium receipts have grown significantly in the reporting period, particularly for small producer organizations. In comparison with 2008 reported levels, the data for 2009–10 reported by producers shows a 22 percent increase in Fairtrade Premium returns to producer organizations, and a 24 percent increase in Fairtrade sales values reported by producer organizations overall.

Growth in producer-reported Fairtrade sales volumes of certain products has been considerable in the reporting period, particularly for cocoa. Producer-reported Fairtrade sales volumes for bananas, cane sugar, coffee, flowers, and tea have grown since the previous reporting period. Fairtrade sales volumes have also grown for most of the minor products. The major exceptions to growth were volume sales of fresh fruit and vegetables which were reported to have declined slightly, and of seed cotton.

For several products, the growth in Fairtrade sales income slightly exceeds the growth in reported volumes sold (see figure 2.1). This reflects the high current market prices for many products. For cane sugar, the large difference between the change in reported Fairtrade sales revenues and the change in reported sales volumes primarily reflects inaccuracies in the sales and volume data in the last monitoring report.

TABLE 2.1

Overall growth in numbers of Fairtrade farmers, workers, and producer organizations

	2009	2010	Percentage change since 2009
Total Fairtrade producer organizations worldwide	**827**	905	**9%**

	2008	Data for 96% of producer organizations 2010	Estimated total end 2010	Percentage change since 2008
Total farmers	845,000	938,000	980,000	16%
Total workers	127,000	163,000	173,000	36%
Total farmers and workers	**972,000**	**1.1 million**	**1.15 million**	**18%**

Total countries with Fairtrade certified producer organizations	**63**
'New' countries during 2010:	Fiji, São Tomé and Príncipe, Uruguay

TABLE 2.2

Overall growth in Fairtrade sales values and Fairtrade Premium values

Fairtrade Premium	2008	2009–10	Percentage change reported sales income
Total reported by small farmer organizations	€30.4 million	€38.3 million	26%
Total reported by hired labour organizations	€11.9 million	€13.2 million	11%
Total reported Fairtrade Premium receipts	**€42.3 million**	**€51.5 million**	**22%**

Fairtrade sales revenues	2008	2009–10	Percentage change reported sales income
Total reported by small farmer organizations	€351 million	€447 million	27%
Total reported by hired labour organizations	€91 million	€103 million	13%
Total reported Fairtrade sales revenues	**€443 million**	**€550 million**	**24%**

FIGURE 2.1

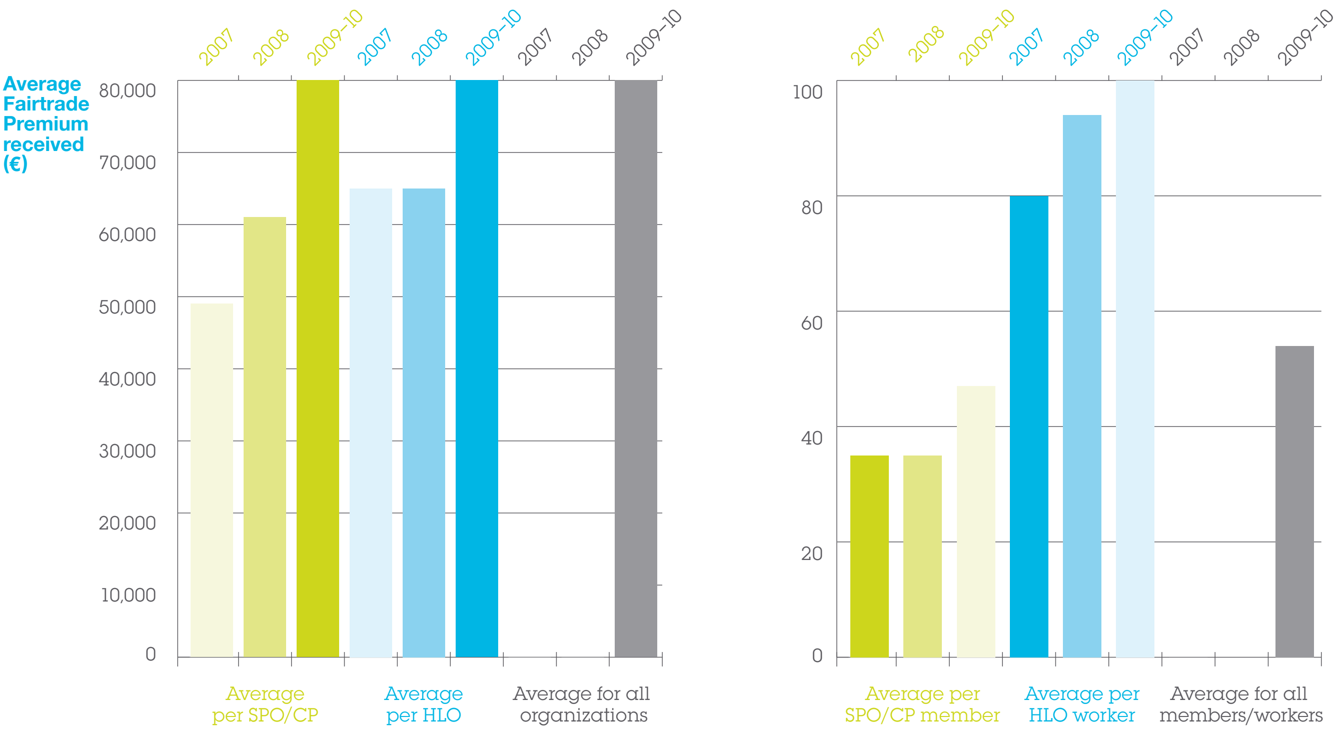
Fairtrade major products: change in reported sales volumes and values from 2008 to 2009–10

FIGURE 2.2

Fairtrade Premium received global averages 2009–10

	2007	2008	2009–10
Average Premium per SPO/CP	€ 49,000	€ 61,000	€ 80,000
Average Premium per HLO	€ 65,000	€ 65,000	€ 80,000
Average Premium all organizations	--	--	€ 80,000

	2007	2008	2009–10
Average Premium per SPO/CP member	€ 35	€ 35	€ 47
Average Premium per HLO worker	€ 80	€ 94	€ 100
Average Premium all members or workers	--	--	€ 54



Premium expenditure

Taking the overall Premium receipts and averaging them across organizations and across members gives a crude indication of whether Fairtrade impacts are increasing for existing producers. Figure 2.2 shows that average reported Fairtrade Premium income per member or worker and per organization for 2009–10 has increased significantly on 2008 levels. Whilst an average figure hides counter-trends and variation at organization, country, and product level, the overall global trend appears to be positive.

Analysis of Premium expenditure indicates that small producer organizations have been increasingly investing in their businesses, in organizational development and supporting production and processing improvements for their members. For many organizations it has also been necessary to use the Fairtrade Premium to make direct payments to members over and above Fairtrade prices, in order to ensure member commitment. In the past year, these activities have displaced more 'traditional' Premium uses to support wider aspects of community development. Workers in hired labour organizations continue to make large investments in community and educational projects.

3. FAIRTRADE PRODUCERS

Moussa Keita, Fairtrade cotton farmer in Mali

3.1 How many farmer and workers participated in Fairtrade in 2010?

The monitoring data indicate that approximately 938 000 farmers were members of Fairtrade small producer or contract production organizations during 2010, and 163 000 people worked in Fairtrade certified hired labour organizations, making a total of just over 1.1 million people.

This figure is based on data from 869 of the 906 producer organizations that were certified at the end of 2010, or 96 percent of all organizations. Since about four percent of all producer organizations were missing from the data set (37 producer organizations), including a few relatively large organizations, we estimate that the actual total number of farmers and workers participating in Fairtrade at the end of 2010 was between 1.1 and 1.2 million, probably around **1.15 million**, and that this figure will increase to **1.2 million** during 2011.

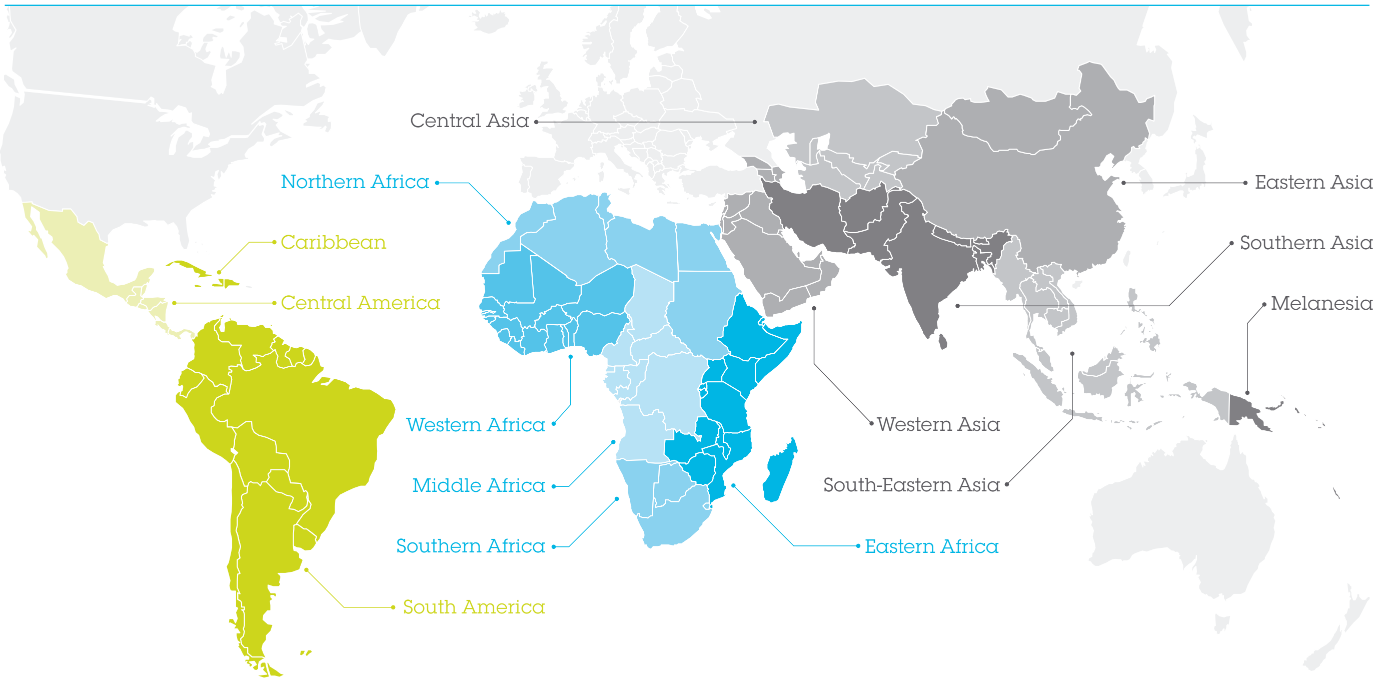
3.2 Where are the farmers and workers who participate in Fairtrade?

Table 3.1 shows that in 2010, 58 percent of all farmers and workers within the Fairtrade system lived in Africa. Latin America and the Caribbean accounted for 25 percent of all famers and workers within the Fairtrade system, and Asia and Oceania for 17 percent.

Of the **63** countries where Fairtrade International is present, Tanzania had the most farmer members of Fairtrade organizations, while India was the largest country in terms of workers in Fairtrade hired labour organizations.

TABLE 3.1

Distribution of Fairtrade farmers and workers 2010



Latin America and the Caribbean	
Farmers	262,200
% of all farmers	28%
Workers	9,800
% of all workers	6%
Total	**272,000**
%	**25%**

Africa	
Farmers	568,200
% of all farmers	61%
Workers	72,800
% of all workers	45%
Total	**641,000**
%	**58%**

Asia	
Farmers	108,200
% of all farmers	12%
Workers	80,200
% of all workers	49%
Total	**188,200**
%	**17%**

Top Ten Countries: Number of Fairtrade farmers 2010

Tanzania	148,200
Kenya	114,300
Ethiopia	89,000
Ghana	76,200
Colombia	52,900
Peru	52,900
India	51,300
Nicaragua	32,100
Mexico	26,700
Indonesia	24,900

Top Ten Countries: Number of Fairtrade workers 2010

India	43,100
Kenya	37,000
Sri Lanka	20,600
Pakistan	16,400
South Africa	12,400
Egypt	6,400
Malawi	3,800
Tanzania	3,700
Ghana	2,900
Dominican Republic	2,500

Top Ten Countries: Total Fairtrade farmers and workers 2010

Tanzania	151,900
Kenya	151,200
India	94,400
Ethiopia	89,500
Ghana	79,100
Colombia	54,900
Peru	52,900
Nicaragua	32,100
Mexico	27,600
Indonesia	24,900

FIGURE 3.1

Global distribution of Fairtrade farmers and workers 2010

Africa	
Farmers	568,200
Workers	72,800
Total	641,000

Asia and Oceania	
Farmers	108,000
Workers	80,200
Total	188,200

Latin America and the Caribbean	
Farmers	262,200
Workers	9,800
Total	272,000

World total	
Farmers	938,400
Workers	162,800
Total	1,101,200

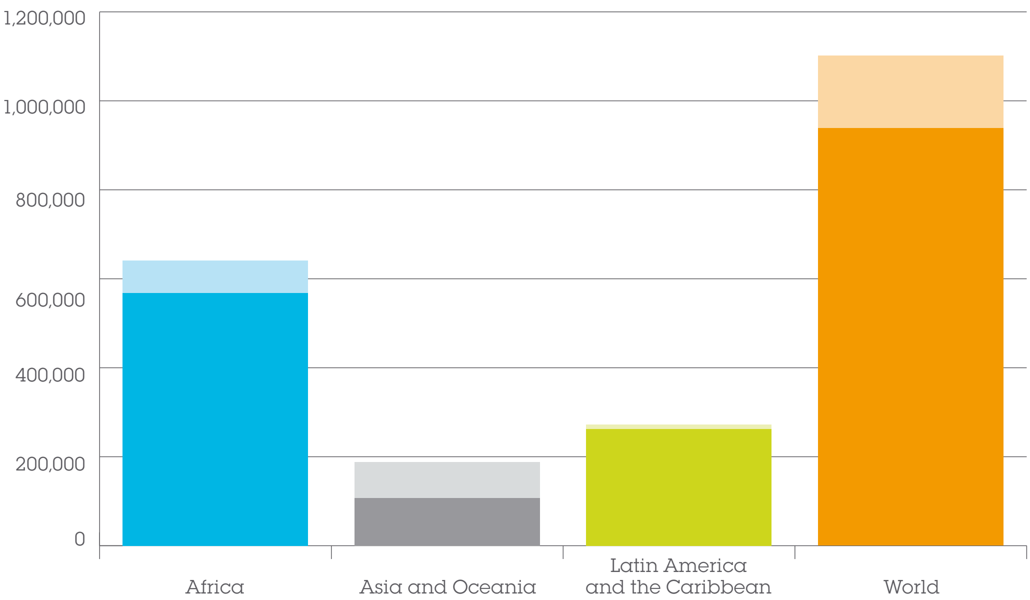
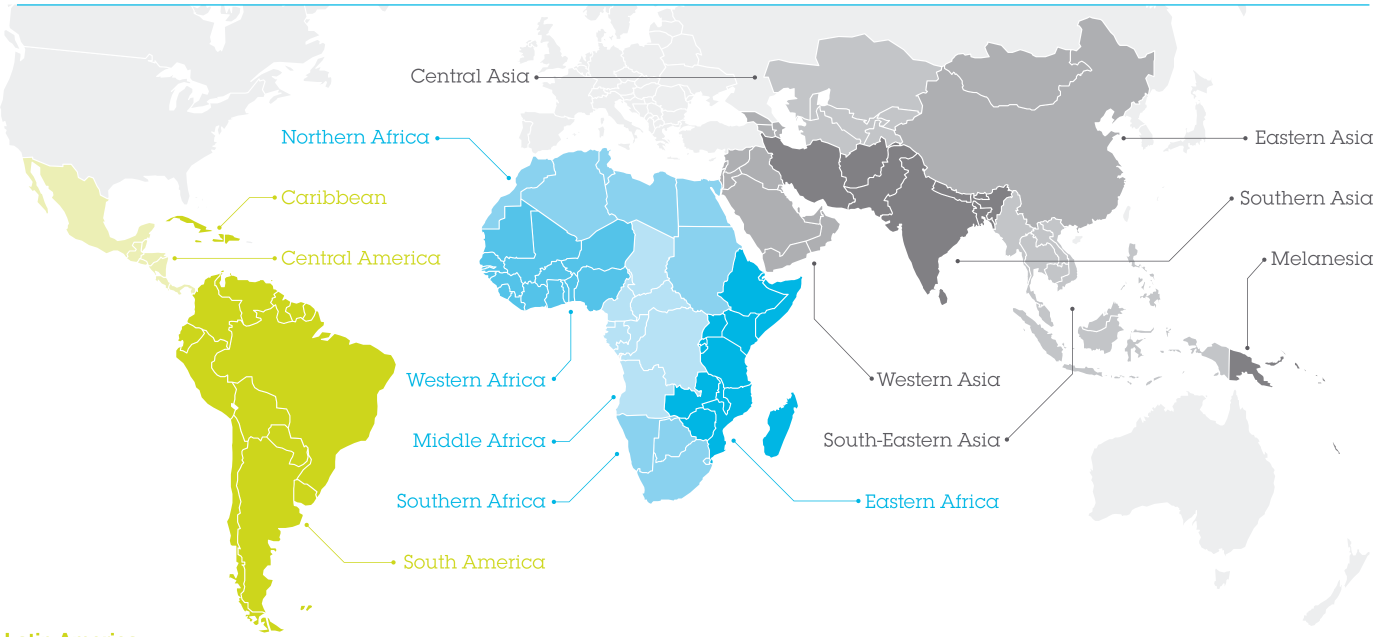


TABLE 3.2

Distribution of Fairtrade farmers and workers by sub-region 2010

Farmer members of Fairtrade organizations · Workers in Fairtrade hired labour organizations · Total farmers and workers



Latin America and the Caribbean	Farmers	Workers	Total
Caribbean	28,000	2,500	30,500
Central America	101,700	1,400	103,100
South America	132,600	5,900	138,500
Total	**262,200**	**9,800**	**272,000**

Africa	Farmers	Workers	Total
Eastern Africa	416,400	48,600	465,000
Middle Africa	29,200		29,200
Northern Africa	800	8,400	9,200
Southern Africa	200	13,000	13,200
Western Africa	121,600	2,900	124,400
Total	**568,200**	**72,800**	**641,000**

Asia and Oceania	Farmers	Workers	Total
Central Asia	1,000		1,000
Eastern Asia	5,700		5,700
Melanesia	8,600		8,600
South-Eastern Asia	31,500	100	31,600
Southern Asia	58,500	80,100	138,700
Western Asia	2,600		2,600
Total	**108,000**	**80,200**	**188,200**

FIGURE 3.2
Regional distribution of all Fairtrade farmers and workers

Region	Total
Eastern Africa	41%
Middle Africa	3%
Northern Africa	1%
Southern Africa	1%
Western Africa	11%
Central Asia	0%
Eastern Asia	1%
Melanesia	1%
South-Eastern Asia	3%
Southern Asia	13%
Western Asia	0%
Caribbean	3%
Central America	9%
South America	13%

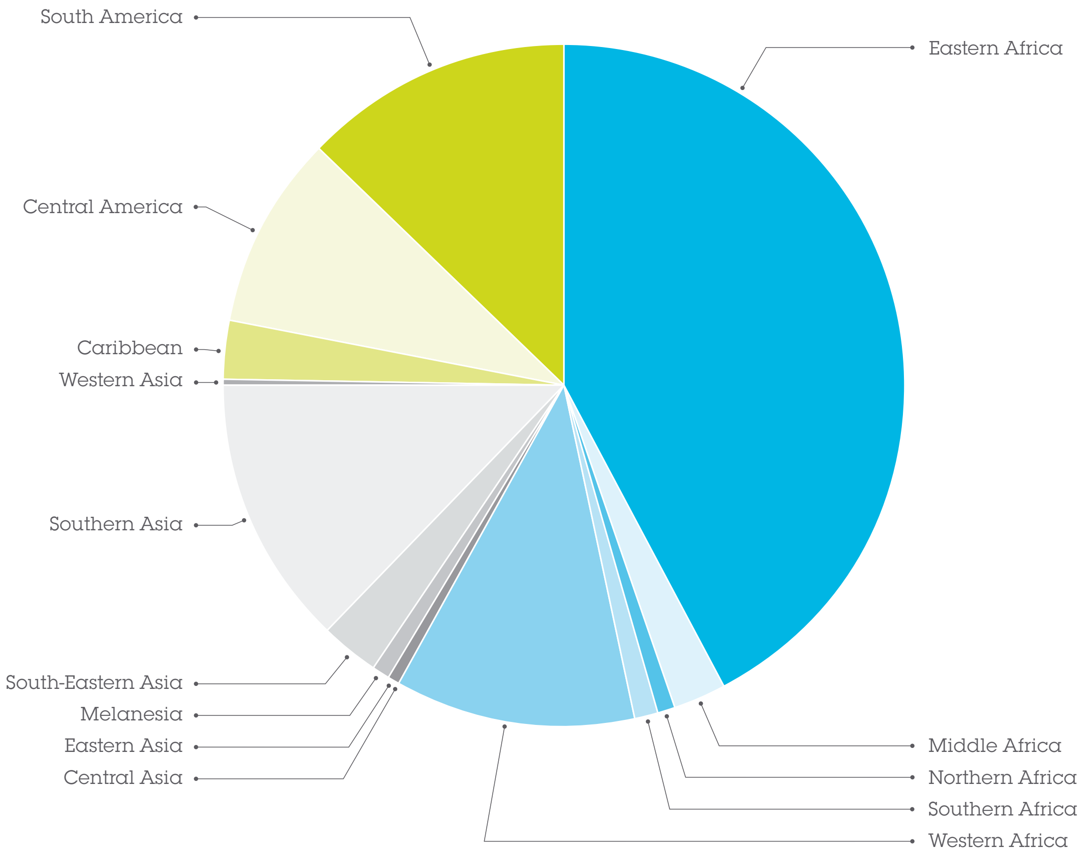


FIGURE 3.3
Regional distribution of small farmers within the Fairtrade system 2010

Region	Total
Eastern Africa	45%
Middle Africa	3%
Northern Africa	0%
Southern Africa	0%
Western Africa	13%
Central Asia	0%
Eastern Asia	1%
Melanesia	1%
South-Eastern Asia	3%
Southern Asia	6%
Western Asia	0%
Caribbean	3%
Central America	11%
South America	14%

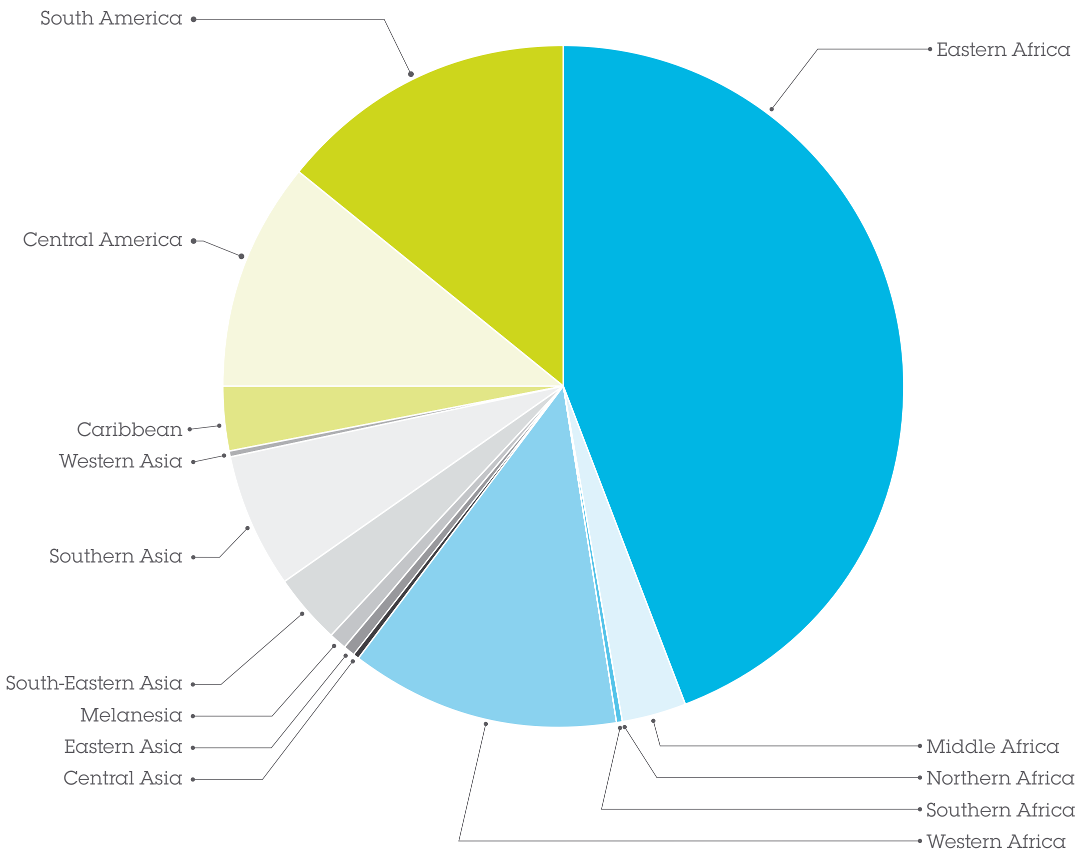
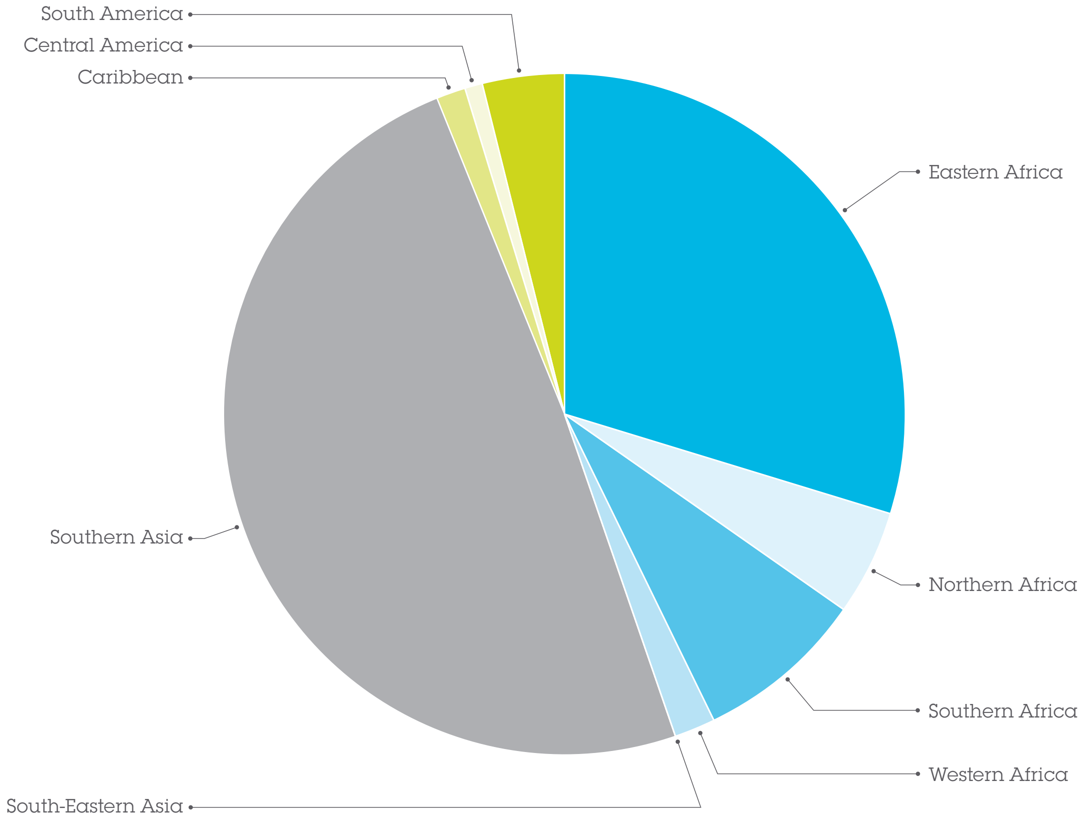


FIGURE 3.4

Regional distribution of workers within Fairtrade certified hired labour organizations 2010

Region	Total
Eastern Africa	30%
Northern Africa	5%
Southern Africa	8%
Western Africa	2%
South-Eastern Asia	0%
Southern Asia Total	49%
Caribbean	1%
Central America	1%
South America	4%



3.3 How have the numbers of farmers and workers changed since the last monitoring report?

The 2010 monitoring report gave a total of 970 000 farmers and workers in the Fairtrade system at the end of 2008. Assuming a total of 1.15 million farmers and workers at the end of 2010, there has been growth of 18 percent in this number since 2008. This is more or less in line with the percentage net growth in numbers of producer organizations, which shows 21 percent growth on the 2008 figure.

Based on these rates, the number of Fairtrade farmers and workers is predicted to have exceeded 1.2 million during 2011.

Within each region the patterns of growth have been different.

In Africa, we saw the strongest growth in Western Africa, due to several new certifications for cocoa, particularly in Côte d'Ivoire. This growth totals some 35 000 small farmer members. Worker numbers in Africa have remained unchanged, and there was growth of around 22 000 farmers in Eastern Africa.

In Asia, the majority of growth was accounted for by an increase in the number of workers within Fairtrade certified hired labour organizations in India, Sri Lanka, and Pakistan. This growth was partially offset by a reduction in the number of small farmers in South-Eastern Asia. Numbers of small farmers in Melanesia grew significantly due to new certifications in Fiji and Papua New Guinea, which helped to offset the overall reduction in small farmer members in Asia and Oceania.

In Latin America and the Caribbean, the major growth was in South America, where membership of Fairtrade certified small producer organizations grew by over 35 000 people. Hired labour organizations showed little change in any sub-region.

