



Submission to the  
**Foreign Affairs and Aid Subcommittee**  
**Joint Standing Committee on Foreign Affairs, Defence and Trade**

30 April 2014

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**Background - Fairtrade’s Role in Leveraging Private Sector Resources to Contribute to Poverty Reduction**

1. Fairtrade ANZ is the Australia & New Zealand member of Fairtrade International, which unites 25 national organizations across Europe, Japan, North America, Mexico and Australia & New Zealand as well as networks of Fairtrade Certified producer organisations from Asia & the Pacific, Africa, and Latin America & the Caribbean.
2. Fairtrade ANZ’s mission is to support and facilitate market access for marginalised farmers in Asia-Pacific, and to engage with businesses, community groups and individuals in Australia and New Zealand to improve the trading position of Fairtrade Certified producer organisations. Fairtrade ANZ’s goal is to deliver sustainable livelihoods for farmers, workers and their communities by:
  - Being an ambitious development organisation committed to tackling poverty and injustice through trade.
  - Using certification and product labelling, through the FAIRTRADE Mark, as a tool for our development goals.
  - Bringing together producers, businesses and consumers in a citizens’ movement for change.
  - Being recognised as the Australia & New Zealand leading authority on Fairtrade.
3. Our four key areas of activity are:
  - Providing an independent certification of the supply chain, licensing use of the FAIRTRADE Mark as a consumer guarantee on products.
  - Facilitating the market to grow demand for Fairtrade and enable producers to sell to traders and retailers.
  - Supporting the sustainable development of producer organisations and their networks.
  - Raising public awareness of the need for Fairtrade and the importance of the FAIRTRADE Mark.
4. Fairtrade works on the premise that its business partners have a vested interest in and can be key contributors to the sustainability of the farmers at the bottom of the supply chain, and leverages these relationships to facilitate more private sector involvement in development and more development in the private sector. Fairtrade leverages and supports the private sector, both directly and indirectly, from upstream assistance in the development of healthy farmer organisations ready to absorb investment and trade, through to innovative approaches for sustainable production, market linkages and consumer awareness.
5. The total market for sustainable products and services has almost doubled in Australia in the last four years, and despite rising living costs and signs of a declining appetite from the Australian community for a price on carbon, more Australians are continuing to embrace ‘eco’ options.

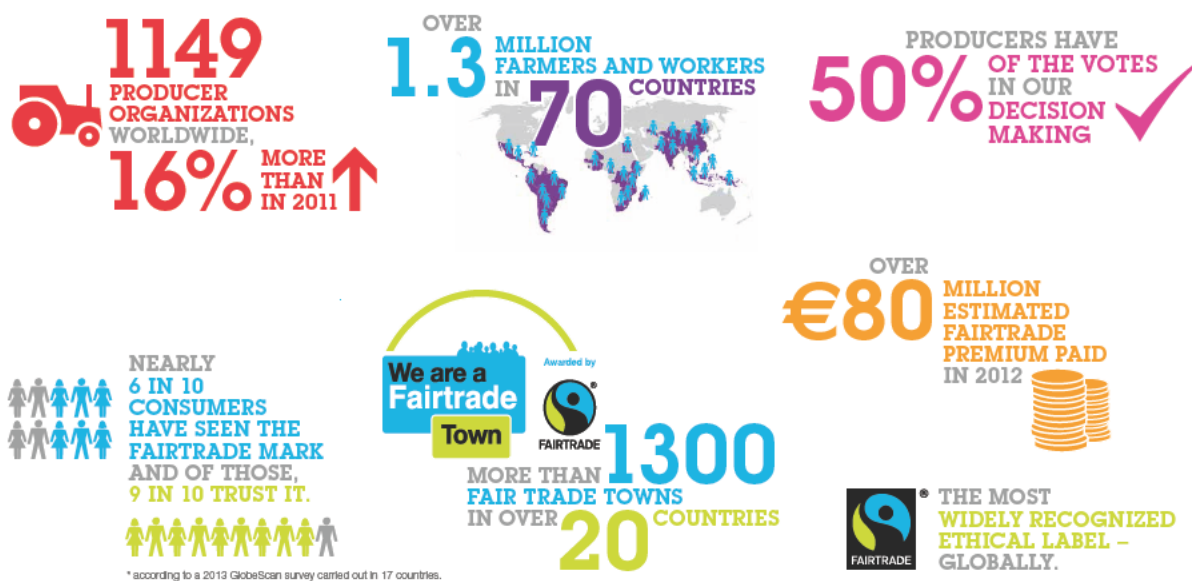
6. Australian consumers spent more than AUD\$191 million on Fairtrade Certified products in 2012, with an average annual growth of over 50 per cent over the past five years.
7. On average there are more than 15 new businesses entering the Fairtrade system in



