

# ANNUAL REVIEW 2009/2010



FAIRTRADE  
FOUNDATION



# CONTENTS



Welcome **1**

Raising awareness and sales **19**



Serious about Fairtrade **3**

Scaling up **21**



A beautiful partnership **7**

Summary of financial information 2009 **25**



Putting Fairtrade at the heart of communities **11**

Thank you **27**

Deeper commitment **15**

Available online at [www.fairtrade.org.uk/report0910](http://www.fairtrade.org.uk/report0910)



# HIGHLIGHTS IN NUMBERS

**3 IN 4**

3 in 4 people recognise the  
FAIRTRADE Mark

**1,137**

1,137 new Fairtrade products  
certified in 2009

**£799M**

A recession beating £799m spent on  
Fairtrade goods in the UK in 2009

**FAVOURITE**

Favourite ethical choice for UK shoppers

**ONE MILLION  
AND ONE SWAPS**

More than one million and one swaps to Fairtrade registered in  
our most impactful fortnight yet

# WELCOME

In a tough year for everyone, it is all the more heartening to see how strongly the public have stuck to their values, buying more Fairtrade goods than ever despite the squeeze on their purses. Last year sales continued to grow by over 12% year on year. And during Fairtrade Fortnight, more than a million and one people went through the website to register their swap to Fairtrade with sales rising accordingly over the two weeks. It was also a year when Fairtrade chocolate took its rightful place on our shop shelves with major commitments from household names pushing sales for smallholders in Ghana and Côte D'Ivoire to another level. We also saw the launch of the first Fairtrade cosmetics and welcomed DfID's dramatically increased support for Fairtrade.

So today, at the mid-point in Tipping the Balance, our ambitious five-year strategy which seeks to transform Fairtrade's impact for more producers in more countries, it is good to look back on how we are meeting our goals through the partnerships we have forged with producers, the public, businesses, and NGO partners. This review tells the year's stories, and highlights the challenges to be overcome if we are to double the number of producers selling to the UK by 2012. Giving us a head start on this, the Olympic Organising Committee for the London 2012 Games has agreed to put Fairtrade at the heart of its sourcing policy wherever possible. We look forward to the continuing strength of the global Fairtrade movement.



DAVID CLAYTON-SMITH  
Chair of the Fairtrade Foundation Board





# SERIOUS ABOUT FAIRTRADE

Ten years ago local vet Bruce Crowther and a bunch of neighbours unilaterally declared Garstang the world's first Fairtrade Town. From that mad moment has sprung a whole global movement. Today there are over 800 Fairtrade Towns from the USA to Australia, with 480 in the UK alone, not to mention the thousands of Fairtrade faith groups, schools, and universities who are campaigning to put Fairtrade firmly on our shop shelves.

Thanks to their activities, more companies and retailers are engaging more seriously than ever with Fairtrade, so that today some 500 Fairtrade producer groups are selling to the UK, with seven out of ten of those groups being smallholders. Groups are selling more of their products on Fairtrade terms too, earning some £17 million in Fairtrade premiums alone last year. Producers report that most of this has been invested in strengthening their businesses and improving productivity, with education and community infrastructure the next most popular investments – like the rice farmers I met in Northern India who had invested the premium in buying a tractor-driven laser-leveller for their paddy fields. This investment, beyond the reach of any one farmer, has improved water retention in the fields and so productivity by some 30%. And increased incomes, as a raft of impact studies have shown, are just one Fairtrade benefit along with wider economic change and empowerment. Above all else, as a South African study showed, Fairtrade is giving people hope – a sense that trade can be changed for the better.