FIGURE 3.5

Growth in the numbers of Fairtrade farmers and workers 2008–2010

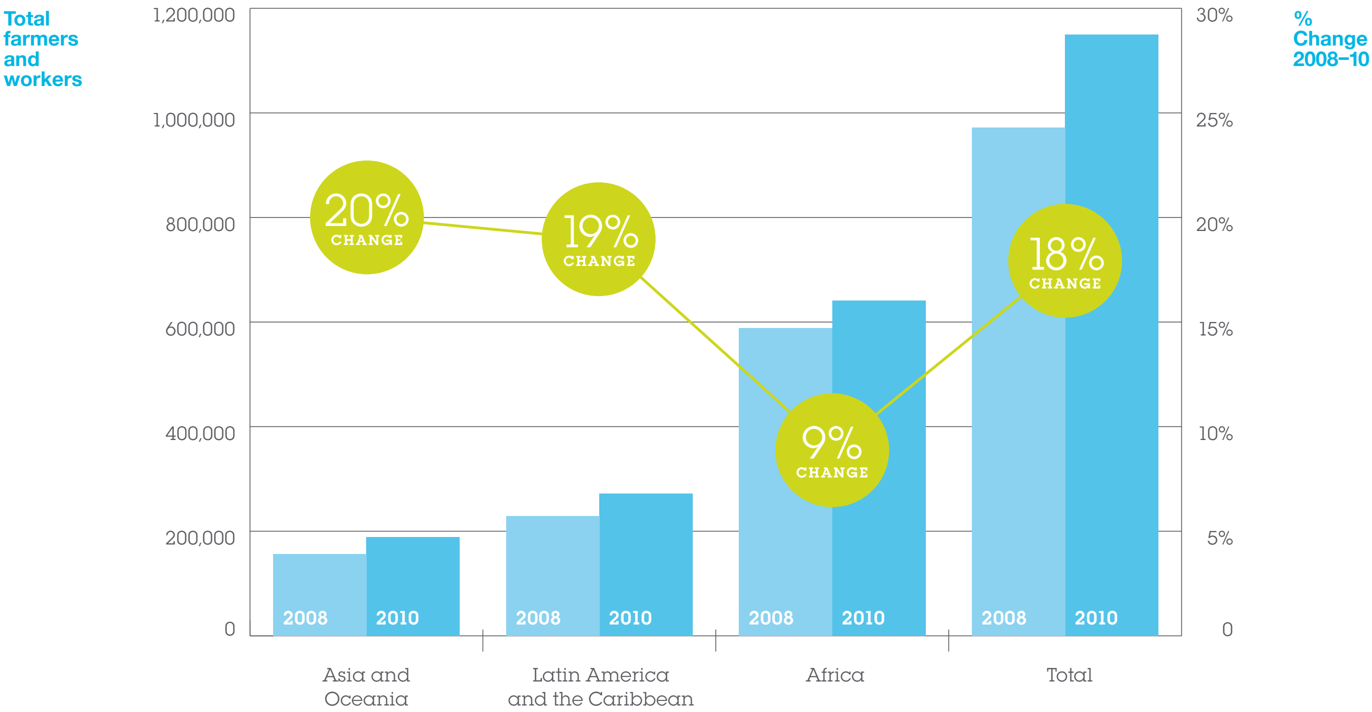
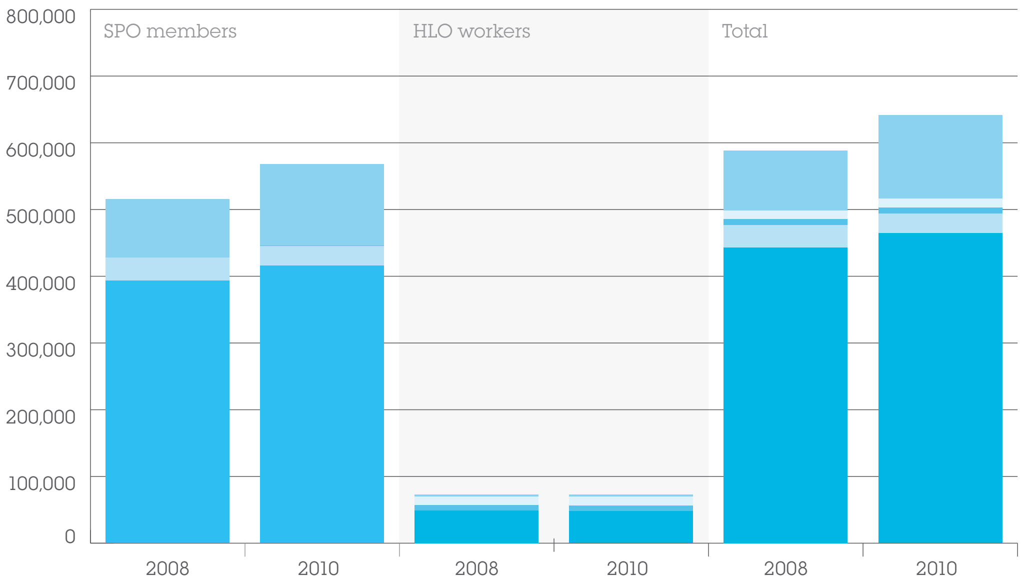


FIGURE 3.6

Fairtrade in Africa: Farmer and worker numbers 2008–2010

	SPO members 2008	SPO members 2010	HLO workers 2008	HLO workers 2010	Total 2008	Total 2010
Eastern Africa Total	394,000	416,400	49,000	48,600	443,000	465,000
Middle Africa Total	34,000	29,200	–	–	34,000	29,200
Northern Africa Total	470	800	8,200	8,400	8,670	9,200
Southern Africa Total	170	200	13,000	13,000	13,170	13,200
Western Africa Total	87,000	121,600	2,700	2,900	89,700	124,400
Africa Total	**515,640**	**568,200**	**72,900**	**72,800**	**588,540**	**641,000**



SPO Small Producer Organization
HLO Hired Labour Organization

FIGURE 3.7

Fairtrade in Asia and Oceania: Farmer and worker numbers 2008–2010

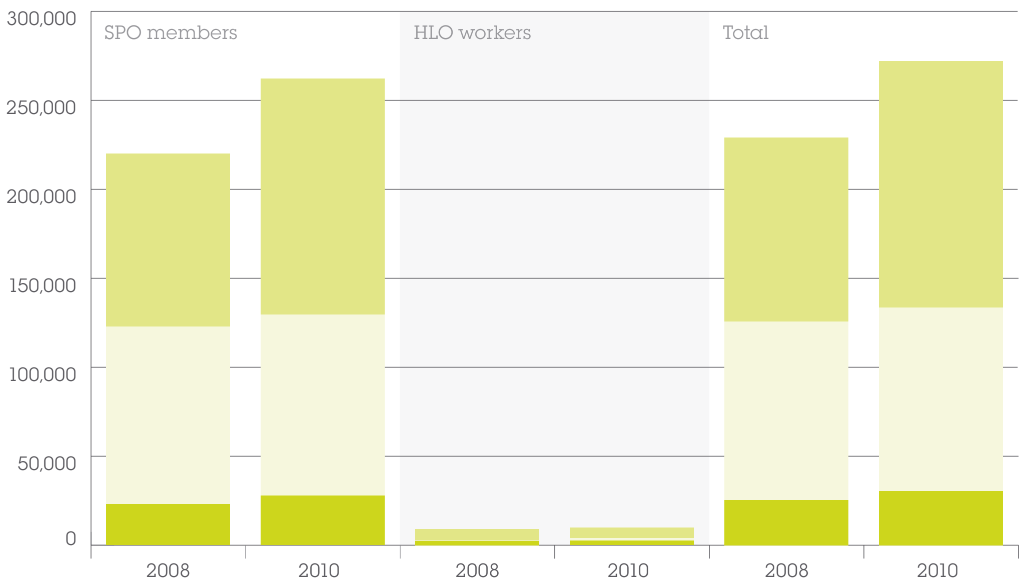
	SPO/CP members 2008	SPO/CP members 2010	HLO workers 2008	HLO workers 2010	Total 2008	Total 2010
Central Asia	770	1,000	–	–	770	1,000
Eastern Asia	6,100	5,700	–	–	6,100	5,700
Melanesia	1,400	8,600	–	–	1,400	8,600
South-Eastern Asia	44,000	31,500	–	100	44,000	31,600
Southern Asia	58,000	58,500	46,000	80,100	104,000	138,700
Western Asia	530	2,600	–	–	530	2,600
Asia Total	**110,800**	**108,000**	**46,000**	**80,200**	**156,800**	**188,200**

SPO/CP Small Producer Organization/ Contract production
HLO Hired Labour Organization

FIGURE 3.8

Fairtrade in Latin America and the Caribbean: Farmer and worker numbers 2008–2010

	SPO members 2008	SPO members 2010	HLO workers 2008	HLO workers 2010	Total 2008	Total 2010
Caribbean	23,000	28,000	2,300	2,500	25,300	30,500
Central America	100,000	101,700	460	1,400	100,460	103,100
South America	97,000	132,600	6,200	5,900	103,200	138,500
Latin America and the Caribbean Total	**220,000**	**262,200**	**8,960**	**9,800**	**228,960**	**272,000**



SPO Small Producer Organization
HLO Hired Labour Organization

3.4 Farmers and workers by product category

Table 3.5 gives a breakdown of the numbers of farmers and workers within Fairtrade certified producer organizations, according to product, for 2010. Coffee, tea and cocoa were the most significant products in terms of farmer and worker numbers.

Comparison with the figures for 2008 shows that the most significant growth in absolute and percentage terms was for cocoa, in part due to new producer organizations coming into Fairtrade, and in part due to the expansion of existing organizations (see Table 3.3). Cane sugar, tea and coffee also showed significant growth in farmer and worker numbers. Bananas, flowers and plants remained stable. For seed cotton there was an overall decrease in the number of small farmers participating in Fairtrade organizations, due to the downsizing of one very large organization.

TABLE 3.3

Change in number of farmers and workers by first certified product 2008–2010

First Certified Product	2008	2010	% change
Cocoa	78,000	125,900	61%
Cane Sugar	11,500	17,600	53%
Tea	179,000	223,700	25%
Coffee	480,000	532,000	11%
Bananas	15,000	15,500	3%
Flowers and Plants	34,000	34,000	0%
Seed Cotton	88,000	58,500	-34%

TABLE 3.4

Breakdown of farmer and worker numbers by first certified product 2010

First certified product*	Farmers by product 2010	Workers by product 2010	Farmers and workers by product 2010	Percentage of total
Coffee	532,000	0	532,000	48%
Tea	142,200	81,500	223,700	20%
Cocoa	125,900	0	125,900	11%
Seed Cotton	58,500	0	58,500	5%
Flowers and Plants	0	34,000	34,000	3%
Fresh Fruit/Vegetables	3,400	21,500	24,900	2%
Cane Sugar	17,600	0	17,600	2%
Nuts and Oilseeds	16,900	0	16,900	2%
Sports Balls	0	16,400	16,400	1%
Banana	9,900	5,500	15,500	1%
Herbs and Spices	10,000	0	10,000	1%
Dried Fruit	6,700	0	6,700	1%
Rice	5,400	0	5,400	0%
Wine Grapes	400	3,800	4,200	0%
Honey	3,600	0	3,600	0%
Quinoa	2,900	0	2,900	0%
Fruit Juices	2,300	0	2,300	0%
Grand Total	**938,400**	**162,800**	**1,101,200**	

* Data are given for the first product certified for each producer organization. For producer organizations producing more than one Fairtrade product we do not have consistent data on the numbers of members involved in each product. As such, the product breakdown should be considered as approximate.

3.5 Women in Fairtrade

According to the data submitted in the audit reports, women make up 27 percent of the farmers and workers involved in Fairtrade overall.

Women are more strongly represented within hired labour organizations, where women workers represent 42 percent of all workers. In India and Sri Lanka, women workers form more than 55 percent of the Fairtrade hired labour workforce.

The figure for women's membership of small producer organizations is lower, at 24 percent, and is particularly low for small producer organizations in Asia and Oceania.

Almost 25 percent of all Fairtrade coffee farmer members of small producer organizations – almost 100 000 farmers – are women.

In percentage terms, women are most involved in Fairtrade tea production, where they represent almost 50 percent of the workforce. Around 80 000 women work in Fairtrade tea plantations or are registered as tea farmer members of small producer organizations.

However, three out of the five largest Fairtrade small producer organizations have not yet supplied data for women's participation. If data were available for these larger organizations, this would have an impact on the gender breakdown for small producer organizations, as well as those for the specific products in question (cocoa and coffee).

FIGURE 3.9

Women's participation in Fairtrade 2010

Based on data for 96% of all certified HLOs and 89% of all certified SPOs

TABLE 3.5

Women in Fairtrade: Women as a percentage of all Fairtrade farmers and workers by product 2010

Workers in Fairtrade Hired Labour Organizations	Total number of members or workers*	Number of female members or workers*	% of workers and members who are women*
Tea	81,500	39,300	48%
Flowers and Plants	34,000	15,200	45%
Fresh Fruit/Vegetables	21,600	8,400	39%
Wine Grapes	3,800	1,100	29%
Sports Balls	16,400	4,000	24%
Banana	5,400	600	11%
Members of Small Producer and Contract Production Organizations			
Nuts and Oilseeds	15,200	6,000	39%
Quinoa	2,900	1,000	34%
Tea	136,600	40,500	30%
Rice	4,100	1,100	27%
Coffee	407,200	99,000	24%
Wine Grapes	400	90	23%
Dried Fruit	6,700	1,400	21%
Cocoa	41,500	8,700	21%
Herbs and Spices	9,700	2,000	21%
Banana	8,600	1,600	19%
Cane Sugar	17,600	3,200	18%
Fruit Juices	2,200	360	16%
Fresh Fruit/Vegetables	3,400	500	15%
Honey	3,600	500	14%
Seed Cotton	58,500	7,400	13%

* Based on data for 96% of all certified HLOs and 89% of all certified SPOs, end 2010

4. FAIRTRADE PRODUCER ORGANIZATIONS

Abed Isa, Fairtrade olive farmer in Palestine

4.1 How many Fairtrade producer organizations were there in 2010?

At the end of 2010 there were 905 Fairtrade certified producer organizations in 63 countries. This is a net increase of 78 producer organizations since the end of 2009, and is in line with the overall growth trajectory of the previous years.

Table 4.2 shows that the net numbers of new certifications grew in all regions. While the absolute number of new certifications was highest in Latin America and the Caribbean, growth in percentage terms was strongest in Asia and Oceania, which had more new certifications in net terms than Africa in 2010. In 2010, Fairtrade organizations were certified in three new countries: Fiji, Uruguay, and São Tomé e Príncipe.

TABLE 4.1

Five years of growth in the number of Fairtrade certified producer organizations

Year	# Certified Organizations	% change on previous year
2005	508	–
2006	569	12%
2007	632	11%
2008	745	18%
2009	827	11%
2010	905	9%

FIGURE 4.1

Five years of growth in the number of Fairtrade certified producer organizations 2006–2010

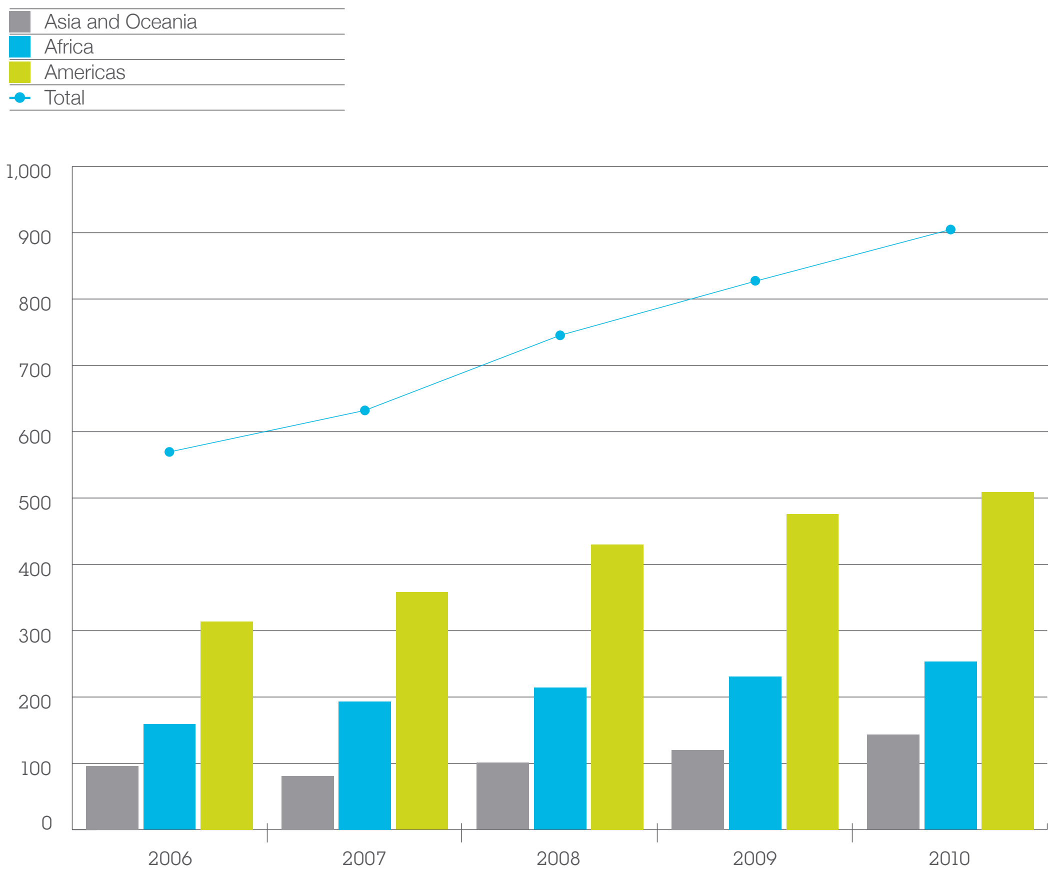
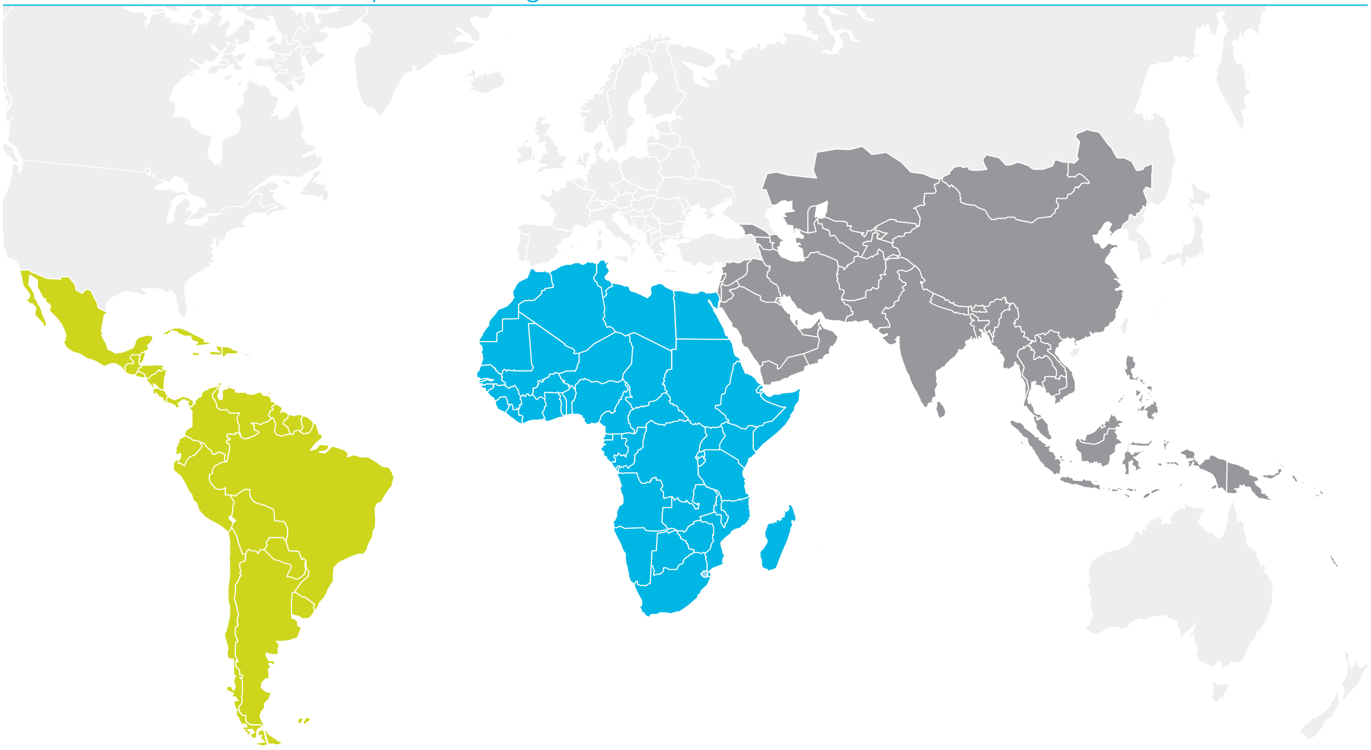


TABLE 4.2

Growth in Fairtrade certified producer organizations (POs) 2010



Latin America and the Caribbean
Net new POs 2010 **33**
% change 2009–10 **7%**

Africa
Net new POs 2010 **22**
% change 2009–10 **10%**

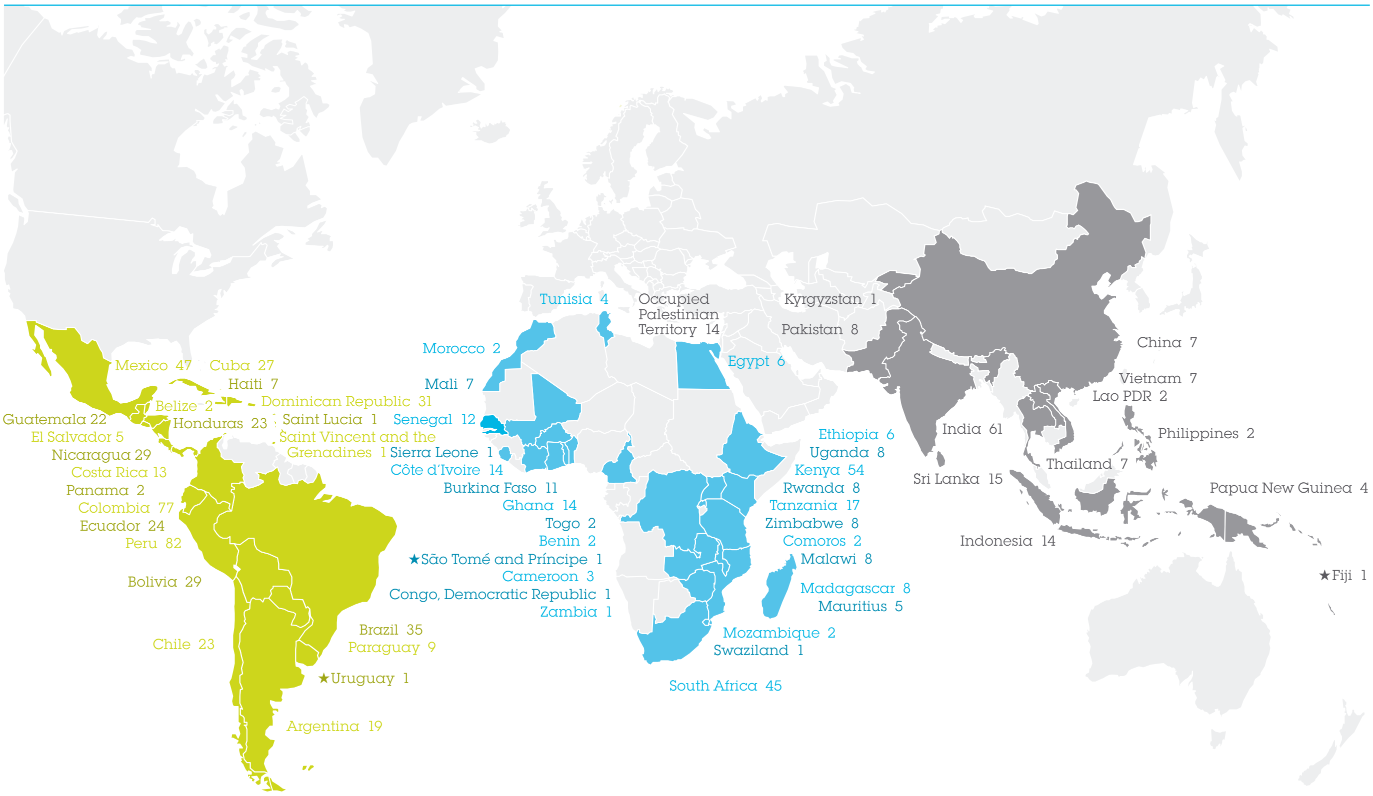
Asia Oceania
Net new POs 2010 **23**
% change 2009–10 **19%**

Total
Net new POs 2010 **78**
% change 2009–10 **9%**

FIGURE 4.2

Fairtrade producer organizations worldwide 2010

★ Indicates new producer countries



TOTAL 509 Latin America and the Caribbean

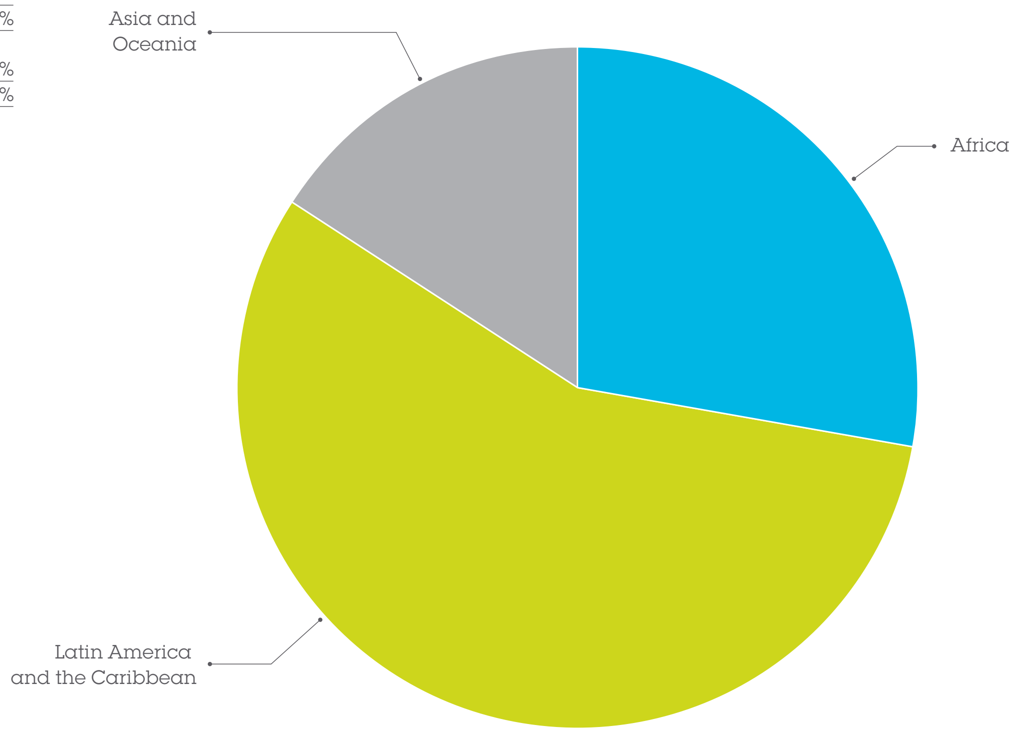
TOTAL 253 Africa

TOTAL 143 Asia and Oceania

FIGURE 4.3

Fairtrade producer organizations by region 2010

Region	Total
Africa	28%
Latin America and the Caribbean	56%
Asia and Oceania	16%



4.2 Where are the Fairtrade producer organizations?

In contrast to the data on farmer and worker numbers, Figure 4.2 shows that the majority of Fairtrade producer organizations are in Latin America and the Caribbean, accounting for more than half of all Fairtrade producer organizations worldwide.

Of all the countries where Fairtrade is present, Peru has the largest number of Fairtrade producer organizations, and Colombia the second largest. Peru and Colombia were also the fastest growing countries in terms of new certified producer organizations in 2010.

Top Ten Countries: Number of Fairtrade certified producer organizations 2010

Peru	82
Colombia	77
India	61
Kenya	54
Mexico	47
South Africa	45
Brazil	35
Dominican Republic	31
Bolivia	29
Nicaragua	29

Top Ten Countries: Increase in number of Fairtrade certified producer organizations in 2010

Peru	16
Kenya	10
Colombia	10
India	10
Occupied Palestinian Territories	8
Cuba	7
Côte d'Ivoire	5
Nicaragua	4
Chile	3
China	3

4.3 Certified producer organizations by producer type, 2008–2010

For the purposes of this report we consider that there are three major types of Fairtrade producer organization: small producer organizations, contract production schemes, and hired labour organizations.

Table 4.3 shows that each type of certification grew at a similar rate between 2009–10, and that therefore the overall proportions remain constant, with small producer organizations and contract production schemes accounting for 75 percent of all producer organizations, and hired labour organizations accounting for 25 percent. Since 2008, we see a slight drop in the proportion of hired labour organizations, and a slight rise in the proportion of small producer organizations, but overall the balance remains constant.

TABLE 4.3

Growth of Fairtrade by certification type 2008–2010

Small Producer Organization (SPO)	2008	2009	2010	Percentage change since 2009
1st grade	425	491	547	
2nd grade	92	103	103	
3rd grade	5	5	7	
Mixed structure	–	1	–	
Small producer organization total	522	600	657	10%
SPOs as a proportion of all Producer Organizations	70%	73%	73%	
Contract Production (CP)	**2008**	**2009**	**2010**	**Percentage change since 2009**
Contract Production	17	19	21	
Contract production total	17	19	21	11%
CP as a proportion of all Producer Organizations	2%	2%	2%	
Hired Labour Organization (HLO)	**2008**	**2009**	**2010**	**Percentage change since 2009**
Factory	4	5	7	
Multi-Estate	31	29	29	
Plantation	170	174	191	
Hired labour total	205	208	227	9%
HLOs as a proportion of all Producer Organizations	28%	25%	25%	
Unknown	**2008**	**2009**	**2010**	**Percentage change since 2009**
Unknown	1	–	–	–
	2008	**2009**	**2010**	**Percentage change since 2009**
Grand Total	**745**	**827**	**905**	**9%**

FIGURE 4.4

Overall proportions of producer organization types 2008–2010

2008

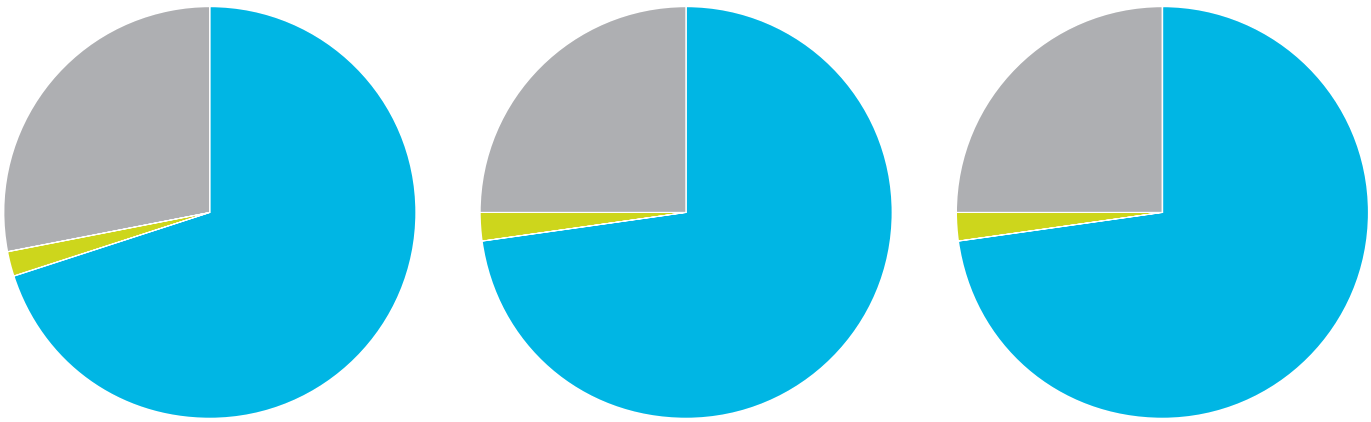
Small Producer Organizations	70%
Contract Production Organizations	2%
Hired Labour Organizations	28%

2009

Small Producer Organizations	73%
Contract Production Organizations	2%
Hired Labour Organizations	25%

2010

Small Producer Organizations	73%
Contract Production Organizations	2%
Hired Labour Organizations	25%



4.4 Size of Fairtrade producer organizations

The size of Fairtrade producer organizations varies widely. The smallest producer organization has only 9 members, and the largest more than 70 000. The figures below show the distribution of membership:

- Around half of all producer groups have less than 300 members or workers.
- The 50 largest producer organizations account for almost 50 percent of the total number of members and workers in Fairtrade.
- The ten largest organizations in Fairtrade are all small producer organizations. Nine out of these ten are in Africa.

For these reasons we see a considerable difference between the average size of a Fairtrade producer organization, and the median (middle value in the range of producer organization sizes).