Australia each year: Coles now supply over 40 Fairtrade Certified products; Woolworths have launched Whittaker's Creamy Milk Fairtrade Certified Chocolate nationally; 8 in 10 people want 3rd Party Verification of the claims made by companies; premium brands such as Alter Eco, Chocolatier, Toby's Estate, Belaroma and mainstream brands Cadbury, Starbucks, Nerada and Grinders offer Fairtrade Certified products.

8. Over the past year, Fairtrade sales in Australia generated over AUD\$2.5 million in Fairtrade Premium for producers within the region. This sum of money is paid on top of the crop prices to the producer organizations to be invested in community and/or business development after a democratic and inclusive decision-making process. Globally, sales of Fairtrade Certified products in 2012 amounted to \$7 billion, which generated an estimated \$200 million in Fairtrade Premium.
9. Fairtrade is ideally placed to catalyse the potentially transformative power of smallholders and workers, and leverage private sector resources at such a scale which contributes to poverty and inequality reduction. Fairtrade's market and value chain-based model supports small farmers' and farm workers' development to meet and sustain international market requirements, and to efficiently benefit from production, marketing, and market growth.

## FAIRTRADE IN 2012-13



### The Principles for Effective Private Sector Participation in Poverty Reduction

10. The private sector is a critical driver of economic growth, which contributes significantly to poverty reduction and higher living standards for poor people. The private sector is responsible for around 90 percent of employment in the developing world—including both formal and informal jobs; it provides critical goods and services; is the source of most tax revenues; and is key to ensuring the efficient flow of capital. The public and private sectors can be most effective when they work together, and the public sector has a critical role to play in creating a healthy environment for investment and business activity.
11. Private sector participation is critical to poverty reduction and development as long as it enables ownership, whereby people and communities can take responsibility for their own development and

build their leadership and business capacity. Fairtrade's global experience demonstrates that poverty reduction can only be achieved by building the entrepreneurial capacity and empowerment of the poor, facilitating market linkages and communication throughout the supply chain and promoting buyers' engagement in long-term sustainability.

12. The Fairtrade experience reveals that:

- Effective poverty reduction relies on the key principles of fair trade, long-term partnerships, agribusiness development at the bottom of the supply chain, and sustainable production practices.
- Economic growth is a necessary, although not a sufficient, condition for poverty reduction. The extent of participation of people living in poverty in a growing economy matters.
- Job creation is one of the major paths out of poverty, and private enterprises are the main source of jobs in almost all developing countries.
- However, before putting trust in market extension and private sector development, numerous regulatory frameworks must be in place (e.g. to guarantee property rights or to assure competition).
- Among agribusiness, small and medium-sized cooperative-style enterprises play a leading role in employment and income generation for broad and often less privileged sections of the population.

#### Recommendation

a) Partnerships with the private sector and development agencies are essential. The Australian Government needs to develop better models for working with the private sector, developing public/private-sector partnerships and working with international development business oriented organizations, such as Fairtrade ANZ.