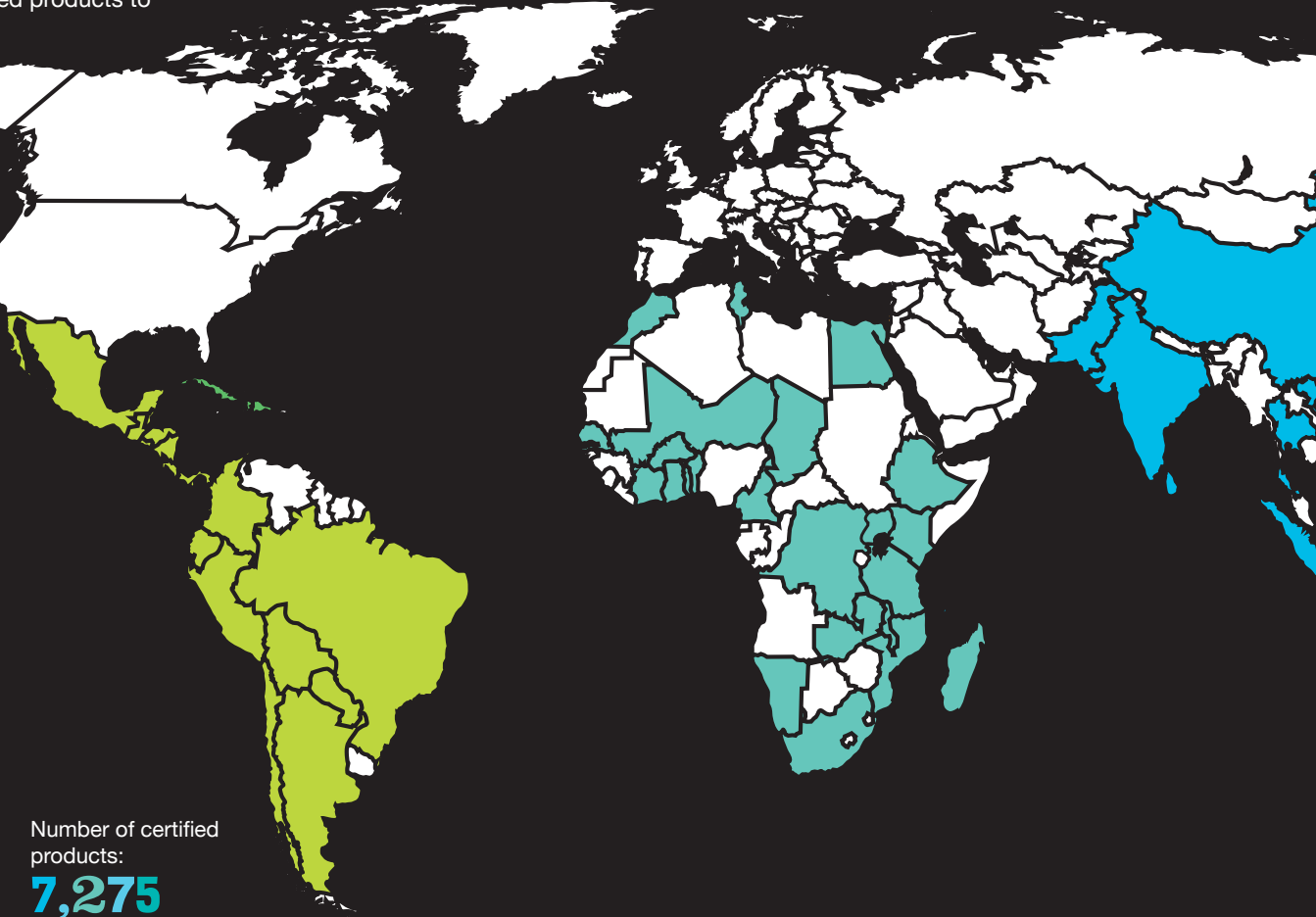
So it is not that Fairtrade has cracked all the problems already. Far, far from it. We are constantly re-assessing our rules to improve them. Moreover, producer groups have to work hard to meet the rigorous standards, most often struggling with those on social development and labour conditions, and to a lesser extent environmental rules. That is why the movement needs constantly to ensure that the standards are relevant, that producers are earning enough through Fairtrade to invest in improvements; that we are investing enough in support to help strengthen producer organisations; and that, most importantly, the farmers are, through fairer terms of trade, able to tackle the poverty that lies at the heart of so many problems. As one UK charity leader said to me, Fairtrade is not just about being a policeman; it is above all else an inspiration to change.