FIGURE 4.5

Size of Fairtrade producer organizations by number of members or workers 2010

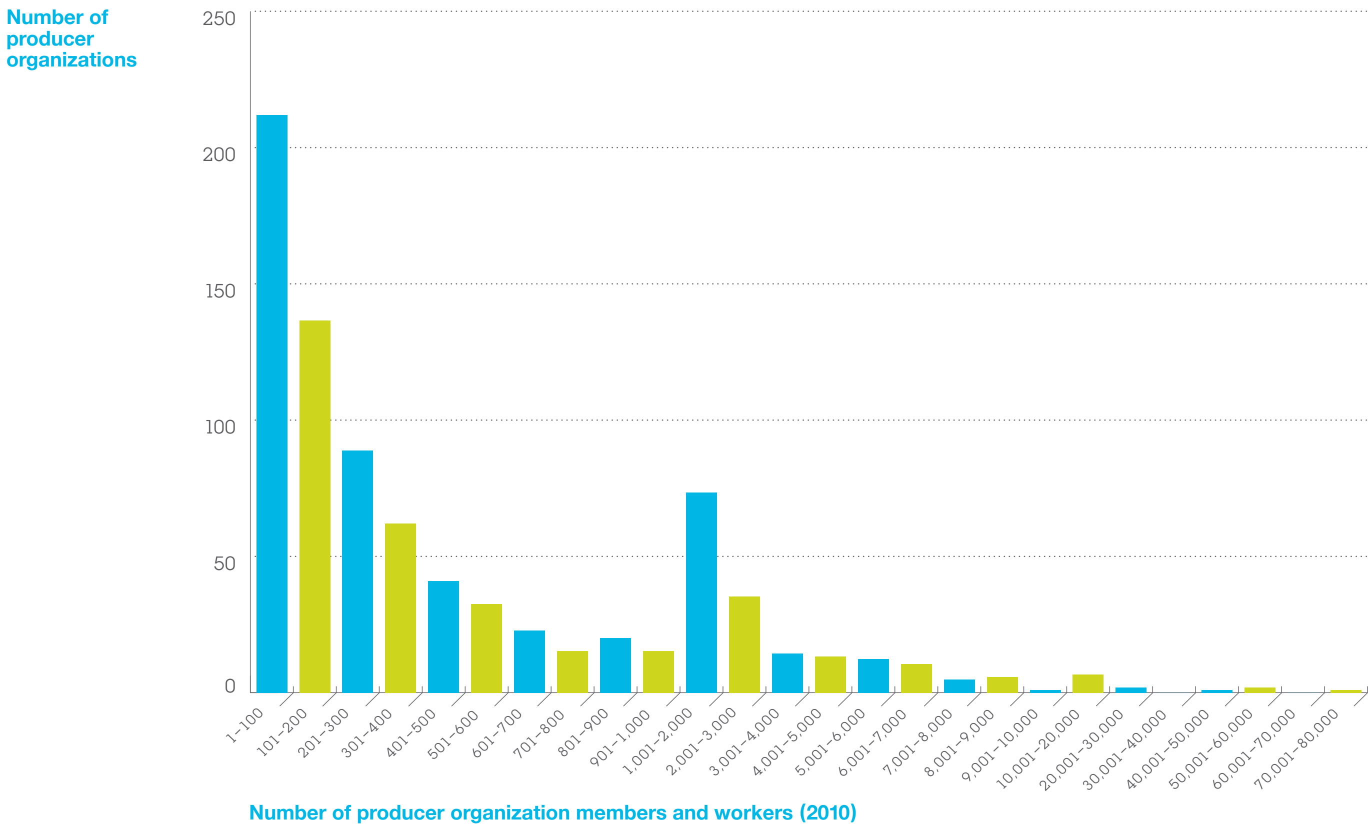


FIGURE 4.6

Size of Fairtrade producer organizations

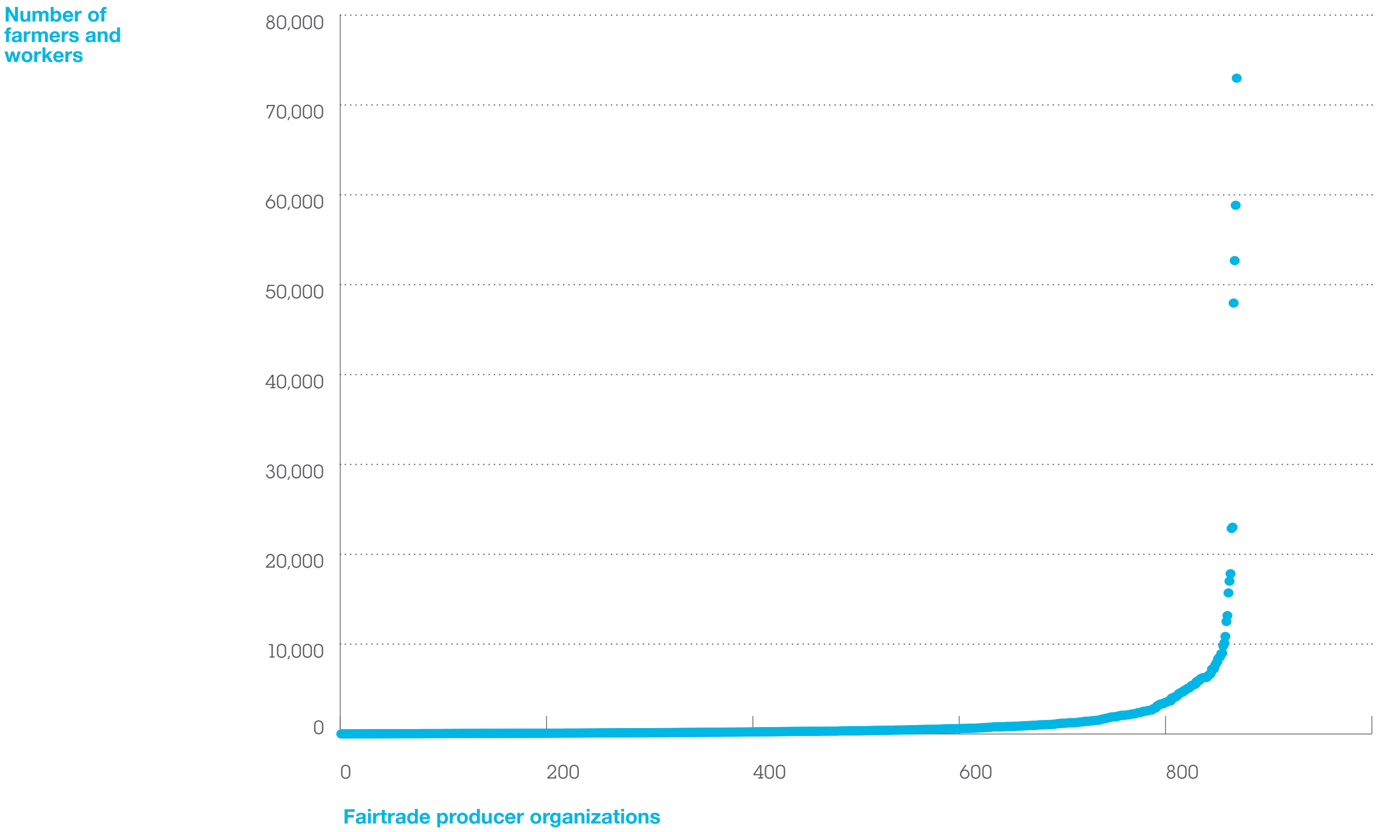
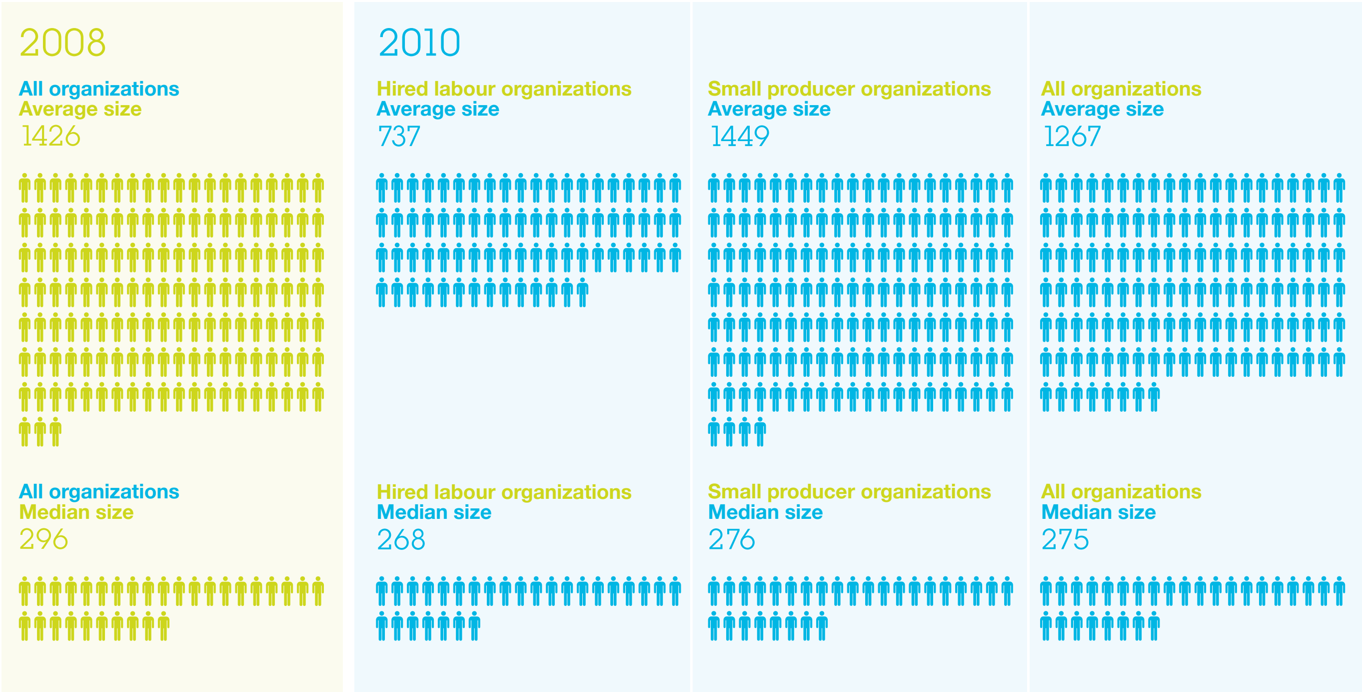


FIGURE 4.7

Average and median size of Fairtrade producer organizations 2010



5. FAIRTRADE CROP PRODUCTION AND SALES

Rosa Maribel Galecio, Fairtrade banana worker in Peru

5.1 Fairtrade production capacity

Data on Fairtrade production capacity during 2009–10 show increases for most products since 2008 (Table 5.1). This is partly due to new certifications and partly to the dataset being more complete for this report than it has been in previous years. Cocoa grew strongly, coffee and tea production capacity remained more or less stable, and flowers decreased very slightly. Data for seed cotton is not sufficiently up-to-date to give an accurate current picture although we do anticipate that the production volumes have declined in the period under review.

Last year's report gave incorrect data on Fairtrade cane sugar production. The data on Fairtrade sugar production capacity have been extensively checked for this report and are more accurate.

5.2 Fairtrade sales volumes and values reported by producer organizations

The Fairtrade sales volumes and values are reported by producer organizations retrospectively at the time of audit.[1] While some audit reports give a report on the preceding calendar year's sales, others report for the 12 months directly preceding the audit. For this reason, the reported Fairtrade volumes and revenues do not relate to a precise calendar year, and typically span two years, in this case 2009–10.

While data coverage this year was generally good, figures for smaller products are particularly affected when one or two major operators are missing from the sample, or do not provide full or accurate data. As such, figures for smaller products in particular should be taken as indicative only.

The volumes sold as Fairtrade indicate growth in volumes sold of the major Fairtrade products (bananas, cocoa, coffee, flowers, tea) since the preceding year. Exceptional growth was recorded for Fairtrade cocoa sales. The exception to growth

1. Fairtrade International also reports annual market sales volumes of Fairtrade products. These are reported in the Fairtrade International Annual Report. Market sales volumes are calculated by the Fairtrade Labelling Initiatives based on product volumes sold in the marketplace, and can differ from the sales volumes of raw products reported by Fairtrade producer organizations for a number of reasons, such as product wastage or differing product forms.

TABLE 5.1

Reported total production capacity of Fairtrade-certifiable products 2010 (MT)

	HLO 2008	HLO 2010	% Change since 2008 (HLO)	SPO/CP 2008	SPO/CP 2010	% Change since 2008 (SPO/CP)
Banana	166,000	177,400	7%	313,000	383,700	23%
Cane Sugar	–	–	–	–	219,300	–
Cocoa	–	–	–	91,000	106,400	17%
Coffee	–	–	–	324,000	330,200	2%
Dried Fruit	–	–	–	1,500	2,200	47%
Flowers and Plants **(million stems)**	1,944	1,850	-5%	–	–	–
Fresh Fruit/Vegetables	312,000	414,100	33%	116,000	37,200	-68%
Fruit Juices	–	–	–	14,200	6,200	-56%
Herbs and Spices	–	–	–	4,000	2,900	-28%
Honey	–	–	–	4,500	5,000	11%
Nuts and Oilseeds	–	–	–	8,700	12,500	44%
Quinoa	–	–	–	7,100	5,500	-23%
Rice	–	–	–	14,600	30,200	107%
Seed Cotton	–	–	–	80,000	55,700	-30%
Sports Balls **(items)**	6,433,000	8,388,000	30%	–	–	–
Tea	81,000	80,600	0%	69,000	70,900	3%
Wine Grapes	65,000	91,500	41%	13,700	14,900	9%

SPO/CP Small Producer Organization/Contract Production
HLO Hired Labour Organization

Products where data were only available for a single producer organization (Fonio and Soybeans and Pulses) are also excluded.
Where producer organizations are certified for multiple products, data on the secondary products was included where these were given.
Seed Cotton data is substantially less up-to-date than that for other products.

among the major products was seed cotton, where the figures indicate a decline in volumes sold. However, since there were no new audit reports for more than half of the cotton producers during 2010, the seed cotton data in this report are outdated and do not give an accurate picture of the current situation.

Some smaller products appeared to have performed well during the period under review, particularly dried fruits, herbs and spices and nuts and oilseeds, all of which grew their volume of Fairtrade sales significantly in percentage terms. The number of sports balls sold as Fairtrade also increased significantly.

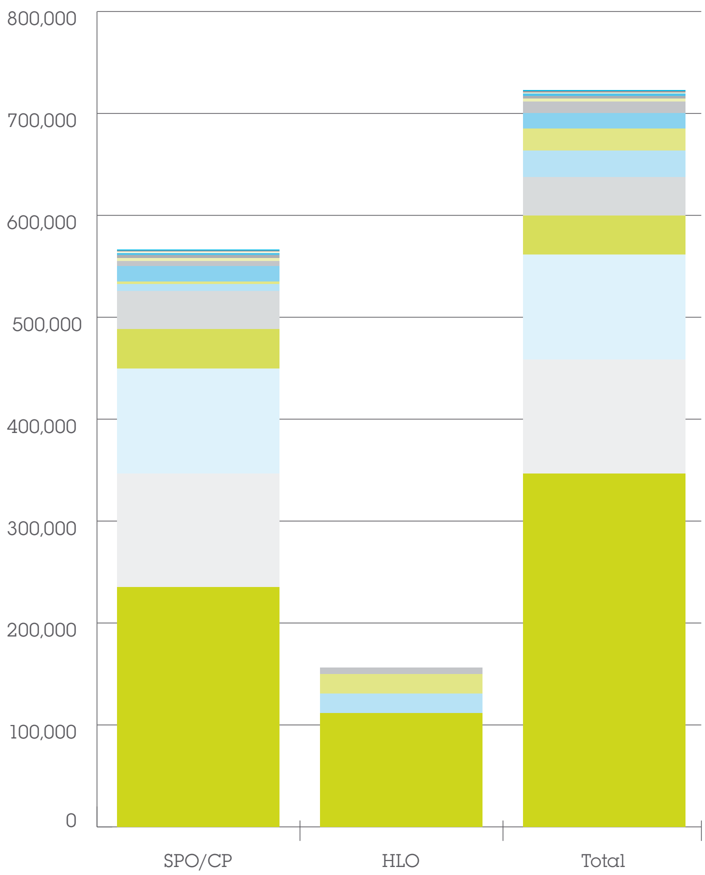
Fairtrade producer organizations reported Fairtrade sales values totalling €550 million for the 12-month period preceding their 2010 audit. Fairtrade sales by small producer and contract production organizations represented 91 percent of the total value of all sales. The four largest products by value, coffee, bananas, cocoa, and flowers, generated more than 80 percent of the reported Fairtrade sales income.

Whilst Fairtrade sales values mostly track the changes in sales volumes, there are some exceptions to this. Data for rice, nuts and oilseeds, and wine grapes show a decrease in reported Fairtrade sales income despite increases in reported volumes sold. This is partly due to under-reporting of sales income (for example one major wine grapes producer did not report their Fairtrade sales income), and probably also reflects changes in the capturing of volume data (for example, for rice we made efforts this year to capture the data consistently as paddy rice which might have then increased the volume sales in comparison with last year's data. Similarly, for oilseeds we tried to capture volumes sold as seeds and not as butters or oils.).

FIGURE 5.1

Fairtrade sales volumes reported by product 2009–10 (MT)

	SPO/CP	HLO	Total
Banana	235,300	111,700	347,000
Cane Sugar	111,600	–	111,600
Coffee	103,200	–	103,200
Seed Cotton	38,400	–	38,400
Cocoa	37,400	–	37,400
Fresh Fruit/Vegetables	6,700	19,400	26,100
Wine Grapes	2,600	19,200	21,800
Rice	15,300	–	15,300
Tea (Made Tea)	4,800	6,100	10,900
Fruit Juice	3,000	–	3,000
Honey	2,700	–	2,700
Nuts and Oilseeds	2,200	–	2,200
Dried Fruit	1,300	–	1,300
Quinoa	1,200	–	1,200
Herbs and Spices	900	–	900



SPO/CP Small Producer Organization/Contract Production
HLO Hired Labour Organization

TABLE 5.2

Fairtrade sales volumes by product 2009–10 (MT)

	SPO/CP	HLO	Total
Banana	235,300	111,700	347,000
Cane Sugar	111,600	–	111,600
Cocoa	37,400	–	37,400
Coffee	103,200	–	103,200
Dried Fruit	1,300	–	1,300
Flowers and Plants (million stems)	–	384	384
Fresh Fruit/Vegetables	6,700	19,400	26,100
Herbs and Spices	900	–	900
Honey	2,700	–	2,700
Nuts and Oilseeds	2,200	–	2,200
Quinoa	1,200	–	1,200
Rice	15,300	–	15,300
Seed Cotton**	38,400	–	38,400
Sports Balls (items)	–	212,600	212,600
Tea (made tea)	4,800	6,100	10,900
Wine Grapes	2,600	19,200	21,800

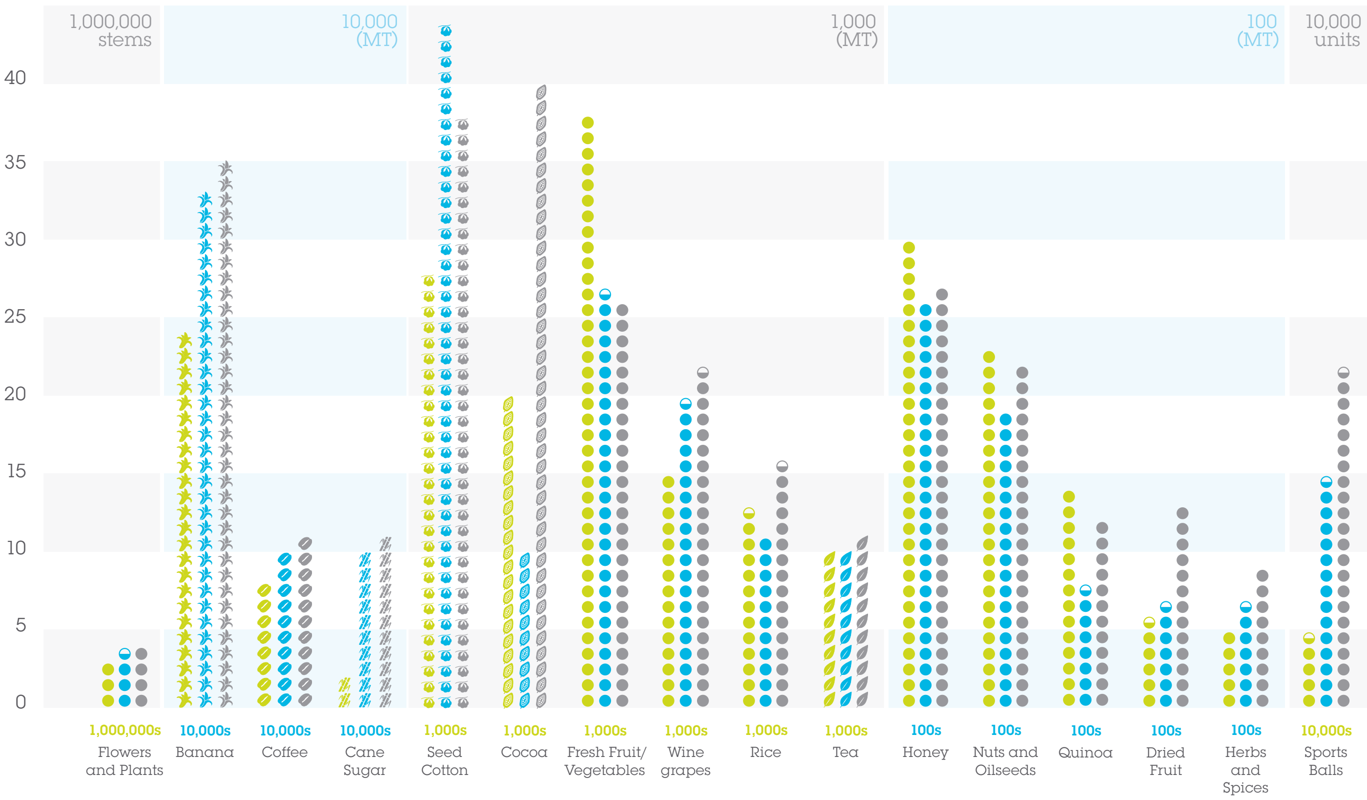
SPO/CP Small Producer Organization/Contract Production
HLO Hired Labour Organization

Volumes are MT unless otherwise stated
* Data cover approximately 94% of all product certifications
** Data on seed cotton are too dated to be reliable.

FIGURE 5.2

Fairtrade sales volume by product 2007–2010

Product volumes sold as Fairtrade, as reported by Producer Organizations ●2007 ●2008 ●2009–10

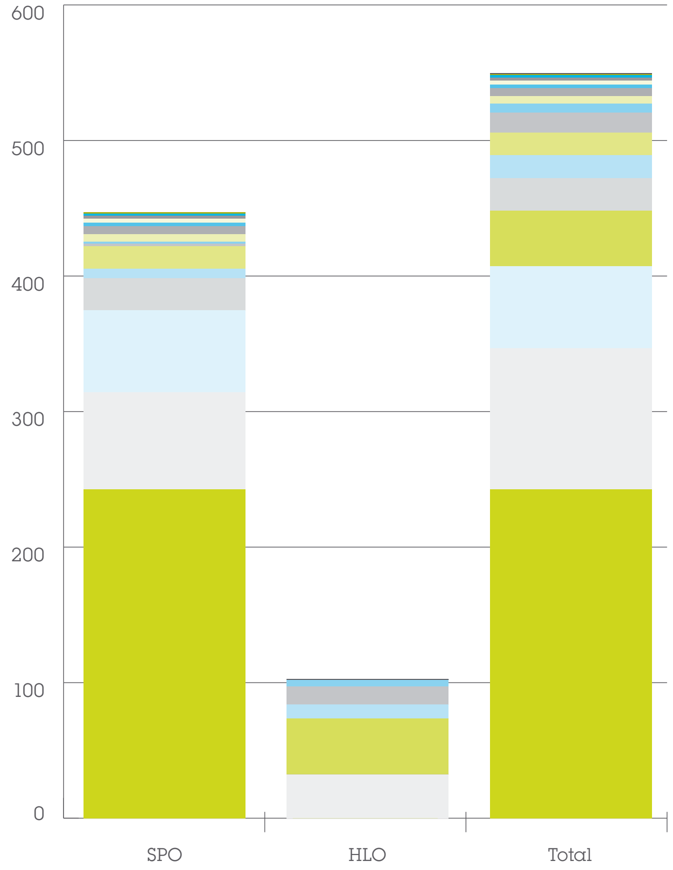


*Data on seed cotton are too dated to be reliable.
Data on fruit juice volumes are not reliable enough to be included

FIGURE 5.3

Fairtrade sales income by product 2009–10 (€ millions)

	SPO/CP € millions	HLO € millions	Total € millions
Coffee	242.8	0.0	242.8
Banana	71.4	32.4	103.8
Cocoa	60.5	0.0	60.5
Flowers and Plants	0.0	41.2	41.2
Cane Sugar	23.7	0.0	23.7
Tea	7.0	10.3	17.2
Seed Cotton	16.6	0.0	16.6
Fresh Fruit/Vegetables	1.8	13.1	14.9
Wine Grapes	1.3	5.1	6.4
Honey	5.9	0.0	5.9
Rice	5.6	0.0	5.6
Quinoa	2.8	0.0	2.8
Nuts and Oilseeds	2.7	0.0	2.7
Fruit Juice	2.3	0.0	2.3
Dried Fruit	1.8	0.0	1.8
Herbs and Spices	0.9	0.0	0.9
Sports Balls	0.0	0.7	0.7



SPO/CP Small Producer Organization/Contract Production
HLO Hired Labour Organization

TABLE: 5.3

Change in reported Fairtrade sales income by product* (€ millions)

Product	2008 € millions	2009–10 € millions	Percentage change reported sales income
Coffee	209.0	242.8	16%
Banana	83.4	103.8	24%
Cocoa	23.0	60.5	163%
Flowers and Plants	35.1	41.2	17%
Cane Sugar	7.3	23.7	222%
Tea	15.3	17.2	13%
Seed Cotton	16.5	16.6	1%
Fresh Fruit/Vegetables	13.8	14.9	8%
Rice	12.4	5.6	-55%
Wine Grapes	10.6	6.4	-40%
Honey	4.6	5.9	27%
Quinoa	1.3	2.8	122%
Nuts and Oilseeds	4.4	2.7	-40%
Fruit Juice	3.5	2.3	-36%
Dried Fruit	1.1	1.8	75%
Herbs and Spices	0.7	0.9	42%
Sports Balls	0.5	0.7	35%

* Data on Seed Cotton are too dated to be reliable.
Data on Fruit Juice volumes are not reliable enough to be included

However, sales were quite unevenly spread between the Fairtrade producer organizations in different countries. Seventy percent of the Fairtrade sales revenues were reported by just ten countries, eight of which were in Latin America and the Caribbean (see box below).

Top Ten Countries: Reported Fairtrade sales income 2009–10 (€ millions)

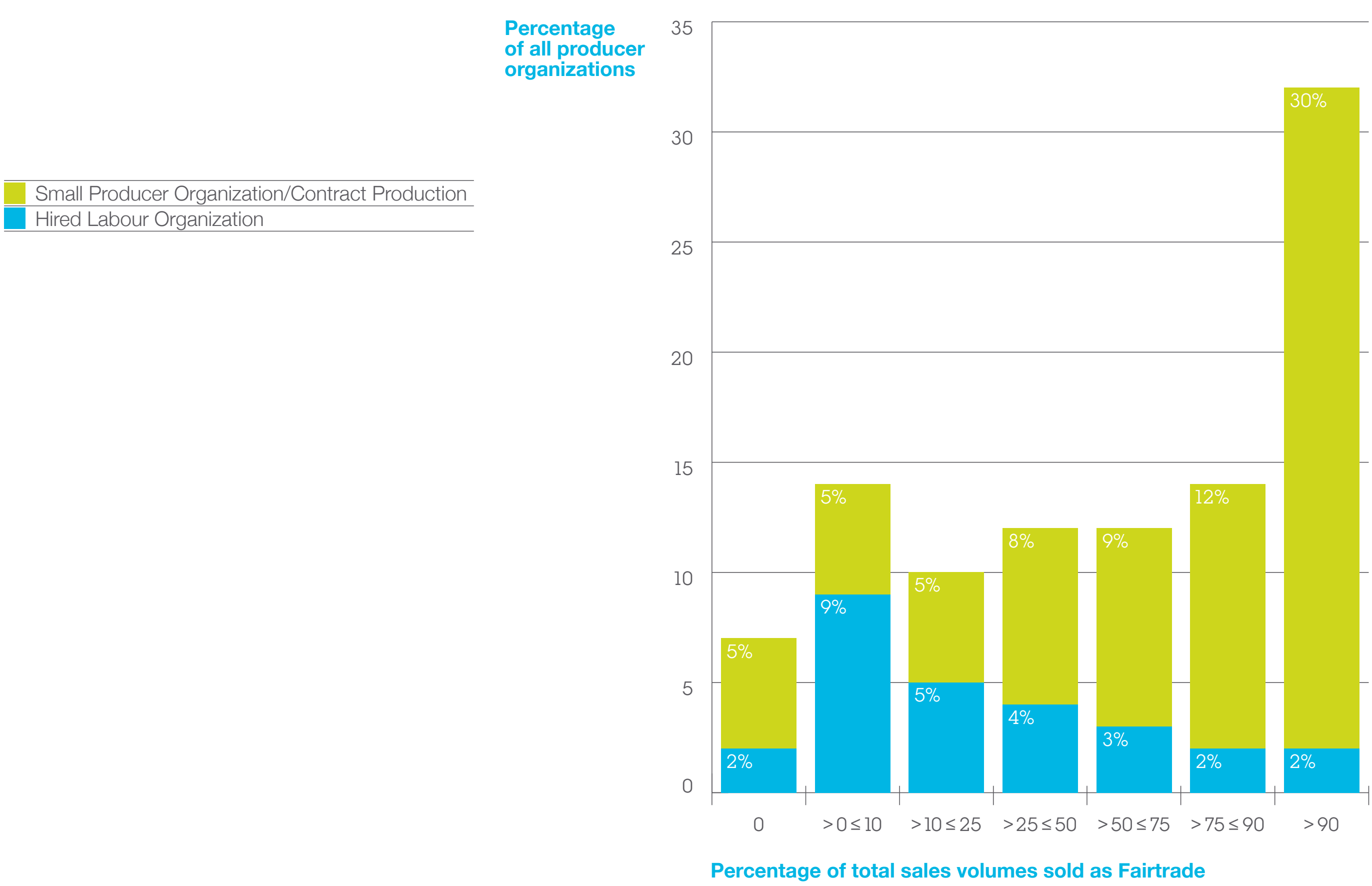
Peru	81.9
Dominican Republic	60.9
Colombia	44.3
Kenya	39.7
Ghana	26.6
Nicaragua	25.5
Mexico	25.1
Ecuador	22.4
Guatemala	17.9
Honduras	17.5
Total	**361.9**
Total as percentage of all Fairtrade sales revenues	**70%**

5.3 What percentage of their total sales volumes are Fairtrade producers selling as Fairtrade?

Figure 5.4 shows that, of all the producer organizations for which we had full data, more than 30 percent report that over 90 percent of their sales are made under Fairtrade conditions. At the other end of the scale, more than 20 percent reported Fairtrade sales of less than ten percent of the total sales volume. There is a marked difference between small producer and contract production organizations on the one

FIGURE 5.4

Fairtrade sales as a proportion of total sales 2009–10



hand and hired labour organizations on the other, with 60 percent of all hired labour organizations selling less than 25 percent of their total sales volume as Fairtrade.

Figure 5.5 displays data by product and shows that, as in previous years, banana and honey producers report high Fairtrade sales as a percentage of total sales volumes. Fairtrade sales of rice, cane sugar and nuts and oilseeds appeared to have increased as a proportion of total sales volumes. Fairtrade coffee sales as a percentage of the total appear to have dropped significantly compared with the previous report, probably reflecting the fact that high prices for coffee have made alternatives to Fairtrade more attractive during this time period. Tea producers, sports balls producers, flower producers, and hired labour fresh fruit and vegetable producers report the lowest Fairtrade sales volumes as a proportion of total sales volumes.