#### **Making Supply Chains work for Small Producers**

13. Most small producers are engaged in agriculture. Latest estimates suggest that there are approximately 2.5 billion people involved in full- or part-time smallholder agriculture, managing an estimated 500 million small farms<sup>1</sup>. By growing 70% of the planet's food they play a central role in feeding the world's growing population<sup>2</sup>. Therefore, small producers play a critical role in the solution of providing food and employment to the poorest in the world and, hence, have the greatest impact on poverty reduction. At the same time, small farms can be commercially viable, with small producers being the main investors in agriculture in many countries<sup>3</sup>. But many farmers are trapped in the cycle of poverty, made worse by decades of price volatility and underinvestment in agriculture, and are now facing threats from a changing climate. Recently, there has been a slow tide turn in policy (for example from IFAD, FAO, UN, EU)<sup>4</sup> where small producers have started to be recognised as playing a

<sup>1</sup>IFAD. *Smallholders, food security and the environment* [Online]. 2013 [viewed 3 October 2013]. Available from: <[http://www.ifad.org/climate/resources/smallholders\\_report.pdf](http://www.ifad.org/climate/resources/smallholders_report.pdf)>

<sup>2</sup>FAIRTRADE FOUNDATION. *Powering up smallholder farmers to make food fair: a five point agenda*. London: February 2013.

<sup>3</sup>SAHAN, E., THORPE, J. *Power, rights and inclusive markets. Public policies that support small-scale agriculture* [Online]. Oxfam, 5 June 2013 [viewed 3 October 2013]. Available from: <[http://www.oxfam.org/sites/www.oxfam.org/files/bn-power-rights-inclusive-markets-agriculture-050613-en\\_1.pdf](http://www.oxfam.org/sites/www.oxfam.org/files/bn-power-rights-inclusive-markets-agriculture-050613-en_1.pdf)>

<sup>4</sup>European Union: European Commission, *Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on Increasing the impact of EU Development Policy: an Agenda for Change*, 13 October 2011, COM(2011) 637 final [viewed 3 October 2013]. Available from: <[http://ec.europa.eu/europeaid/what/development-policies/documents/agenda\\_for\\_change\\_en.pdf](http://ec.europa.eu/europeaid/what/development-policies/documents/agenda_for_change_en.pdf)>

SCHUTTER, de O. *The Common Agricultural Policy towards 2020: The role of the European Union in supporting the realization of the right to food* [Online]. United Nations Office of the UN High Commissioner for Human Rights, 17 June 2011 [viewed 3 October 2013]. Available from <[http://www2.ohchr.org/english/issues/food/docs/SRRTF\\_CAP\\_Reform\\_Comment.pdf](http://www2.ohchr.org/english/issues/food/docs/SRRTF_CAP_Reform_Comment.pdf)>

DEPARTMENT OF ECONOMIC AND SOCIAL AFFAIRS OF THE UNITED NATIONS SECRETARIAT. *World Economic and Social Survey 2011* [Online]. New York: United Nations, 2011 [viewed 3 October 2013]. Available from: <[http://www.un.org/en/development/desa/policy/wess/wess\\_current/2011wess.pdf](http://www.un.org/en/development/desa/policy/wess/wess_current/2011wess.pdf)>

IFAD. *Smallholders, food security and the environment* [Online]. 2013 [viewed 3 October 2013]. Available from: <[http://www.ifad.org/climate/resources/smallholders\\_report.pdf](http://www.ifad.org/climate/resources/smallholders_report.pdf)>

HERBEL, D., CROWLEY, E., OURABAH Haddad N., LEE, M. *Good Practices In Building Innovative Rural Institutions To Increase Food Security* [Online]. Rome: FAO, 2012 [viewed 3 October 2013]. Available from: <<http://www.fao.org/docrep/015/i2258e/i2258e00.pdf>>

pivotal role in achieving . food security, efficient development processes and long-term improvement of livelihoods.

