

Status of fairtrade in low- and middle-income countries

OFTCC workshop: Organic and fairtrade value chains in development cooperation:
potential, approaches, tools

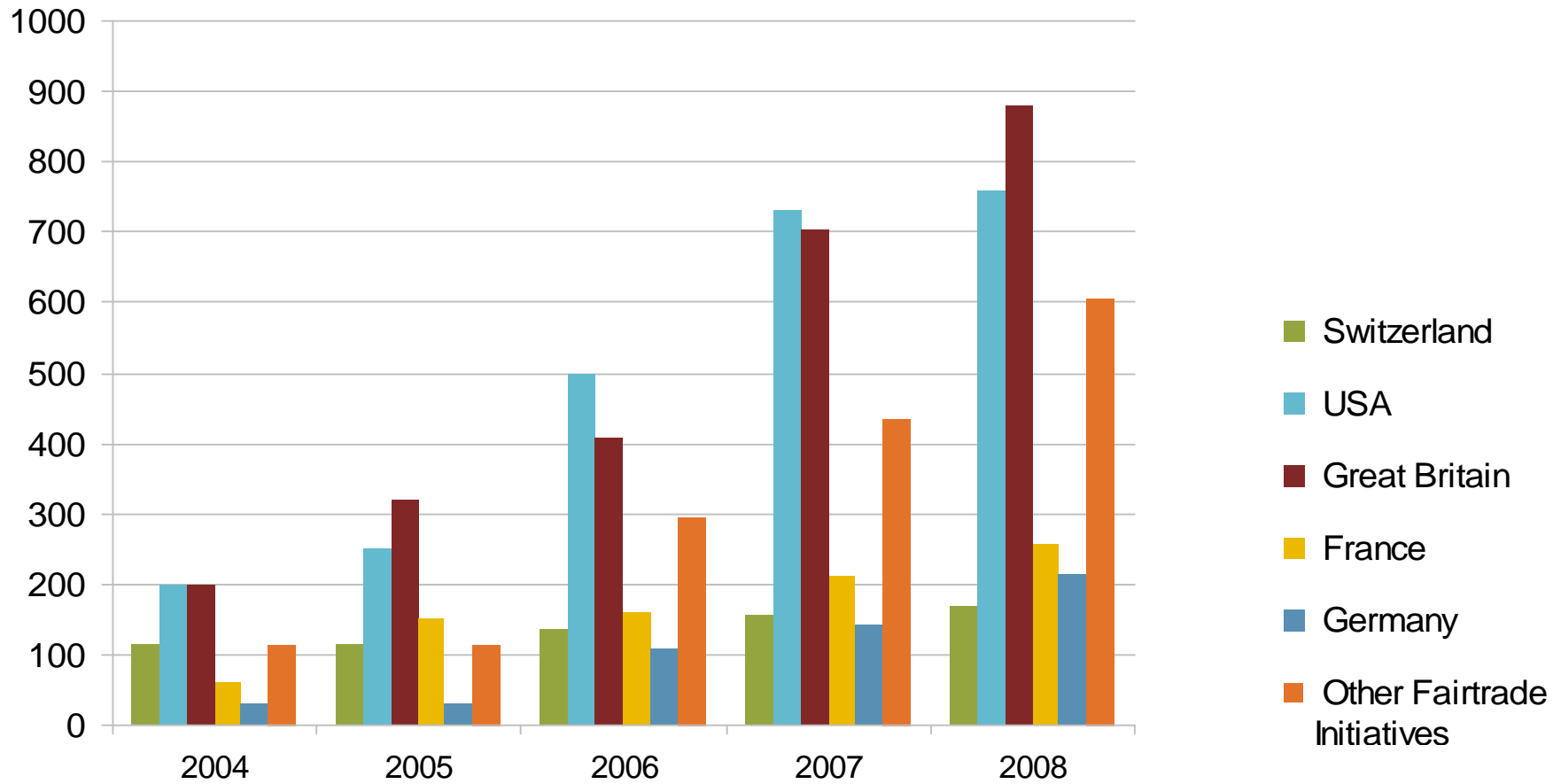
Zurich, 03 May 2010



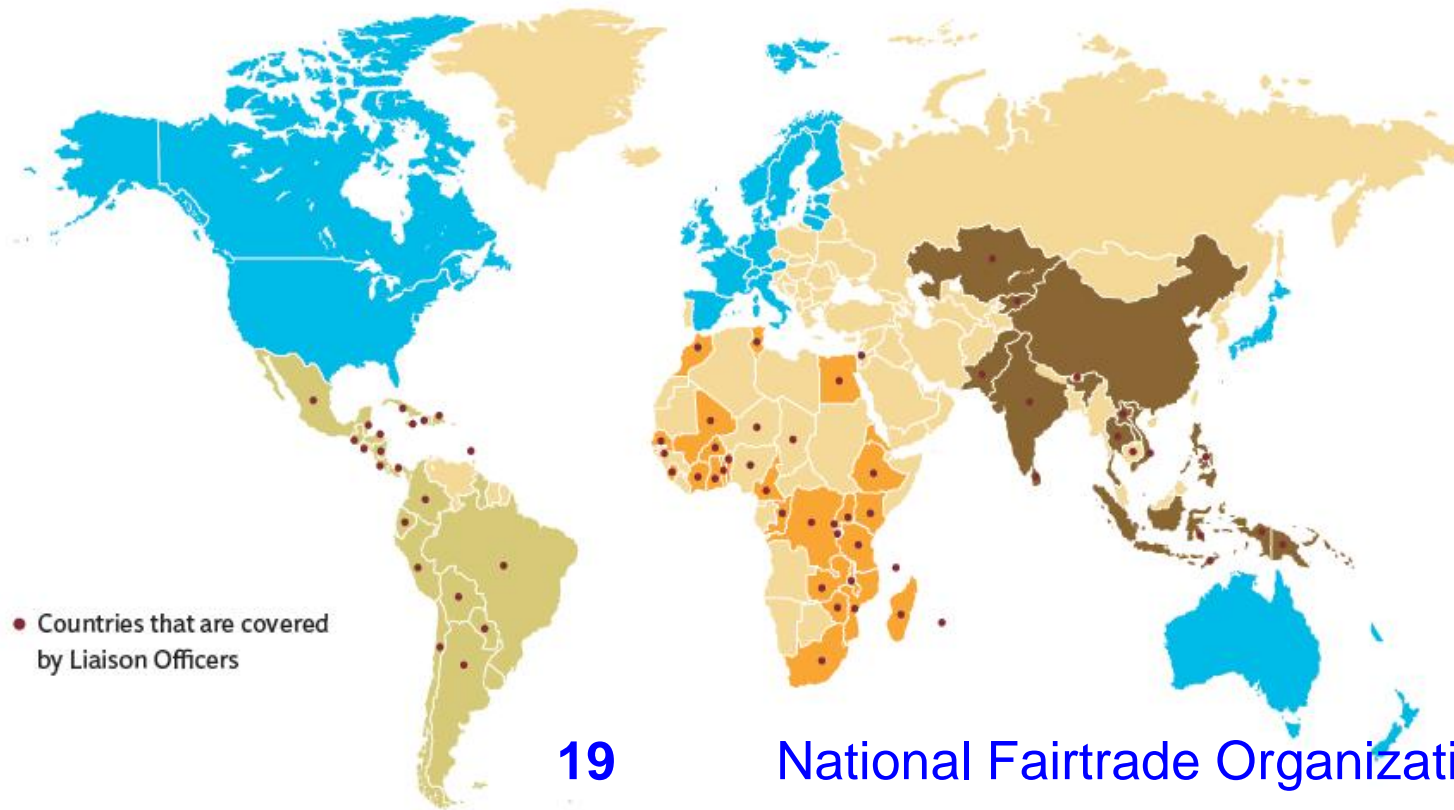
Markus Staub, Standards & International Cooperation
Max Havelaar Foundation (Switzerland)