HARRIET LAMB  
Executive Director, Fairtrade Foundation



Farmers and workers in 55 countries  
sell Fairtrade certified products to  
the UK



Number of licensees  
at present date:

**440**

Number of certified  
products:

**7,275**





#### LATIN AMERICA

Argentina  
Belize  
Bolivia  
Brazil  
Chile  
Colombia  
Costa Rica  
Ecuador  
El Salvador  
Guatemala  
Honduras  
Mexico  
Nicaragua  
Panama  
Paraguay  
Peru

#### CARIBBEAN

Cuba  
Dominican Republic  
Windward Islands  
Haiti

#### AFRICA

Benin  
Burkina Faso  
Cameroon  
Comoros Islands  
Dem. Rep. of Congo  
Egypt  
Ethiopia  
Ghana  
Kenya  
Ivory Coast  
Madagascar  
Malawi  
Mali  
Morocco  
Mozambique  
Namibia  
Rwanda  
Senegal  
South Africa  
Tanzania  
Togo  
Tunisia  
Uganda  
Zambia

#### ASIA

China  
East Timor  
India  
Indonesia  
Pakistan  
Palestine  
Papua New Guinea  
Philippines  
Sri Lanka  
Thailand  
Vietnam

# A BEAUTIFUL PARTNERSHIP

Some of the newest producers to join Fairtrade are from shea nut co-operatives in Ghana and Burkina Faso. They are working with our brand new Fairtrade beauty licensees, including Boots and Bubble & Balm, to access markets and build longer, stronger trading partnerships. Nana Yogo from Burkina Faso says 'Fairtrade enables us to help ourselves and to support each other. The premium allows us to offer training courses to the women in our group. They learn to write and can see how important it is to have their independence in life. The status of women in our society has now increased.'

In 2009 the world's first Fairtrade melons arrived in the UK from newly certified small farmer co-operatives in Brazil. Maria Do Socorro Santos Ribeiro, secretary of COODAP, says the farmers are looking forward to receiving a fair price and having an international market for their fruit. They plan to spend the Fairtrade premium on a computer lab for internet access. 'We are going to use the premiums to buy a few secondhand computers so that people in the community do not get left out in this digital age. One or two will also go to the school.'



**What we said:**  
We aim to double the number of producers selling Fairtrade goods in the UK, so that disadvantaged farmers and workers can win deeper benefits from Fairtrade. Our target for 2012 is 900 producer groups.

**What we did:**  
By the end of 2009 the number of producer groups supplying the UK market was 498, from 55 different countries.



## Supporting the farmers

Fairtrade is supporting farmers in developing countries to adapt to the effects of climate change, as covered in our discussion paper *Why the climate revolution must be a fair revolution*, which puts the role of Fairtrade at the heart of the sustainability and food miles debate. Methods used by growers in Uganda and Costa Rica include investing Fairtrade premium in water conservation and protecting forest habitat.

We're working hard to include the poorest and hardest to reach producers. Of the nearly 500 producer organisations supplying the UK, 10% are from Least Developed Countries, but the number of individual members make up 39% of those supplying the UK Fairtrade market. They include coffee farmers in Democratic Republic of Congo, who are selling their coffee in Sainsbury's, and raisin farmers from Afghanistan who are, for the first time, able to sell their produce as Fairtrade, giving producers in the conflict-stricken country the opportunity to thrive.





# PUTTING FAIRTRADE AT THE HEART OF COMMUNITIES

Our grassroots social movement is widening through communities all over the UK. There are now 479 Fairtrade Towns, Villages, Boroughs, Counties, Islands and Zones in the UK, leading an international movement of nearly 800 Fairtrade Towns in 19 countries. Highlights include the declaration of the first cross-county Fairtrade Zone (Hadrian's Wall).