14. Fairtrade and the cooperatives it supports have been part of the private sector for many years. They have contributed to bringing a more inclusive people-based model to the economic system and proved that it is not only viable but can succeed commercially.
15. The engagement of small farmers as key business partners in global supply chains is essential for poverty alleviation. In this regard, Fairtrade encourages the following principles:
  - Producers are supported to have a fair share of the value of their product and receive a fair price for their work.
  - Empowerment and voice is given within the supply chain to small producers, especially women<sup>5</sup>. This enables them to deal with power relations and possible corruption that occurs at different levels of the supply chain and increases their resilience to falling back into poverty.<sup>6</sup>
  - Small producers are organised in strong, democratic organisations, such as cooperatives, that represent them within the supply chain. This not only influences the supply chain and maximises production by realising economies of scale, but also increases capacities to lobby towards governments and to balance the macro-economic trade policy developments that have an adverse effect on small producers.
  - The diversification and moving up the value chain through engagement of small producers in the first stages of processing, is encouraged so as to increase sustainability and give small producers access to diverse markets. This is particularly important if we consider climate change effects, the existence of an increasingly concentrated commodity market, and the current context of high price volatility primarily caused by financial speculation.
  - Transparency in the supply chain is ensured, where producers and consumers understand and have full information of the supply chain process.
  - Supply chains serve local communities' long term needs and allow local producers to benefit from their work through democratic participation and ownership.
  - As much added value of the supply chain stays in-country as possible.
  - The price of a product is not recognised as being the only factor determining the value of a product.



<sup>5</sup> CTB, Agence belge de développement. *Les femmes, Actrices du commerce équitable*. Bruxelles: CTB, mars 2013.

<sup>6</sup> NARAYAN, D. *Moving out of poverty: success from the Bottom Up*. World Bank, 2009.

**Recommendation:**

b) Fairtrade ANZ calls on the Australian Parliament to encourage an informed public enquiry on the role of the private sector in development, which does not only focus on private sector development and private sector finance for development (including blending instruments) but also covers *how* the businesses operate and *how* these operations contribute (or not) to sustainable development; *how* businesses are organised; and *whether*, *when*, and *how* the private sector can serve as a tool to achieve Australian objectives of poverty reduction and sustainable development.

**Empower Small Producers in the Value Chain**

16. Small producers are clearly not all the same, and the factors affecting their development will vary according to their particular context. However, even with variable differences, some big challenges can be identified as common to most small producers, regardless of where they live and what they produce. Addressing these challenges holds the potential to unleash the power of small producers to achieve food security, reduce poverty, and build more sustainable livelihoods.
17. Most of the rural poor in the Indo-Pacific region share a number of economic, demographic and social characteristics such as small-scale, low-yielding farming systems, increasing land pressure and rural exodus, and the inequality in business participation of women, young people and minority groups. Common limitations faced by smallholders to benefiting from value chains include lack of collective organisation, business and negotiating experience, and market information, as well as limited access to credit, equipment and technology. These constraints have historically hindered their opportunities in the marketplace. Agricultural production is central to any development in the region, with more than 85% of the rural-base dependant on this sector for subsistence, gainful employment, and income.
18. The development and growth prospects for this region are squarely anchored on the prosperity of primary commodity sectors. Faced with the developmental challenges resulting from intense competitiveness in the export of commodities of importance to them, Indo-Pacific countries need to identify and appropriate new forms of income generation, consolidate their comparative advantage in producing selected commodities and institute innovative but proven natural resources management regimes.
19. Experience in agriculture and rural development shows that producers and their farms must be considered as entrepreneurs with their businesses. These farm businesses need linkages along the value chain from input supply, and production to processing, marketing and consumption. However,



market-oriented agriculture alone does not empower small-scale farmers to compete in regional and/or international value and supply chains. Enhancing the competitiveness of small-scale producers and their organisations through Fairtrade certification is key to increasing benefits for the producers and workers in agricultural value chains.