5.4 How much land is under Fairtrade production?

Tables 5.4 and 5.5 below show the area of land under production of Fairtrade certifiable products around the world in 2010. The data indicate that the Fairtrade production area has grown by 12 percent in comparison with the 2008 data. Almost 1.2 million hectares are under Fairtrade production, when hired labour organizations are included. Ninety-five percent of this area is being farmed by members of small farmer organizations and contract production farmers. Only five percent of the total area of production is reported by hired labour organizations.

Particular growth was seen in cane sugar, and in the associated regions in the Latin America and the Caribbean and in Melanesia; and in cocoa in Western Africa. In contrast, hectares under Fairtrade cultivation declined in Middle Africa due to a decline in the area certified for seed cotton. Modest growth is indicated for coffee and for tea.

FIGURE 5.5

Fairtrade sales volumes as a percentage of total sales, by product 2009–10

TABLE 5.4

Total area of cultivation of Fairtrade products 2010 (hectares)

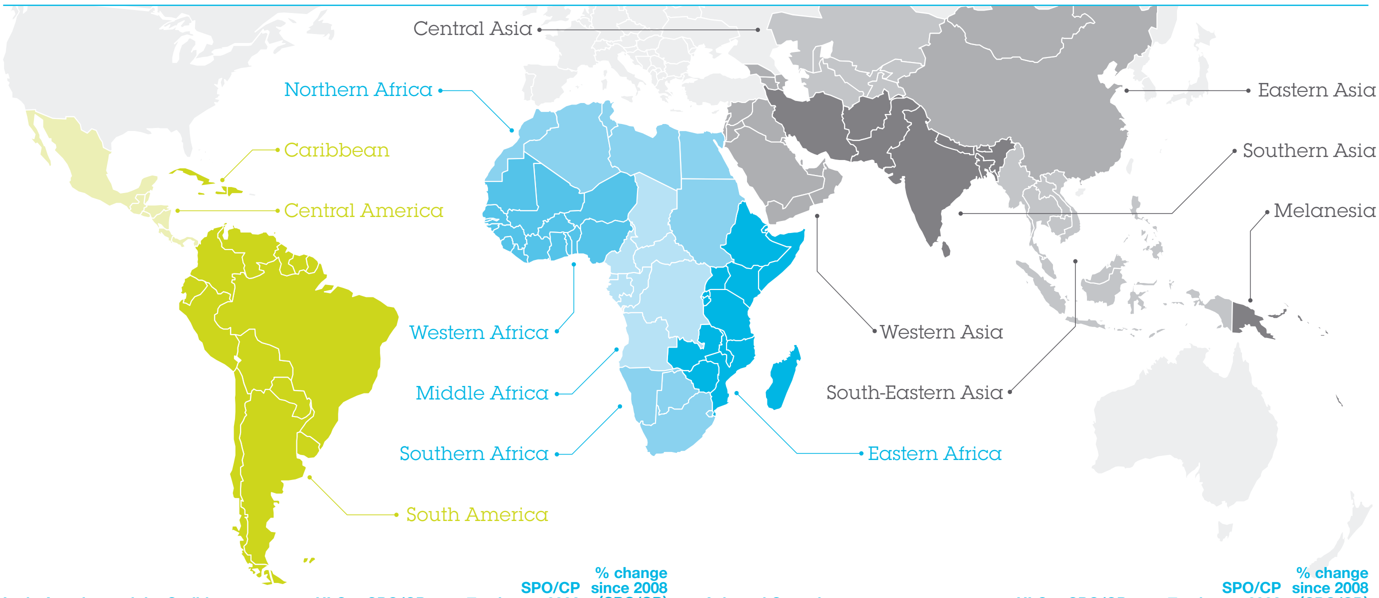
	HLO 2010	SPO/CP 2010	Total 2010	SPO/CP 2008	% Change since 2008 (SPO/CP)
Banana	6,200	20,300	26,500	21,000	-3%
Cane Sugar	–	59,200	59,200	14,800	300%
Cocoa	–	173,700	173,700	115,000	51%
Coffee	–	717,500	717,500	683,000	5%
Dried Fruit	–	1,200	1,200	2,600	-54%
Flowers and Plants	1,500	–	1,500	–	–
Fresh Fruit/Vegetables	13,100	12,100	25,200	7,000	73%
Fruit Juices	–	9,700	9,700	6,400	52%
Herbs and Spices	–	6,500	6,500	10,400	-38%
Quinoa	–	9,700	9,700	7,100	37%
Rice	–	12,400	12,400	12,400	0%
Seed Cotton	–	58,600	58,600	80,200	-27%
Tea	34,400	39,800	74,200	38,000	5%
Wine Grapes	6,000	2,500	8,500	2,200	14%
	61,200	**1,123,200**	**1,184,400**	**1,000,100**	**12%**

SPO/CP Small Producer Organization/Contract Production
HLO Hired Labour Organization

Data excludes Nuts and Oilseeds which includes large areas used for wild harvesting, Gold, Sports Balls, and Honey which is measured in beehives.
Information on the largest Cocoa producer is missing, and Seed Cotton data is likely outdated.
Products where data were only available for a single producer organization (Fonio and Soybeans and Pulses) are also excluded.
Where producer organizations are certified for multiple products, data on the secondary products were included where these were given.

TABLE 5.5

Total area of cultivation of Fairtrade products by region 2010 (hectares)



Latin America and the Caribbean	HLO	SPO/CP	Total	SPO/CP 2008	% change since 2008 (SPO/CP)
Caribbean	1,600	80,100	81,700	62,000	29%
Central America	1,000	191,300	192,300	169,000	13%
South America	6,500	373,500	380,000	322,000	16%
Latin America and the Caribbean Total	9,000	644,900	653,900	553,000	17%
Africa					
Eastern Africa	11,500	246,700	258,200	221,000	12%
Middle Africa		21,100	21,100	25,000	-16%
Northern Africa	3,500	1,100	4,600	1,000	10%
Southern Africa	13,300	700	14,000	600	17%
Western Africa	1,700	89,100	90,800	76,000	17%
Africa Total	30,000	358,700	388,700	323,600	11%

SPO/CP Small Producer Organization/Contract Production
HLO Hired Labour Organization

Asia and Oceania	HLO	SPO/CP	Total	SPO/CP 2008	% change since 2008 (SPO/CP)
Central Asia	–	800	800	300	167%
Eastern Asia	–	4,300	4,300	2,000	115%
Melanesia	–	18,400	18,400	1,700	982%
South-Eastern Asia	–	37,100	37,100	53,000	-30%
Southern Asia	22,200	61,600	83,800	62,000	-1%
Western Asia	–	–	–	–	–
Asia and Oceania Total	22,200	122,100	144,300	119,000	3%
Grand Total	**61,200**	**1,125,700**	**1,186,900**	**995,600**	**13%**

Data for Nuts and Oilseeds, Gold, Sports Balls and Honey are excluded.
Data for Fonio and Soybeans and Pulses are included.

5.5 Small farmers in Fairtrade: average area of cultivation by product and region

Table 5.6 shows average areas of cultivation for the different Fairtrade products per farmer member, broken down by region.

Globally, the average area of cultivation per farmer across all products and regions is 1.4 hectares. But farmers in Latin America and the Caribbean are cultivating plot sizes that are on average three times larger than those in Africa, and twice as large as those in Asia and Oceania. Tea farmers and African rice farmers are cultivating the smallest plots, while farmers of wine grapes in Chile are farming the largest plots on average.

5.6 Organic and other certifications

Of all the Fairtrade certified producer organizations in the data sample, 77 percent reported holding at least one certification other than Fairtrade (see Table 5.7).

Organic continues to be by far the most frequently reported other certification held by producers, particularly for small producer organizations. Fifty four percent of the Fairtrade certified producers in the data sample report an organic certification, and 65 percent of all Fairtrade certified small producer organizations.

Hired labour organizations more frequently report holding a Gap certificate than an organic certificate.

TABLE 5.6

Average areas of cultivation for Fairtrade products per farmer member by region 2010

	Average area of cultivation per farmer (hectares)			
Product*	**Africa**	**Asia**	**Latin America and the Caribbean**	**World**
Banana	–	–	1.96	1.96
Cane Sugar	1.45	–	3.25	2.91
Cocoa**	4.02	–	2.55	3.02
Coffee	0.91	0.87	2.43	1.50
Dried Fruit	0.75	–	–	0.85
Fresh Fruit/Vegetables	2.79	–	2.05	2.60
Fruit Juices	–	–	3.50	3.50
Herbs and Spices	0.54	1.65	–	0.84
Quinoa	–	–	3.34	3.34
Rice	0.13	2.72	–	2.30
Seed Cotton	0.60	1.35	–	1.00
Tea	0.27	0.57	–	0.29
Wine Grapes	–	–	6.12	6.12
All products	**0.82**	**1.13**	**2.49**	**1.4**

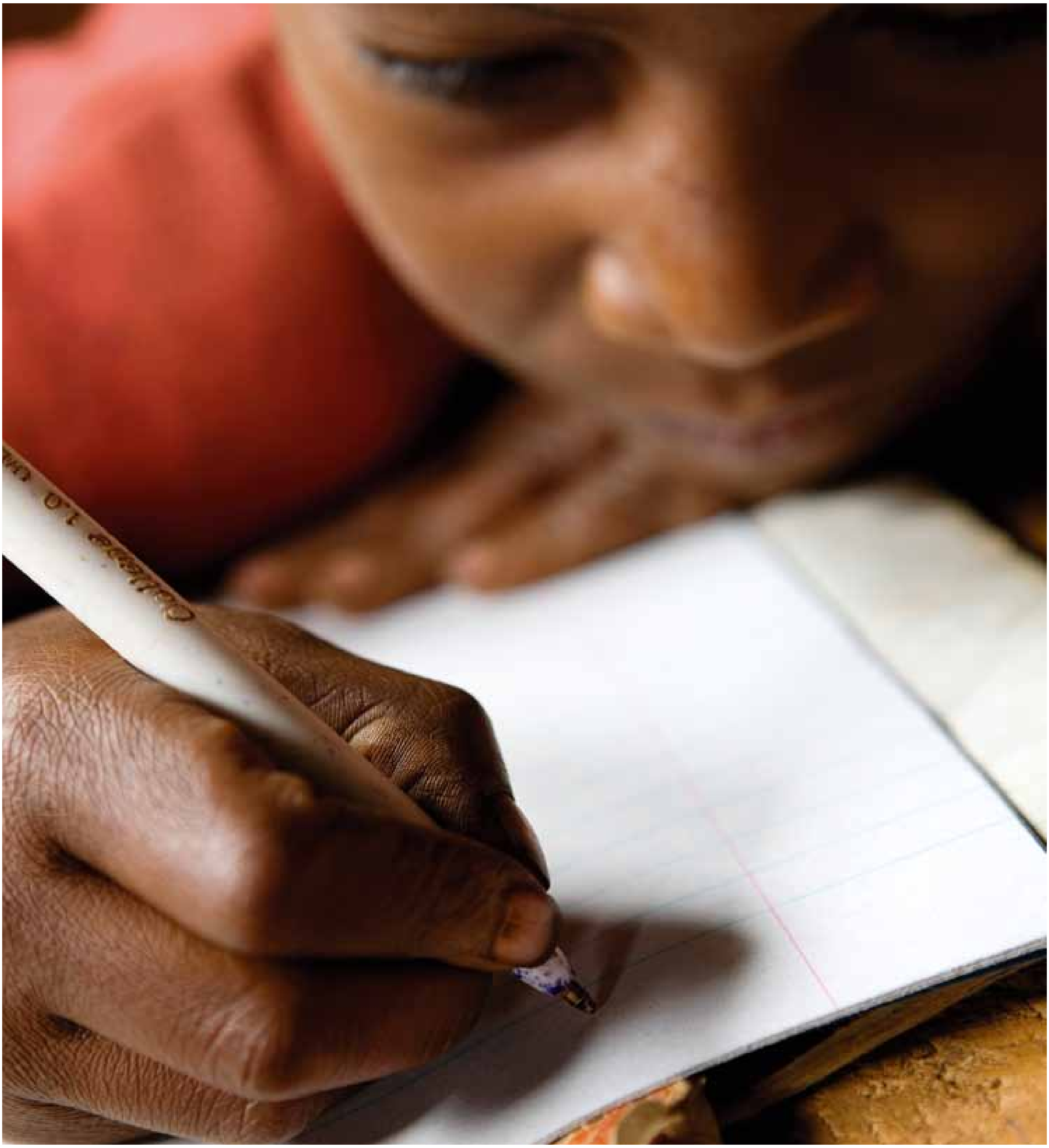
* Based on first certified product only. Data on Nuts and Oilseeds (includes large areas of wild collection) and Honey (calculated in beehives not hectares) are excluded.

** We lack data on area of cultivation from the largest African Cocoa producer, so this figure is unreliable

TABLE 5.7

Fairtrade certified producers holding organic and other certifications 2010

Certification	Percentage of producer organizations reporting certification: Small producer organizations / contract production	Percentage of producer organizations reporting certification: Hired labour organizations
Organic	65%	23%
Rainforest Alliance	6%	4%
Utz	5%	0%
GlobalGap	6%	32%
No non-Fairtrade certification	22%	27%
Any non-Fairtrade certification	78%	73%



6. FAIRTRADE PREMIUM

A pupil at a school in the Sidama Coffee Farmers' Cooperative Union in Ethiopia

6.1 How much Fairtrade Premium did Fairtrade producer organizations receive in 2009–10?

In 2009–10, Fairtrade producer organizations reported receiving a total of €51.5 million in Fairtrade Premium income. This was an increase of 22 percent over the figure reported for 2008. As in 2008, around 25 percent of all Fairtrade Premium incomes went to hired labour organizations and 75 percent to small producer and contract production organizations.

Compared with the 2008 figures, as predicted, large increases were seen for coffee, reflecting the Fairtrade Premium increase for coffee in 2008, and for cocoa, reflecting the sharp increase in Fairtrade cocoa volumes sold, and also the fact that the reported Fairtrade Premium for cocoa for 2008 was too low. Changes in Fairtrade Premium income for most products reflect fairly accurately the increase or decrease in Fairtrade sales volumes for that product in the time period under review.

Nuts and oilseeds, sports balls and rice all show decreases in Fairtrade Premium income despite a reported increase in Fairtrade sales volumes. For sports balls, no Fairtrade Premium income data were available for the factory reporting the largest Fairtrade sales. Calculated Fairtrade Premium income for this operator would have added around €45 000 to the total for sports balls. For nuts and oilseeds, a number of operators reporting Fairtrade sales did not report Fairtrade Premium data. For rice, there seems to be a divergence between the sales volumes which are reported to have increased, and the sales income and Faritrade Premium which are reported to have decreased. This may be at least in part the result of efforts to report rice volumes more consistently as paddy rice, not in processed forms, which leads to apparently higher volumes sold without corresponding increases in value.

TABLE 6.1

Fairtrade Premium reported received by producer organizations by product (€)

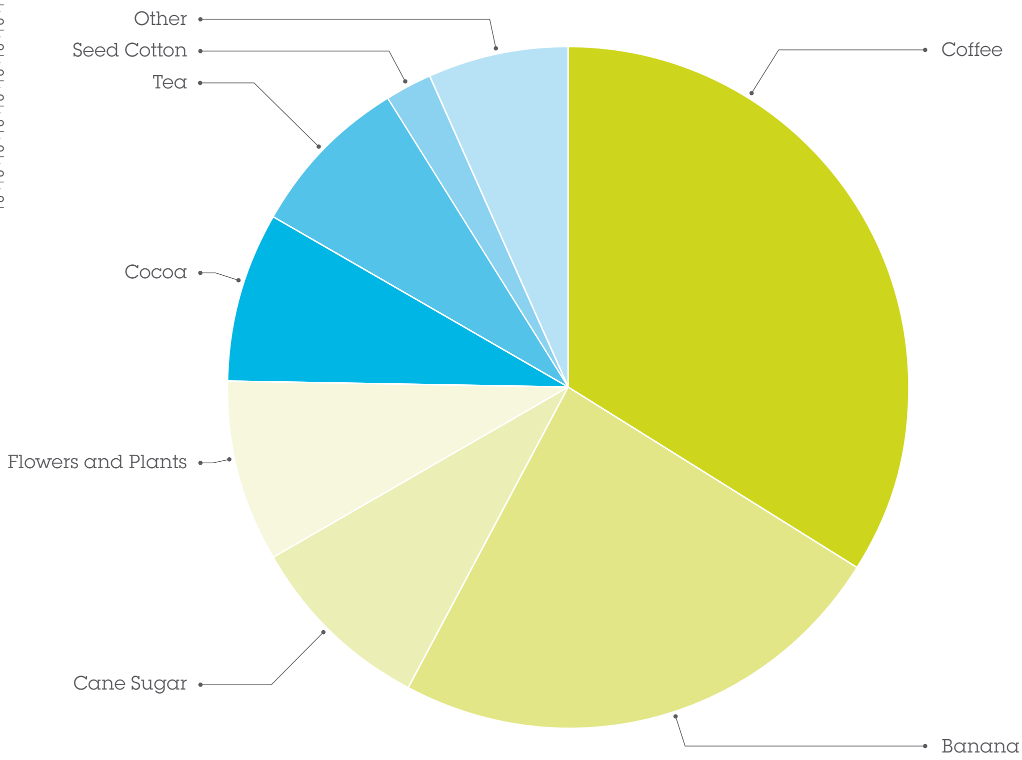
	HLO 2009–10 €	SPO/CP 2009–10 €	HLO 2008 €	SPO/CP 2008 €	% Change since 2008 (HLO)	% Change since 2008 (SPO/CP)
Banana	4,392,000	8,004,000	4,035,000	7,853,000	9%	2%
Cane Sugar	–	4,482,000	–	4,024,000	–	11%
Cocoa	–	4,051,000	–	1,057,000	–	283%
Coffee	–	17,491,000	–	13,469,000	–	30%
Dried Fruit	–	126,000	–	121,000	–	4%
Flowers and Plants	4,527,000	–	3,671,000	–	23%	–
Fresh Fruit/Vegetables	894,000	282,000	812,000	342,000	10%	–
Fruit Juices	–	197,000	–	221,000	–	-11%
Herbs and Spices	–	53,000	–	19,000	–	179%
Honey	–	268,000	–	244,000	–	10%
Nuts and Oilseeds	–	162,000	–	234,000	–	-31%
Quinoa	–	76,000	–	36,000	–	111%
Rice	–	212,000	–	283,000	–	-25%
Seed Cotton	–	1,181,000	–	1,070,000	–	10%
Sports Balls	42,000	–	55,000	–	-24%	–
Tea	2,410,000	1,638,000	2,650,000	1,300,000	-9%	26%
Wine Grapes	919,000	103,000	712,000	94,000	29%	10%
Subtotal	13,184,000	38,326,000	11,935,000	30,367,000	10%	26%
Grand Total HLO plus SPO/CP	**51,510,000**	**--**	**42,302,000**	**--**	**22%**	**--**

HLO Hired Labour Organization
SPO Small Producer Organization
CP Contract Production Organization

Products where data were only available for a single producer organization (Fonio and Soybeans and Pulses) are excluded.
Seed Cotton data is substantially less up-to-date than that for other products.
Around 50 operators reported some Fairtrade sales but did not give data for Premium receipts. Nuts and Oilseeds, Fresh Fruit/Vegetables producers were over-represented in this subset, which means that Premium information for these product categories is less complete than for the others.

FIGURE 6.1
Fairtrade Premium distribution by product 2009–10

Region	Total
Coffee	34%
Banana	24%
Flowers and Plants	9%
Cane Sugar	9%
Cocoa	8%
Tea	8%
Seed Cotton	2%
Other	6%



When we look at the Fairtrade Premium distribution by product, shown in Figure 6.1, we see that the seven major Fairtrade products account for 94 percent of all Fairtrade Premium incomes, with coffee and bananas alone accounting for almost 60 percent.

When we consider the average distribution of the Fairtrade Premium to producer organizations by product, shown in Figure 6.2, we can see that small producer organizations for bananas, cane sugar, and cocoa have the highest average organizational Premium receipts.

In the case of cane sugar and cocoa the underlying picture is of one or two very large producer organizations earning high Premium income, which skews the average.

Fairtrade Premium income is intended for collective use by producer organizations and by workers' bodies, and as such the organizational-level income may be the most relevant to understanding the potential impact of the Fairtrade Premium in any given context. However, looking at Fairtrade Premium values per member or worker gives an indication of the differential benefits within the Fairtrade system, depending on product and geography, and also of how hard the Fairtrade Premium has to work to make a difference in producer organizations with a large membership or workforce, for example through investment in collective projects that benefit a large group of people.

Banana producers also show the highest Fairtrade Premium incomes per individual member or worker, with a considerable gap between bananas and all other products. Whereas coffee and cocoa show quite high average Premium receipts at producer organization level, the per capita levels are much lower. This is the dilution effect of very large member organizations, particularly large coffee unions in Africa, and a few large cocoa groups. A similar pattern is seen for tea, for both hired labour and small producer organizations, and probably also for seed cotton, were the seed cotton figures more reliable.

FIGURE 6.2

Average Fairtrade Premium received per producer organization by product 2009–10

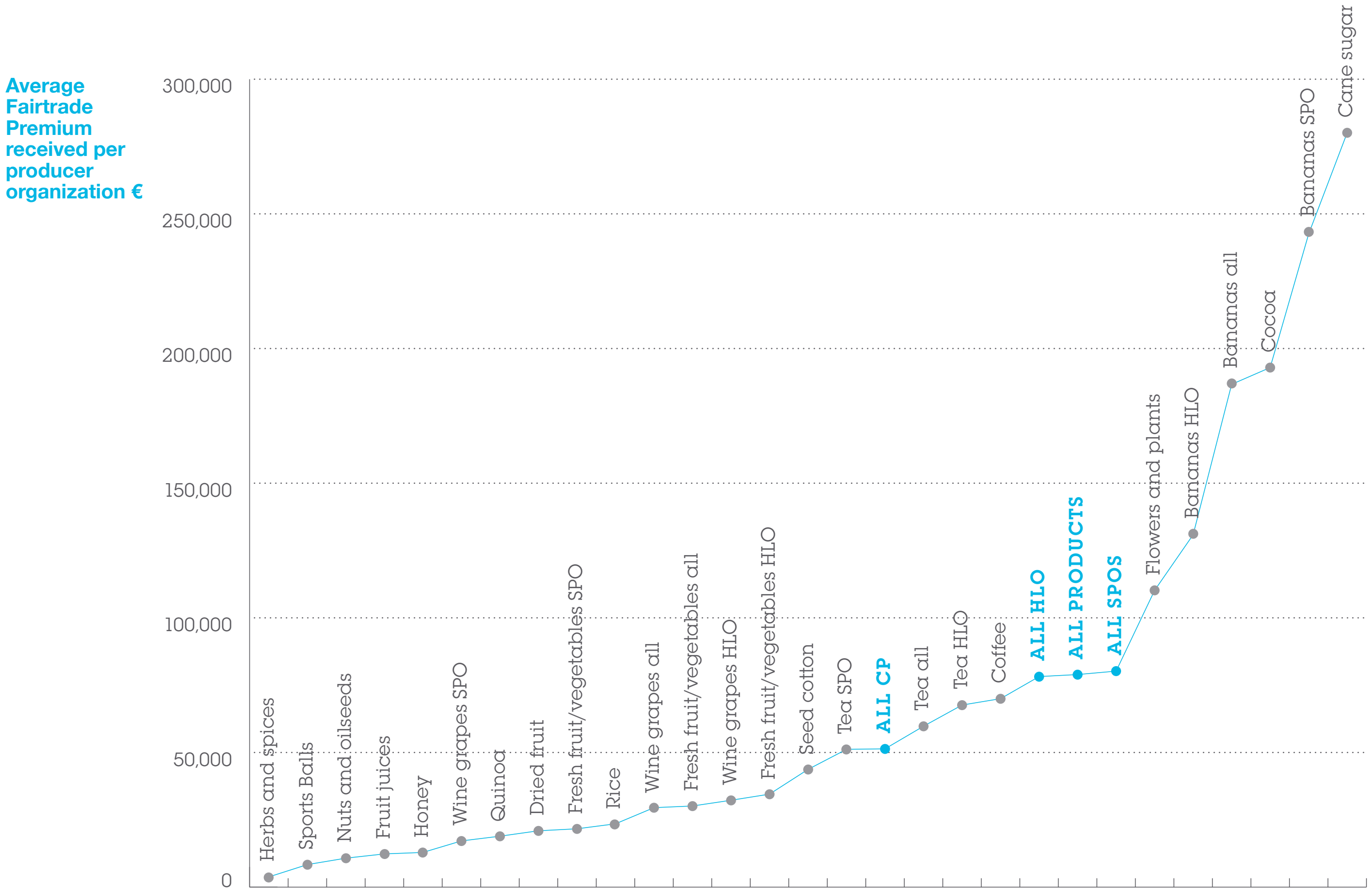
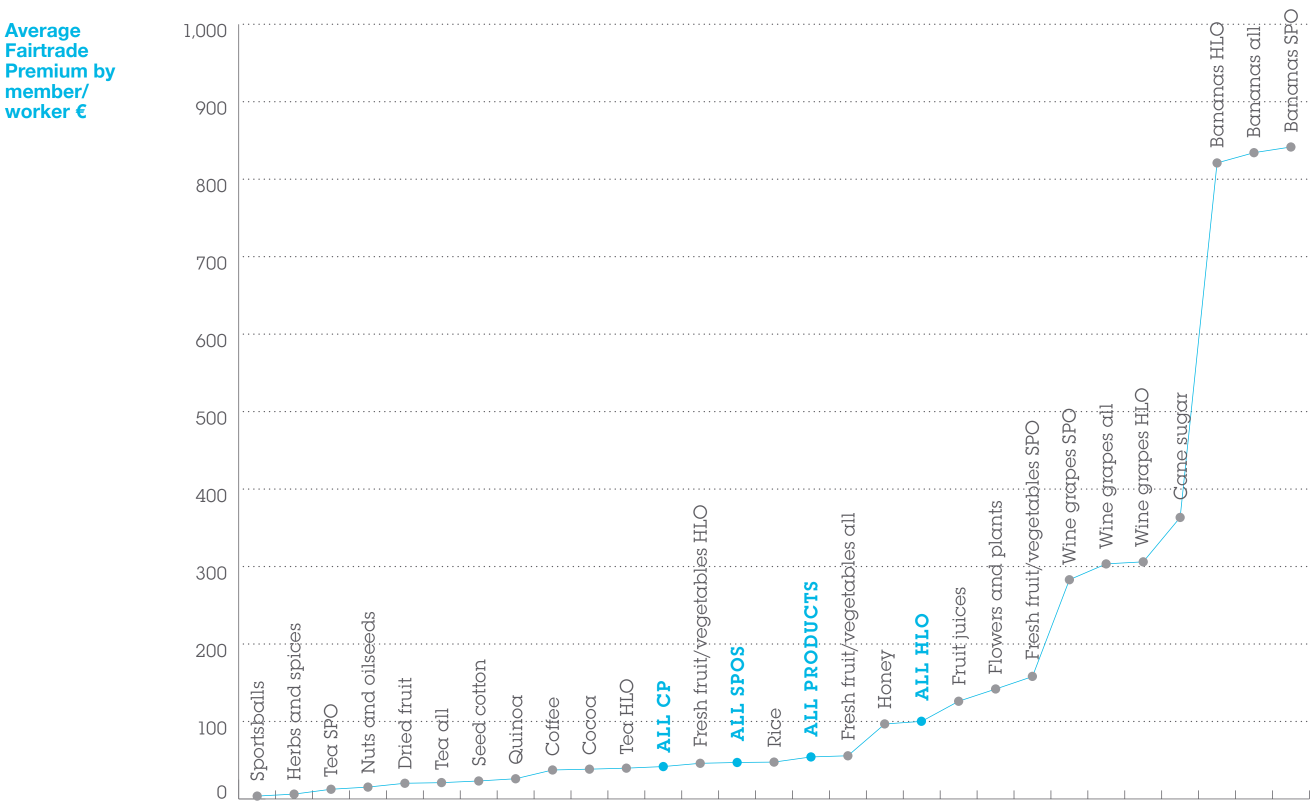


FIGURE 6.3

Average Fairtrade Premium by member/worker by product 2009–10



When we look at the geographical distribution of Fairtrade Premium by region or by country, it is not surprising to see that the regions that receive the most amount of Fairtrade Premium are those producing large quantities of the major Fairtrade products. The major banana, sugar and coffee producing countries feature strongly in the top ten Fairtrade Premium-receiving countries, which account for almost €35 million, or 75 percent of all Fairtrade Premium received.

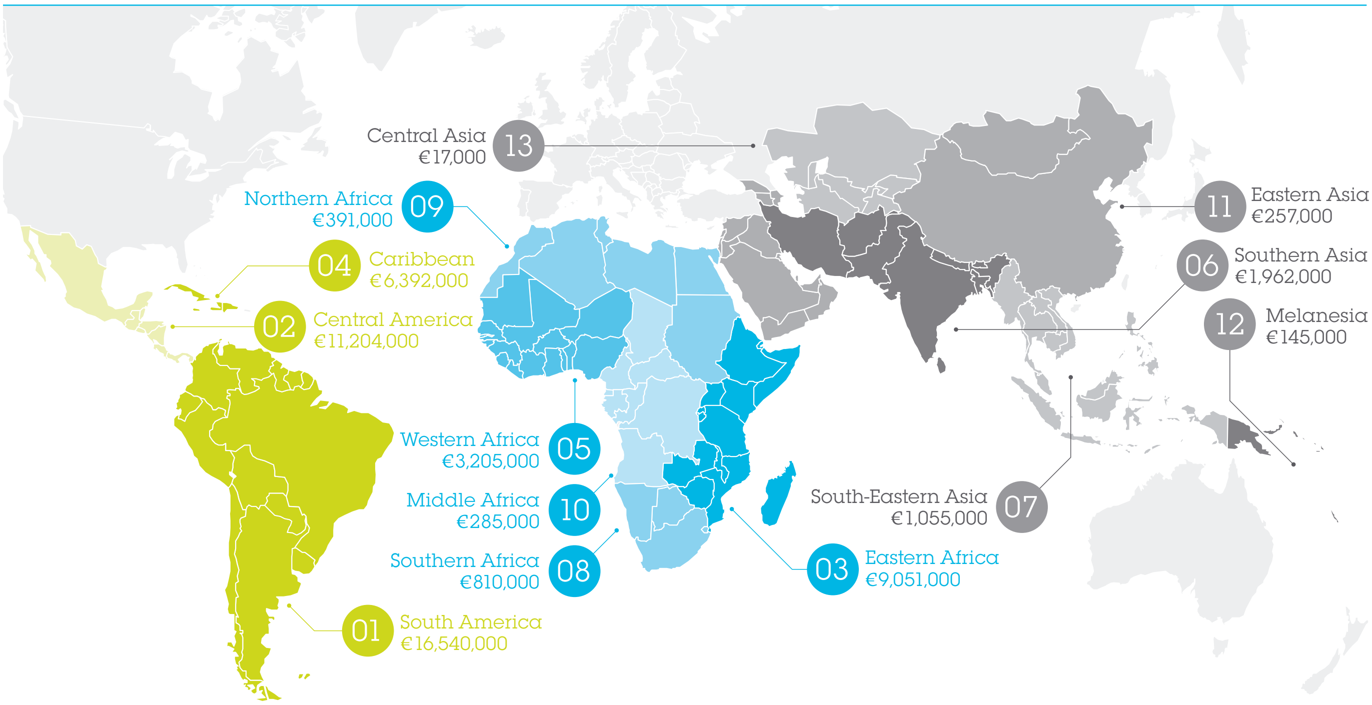
When we look at the per capita distribution of Fairtrade Premium between regions, we see again the dilution effect of the very large numbers of members and workers in Eastern, Western and Middle Africa. For example, although the total Fairtrade Premium levels received per region are similar, the per capita Fairtrade Premium for South America is six times that for Africa because the producer organizations in Latin America have a smaller average membership.