We launched an international Fairtrade Towns website bringing together individuals and campaign co-ordinators to share their best practice and ideas. It's been shortlisted for a Green Award and won an Outstanding Achievement Award in the Interactive Media Awards.

The growing numbers of Fairtrade Universities, Colleges and Schools are inspiring new generations to campaign for change and creating stronger links with Fairtrade Faith Groups in churches, synagogues, temples and mosques all over the UK.



**What we said:**  
We aim to make the citizens' movement for change even stronger, working closely with grassroots campaign networks, NGOs and Fairtrade producer partners, to keep the focus on the need for fairer trade firmly in the public eye.

**What we did:**  
We increased the numbers of Fairtrade Schools, Universities, Colleges and Faith Groups, and one million and one swaps to Fairtrade were registered on our website during Fairtrade Fortnight 2010.



Cotton producer Krishnan Sainathan visits Hadrian's Wall to celebrate its new Fairtrade Zone status, Fairtrade Fortnight 2010

## Campaigning for change

Fairtrade Fortnight, our annual awareness raising campaign brought together more people than ever. More than 12,000 events were organised, from a tea lady invasion of London Bridge to baboons swapping to Fairtrade bananas at Knowsley Safari Park. Visiting producers inspired campaigners at over 100 events including the declaration of the first Fairtrade Hindu Temple in Luton, also attended by Gareth Thomas, Minister of State for International Development.

Our campaign briefing *Stirring Up the Tea Trade* looked at the ongoing challenges in the tea industry and the progress made by Fairtrade producers. Fairtrade Foundation member organisations Traidcraft and the Women's Institute launched a campaign encouraging the UK's top five tea brands to engage more with Fairtrade.

We celebrated the 15th anniversary of the first Fairtrade products with a birthday tea party at Downing Street hosted by Sarah Brown. Among the 50 guests were representatives of the brands (Maya Gold, Cafédirect, Clipper Tea), fair trade organisations, NGO members of the Fairtrade Foundation, and a group of campaigners including three 15 year olds, born the year that Fairtrade first appeared on shop shelves.







# DEEPER COMMITMENT

Against a difficult business background, we have worked with companies big and small to build the volume of Fairtrade sales and strengthen our relationships to leverage new and deeper commitments to Fairtrade. These challenging times have meant forward-thinking companies are now seeing sustainability as the way forward for business, building relations with producers and introducing new Fairtrade products.

## Archbishop of York, John Sentamu on Nestlé's switch:

'Nestlé have invested considerable time, effort and money to make this Fairtrade biscuit a reality and this is fantastic news. I have visited the workers at the co-operative in the Ivory Coast who will benefit from Kit Kat four-finger bar becoming Fairtrade, and I know that this is a real step forward in giving them trade justice, recognition and the financial reward they deserve.'

Just when you thought you'd never taste Fairtrade chocolate toffee popcorn, Fairtrade innovators Traidcraft, along with Peros, Wish4Fairtrade and Divine, invent another set of imaginative products using Fairtrade ingredients.



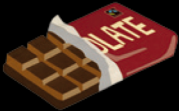
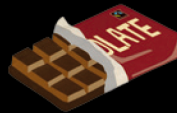
**What we said:**  
We're working to encourage more companies, big and small, to sell Fairtrade products and make a deeper commitment to Fairtrade.

**What we did:**  
Of 440 current licensees, 105 expanded their existing range of Fairtrade products between April 2009 and April 2010.



**Major commitments include these switches to Fairtrade:**

- Nestlé four-finger Kit Kat
- Ben & Jerry's whole global range by 2013
- Clipper green tea
- Sainsbury's and Morrisons roast and ground coffee
- Starbucks espresso-based drinks (completed in September 2009)
- Cadbury Buttons
- Green & Black's whole global range
- Compass sugar
- Tesco Fairtrade cotton school uniform range doubled



## New ways, new impact

Commitment isn't just about volume. Companies are finding ways to work more closely with producers and make real impacts. Take Starbucks, now supporting small-scale producers in developing the quality and supply of Rwandan specialty coffee. Or direct trade initiative Oromo Coffee. This unique social enterprise links Ethiopia's coffee growing communities and Ethiopians now living in North West England, supported by the Lorna Young Foundation and Bolling Coffee roasters.