20. For trade to contribute to poverty reduction, it must be conducted in a manner that upholds human rights, mitigates risk, promotes inclusion of the vulnerable and reduces inequalities. Fairtrade is recognised for its leadership role in how standards may serve as an effective platform to build commitment to human rights principles and promote greater empowerment and inclusion of groups like children, women and waged workers. At the same time, more professional and better governed producer organizations are able to both develop their businesses and deliver socially relevant services to their members.

**Recommendations:**

**Invest in partnerships that will allow for the following progress in developing countries:**

- c) Support the development and strengthening of producer and worker organisations and networks – such as cooperatives – in order to build local institutional and productive capacities, as well as the required education and training on the role of women and on management skills. This enables the development of a competitive local private sector through SMEs and cooperatives;
- d) Support access to finance and mechanisms designed to help small producers. Developing financial instruments must include developing more risk capital funds with substantial scale and leverage and strengthen tools such as seed capital, guarantees and equity; this needs to be ‘affordable credit’;
- e) Facilitate access to capacity building, especially around diversification of products, quality improvement and help to comply with standards and technical requirements, both for the local, regional and international markets;
- f) Encourage the development of transparency and documentation tools, to access information within supply chains, monitor changes in process and consumer demands in export markets, as well as importing channels, market price information systems, competition and business opportunities;
- g) Support inclusive people-centred business models and encourage small producers to adhere to Fairtrade standards and to get organised into cooperatives;
- h) Support regional and national Fairtrade networks, which aim to increase South-South Fairtrade trade, by increasing the exchange of local products for local communities. Support legal frames on competition law which are not only protecting consumers but also care about producers’ welfare.

**Create an enabling environment**

21. A major constraint to cooperative enterprises in many countries is the poor enabling environment: either due to restrictive laws and regulations stemming from the legacy of state control or, in some cases, the complete absence of a cooperative legal framework. The negative impact of the lack of an enabling environment severely affects the development of a country and thus cannot be overemphasised.
22. To function well, such organisations do need a robust enabling environment with solid prudential regulation, protecting democratic member control and ownership, autonomy, as well as voluntary and open membership. Further, such a framework must be simple and transparent concerning its registration, auditing and reporting processes.

**Recommendations:**

- i) Support the reflection processes within the cooperative sector on the cooperative-state relationship and their technical advice to governments in developing countries in redrafting cooperative laws;
- j) Partner with cooperative federations and agencies providing assistance to their members on registration, auditing and legal issues;
- k) Invite Civil Society Organisations to the dialogue with Australian Delegations and Institutions and partner governments and make the dialogue tripartite on legal issues concerning the cooperative model, to guarantee effective legal frameworks and the diversity of enterprises;
- l) Work with governments in developing countries to address the legal issues relating to land tenure, considering that the conditions of access to the land impact directly on smallholders;
- m) Support the diversity of entrepreneurial forms, including business models being based on democratic ownership and participation.

**Adapt Trade and Trade-Related Policies**

- 23. The assumption that trade liberalisation will trickle-down to the poorest in societies does not work in practice, unless a number of other policies are put in place. There are numerous policies that have an impact on how small producers can (or not) trade their way out of poverty. Creating an enabling trade policy environment with better coordination between development, trade and other policy areas will encourage individuals, producers and consumers to make trade work for development. Trade policy needs to be more democratic and transparent.
- 24. Research has shown that more than 90 per cent of Australians and New Zealanders think it is important overseas farmers are paid a fair price for their produce. Consumer trust in the FAIRTRADE Mark in this regard remains high, and sales of Fairtrade in Australia grew 16 per cent from the previous year. This demonstrates that there is a clear demand for Fairtrade Certified products in Australia and yet, there are still significant challenges for Fairtrade Certified products to be supplied to the Australian market. Trade policies need to reflect consumer demand for fairly traded products.