Overall, the average Fairtrade Premium received per Fairtrade producer organization was €80 000, the same for both small producer and hired labour organizations. This showed a strong increase on the figures reported in last year's report, as did the per capita global averages for members and workers.

FIGURE 6.4

Fairtrade Premium received 2009–10

Numbers indicate ranking by Fairtrade Premium received



Latin America and the Caribbean
Total **€34,135,000**

Africa
Total **€13,742,000**

Asia and Oceania
Total **€3,437,000**

FIGURE 6.5

Average Fairtrade Premium received per member or worker by sub-region 2009–10

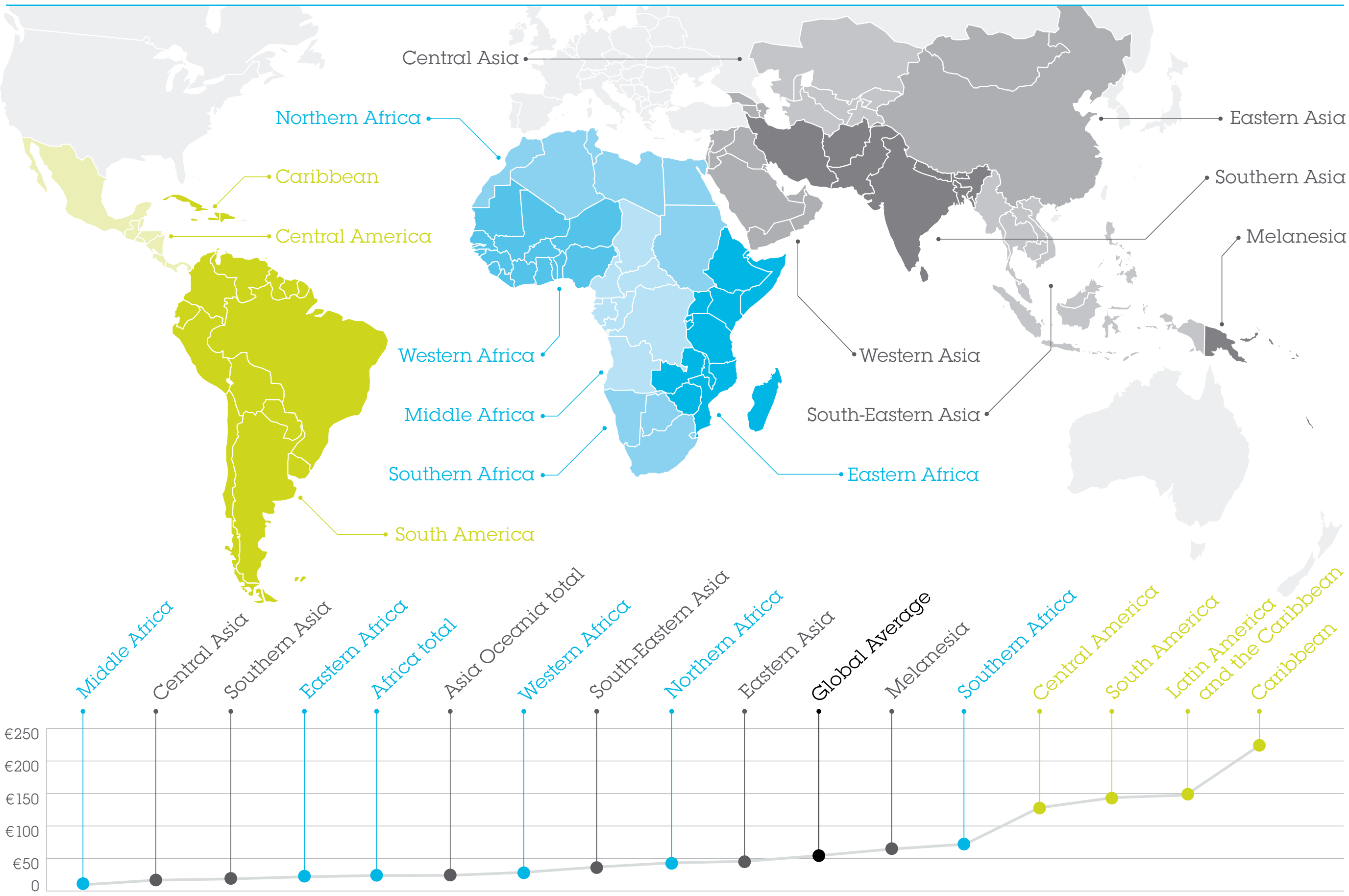
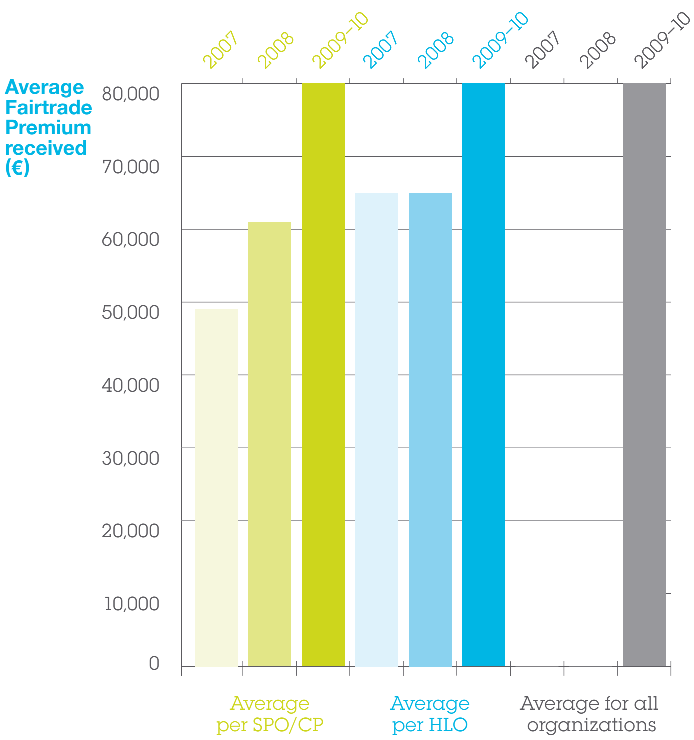


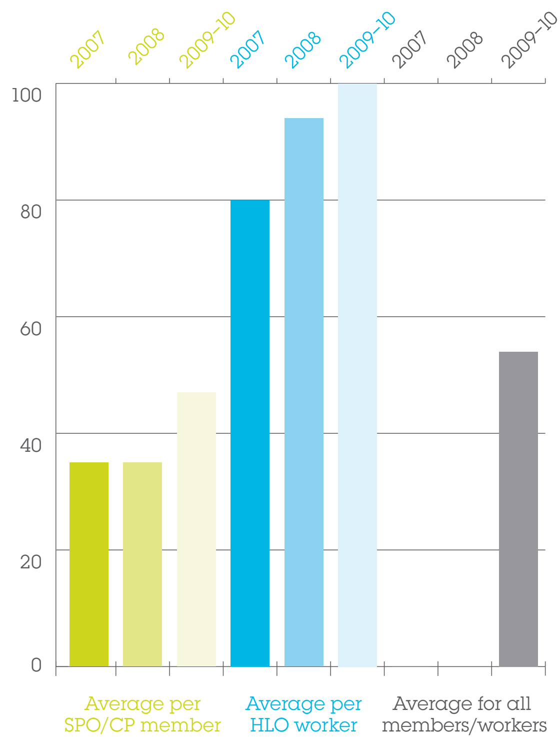
FIGURE 6.6

Fairtrade Premium received global averages 2009–10

	2007	2008	2009–10
Average Premium per SPO/CP	€ 49,000	€ 61,000	€ 80,000
Average Premium per HLO	€ 65,000	€ 65,000	€ 80,000
Average Premium all organizations	--	--	€ 80,000

	2007	2008	2009–10
Average Premium per SPO/CP member	€ 35	€ 35	€ 47
Average Premium per HLO worker	€ 80	€ 94	€ 100
Average Premium all members or workers	--	--	€ 54





Top Ten Countries: Fairtrade Premium receipts 2009–10	€ millions
Peru	5.9
Kenya	5.4
Dominican Republic	4.9
Colombia	4.8
Belize	3.2
Ghana	2.5
Mexico	2.3
Ecuador	2.3
India	1.8
Brazil	1.6

6.2 How was the Fairtrade Premium used in 2009–10?

The Fairtrade Premium is intended to be a flexible support that farmers and workers can use to meet their specific needs and those of their communities. Accordingly, Fairtrade farmers and workers use the Fairtrade Premium in hundreds of different ways. It is impossible to capture the full detail and diversity of Premium expenditure in this report. Instead, as part of the monitoring project, the Fairtrade Premium uses as outlined in the audit reports are categorized into broad spending categories to give an indication of how farmers and workers are choosing to use the money.

For small producer and contract production organizations, the Fairtrade Premium expenditure categories are as follows:

1.	Community	Community development projects, community infrastructure, community credit schemes, community disaster relief, support for community institutions such as children's homes or social charities.
2.	Education	School infrastructure, school supplies, scholarships and bursaries, payment of school fees, teacher training, adult education.
3.	Environment	Organic certification, environmental and waste management, environmental development projects.
4.	Health	Clinics, health insurance, medical supplies, health training, sanitation.
5.	Gender equity	Programmes and projects focusing on women's needs, for example: women's income generation projects; training and development; women's health.
6.	Investment in business development (producer organization level)	Investment in the development and strengthening of farmers' organizations, for example through business training for organization employees and management; development of internal control systems and quality management; development of organizational infrastructure (for example: warehouse and storage facilities, quality checking facilities, export and packing facilities) and equipment; organizational costs and administration.
7.	Investment in production and processing (farmer level)	Inputs, equipment, and training directed at farm level to support increased yield, quality, or diversification. Training for members in business skills.
8.	Other Premium use	Cash payments and other forms of direct financial or social support for members or workers within the organization; financial investment and capitalization for the producer organization; other uses not fitting into the above categories.
9.	Not known	Premium has been spent but its precise use has not been detailed in the audit report.

Within hired labour organizations, the use of the Fairtrade Premium is agreed by worker representatives (the Joint Body), and is not intended to be used for activities that are the responsibility of the plantation management, such as business investment,

investment in production or processing, or the meeting of legal obligations to workers. The categories for Premium use therefore differ from those for small producer organizations, as follows:

1. Community	Community development projects, community infrastructure, community credit schemes, community disaster relief, support for community institutions such as children's homes or social charities.
2. Education	School infrastructure, school supplies, scholarships and bursaries, payment of school fees (often for workers' children), teacher training, adult education.
3. Environment	Environmental development projects outside of core business activities.
4. Health	Clinics, check-ups, vaccines, health insurance, medical supplies, health training, sanitation.
5. Gender equity	Programmes and projects focusing on women's needs, for example: women's income generation projects; training and development; women's health.
6. Investment in worker capacity building and career development	Capacity building and organizational development and support for Joint Body or other worker organizations. Workers' exchange visits. Training and development for workers, including training on workers' rights, literacy, business skills, computer skills.
7. Other support to workers	Other projects intended to provide direct support to workers, for example: provision of child-care, support for funeral payments, subsidized goods, provision of loans and credit, improvement in worker housing, emergency financial support.
8. Not known	Premium has been spent but its precise use has not been detailed in the audit report.

According to the latest audit reports, workers in hired labour organizations spent €12.3 million in Premium monies during 2009–10, while small producer and contract production organizations spent €34 million. While this comes to a bit less than the total Premium received, this is normal since there is generally a time-lag between the receipt of Premium and the planning and decision-making for its use. In addition, not all producer organizations in the sample gave details of the breakdown of their Premium expenditure.

The figures below show the difference in patterns of Premium use between small producer and hired labour organizations. This year's small producer organization Fairtrade Premium expenditure indicated a marked increase in business development activities, including both investment in the capacities of producer organizations themselves, and in the businesses of their members. This may reflect an increased emphasis by producer organizations and their members on using the Premium to support the development of sustainable businesses that can compete more effectively in terms of increased quality and productivity. In addition, a large number of direct payments to members were recorded (in the 'other' category), presumably in response to the rise in commodity prices which has made it much more challenging for cooperatives to buy sufficient supply from their members. As a result, expenditure in the more traditional community and educational investment categories appears to have decreased.

In hired labour organizations in comparison, community and educational investments remained high. There was considerable investment in worker training, education and capacity building, and capacity building and development of the Joint Body. Workers and their families also benefited directly from Premium incomes through numerous projects designed to meet diverse needs, such as child-care provision, provision of loans and credits, housing improvements, emergency payments, financial support in the event of a death in the family, and others.

FIGURE 6.7

Fairtrade Premium use in hired labour organizations 2009–10 (€)

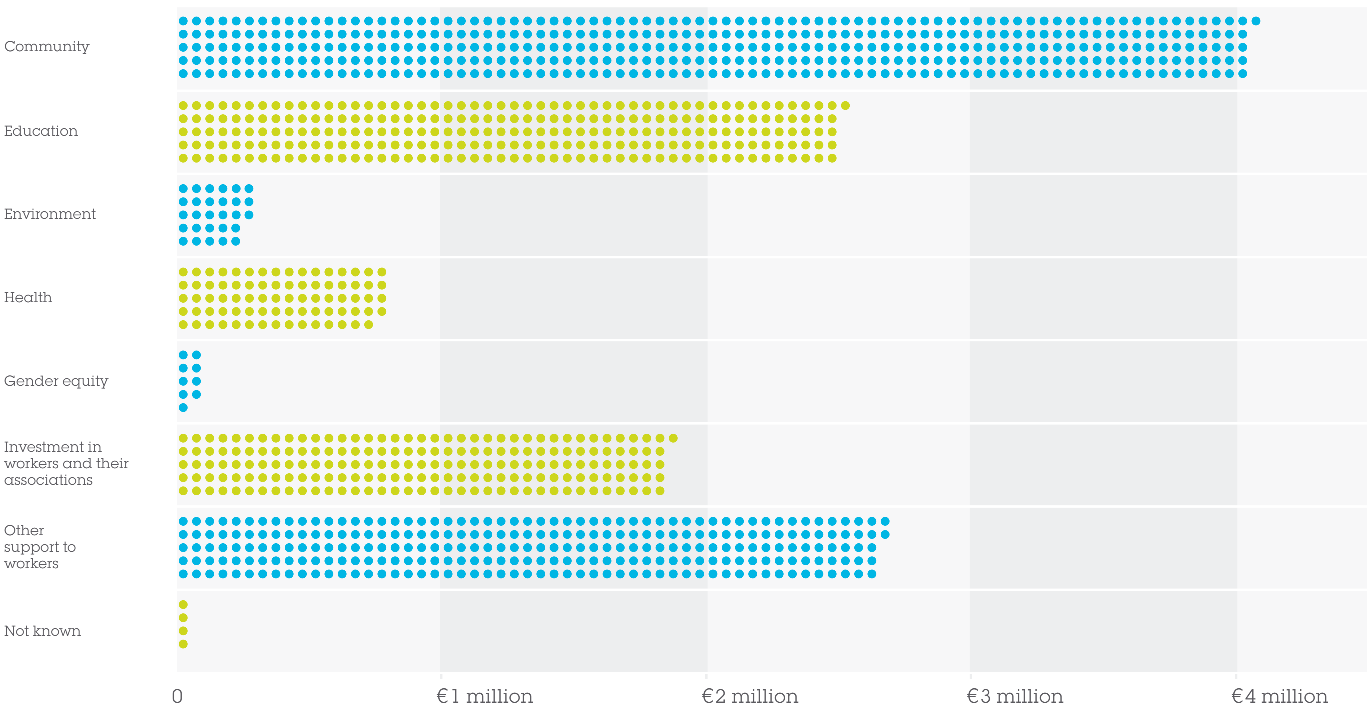


FIGURE 6.8

Fairtrade Premium use in small producer and contract production organizations 2009–10 (€)

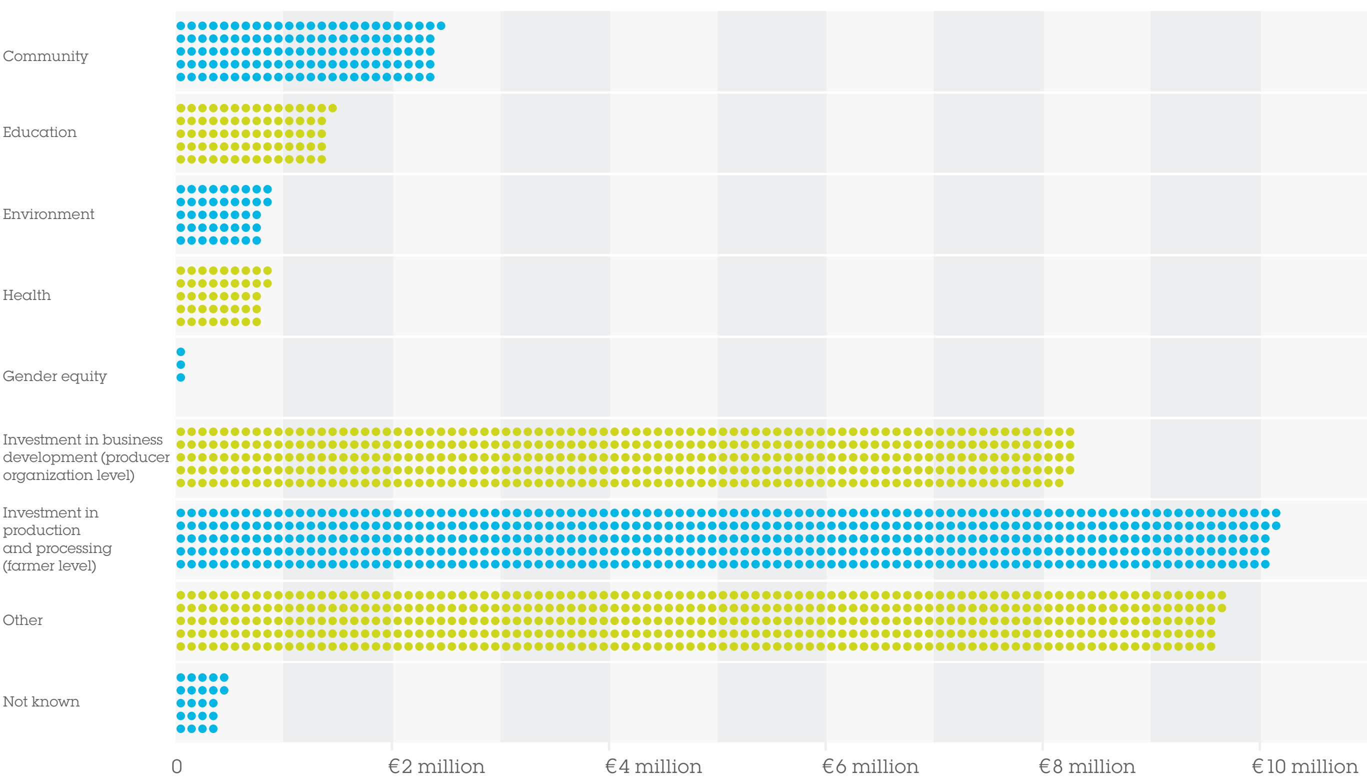


FIGURE 6.9

Fairtrade Premium expenditure by category: Small producer and contract production organizations 2009–10

Category	Total
Community	7%
Education	4%
Environment	3%
Health	3%
Gender equity	0%
Investment in business development (producer organization level)	24%
Investment in production and processing (farmer level)	30%
Other	28%
Not known	1%

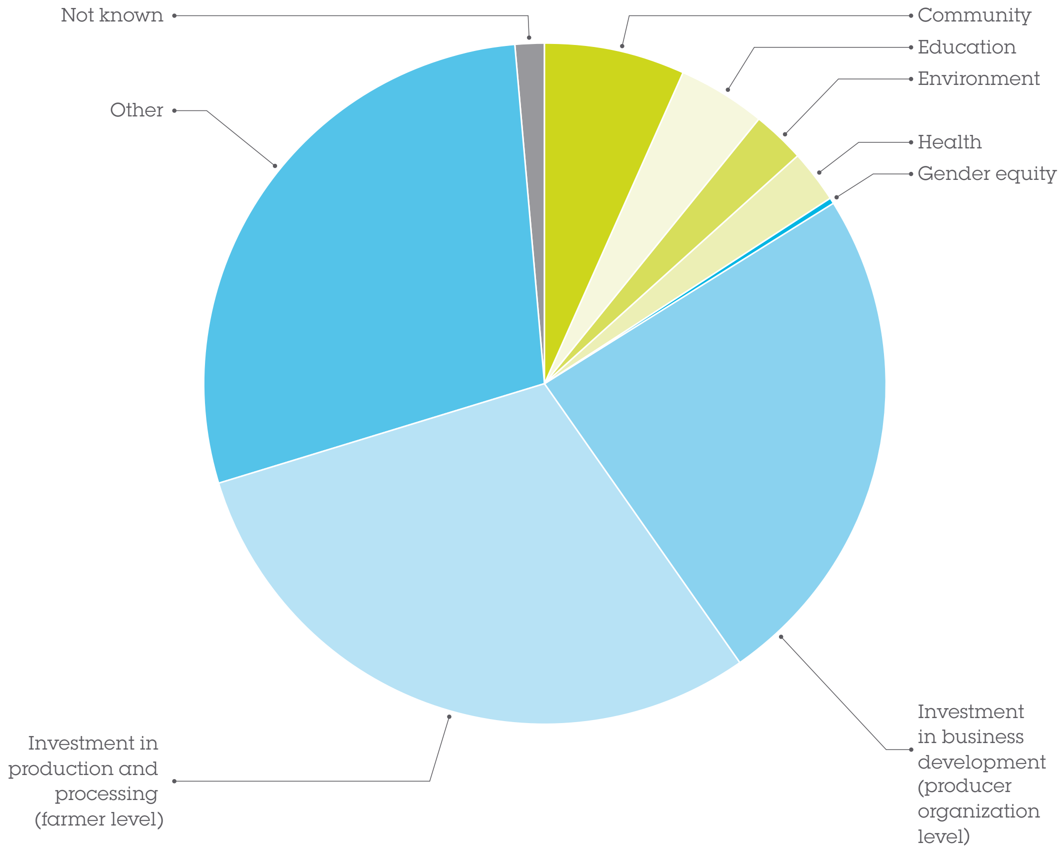
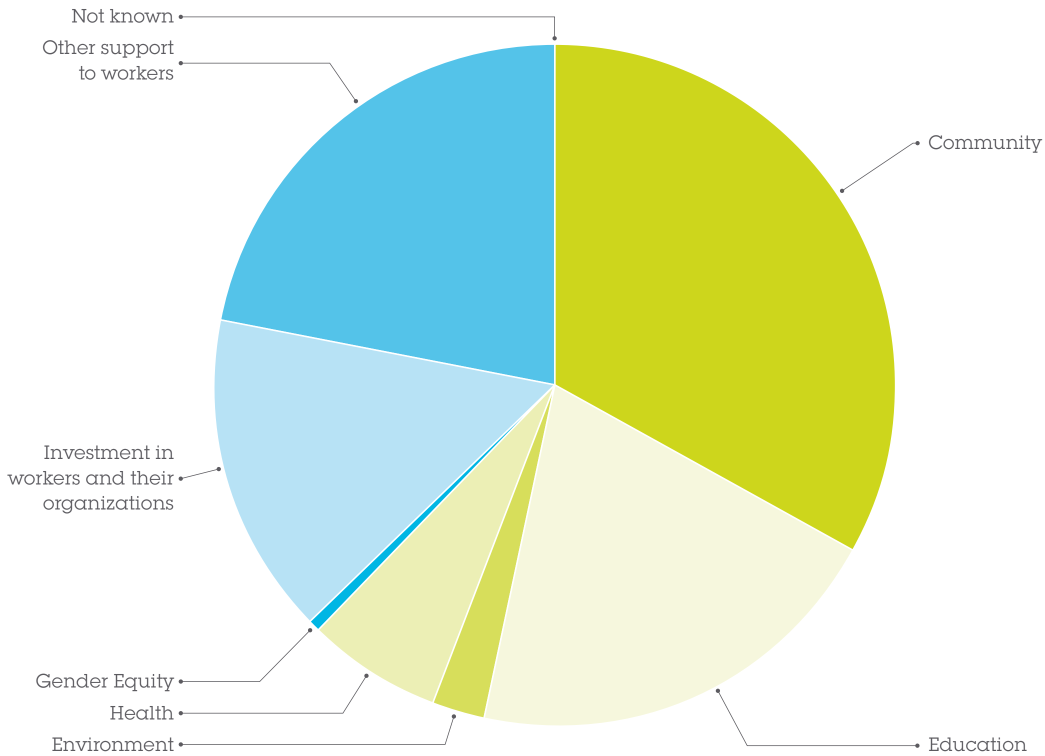
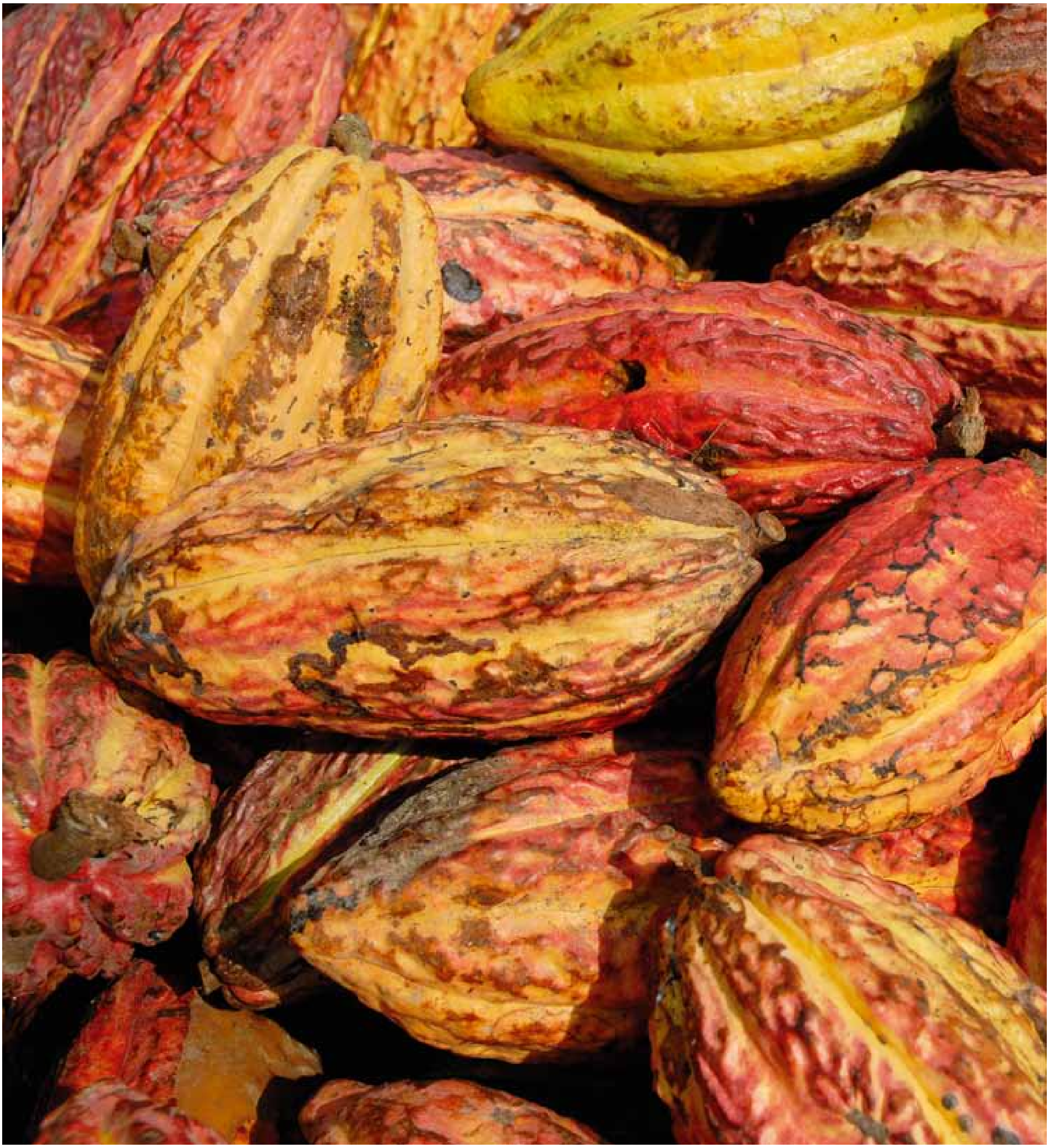


FIGURE 6.10

Fairtrade Premium expenditure by category: Hired labour organizations 2009–10

Category	Total
Community	33%
Education	20%
Environment	2%
Health	7%
Gender equity	1%
Investment in workers and their organizations	15%
Other support to workers	22%
Not known	0%





7. FOCUS ON FAIRTRADE PRODUCTS: COFFEE, BANANAS, COCOA, AND TEA

Cocoa pods from FEDECADE in Ecuador

7.1 Fact file: Fairtrade coffee

- At the end of 2010, 329 producer organizations in 28 countries worldwide held a Fairtrade certificate for coffee.
- More than 530 000 small-scale farmers are members of Fairtrade certified coffee producer organizations.
- Fairtrade coffee farmers cultivate Fairtrade certifiable coffee on more than 700 000 hectares worldwide.
- Reported Fairtrade coffee sales show a six percent increase in volume and a 16 percent increase in sales value growth, reflecting strong market prices during 2010. Fairtrade coffee sales in 2009–10 represented 30 percent of total certifiable production. Overall Fairtrade certifiable coffee production in 2009–10 grew by two percent to 330 000 metric tonnes (MT) of green bean equivalent (GBE).
- Of the total Fairtrade certifiable production, 105 000 MT or 30 percent is also organic certifiable. This reflects the Premium nature of Fairtrade coffees in the specialty sector, especially in the US and UK.
- More than 80 percent of Fairtrade certifiable coffee is produced by small farmers in Latin America. However, in 2009–10 Fairtrade saw development in other origins for coffee such as Indonesia, Papua New Guinea, Vietnam, and in Eastern Africa. Indonesia is now one of the largest suppliers of Fairtrade coffee in the world.
- Reported Fairtrade Premium income increased by 30 percent, a continued reflection of the coffee Premium rise in 2008.
- The Fairtrade Premium generated an additional €17.5 million for coffee farmers, which producer organizations spent overwhelmingly on investments in their businesses, and on direct additional payments to their members.
- In 2010, Fairtrade coffee farmers in Africa and Asia were cultivating coffee plots of less than one hectare on average, while farmers in Latin America and the Caribbean cultivated coffee plots of on average 2.4 hectares. Worldwide, the average Fairtrade coffee plot size was 1.5 hectares.