Since committing to Fairtrade last year, Starbucks have sold 40 million cups of Fairtrade coffee in the UK.

Sainsbury's Fair Development Fund continued to support producers to meet Fairtrade standards and sell to international markets on fairer terms. Sainsbury's also held groundbreaking talks in Africa, the first time a supermarket has brought together developing world suppliers to discuss food security, Fairtrade and ensuring a sustainable future for the food industry.

Fairtrade cotton pioneer People Tree launched a collection for younger fashion fans designed by Emma Watson.



Our Co-operative values are absolutely in tune with Fairtrade. That's why we're so pleased that, as we continue to integrate Somerfield into our food business, we have the opportunity to significantly increase our sales of Fairtrade goods. At the same time, we've been able to extend the benefits of both co-operative and Fairtrade business models by working with 9,000 Kenyan smallholder tea farmers – bringing them together to form co-operatives and achieve Fairtrade certification, which will enable them to access the ever-growing Fairtrade market both within our 99 Tea brand and more widely.

Peter Marks, Chief Executive, The Co-operative



# RAISING AWARENESS AND SALES

Shoppers have higher expectations of companies than ever before, and independent third party certification, such as the FAIRTRADE Mark, continues to provide the assurance that producers are getting a better deal. We are working to ensure shoppers go beyond the core products to make Fairtrade purchases in other categories their first choice.

74% of people surveyed recognised the FAIRTRADE Mark\*. But as a word, Fairtrade defines a decade. Alongside Obamamania and Sustainability, Fairtrade is one of the top 20 iconic words of the noughties, according to a BBC survey which asked thousands to choose words to sum up 2000-2009.

Facebook, Twitter and YouTube are part of our plans to build support and awareness. At the end of March 2010 we had 31,779 Facebook fans and 5,401 Twitter followers.

Our media coverage secured an advertising value equivalent of £8m during Fortnight alone, including national TV, press, radio, women's magazines, tabloids and online coverage. And our partnership with Cadbury to launch Fairtrade Dairy Milk jointly won a prestigious CorpComms Editors' Award.

Awareness builds business momentum for Fairtrade, which continued to grow throughout 2009, fuelling sales growth. Fairtrade sales in the UK in 2009 hit £799m, up 14% on 2008, and generating £16.7 million of Fairtrade premium payments for producers to invest in community projects.

\*Kantar WorldPanel 2009

\*\*Globescan

In 2009/10, our Fairtrade food sales were up 55% against 2006/07. We increased our range to over 350 Fairtrade products, including 10 lines of cut-flowers.

Richard Gillies,  
Head of Sustainable Business,  
Marks & Spencer

## What we said:

We will work to ensure more people regularly buy core Fairtrade products such as bananas, coffee and tea and open up opportunities for producers of new products.

## How we did:

By the end of 2009, 51% of households were buying several/one Fairtrade products at least once every month\*\*, up from 38% (April 2008).



WINE SALES  
UP BY



38%



# SCALING UP

As the largest of the 21 Labelling Initiatives in Fairtrade Labelling Organisations International (FLO), we are actively supporting FLO to implement the new global strategic plan agreed in December 2008. We are supporting the building of a common global system in which producers have a greater share of responsibility so that Fairtrade can increase its impact on producer empowerment and sustainable development for producing communities in the developing world.

New, dynamic Global Account Management will ensure we work together as a global movement to get the best possible commitment to Fairtrade from international brands.

In 2009 we secured a grant from DfID worth £12 million over the next four years in funding to Fairtrade and its international partners in FLO to scale up work supporting farmers in developing countries to access better terms of trade in global markets.