**Recommendations:**

- n) Put in place coordinated Australian internal and external policies and measures that enable small producers in the Global South to reap benefits from trade;
- o) Have a clear participatory policy-making culture where small producers are at the heart of international trade policy developments; this should be accompanied with impact assessments;
- p) Implement Human Rights Impact Assessments and incorporate clear conditionality and clauses on human rights and democracy in all trade agreements;
- q) Put in place a system of positive incentives in the Sustainable Development Subheadings of trade agreements, to encourage the import into Australia of agricultural products that comply with international environmental, social and human rights standards, in particular by ensuring fair revenues for producers and living wages for agricultural workers, as called for by the UN special rapporteur on the right to food;
- r) Ensure that Aid for Trade promotes poverty-reducing and inclusive instruments, based on small producers needs with an emphasis on developing local markets and sustainable value chains;
- s) Make trade a priority in Policy Coherence for Development, provided that it is understood as being more



than multi- or bilateral government negotiations;

t) Ensure that credible competition and merger regulation authorities exist, restraining the creation and abuse of dominant buyer power, thus protecting small producers.

### **Drive consumption through demand**

25. Fairtrade is not only a market-driven tool but a movement of active citizens, a pioneer in raising awareness on sustainable consumption. It shows that development education and awareness works best when it can be followed by action, as purchasing decisions result in signals to market operators. These choices allow the private sector in Europe, Australia, New Zealand, the US, etc, to contribute to support and integrate development into their thinking as well as indirectly benefit from it through increased in sales. It allows Australian consumers to put money towards development by buying pro-development products and support people-centred companies such as farmer cooperatives.

### **Recommendations:**

u) Encourage contracting authorities within the Australian Government to maximise the use of public procurement as part of their sustainable development strategies, through legislation, guideline documents, exchange of best practices and proactive strategies promoting sustainable public consumption;

v) Ensure that investments are made in parallel to both support small producers and develop the markets in which their products are sold;

w) Support Fairtrade actors in their efforts of building awareness of Fairtrade and the cooperative business model in the Global South - as they have already started in South Africa, India, Nepal and Brazil through the introduction of the FAIRTRADE Mark, World Shops, OXFAM Shops and other retail stores;

x) Provide consumers with better information and education on what happens along the supply chain as they currently lack information, including the environmental and social costs of a product, to make an informed choice;

y) Enhance traceability in the supply chain and ensure that independent certifying and control bodies exist to help distinguish between good practices and green-washing.



Fairtrade ANZ looks forward to continue working with the Australian Government to jointly achieve the Australian development objectives, in particular in the discussions on the future Australian strategies on Strengthening the Role of the Private Sector in Achieving Inclusive and Sustainable Development.

**Molly Harriss Olson**

**Chief Executive Officer**

**Fairtrade Australia & New Zealand**





*“For the past 25 years, we have taken the vision of the pioneering fair traders to the wider public, directly reaching over 1.3 million smallholders and workers. The model has been shown to work; now we need to take it wider. We seek to be at the cutting edge of reforming global trade in favour of justice, unlocking the power of disadvantaged producers and workers.”*

**Harriet Lamb**, Chief Executive,  
Fairtrade International



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Fairtrade  
Producers in  
2012-13



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## Unlocking the Power of the Many

Fairtrade International and our members have united behind a common strategic framework for 2013-15. We will focus on building our unique strengths, and delivering in these four key areas:

- Unlocking the power of smallholders
- Unlocking the power of workers
- Unlocking the power of citizens and companies
- Unlocking the power of the people in the global Fairtrade system.



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### Powering Up Producers

**Over the past 12 months we continued to transfer more responsibilities and services to the South, where they belong.**

Up to now producer services have been coordinated centrally by Fairtrade International, with locally-based staff working with producers in the field. But in a true display of producer leadership, producer networks have started to coordinate this important work themselves.

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*"The unique relationship between the north and the south, a strong voice and role for producers and workers, makes Fairtrade different from all other competing ethical schemes. This is what real empowerment is about."*

Marika de Peña, Vice Chair of Fairtrade International and director of Banelino banana cooperative in the Dominican Republic.