FIGURE 7.1

Fairtrade coffee: Product certifications 2005–2010

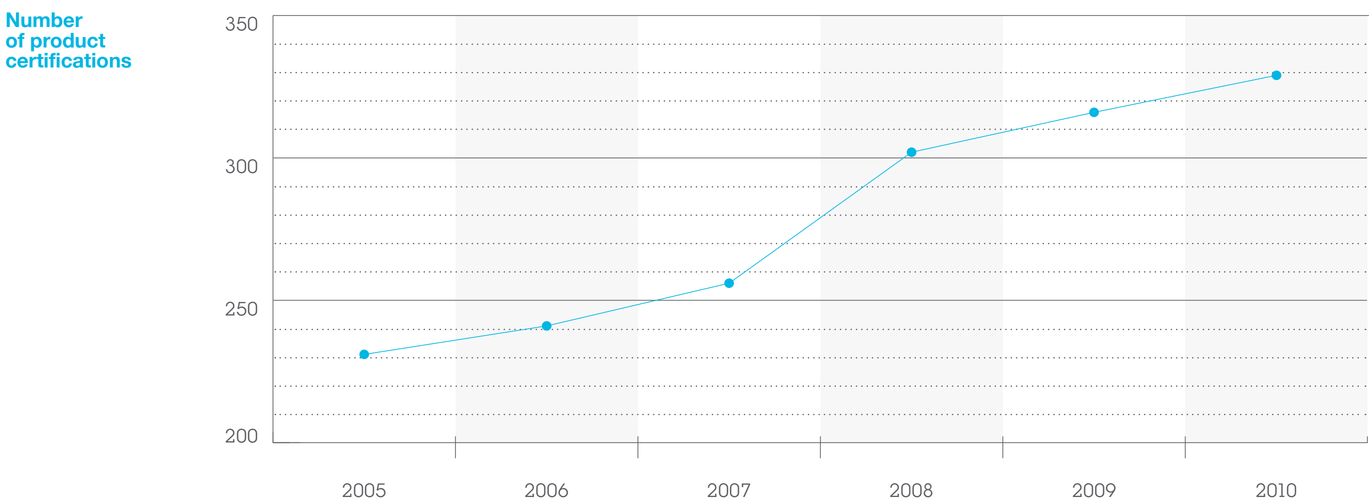


FIGURE 7.2

Fairtrade coffee: Producer organizations with Fairtrade coffee certification 2010

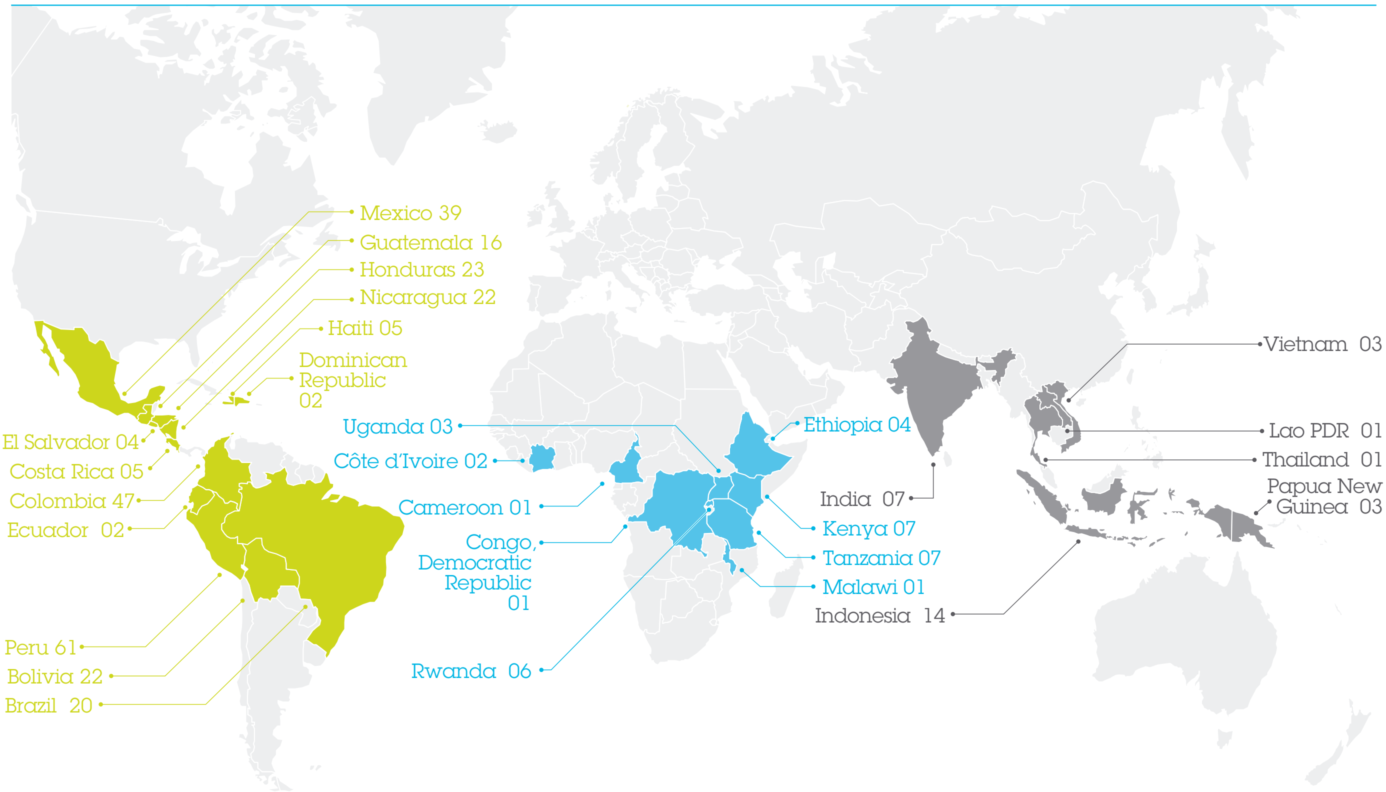
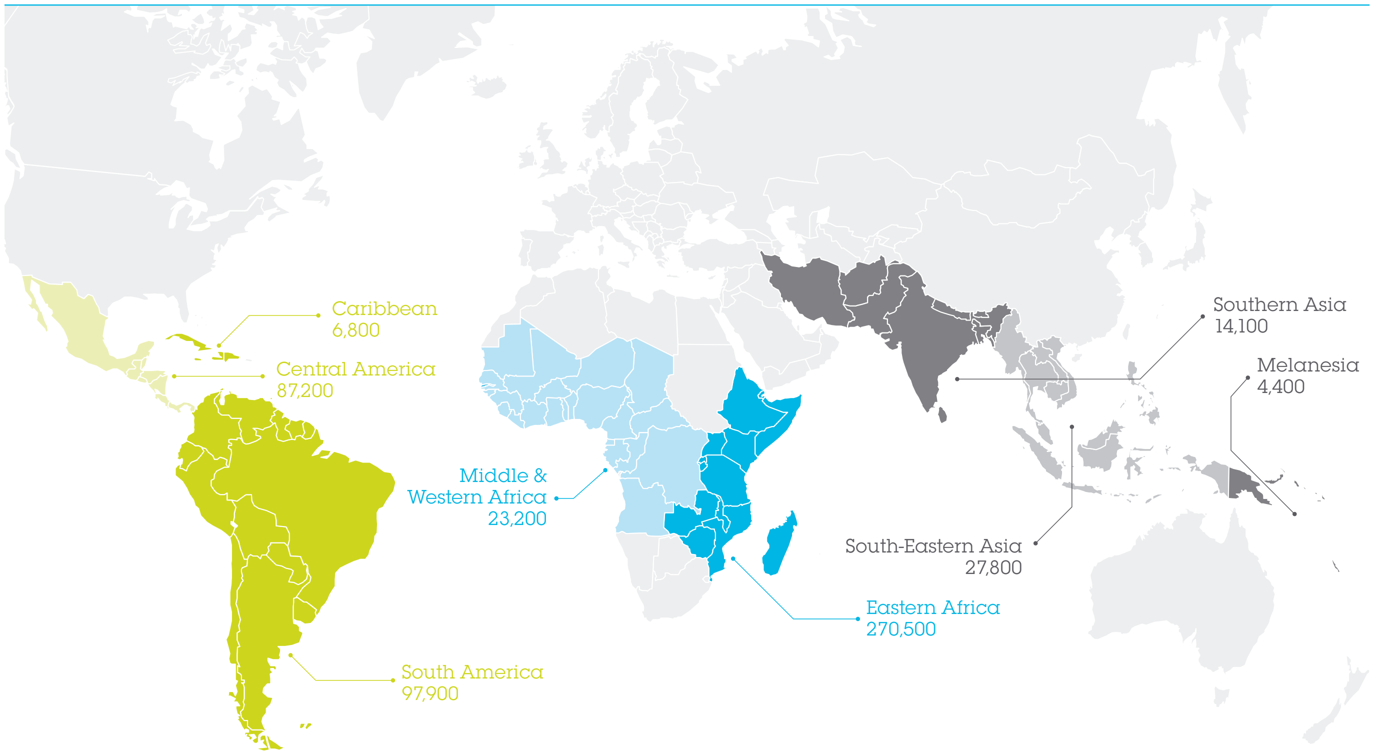


FIGURE 7.3

Fairtrade coffee: Number of farmers by region 2010



Latin America and the Caribbean 191,900

Africa 293,700

Asia Oceania 46,300

Total 532,000

TABLE 7.1

Fairtrade coffee: Key data 2010

	2009–10	2008	% change
Total number of farmers	532,000	480,000	11%
Total number of hectares	717,500	683,000	5%
Total certifiable volume (MT)	330,000	324,000	2%
Organic and in-transition Fairtrade certifiable volume (MT)	105,000	–	–
Organic volume as percentage of total certifiable volume	32%	–	–
Total Fairtrade sales volume (MT)	103,000	97,000	6%
Fairtrade sales income (€)	242,772,000	208,992,000	16%
Total Fairtrade Premium received (€)	17,491,000	13,469,000	30%

FIGURE 7.4

Fairtrade coffee: Fairtrade sales volumes and Fairtrade Premium received 2007–2010

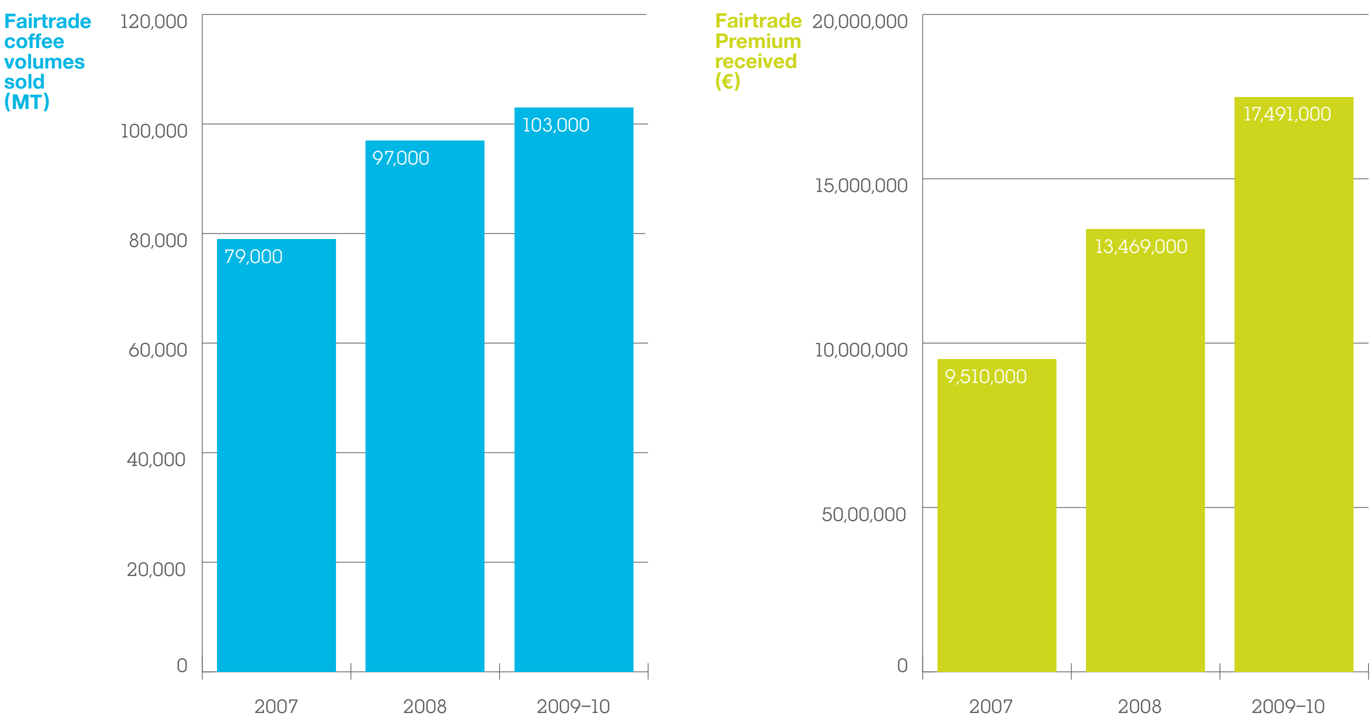
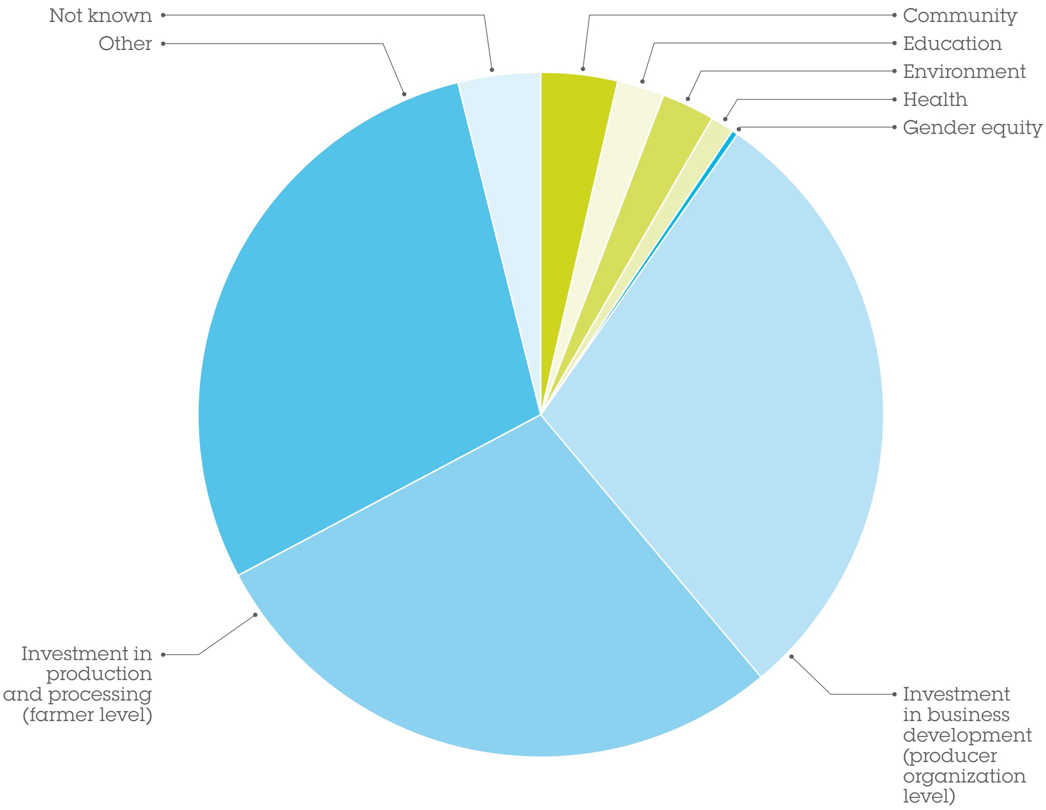


FIGURE 7.5

Fairtrade coffee: Fairtrade Premium use 2009–10

Community	4%
Education	2%
Environment	2%
Health	1%
Gender equity	0%
Investment in business development (producer organization level)	30%
Investment in production and processing (farmer level)	28%
Other	29%
Not known	4%



Average area of Fairtrade coffee cultivated per member 2010 (hectares)

Africa	0.9
Asia	0.9
Latin America and the Caribbean	2.4
Caribbean	1.9
Central America	1.9
South America	2.9
Coffee Worldwide	**1.5**

Fairtrade certifiable coffee production capacity: Top ten countries MT

Colombia	94,400
Peru	68,300
Brazil	24,800
Guatemala	23,700
Costa Rica	21,300
Indonesia	20,700
Nicaragua	17,200
Mexico	14,800
Tanzania	11,600
Honduras	10,500

Fairtrade coffee: Top five producer countries of Fairtrade organic certifiable coffee 2009–10 (MT)

Peru	39,600
Indonesia	15,600
Mexico	9,500
Nicaragua	7,200
Honduras	6,800

7.2 Fact file: Fairtrade bananas

- At the end of 2010, 77 producer organizations in 11 countries worldwide held a product certification for Fairtrade bananas.
- More than 15 000 people were involved in Fairtrade bananas as small farmers or as workers on Fairtrade banana plantations.
- The majority of Fairtrade banana producer organizations are in Colombia and the Dominican Republic. There is an almost even split between the numbers of hired labour organizations and the numbers of small producer organizations.
- The data show growth of around 5 percent in the volumes of Fairtrade bananas sold in 2009–10 over those reported for 2008. Volumes are given in metric tonnes (MT).
- Growth was slightly stronger for small producer organizations than for hired labour organizations.
- In 2009–10, Fairtrade banana producer organizations reported receiving more than €12 million in Fairtrade Premium money. Top receiving countries are shown below.
- Increases in the Fairtrade Minimum Price for bananas in early 2010 are reflected in the growth in sales income reported by the producer organizations, over and above the volume increases.
- Fairtrade expanded to include bananas from Ghana and from the Philippines in addition to origins in Latin America and the Caribbean.
- Fairtrade banana sales in 2009–10 represented 62 percent of total certifiable production.

FIGURE 7.6

Fairtrade bananas: Product certifications 2005–2010

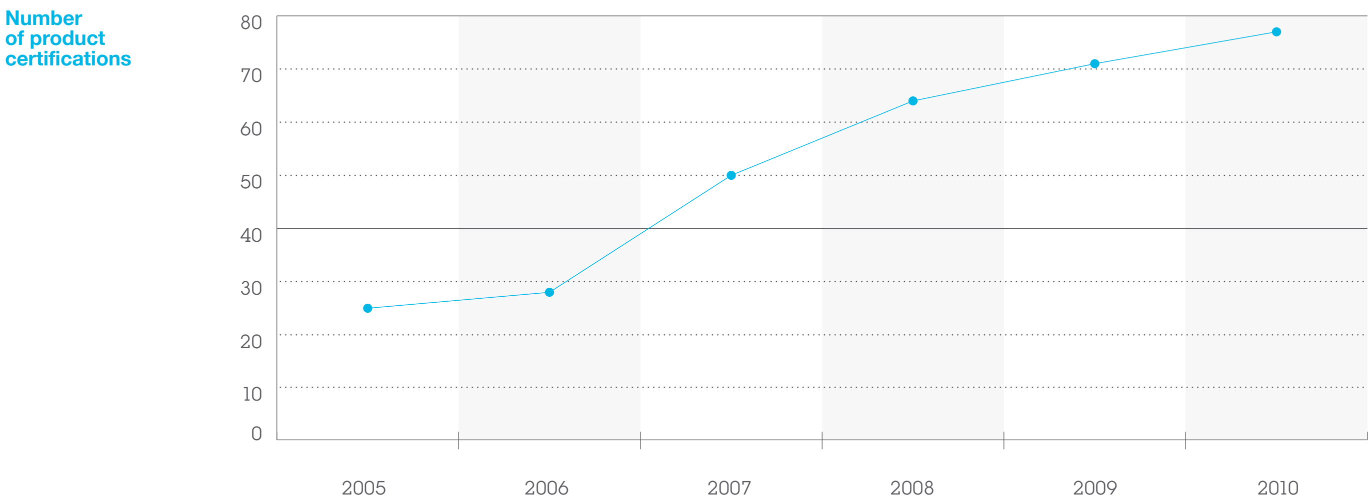
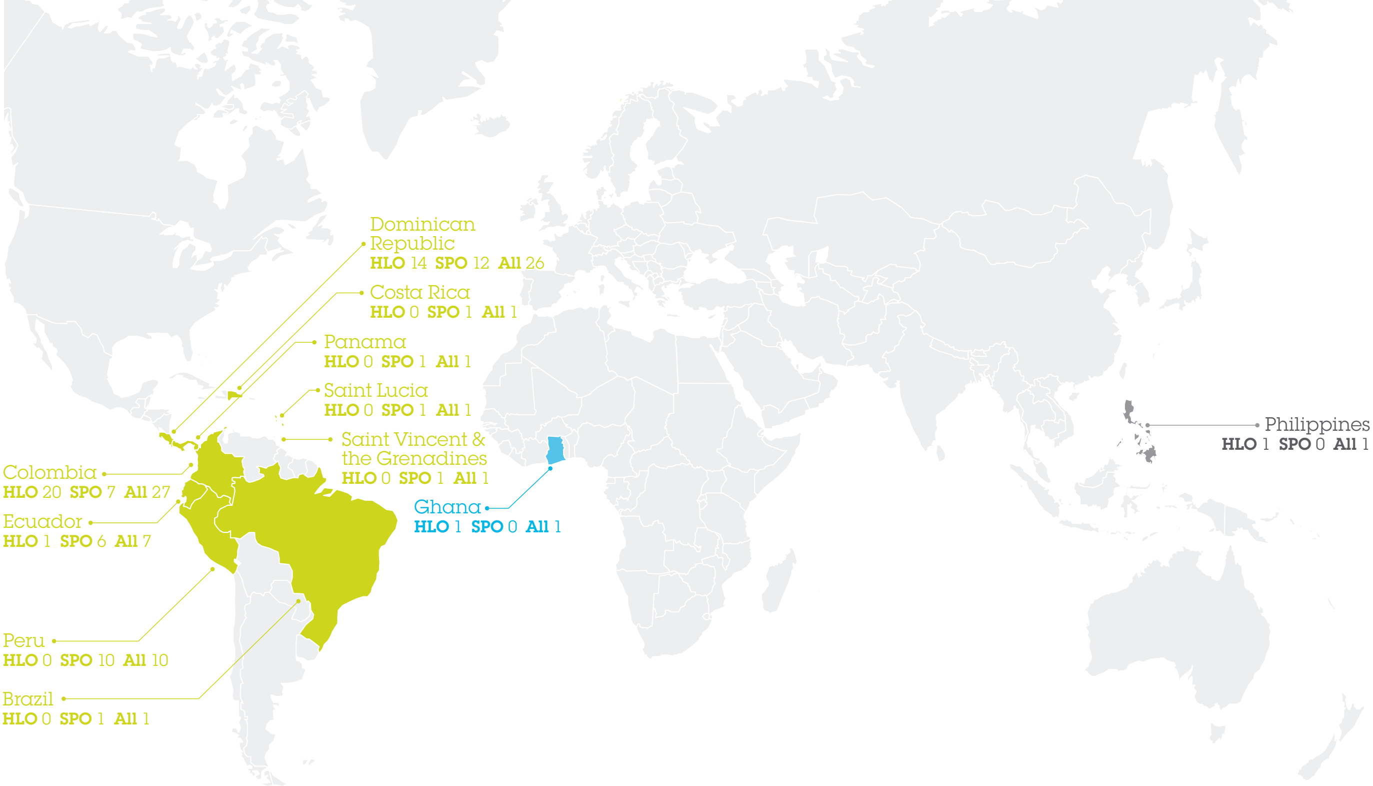


FIGURE 7.7

Fairtrade bananas: Producer organizations with Fairtrade banana certification 2011

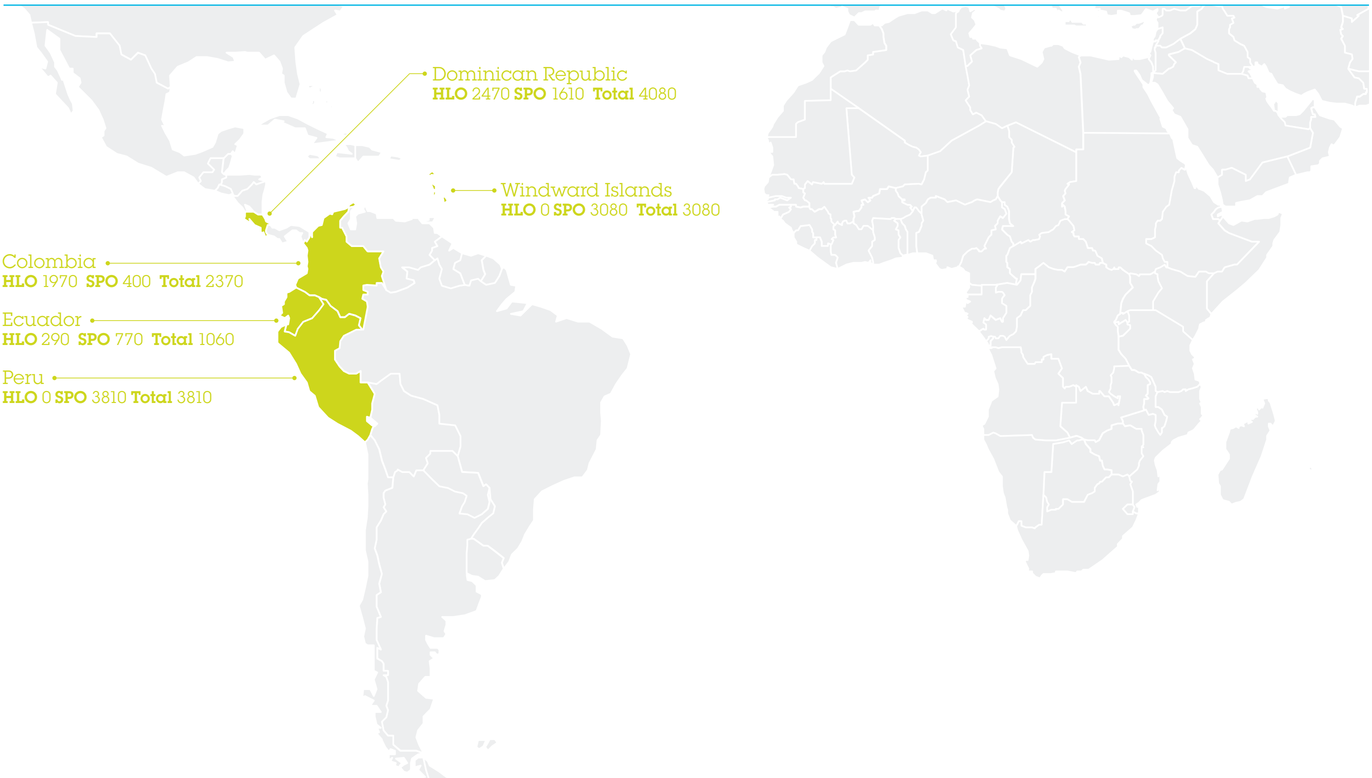


HLO Hired Labour Organization
SPO Small Producer Organization

Grand Total
HLO **37** SPO **40** All **77**

FIGURE 7.8

Fairtrade bananas: Number of farmers and workers by country 2010



HLO Hired Labour Organization
SPO Small Producer Organization

Other
HLO **790** SPO **280** All **1,070**

Total
HLO **5520** SPO **9950** All **15,470**

TABLE 7.2

Key data on Fairtrade bananas 2009–2010

	2009–10	2008	Percentage change
Total number of farmers and workers 2010	15,460	14,410	7%
Total number of hectares under Fairtrade banana cultivation	25,720	–	–
Total certifiable volume of Fairtrade bananas (MT)	561,000	479,000	17%
Organic and in transition Fairtrade certifiable volume (MT)	140,800	–	–
Organic volume as percentage of total certifiable volume (MT)	25%	–	–
Total Fairtrade sales volume (MT)	347,000	330,000	5%
Fairtrade sales income (€)	103,800,000	83,403,000	24%
Total Fairtrade Premium received (€)	12,400,000	11,888,000	4%

Fairtrade bananas: Top five countries Fairtrade Premium received 2009–10 (€)

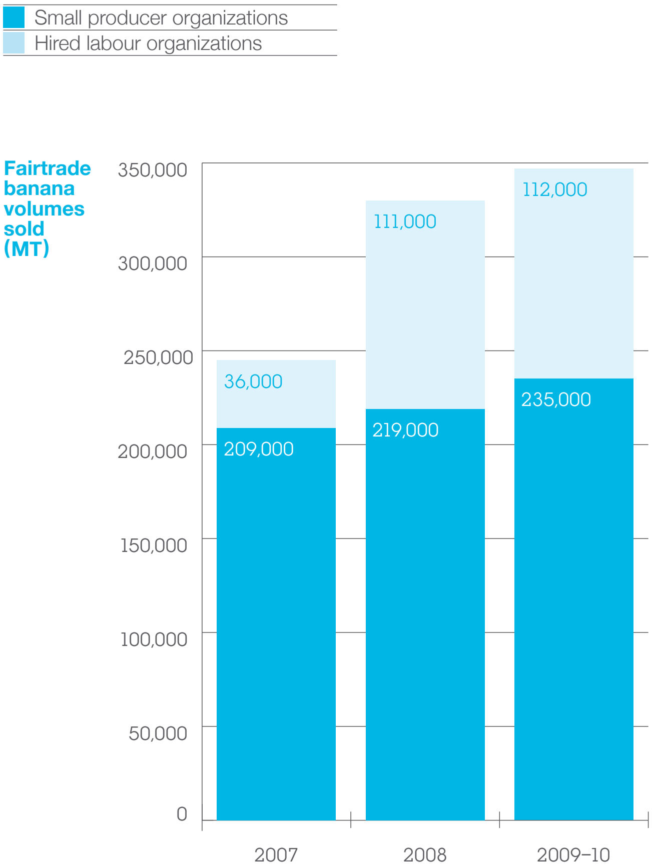
Dominican Republic	3,776,000
Colombia	3,365,000
Ecuador	1,737,000
Windward Islands	1,560,000
Peru	1,551,000
World	12,400,000

Fairtrade bananas: Top selling countries by volume 2009–10 (MT)

Dominican Republic	123,000
Colombia	86,000
Ecuador	48,000
Peru	41,000
Windward Islands	39,000

FIGURE 7.9

Fairtrade bananas: Fairtrade sales volumes and Fairtrade Premium received 2007–2010



- Worldwide, the average area of land that a Fairtrade small-scale farmer devotes to banana cultivation is 2 hectares.
- This varies from an average area of less than one hectare in Peru to over five hectares in Ecuador.

Fairtrade bananas: Cultivation areas 2010	Total area of Fairtrade bananas under small farmer cultivation (hectares)	Average cultivation area per farmer (hectares)
Peru	3,380	0.9
Windward Islands	4,950	1.6
Colombia	970	2.4
Dominican Republic	5,850	3.6
Ecuador	4,540	5.1
World	**20,280**	**2.0**

7.3 Fact file: Fairtrade cocoa

- At the end of 2010, 55 small producer organizations in 17 countries worldwide held a product certification for Fairtrade cocoa.
- More than 125 000 small-scale farmers were members of Fairtrade cocoa-producing small farmer organizations.
- Reported Fairtrade cocoa production and sales of both fine flavour cocoa from Latin America and mass market cocoa from West Africa showed significant expansion between 2008 and 2009–10.
- Reported volume sales of Fairtrade cocoa more than doubled in the reporting period, the result of large-scale new commitments to Fairtrade cocoa by several major companies.
- In 2009–10, Fairtrade cocoa producer organizations reported receiving more than €4 million in Fairtrade Premium money, and sales income of more than €60 million.
- Fairtrade certifiable cocoa volume rose to more than 100 000 metric tonnes (MT) worldwide at the end of 2010. At least 20 000 MT of this cocoa was organic-certifiable or in-transition.
- Fairtrade cocoa sales in 2009–10 represented 35 percent of total certifiable volume.
- Fairtrade expanded to include cocoa origins such as Sierra Leone, Cameroon, São Tomé e Príncipe, and Papua New Guinea.