**What we said:**  
By 2012 we want the global Fairtrade system to be known as a beacon of good practice in trade and development, enabling the voice of the poorest to be heard at the highest level.

**What we did:**  
We invested in improving our own systems in the UK and more widely within the Fairtrade movement, including our certification system and internal business processes.



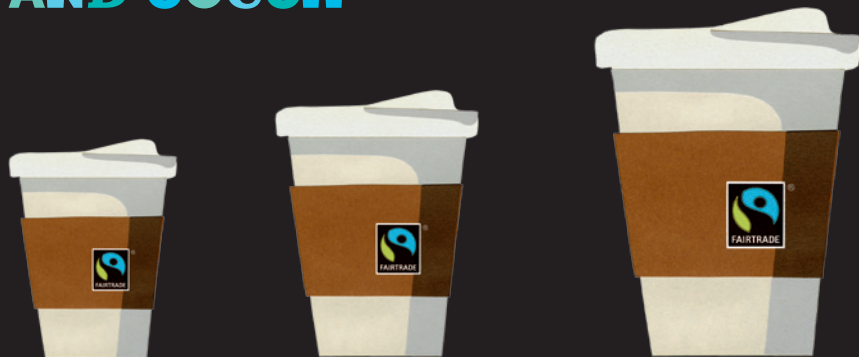


With Fairtrade's recent growth it's more important than ever to be straightforward, transparent and efficient to protect the integrity of the FAIRTRADE Mark and Fairtrade generally. So we've developed and introduced a Quality Management System for our Certification operations based on international criteria for organisations offering product certification (ISO65). We've also upgraded the system for licensees to apply to use the Mark on products, putting it all online, making it easier to work with us than ever before.

With Comic Relief funding we've continued closely working with the Africa Fairtrade Network to help it develop and implement its own five-year strategic plan. The network is now actively participating in developing Fairtrade standards to better reflect African needs. US\$280,000 in business training grants was transferred to 25 successful small farmer organisations and we saw the start of strategic networks in six countries to bring in external support.

Our new policy team will work on three areas: international trade; climate change and sustainable consumption; and public/private sector procurement and purchasing practices.

# INCREASE IN UK SALES OF COFFEE, SPICES, SUGAR AND COCOA



2007

Volume sold  
8,388 tonnes

2008

Volume sold  
9,666 tonnes

2009

Volume sold  
11,982 tonnes



2007

Volume sold  
38 tonnes



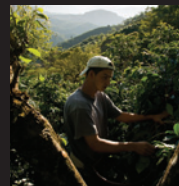
2008

Volume sold  
49 tonnes



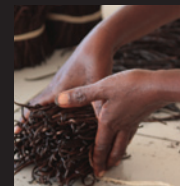
2009

Volume sold  
63 tonnes



## Coffee

The coffee farmers of Cocafe, Costa Rica have invested some of their premium in reforesting 5,000 hectares. This sustainable solution prevents soil erosion, makes the land fertile again and is great news for birds, butterflies and all the other life in the area. They've also put money into repairing local roads and bridges damaged by hurricanes, which had prevented them getting their coffee to market.



## Spices

The members of SOFA in Sri Lanka have invested some of the Fairtrade premium they earn from spice and tea farming in a small loans fund. It's doing big things for the community. Members are starting up their own small businesses to pack loose peanuts or tea to market locally. It's also paying for roof repairs, home improvements and extensions, and buying farming equipment.



2007

Volume sold  
7,297 tonnes

2008

Volume sold  
45,561 tonnes

2009

Volume sold  
69,216 tonnes



2007

Volume sold  
1,805 tonnes

2008

Volume sold  
1,997 tonnes

2009

Volume sold  
3,556 tonnes



### Sugar

In Paraguay, Fairtrade sugar is sweeter. Ask any member of the Manduvira co-operative about how they've chosen to invest their Fairtrade premium and they'll list the school equipment and the health awareness programmes. They'll also mention the new health centre where test results for pregnancy, diabetes and HIV/AIDS are available within 24 hours, avoiding the need for the three-hour round trip to the previous clinic and the three-day wait for test results.