**53%** of Fairtrade Premium invested by small producers into improvements to their business (quality or productivity) or organizational development in 2011-12.

**83%** of producers satisfied with the services of Fairtrade liaison officers in the field, according to a 2012 survey.





**Learning to Grow:  
Assessing  
Fairtrade's  
Impact**

A series of impact evaluations commissioned by Fairtrade over the past 12 months revealed positive results, as well as learnings for the future. <http://www.fairtrade.net/impact-and-research.html>

Our model is one of continuous improvement: monitoring feeds learning, which in turn feeds improvement.



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FAIRTRADE PRODUCTS  
NOW SOLD IN OVER  
**125**   
COUNTRIES

**Powerful  
Partnerships**

Commercial partners, NGOs and campaigners all continued to show their commitment to Fairtrade.

OVER  
1,300

Fair Trade Towns in more than  
20 countries.

OVER  
3,000

companies work with  
Fairtrade worldwide.



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"Fairtrade is about sourcing in a responsible manner, being mindful of the importance that farmers play in our global society. Put simply, it's the right thing to do."

Jostein Solheim, CEO of  
Ben & Jerry's

Ben & Jerry's

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SHOPPERS  
SPENT  
BILLION  
ON FAIRTRADE PRODUCTS  
IN 2012

**€4.8**



### Fairtrade Sales Worldwide

Sales continues to grow strongly across most markets. Germany has broken the half billion mark and South Africa continues its strong upward trend.

The strong results mean Fair Trade USA's withdrawal from the international system at the end of 2011 has only resulted in a slight dip (-4%) in total global Fairtrade sales. Average sales in all other Fairtrade markets increased by over 20 percent compared to 2011.

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**THE MOST  
WIDELY RECOGNIZED  
ETHICAL LABEL –  
GLOBALLY.**



**NEARLY  
6 IN 10  
CONSUMERS  
HAVE SEEN THE  
FAIRTRADE MARK  
AND OF THOSE,  
9 IN 10 TRUST IT.**



\* according to a 2013 GlobeScan survey carried out in 17 countries.





Estimated retail sales by country

Country	2011 (in €)	2012 (in €)	Growth rate
Aus/NZ	150,660,362	188,045,618	25%
Austria	100,000,000	107,000,000	7%
Belgium	70,998,459	85,837,221	21%
Canada	199,768,996	197,277,194	-1%
Czech Republic	2,859,432	2,744,524	n/a**
Denmark	74,908,637	71,836,714	-4%
Estonia	496,640	1,061,938	114%
Finland	102,673,112	152,263,629	48%
France	315,416,709	345,829,378	10%
Germany	400,544,747	533,062,796	33%
Hong Kong	-	422,803	n/a
Ireland	158,864,349	174,954,927	10%
Italy	57,542,552	65,435,059	14%
Japan	59,327,333	71,419,147	17%*
Latvia	492,031	938,975	91%
Lithuania	624,091	846,027	36%
Luxembourg	7,491,910	10,320,006	38%
Netherlands	147,308,908	186,100,623	26%
Norway	53,617,544	64,413,576	20%
South Africa	7,273,254	22,263,619	220%*
South Korea	17,106,828	1,989,631	n/a**
Spain	20,026,046	22,274,635	11%
Sweden	134,335,702	178,951,375	28%*
Switzerland	264,754,487	311,590,237	15%*
UK	1,531,539,170	1,904,891,092	16%*
USA	-	53,116,711	n/a
Rest of world	74,741,866	47,487,290	n/a**
<b>Sub Total</b>	<b>3,953,373,166</b>	<b>4,802,374,746</b>	<b>21%</b>
Fair Trade USA***	1,030,670,695	-	n/a
<b>Grand Total</b>	<b>4,984,043,861</b>	<b>4,802,374,746</b>	<b>-4%</b>

Fairtrade International calculates the total estimated retail sales value based on both out of home sales and retail sales since this more accurately reflects what consumers spend on Fairtrade products.