FIGURE 7.10

Fairtrade cocoa: Product certifications 2005–2010

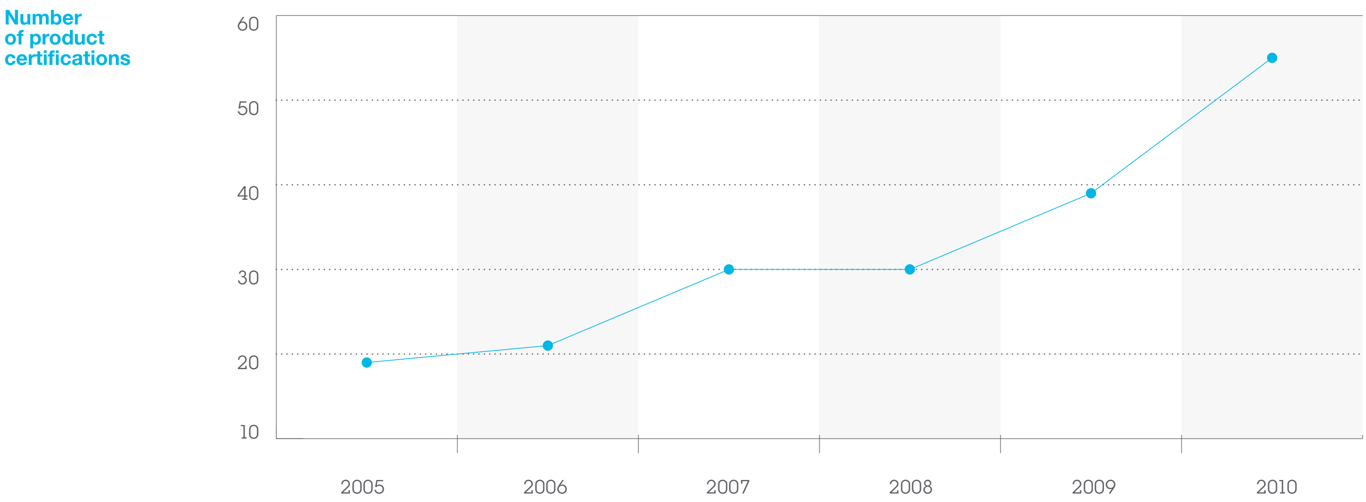


FIGURE 7.11

Fairtrade cocoa: Producer organizations with Fairtrade cocoa certification 2010

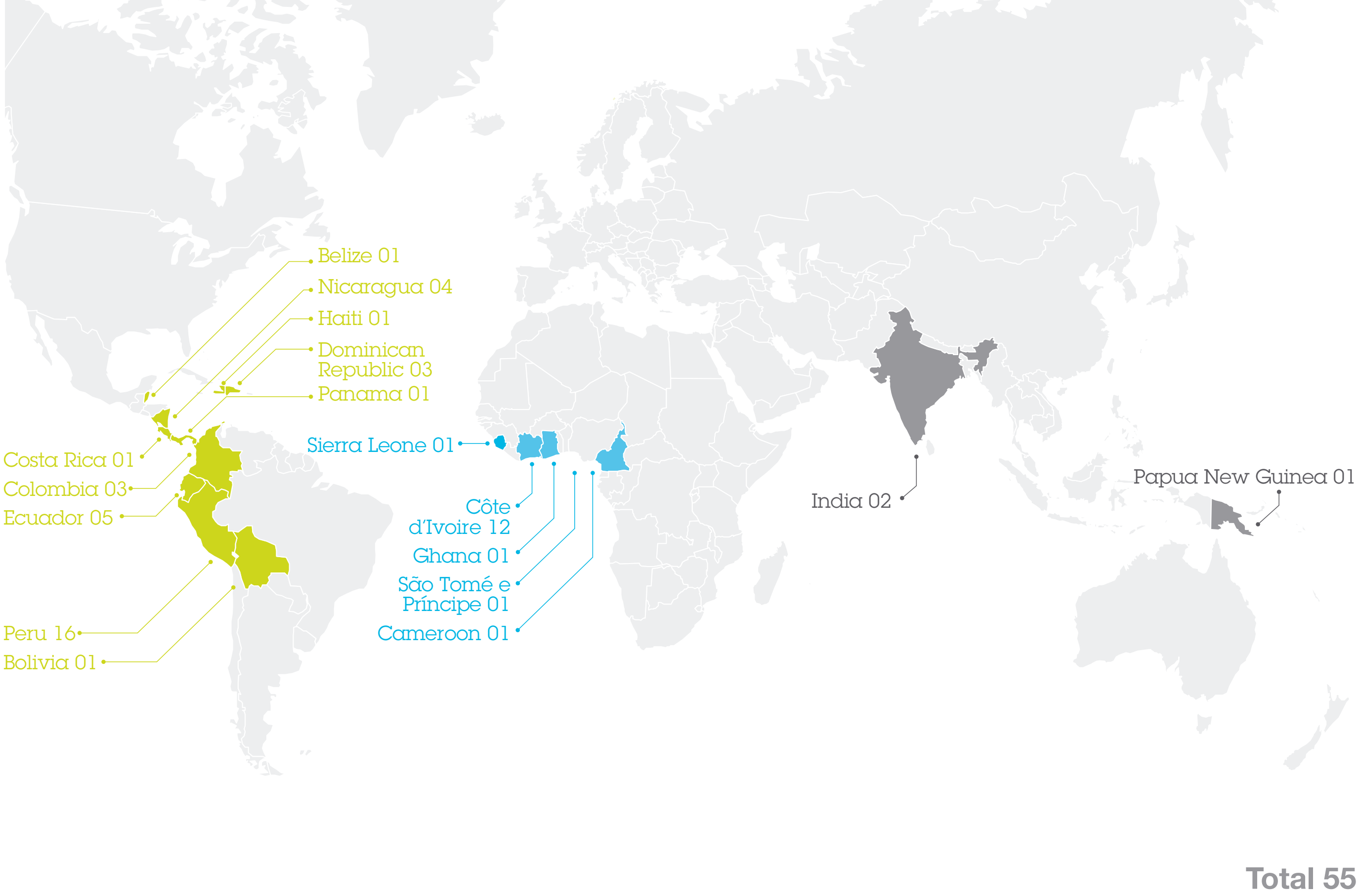


TABLE 7.3

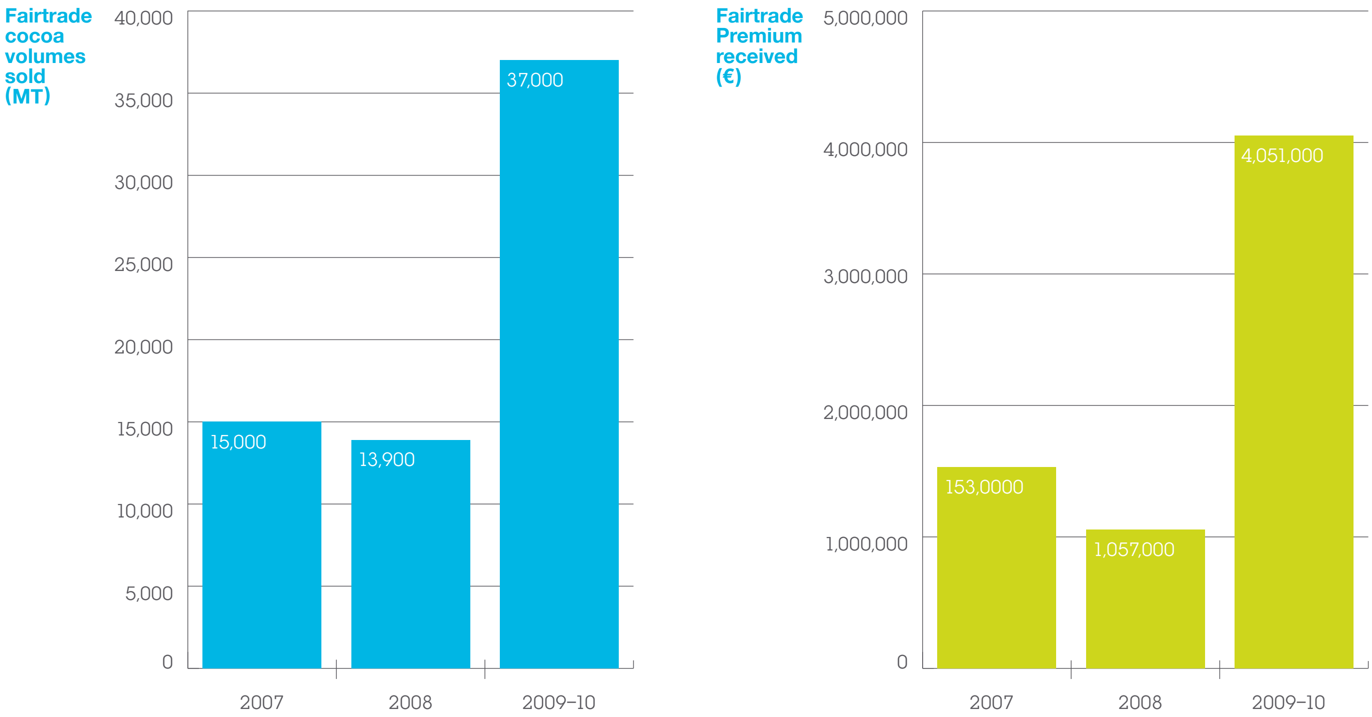
Key data on Fairtrade cocoa 2009–2010

	2009–10	2008	Percentage change
Total number of farmers	126,000	78,000	62%
Total number of hectares	174,000	115,000	51%
Total certifiable volume (MT)	106,000	91,000	16%
Total Fairtrade sales volume (MT)	37,000	13,900	166%
Total Fairtrade sales income (€)	60,420,000	22,980,000	163%
Total Fairtrade premium received (€)	4,051,000	1,057,000	283%

* Data on total area of cultivation is missing for the largest Fairtrade cocoa producer worldwide. Accordingly the actual area under Fairtrade cocoa cultivation must be considerably higher.

FIGURE 7.12

Fairtrade cocoa: Fairtrade sales volumes and Fairtrade Premium received 2007–2010



Fairtrade cocoa: Top selling countries by volume 2009–10 (MT)

Ghana	21,900
Dominican Republic	9,600
Côte d'Ivoire	3,500
Peru	1,500
Ecuador	400

- Worldwide, the average area of land that a Fairtrade small-scale farmer devotes to cocoa cultivation is 3 hectares.
- This varies from an average area of 2.5 hectares in South America to 4 hectares in Africa. Since we do not have data on cultivation areas for the largest Fairtrade cocoa producer in Ghana, the data on area of cultivation for cocoa must be considered substantially incomplete.

7.4 Fact file: Fairtrade tea

- At the end of 2010, 94 producer organizations in 16 countries worldwide held a product certification for Fairtrade tea. This included rooibos and herbal tea certifications.
- More than 220 000 people were involved in Fairtrade tea as small farmers or as workers on Fairtrade tea plantations. Over 100 000 of these were in Kenya, and over 40 000 in India.
- The Fairtrade tea supply base also includes teas from producer organizations in Vietnam, Argentina, and China.
- The global Fairtrade tea export volume in 2009–10 was a consolidation on the previous year (2008–9) when Fairtrade tea sales more than doubled in volume from 5500 metric tonnes (MT) to over 11 000 MT. This growth was largely the result of major new commitments to Fairtrade by retailers in the UK.
- This growth has particularly benefited small farmer tea producers in Eastern Africa, accounting for the impressive reported increase in smallholder tea volumes sold in 2009–10. The sales increases reported by small farmer organizations take them from 30 percent of the total Fairtrade sales volume in 2007 to almost 50 percent in 2009–10.
- While prior to 2008 almost no tea from Malawi was sold as Fairtrade, in 2009–10 Malawi producers reported sales of over 1800 MT of tea as Fairtrade, mostly from small farmers, and accounting for more than 16 percent of the total Fairtrade tea sales.
- Fairtrade tea sales represent on average only seven percent of the total certifiable volumes, a key challenge for Fairtrade. This challenge is being addressed through the development of a new model for scalability in Fairtrade tea sales, to encourage major commitments to Fairtrade by retailers and generate increased impact for Fairtrade tea producers.

FIGURE 7.13

Fairtrade tea: Product certifications 2005–2010

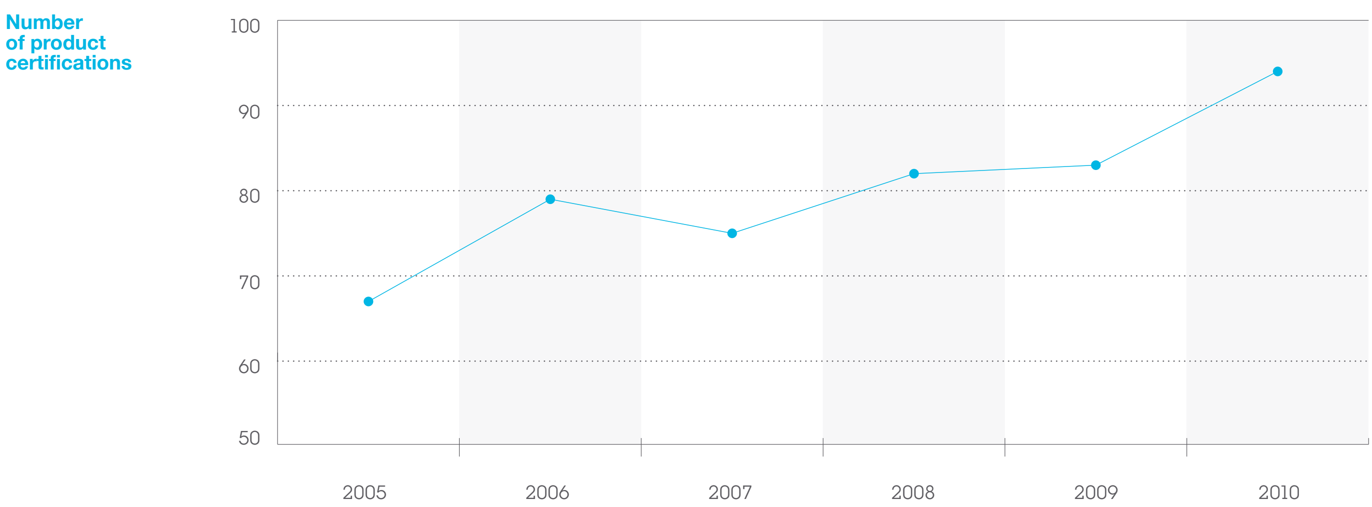
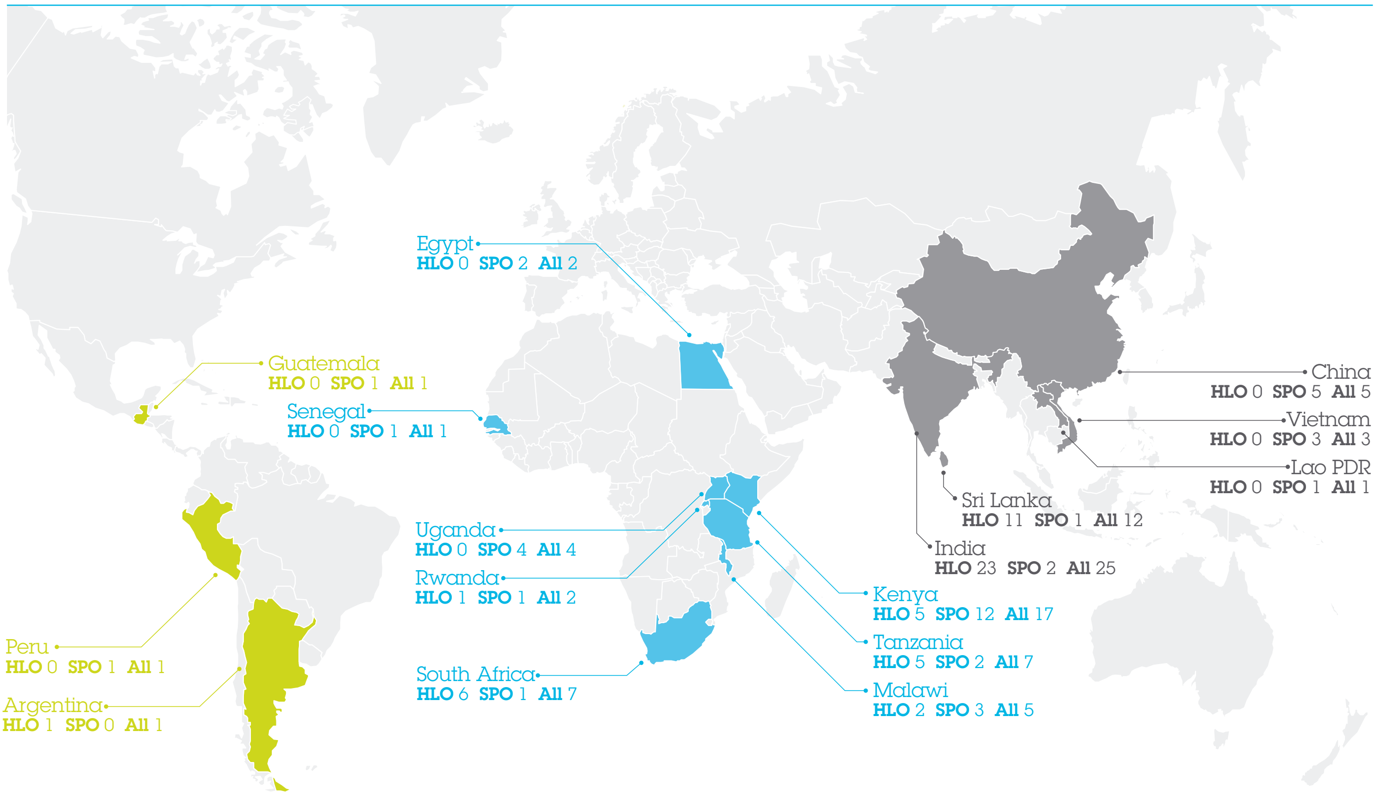


FIGURE 7.14

Fairtrade tea: Producer organizations with Fairtrade tea certification 2010



HLO Hired Labour Organization
SPO Small Producer Organization

Grand Total
HLO **56** SPO **38** All **94**

TABLE 7.4

Fairtrade tea: Numbers of farmers and workers by country

	Farmer members in Fairtrade tea small producer organizations	Workers in Fairtrade tea hired labour organizations	Total farmers and workers
Kenya	92,500	9,000	101,500
India	770	42,900	43,670
Sri Lanka	2,100	20,500	22,600
Tanzania	15,700	1,900	17,600
Malawi	10,400	3,800	14,200
Other	20,600	3,370	23,970
Total	**142,000**	**81,500**	**223,500**

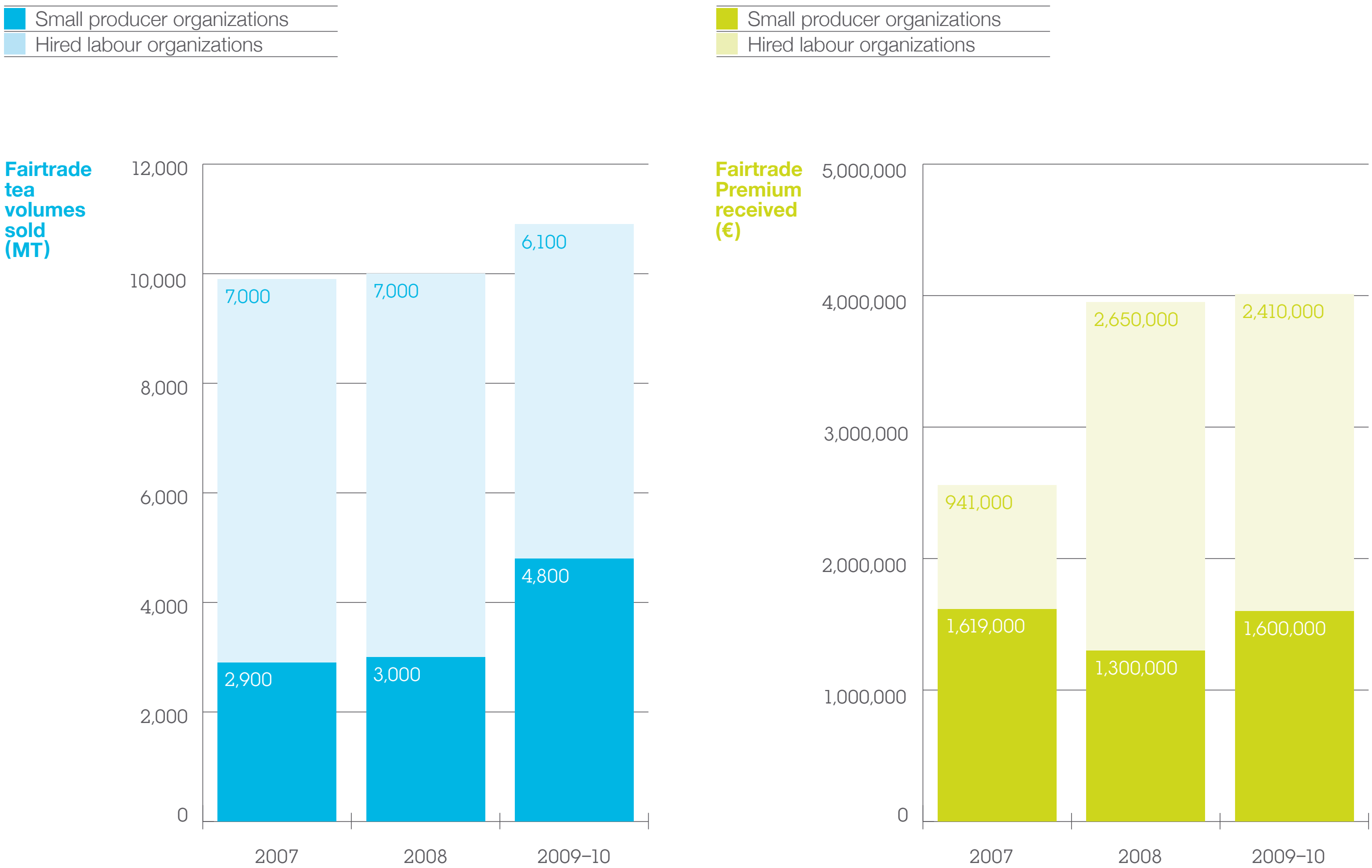
TABLE 7.5

Fairtrade tea: Key data 2010

	2009–10	2008	Percentage change
Total number of farmers and workers	224,000	180,000	24%
Total number of hectares under Fairtrade tea cultivation	72,000	–	–
Total certifiable volume (MT)	151,000	150,000	1%
Total certifiable organic volume (MT)	5,700	–	–
Total Fairtrade sales volume (€)	11,000	10,000	10%
Fairtrade sales income (€)	17,245,000	15,250,000	13%
Total Fairtrade Premium received (€)	4,047,000	3,950,000	2%

FIGURE 7.15

Fairtrade tea: Fairtrade sales volumes and Fairtrade Premium received 2007–2010



Fairtrade tea: Top selling countries by volume 2009–10 (MT)

Kenya	4,900
India	2,000
Malawi	1,800
Tanzania	700
Sri Lanka	500
Other	1,000

- Some 5700 MT of Fairtrade tea is organic certifiable, around 1500 MT of which is sold as Fairtrade per annum. This demonstrates the strong appeal of Fairtrade high quality organic certified teas.
- The Fairtrade Premium for tea is significant at over €4 million, paid directly to small farmer organizations or to workers' organizations on Fairtrade tea estates. Given the growth in sales of tea from small farmer organizations, it is likely that the Fairtrade Premium was higher than reported for 2009–10.
- Smallholder tea farmers report very small cultivation areas for their tea, with small farmers in Eastern Africa cultivating their tea on only 0.3 hectares on average.

Average smallholder cultivation area of Fairtrade tea for selected regions (hectares)

Eastern Africa	0.3
Southern Africa	3.9
Southern Asia	0.6
Eastern Asia	0.4

8. FOCUS ON FAIRTRADE REGIONS

Cidora Samaniego Yancallaco, Fairtrade coffee farmer in Peru

8.1 Fairtrade in Africa 2010

- At the end of 2010 there were 253 Fairtrade certified producer organizations in 28 African countries.
- Of these, 110 were hired labour organizations and 143 were small producer organizations. The number of small producer organizations is growing faster than the number of hired labour organizations.
- Reported Fairtrade sales revenues to producers in Africa totalled €134 million in 2009–10.
- Reported Fairtrade Premium revenues to producers in Africa totalled almost €14 million in 2009–10.
- Almost 60 percent of Premium revenues to Africa flowed to two countries, Kenya and Ghana, reflecting the importance of West African cocoa within Fairtrade sales globally, and the strength of Kenya in sales of several products from both small farmer and hired labour sources.
- More than 50 percent of all Fairtrade hired labour sales and Premium revenues are generated by African producer organizations. This reflects the strong performance of African hired labour organizations in the Fairtrade flowers, fresh fruit and vegetables, tea and wine markets in particular.
- African farmers and workers account for almost 60 percent of the global total of Fairtrade farmers and workers.
- Twenty-four percent of the global Fairtrade sales revenues and 27 percent of global Fairtrade Premium revenues currently flow to African producers. Since the African hired labour sector captures a large proportion of these benefits, the average per capita benefits for Fairtrade small producer organization members are lower than for other regions.
- However, a better understanding of the meaning of Fairtrade benefits in any given region can only be given by expressing amounts in terms of local purchasing power. This would likely reduce the apparent global inequalities in the flow of Fairtrade benefits.

TABLE 8.1

Fairtrade in Africa 2010

Africa	**Number of members and workers in Fairtrade producer organizations 2010**	**Fairtrade sales revenues 2009–10 € millions**	**Fairtrade Premium receipts 2009–10 € millions**
Small producer organizations	568,000	81.4	7.1
Hired labour organizations	73,000	52.8	6.7
Africa Total	641,000	134.2	13.8
Percentage of global total small producer organizations	61%	18%	19%
Percentage of global total hired labour organizations	45%	51%	51%
Percentage of global total overall	58%	24%	27%

Fairtrade in Africa: Top ten countries Fairtrade farmers and workers 2010

	Total farmers and workers	Percentage of total African Fairtrade farmers and workers
Tanzania	151,900	24%
Kenya	151,200	24%
Ethiopia	89,500	14%
Ghana	79,100	12%
Congo, Democratic Republic	23,000	4%
Uganda	22,100	3%
Rwanda	20,300	3%
Malawi	17,700	3%
Côte d'Ivoire	15,800	2%
South Africa	12,700	2%

Fairtrade in Africa: Top ten Fairtrade Premium receiving countries 2009–10

	Total Fairtrade Premium revenues	Percentage of total Africa Fairtrade Premium revenues
Kenya	5,395,100	39%
Ghana	2,518,600	18%
Tanzania	1,346,500	10%
Malawi	929,800	7%
South Africa	844,000	6%
Ethiopia	815,600	6%
Côte d'Ivoire	429,900	3%
Egypt	310,200	2%
Uganda	211,300	2%
Mali	151,200	1%

FIGURE 8.1

Fairtrade in Africa: Fairtrade Premium distribution by product 2009–10

Flowers and Plants	27%
Tea	27%
Cocoa	18%
Coffee	12%
Fresh Fruit/Vegetables	5%
Cane Sugar	4%
Wine Grapes	3%
Seed Cotton	3%
Other	1%