### Cocoa

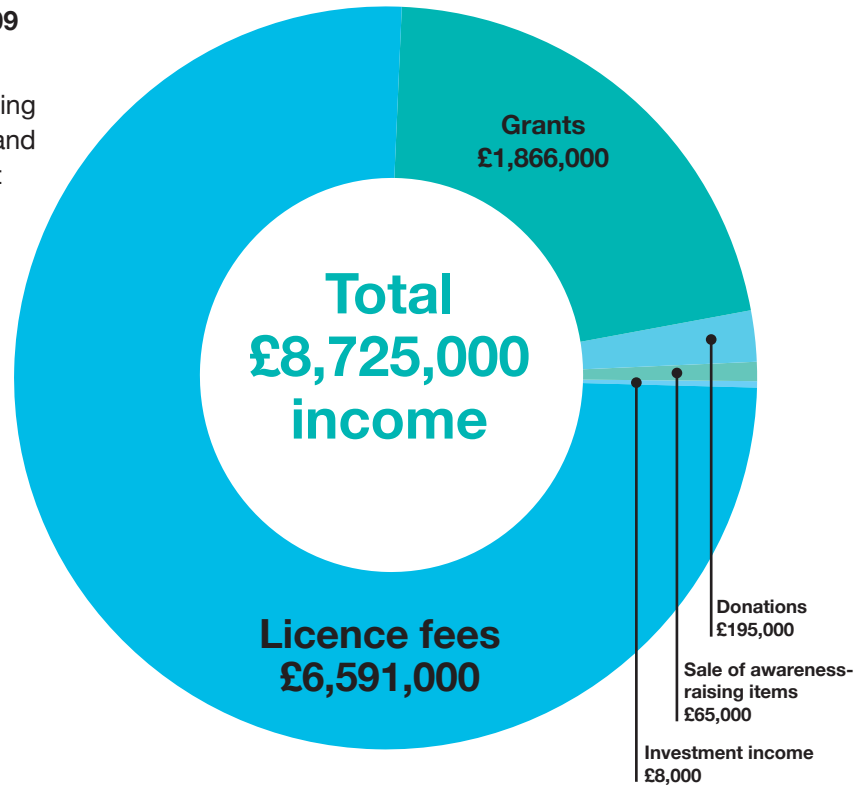
In Ivory Coast, the Fairtrade premium that Kavokiva's members have invested in schools, clinics and clean water has already repaid itself over and over. One of the community's biggest successes has been building and equipping their own health clinic. Not to mention the three new wells with motorpumps. Then there's the classrooms and school fees it has covered. And there's plenty more planned.

# SUMMARY OF FINANCIAL INFORMATION 2009

## UK income for the year ending 31 December 2009

Total income was £8.7m in 2009. Our main source of income was licence fees from companies marketing products that comply with the Fairtrade standards and carry the FAIRTRADE Mark. The single largest grant installment we received this year was £1.4m from Comic Relief for our Fairtrade for Development in Africa project.