Out of home sales come from products consumed outside of the home; for example in cafés and restaurants. Retail sales come from consumer products bought in stores and supermarkets.

In 2012 the following countries calculated their out of home sales value using the average out of home retail price (for example, the average price of a cup of coffee at a café); Canada, Estonia, Finland, Germany, Ireland, Latvia, Lithuania, Spain.

The following countries calculated their out of home sales value using the average retail price for consumer products bought in stores and supermarkets: Australia & New Zealand, Belgium, France, Italy, Japan, Norway, South Africa, Sweden and Switzerland.

The rest of the countries do not separate out of home sales from retail sales. Out of home retail prices often have a higher value per volume sold than the retail sale price found on products in stores. Therefore, the countries that use the out of home retail price for their calculation may have relatively higher sales values.

\* Growth rate is based on the percentage increase reported in the local currency, not the value converted into euros.

\*\* Out of home sales data for these territories in 2012 was incomplete, therefore it was not possible to generate an accurate growth rate.

\*\*\* Fair Trade USA is no longer a member of Fairtrade International, following its withdrawal as of 31 Dec 2011. The 2011 sales figure is based on figures from 2008-10 and market knowledge.

Estimated Fairtrade retail sales by product volume

Product	Unit	2011 Total	2012 Total	Conventional	Organic	Growth rate*
Bananas	MT	320,923	331,980	69%	31%	3% (11%)
Cocoa (cocoa beans)	MT	37,773	40,559	89%	11%	7% (11%)
Coffee (green bean)**	MT	120,316	77,429	56%	44%	-36% (3%)
Cotton (lint)	MT	8,223	8,903	74%	26%	9% (9%)
Dried and processed fruits	MT	965	1,542	52%	48%	61% (61%)
Flowers and plants	1,000 stems	362,067	536,632	100%	0%	48% (51%)
Fresh fruit	MT	16,165	12,259	89%	11%	-24% (15%)
Fresh vegetables	MT	474	364	98%	2%	-23% (-23%)
Fruit juice	1,000 litres	38,775	37,165	96%	4%	-4% (-4%)
Herbs and spices	MT	255	417	42%	58%	64% (93%)
Honey	MT	2,070	1,319	89%	11%	-36% (-15%)
Quinoa	MT	691	590	23%	77%	-15% (-17%)
Rice	MT	5,718	5,623	63%	37%	-2% (0%)
Sports balls	1,000 items	160	152	100%	0%	-5% (-4%)
Sugar (cane sugar)	MT	136,522	156,986	93%	7%	17% (25%)
Tea	MT	13,398	11,869	86%	14%	-11% (-7%)
Wine	1,000 litres	13,300	16,427	89%	11%	24% (23%)

As in previous years, these figures are calculated using estimated retail sales of Fairtrade certified products in consumer countries. Figures are estimates only.

\* The figures in brackets show the average growth-rate across all markets excluding the USA, in order to give a clearer indication of market trends.

\*\* We are now reporting estimated green bean equivalent acid, rather than volumes of roasted/instant coffee. This is part of our efforts to report raw volume rather than finished products wherever possible.

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**MORE THAN 1/2** of bananas sold in Switzerland are Fairtrade.

**OVER 40%** of bagged sugar in the UK carries the FAIRTRADE Mark.

**EVERY 5<sup>TH</sup>** bunch of roses sold in Germany is Fairtrade certified.

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PRODUCERS HAVE  
**50%** OF THE VOTES  
IN OUR  
DECISION  
MAKING ✓

**Our Governance & members**

**3** regional producer networks.

**19** national Fairtrade organizations covering 23 countries, plus one applicant member in the United States.

**5** Fairtrade marketing organizations in Czech Republic, Hong Kong, South Korea, Eastern Africa and Brazil.



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