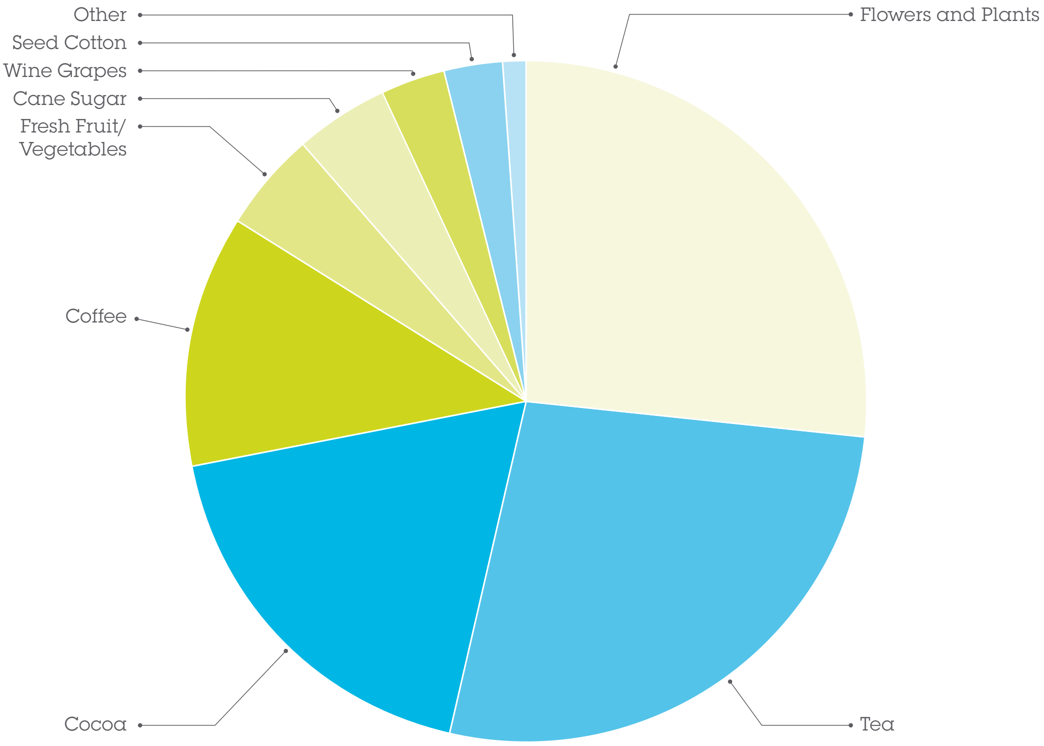


FIGURE 8.2

Fairtrade in Africa: Producer organizations 2008–2010

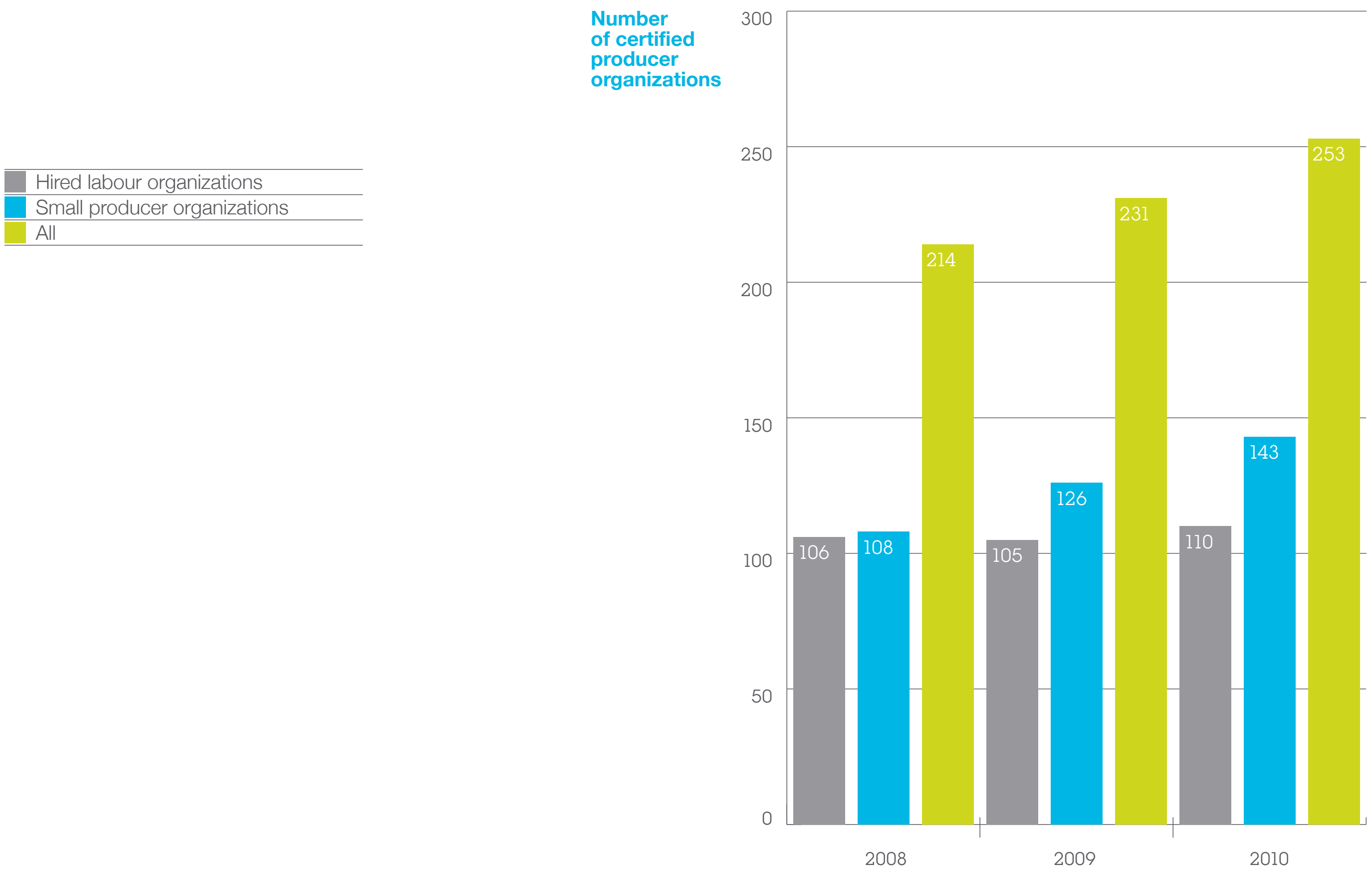
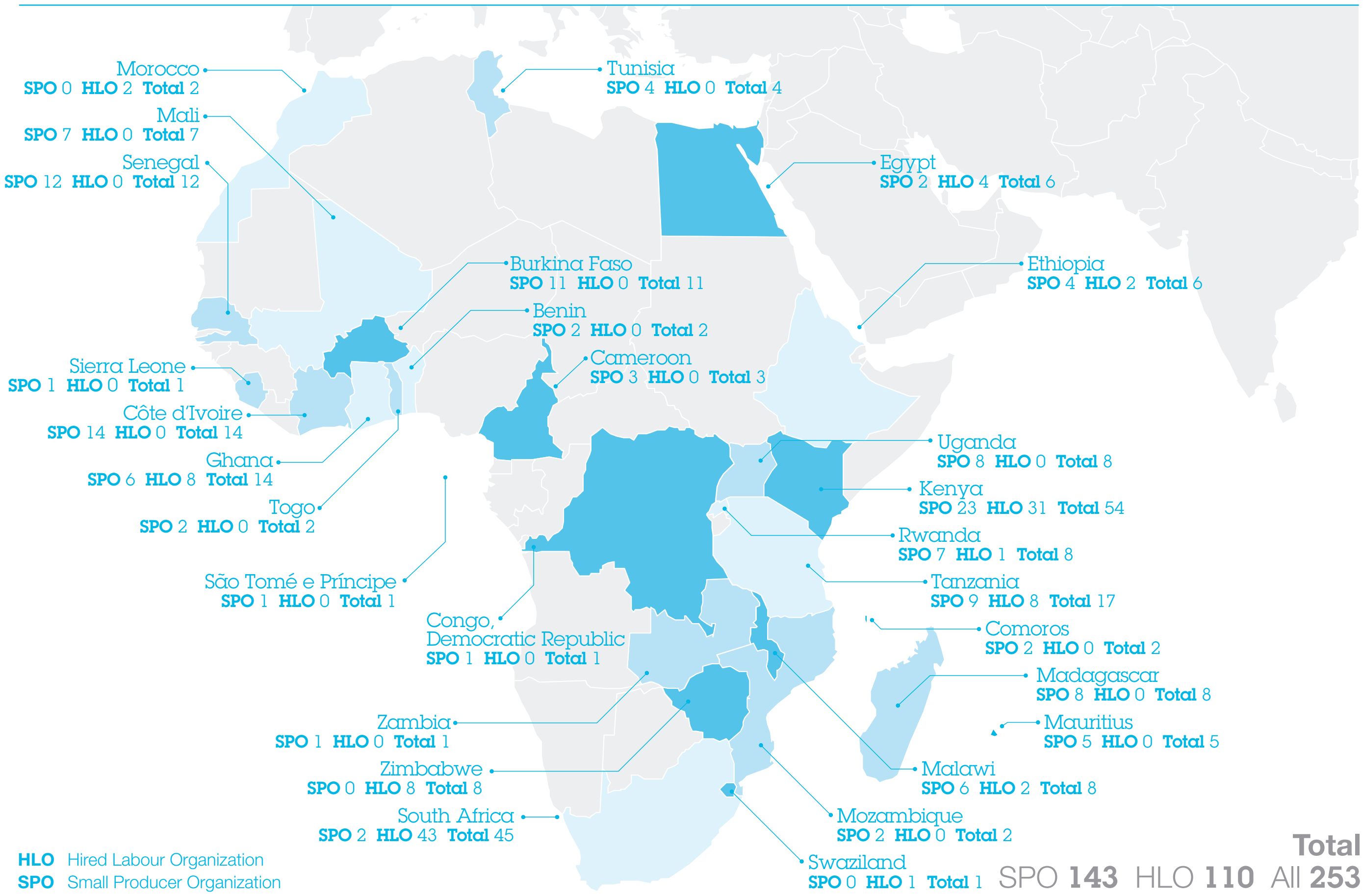


FIGURE 8.3

Fairtrade in Africa: Producer organizations by country 2010



8.2 Fairtrade in Asia and Oceania 2010

- At the end of 2010, there were 143 Fairtrade certified producer organizations in 13 countries in Asia and Oceania.
- Of these, 21 were contract production organizations, 45 were hired labour organizations, and 77 were small producer organizations.
- Reported Fairtrade sales revenues to producers in Asia and Oceania totalled almost €34 million in 2009–10.
- Reported Fairtrade Premium revenues to producers in Asia and Oceania totalled almost €3.5 million in 2009–10.
- Seventy five percent of Premium revenues to Asia and Oceania flowed to two countries, India and Indonesia, reflecting the importance of Indian tea and seed cotton, and of Indonesian coffee.
- Looking forward, we expect to see future growth in sales of Fairtrade sugar, coffee and to a lesser extent cocoa from southeast Asian and Pacific origins such as Indonesia, Fiji and Papua New Guinea.
- Workers in hired labour organizations in Asia and Oceania account for 49 percent of the numbers of workers within the Fairtrade system worldwide. Yet only 5–6 percent of the Fairtrade sales revenues and Premium flows to Asian hired labour organizations. This reflects the challenges for South Asian tea estates and sports ball producers to sell a significant percentage of their output as Fairtrade.
- Workers and farmers in Asia represent 17 percent of all Fairtrade workers and farmers worldwide. Six percent of global Fairtrade sales revenues flow to Asia, and seven percent of Fairtrade Premium revenues.

TABLE 8.2

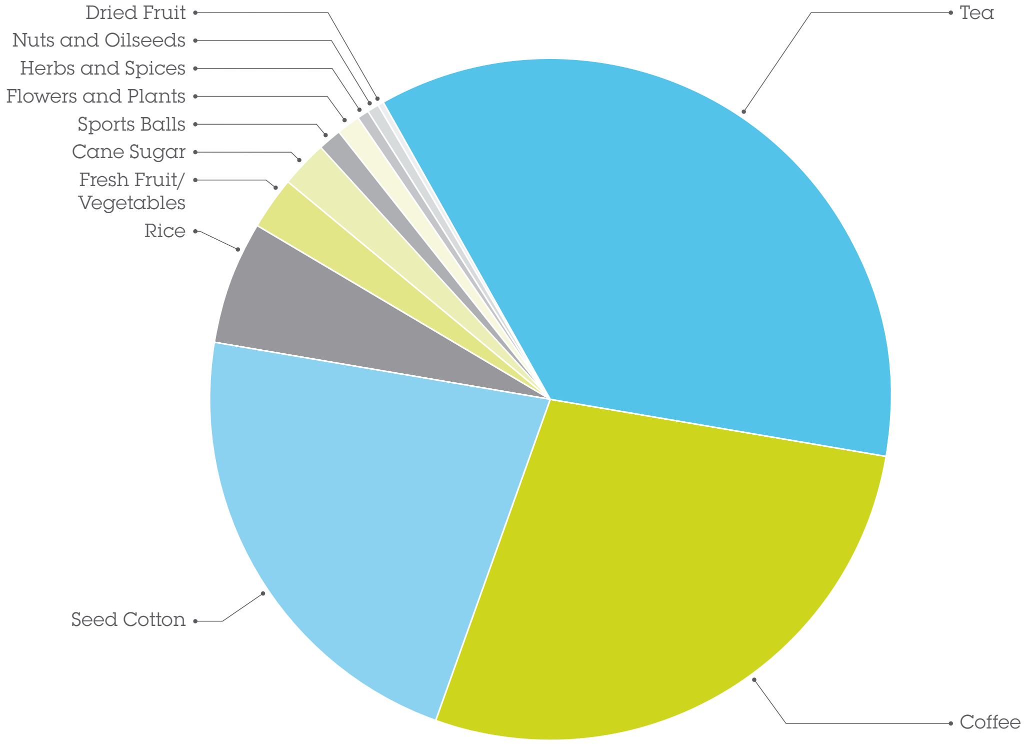
Fairtrade in Asia and Oceania 2010

	Fairtrade farmers and workers in Asia and Oceania 2010	Fairtrade sales revenues 2009–10 € millions	Fairtrade Premium receipts 2009–10 € millions
Small producer organizations	108,000	28.8	2.5
Hired labour organizations	80,000	5.2	1.0
Asia and Oceania Total	188,000	34.0	3.5
Percentage of global total small producer organizations	12%	6%	6%
Percentage of global total hired labour organizations	49%	5%	8%
Percentage of global total overall	17%	6%	7%

FIGURE 8.4

Fairtrade in Asia and Oceania: Fairtrade Premium share by product 2009–10

Tea	36%
Coffee	28%
Seed Cotton	22%
Rice	6%
Fresh Fruit/Vegetables	3%
Cane Sugar	2%
Sports Balls	1%
Flowers and Plants	1%
Herbs and Spices	1%
Nuts and Oilseeds	0%
Dried Fruit	0%



Fairtrade in Asia and Oceania: Top five Fairtrade Premium receiving countries 2009–10

	Total Fairtrade Premium revenues 2009–10 €	Percentage of total Asia and Oceania Fairtrade Premium revenues 2009–10
India	1,804,000	52%
Indonesia	786,000	23%
China	257,000	7%
Sri Lanka	159,000	5%
Thailand	158,000	5%

Fairtrade in Asia and Oceania: Top five countries farmers and workers 2010

	Total farmers and workers	Percentage of total Asia and Oceania Fairtrade farmers and workers
India	94,400	50%
Indonesia	24,900	13%
Sri Lanka	22,750	12%
Pakistan	21,500	11%
China	5,700	3%

FIGURE 8.5

Fairtrade in Asia and Oceania: Producer organizations by country 2010

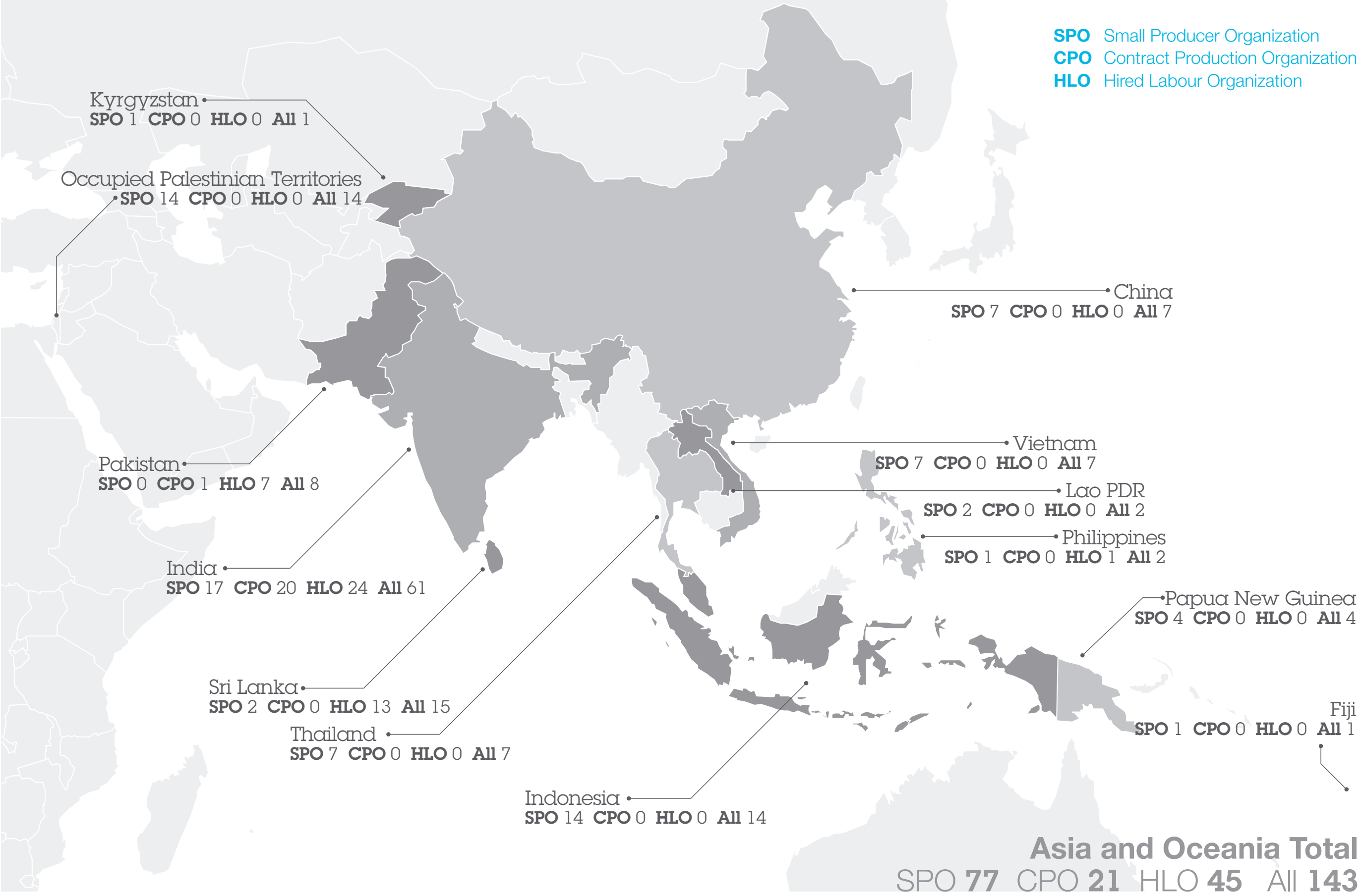
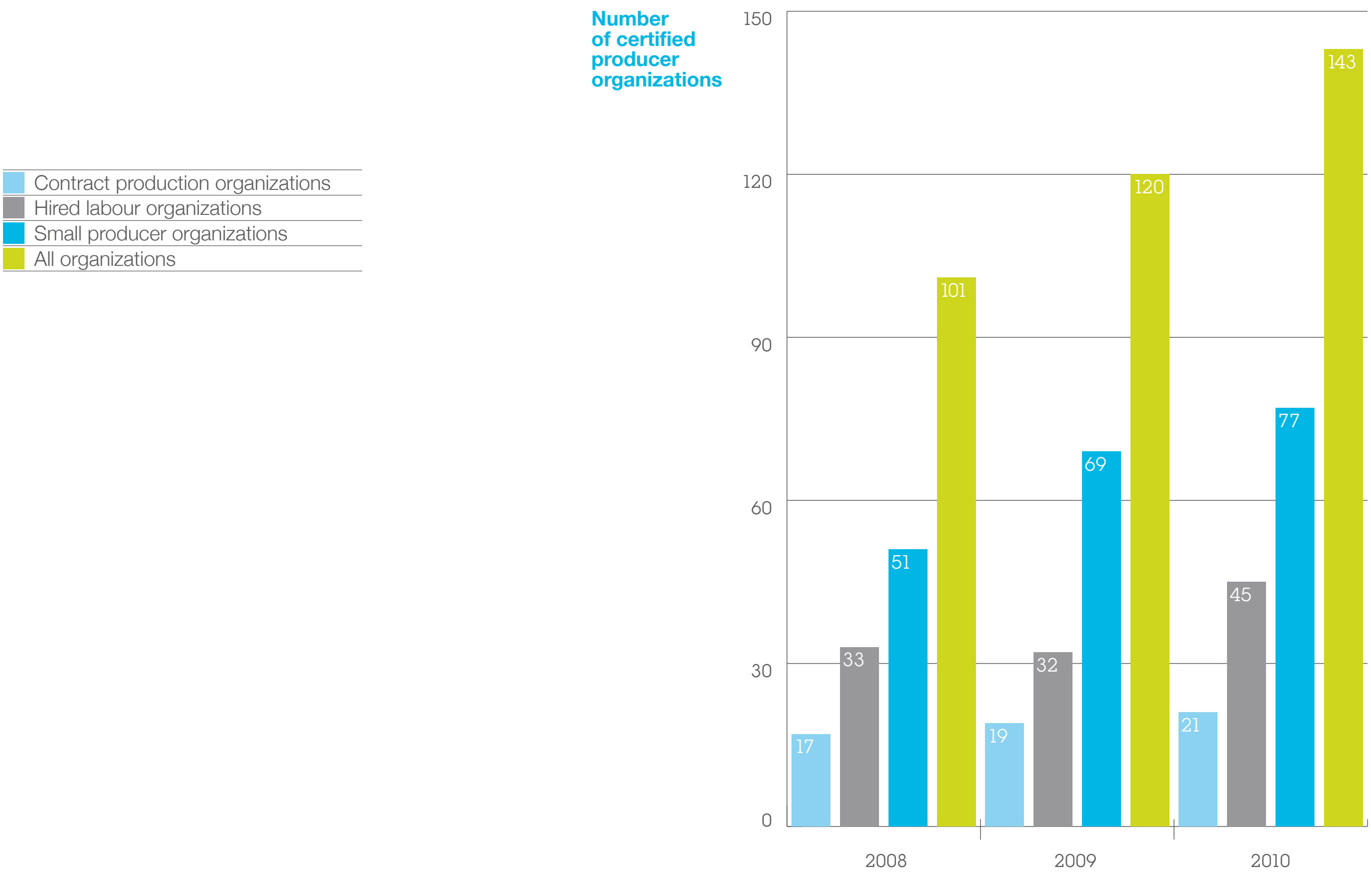


FIGURE 8.6

Fairtrade in Asia and Oceania: Producer organizations 2008–2010



8.3 Fairtrade in Latin America and the Caribbean, 2009–10

- At the end of 2010 there were 509 Fairtrade certified producer organizations in 22 countries in Latin America and the Caribbean.
- Of these, 72 were hired labour organizations, and 437 were small producer organizations.
- Reported Fairtrade sales revenues to producers in Latin America and the Caribbean totalled almost €382 million in 2009–10.
- Reported Fairtrade Premium revenues to producers in Latin America and the Caribbean totalled over €34 million in 2009–10.
- Almost 80 percent of all Fairtrade Premium revenues were due to sales of coffee and bananas. Cane sugar was the next largest product in terms of Fairtrade Premium revenue generation.
- Latin American small-scale farmers and workers represent 25 percent of the Fairtrade farmers and workers worldwide.
- The success of Latin American producer organizations in the markets for Fairtrade coffee, bananas, sugar, and fine-flavour cocoa means that they receive almost two-thirds of all Fairtrade Premium flows, and more than two-thirds of all Fairtrade sales revenues.

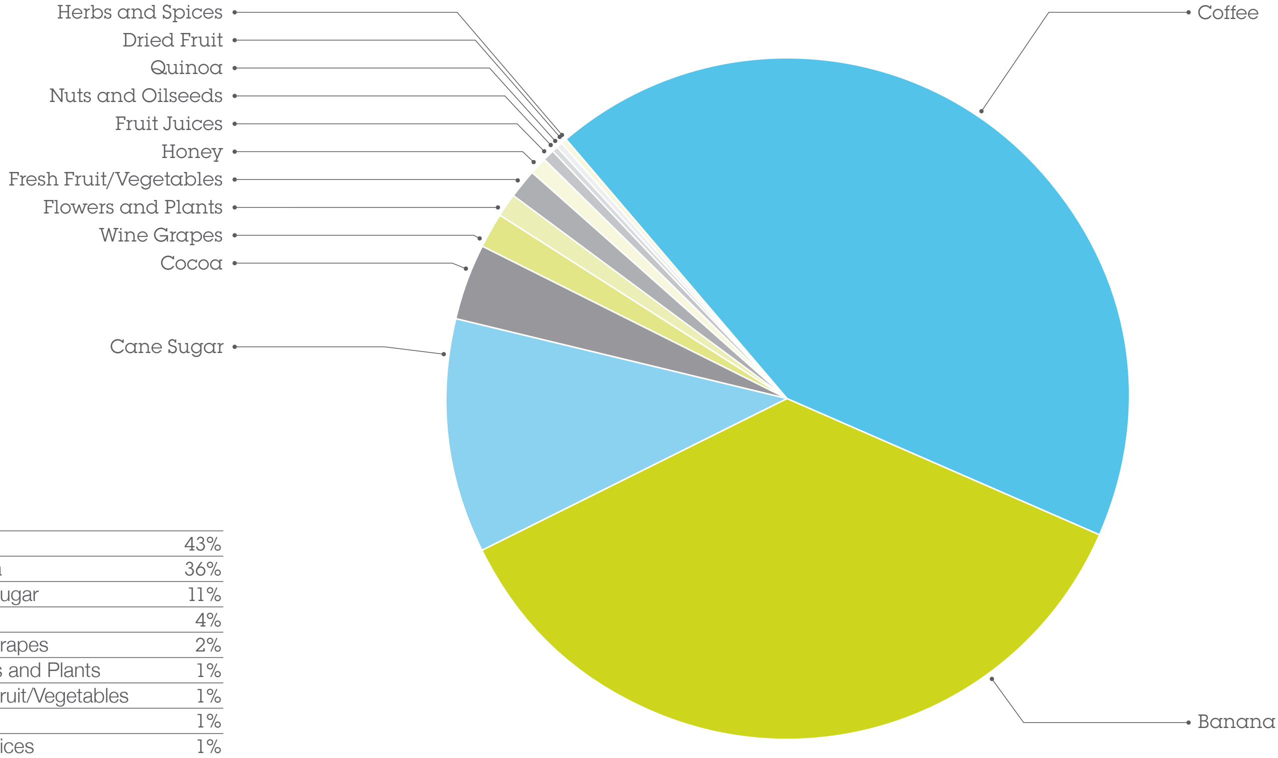
TABLE 8.3

Fairtrade in Latin America and the Caribbean 2009–2010

Latin America and Caribbean Total	Number of members and workers in Fairtrade producer organizations 2010	Fairtrade sales revenues 2009–10 €	Fairtrade Premium receipts 2009–10 €
Small producer organizations	262,000	336.9	28.7
Hired labour organizations	9,800	44.8	5.5
Latin America and Caribbean Total	272,000	381.7	34.2
Percentage of global total small producer organizations	28%	75%	75%
Percentage of global total hired labour organizations	6%	44%	42%
Percentage of global total overall	25%	69%	66%

FIGURE 8.7

Fairtrade in Latin America and the Caribbean: Fairtrade Premium share by product 2009–10



Coffee	43%
Banana	36%
Cane Sugar	11%
Cocoa	4%
Wine Grapes	2%
Flowers and Plants	1%
Fresh Fruit/Vegetables	1%
Honey	1%
Fruit Juices	1%
Nuts and Oilseeds	0%
Quinoa	0%
Dried Fruit	0%
Herbs and Spices	0%

Fairtrade in Latin America and the Caribbean: Top ten countries Fairtrade farmers and workers 2010

	Total workers and farmers	Percentage of total Latin America and Caribbean Fairtrade farmers and workers
Colombia	54,900	20%
Peru	52,900	19%
Nicaragua	32,100	12%
Mexico	27,600	10%
Dominican Republic	22,000	8%
Guatemala	15,600	6%
Costa Rica	14,600	5%
Ecuador	9,200	3%
Brazil	7,800	3%
Belize	7,400	3%

FIGURE 8.8

Fairtrade in Latin America and the Caribbean: Producer organizations by country 2010

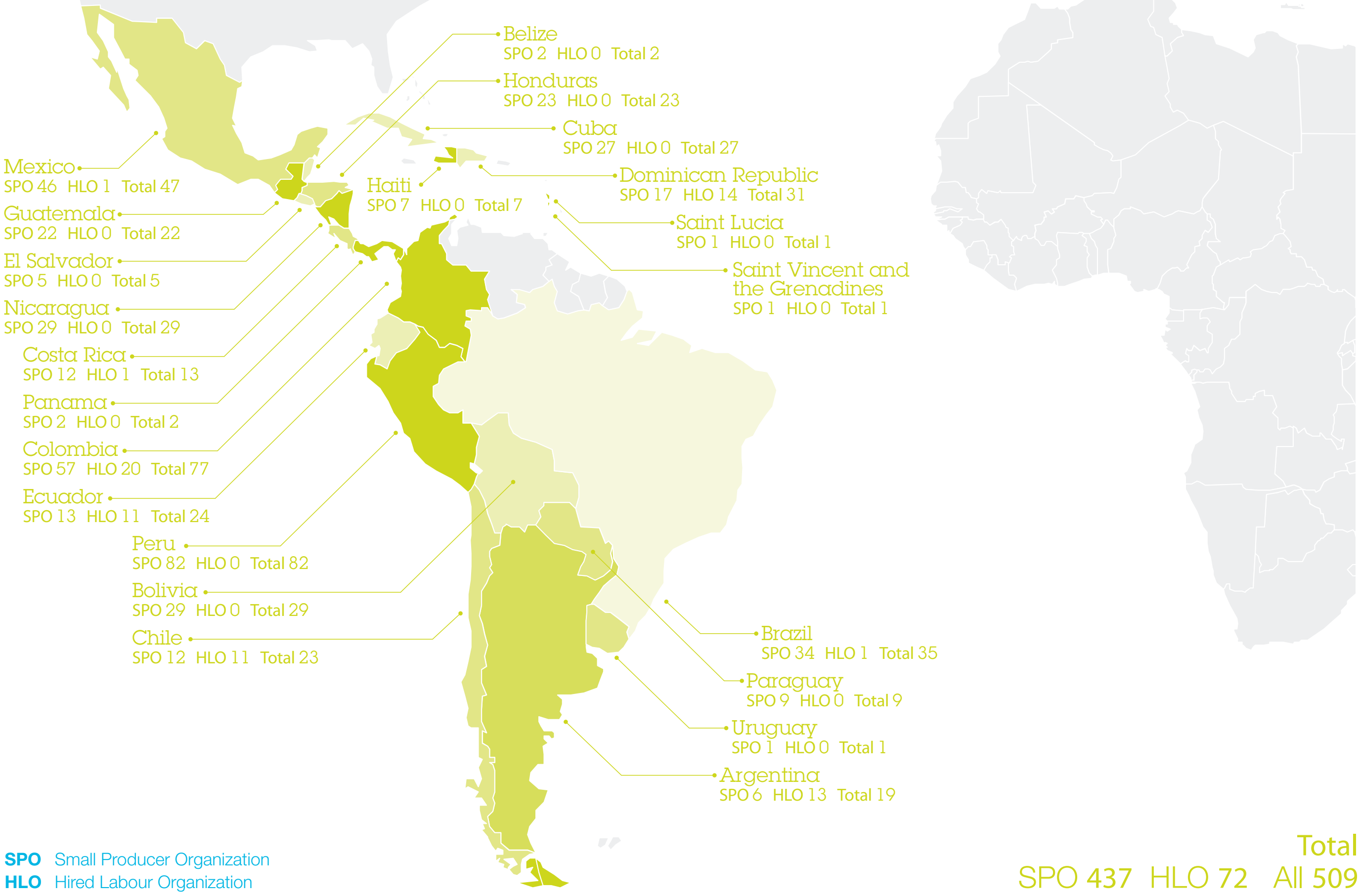
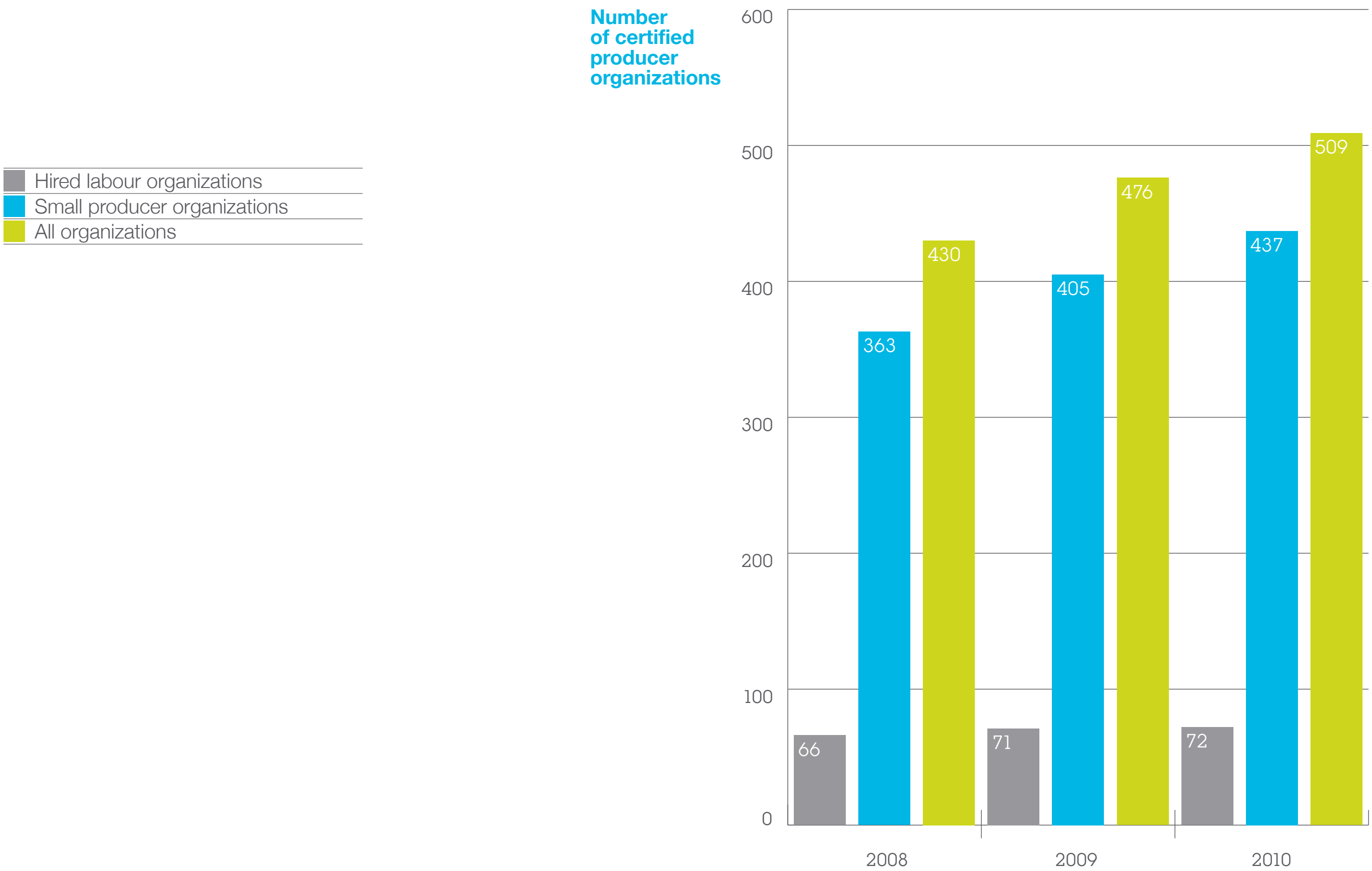


FIGURE 8.9

Fairtrade in Latin America and the Caribbean: Fairtrade certified producer organizations 2008–2010



FAIRTRADE
INTERNATIONAL

Bonner Talweg 177
53129 Bonn
Germany

Telephone +49 (0) 228 94 92 30
Telefax +49 (0) 228 24 21 713
info@fairtrade.net
www.fairtrade.net

twitter.com/fairtrade
facebook.com/fairtrade