Where our money comes from

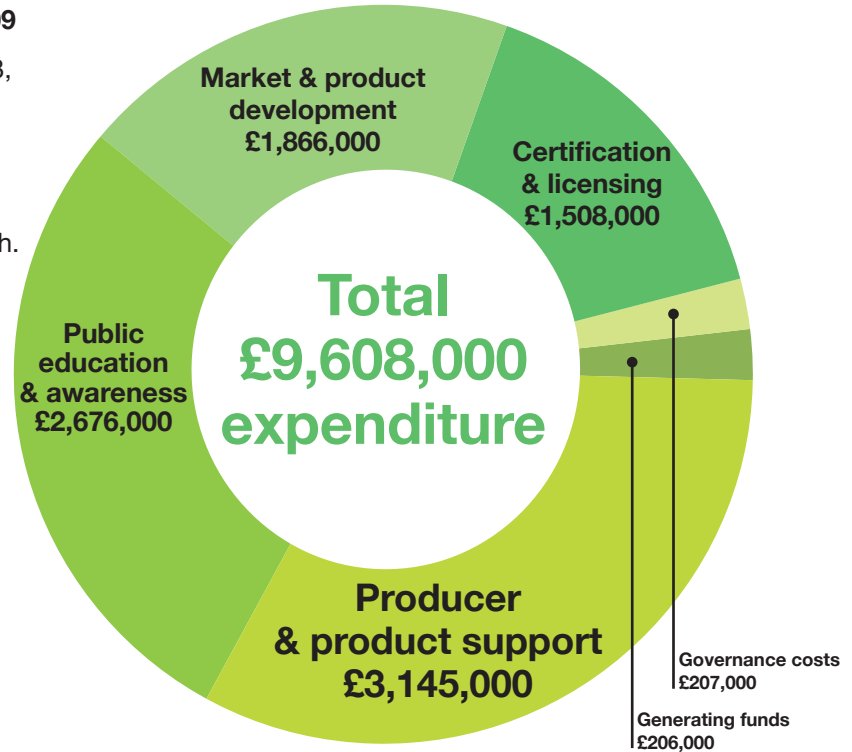


## UK expenditure for the year ending 31 December 2009

Total expenditure was £9.6m in 2009. Compared to 2008, we spent significantly more this year on Producer and product support as well as Certification and licensing, which is in line with the strategic objective to scale up Fairtrade's systems and processes to ensure that they remain robust enough to deal with potential future growth.

Expenditure was higher than income this year as the Trustees continued to seek significant investment of resources to ensure that the ambitious plans set out in Tipping the Balance can be achieved.

### How we spent it



This financial information has been extracted from the full, published financial statements, which have been audited by Horwath Clark Whitehill LLP. The full financial statements, which received an unqualified audit report, are available from the Fairtrade Foundation or from [www.fairtrade.org.uk/reports](http://www.fairtrade.org.uk/reports).

# THANK YOU

## **Fairtrade Foundation members and supporters**

Banana Link

CAFOD\*

Christian Aid\*

Methodist Relief & Development Fund

National Federation of Women's Institutes

Nicaragua Solidarity Campaign

Oxfam\*

People & Planet

SCIAF

Shared Interest Foundation

Soroptimist International GBI

Tearfund

Traidcraft Exchange\*

United Reformed Church

World Development Movement\*

\*Founder members

## **Board members**

**Executive Director:** Harriet Lamb CBE

**Chair:** David Clayton-Smith

Alex Yeboah-Afari (representing Fairtrade Africa)

Bert Schouwenburg (GMB London Region)

David McCullough (Oxfam)

Ed Mayo (Consumer Focus)

Joy Thomson (National Federation of Women's Institutes)

Melissa Duncan (Traidcraft)

Merling Preza (representing Latin American and Caribbean Fair Trade Network)

Nabs Suma (independent certification consultant)

Patricia Alexander (Shared Interest)

Simon Maxwell (Overseas Development Institute)

Tomy Matthews (representing Network of Asian Producers)

**Grants received  
£10,000 and over**



Impetus  
Charities Aid Foundation  
The John Ellerman Foundation  
The Waterloo Foundation

**£1,000 to £9,999**

The Ernest Cook Trust (Educational Grants)  
The Rowan Trust  
The Sheepdrove Trust  
The SMB Charitable Trust  
The Bay Tree Charitable Trust  
The Morel Trust  
Triodos Foundation  
W F Southall Trust  
The Gibbs Charitable Foundation  
Marr-Munning Trust  
The Henry & Rebecca Tinsley Foundation  
The Paget Trust

**Thank you for all the other grants received from funders (under £1,000) and donations received from individuals, companies, schools, churches and other supporter groups.**

**A huge thank you to all our volunteers in the office and around the UK.**

[www.fairtrade.org.uk](http://www.fairtrade.org.uk)

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FOUNDATION**