International Fair Trade

Retail retail sales (€)



International Fairtrade Network



19 National Fairtrade Organizations

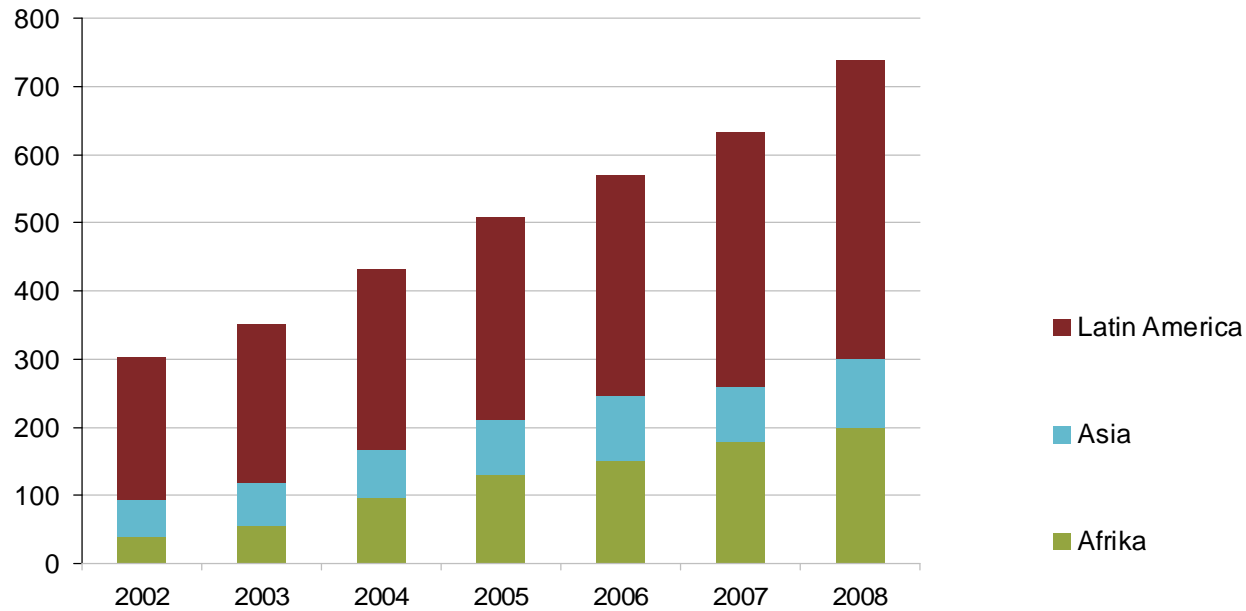
3 Producer Networks

2.9 Billion Euro sales of Fairtrade products (2008)

> 1 Mio. Small Producers and Workers (2008)

Number of certified Producer Prganisations

Number of global Liaison Officers



Number of Producer Organisations 2010



Region	Certified		<i>Applicant</i>		PSR LO	<i>Inspectors</i>
World Total	848	100%	<i>585</i>	<i>100%</i>	54	82
Latin America	481	57%	<i>225</i>	<i>38%</i>	21	38
Asia	119	14%	<i>96</i>	<i>16%</i>	8	19
Africa	248	29%	<i>264</i>	<i>45%</i>	25	25

Data 2007: 552 Certified

75% SPO and 25% HL

Growth rates 07/08: SPO +29%; HL +51%

SPO: Third level (3); second level (79), first level (325)

Representing a total of 3'656 Cooperatives

Most important crops

% of certified Producer Organisations



SPO	100%	HL	100%
Coffee	50%	Flowers	26%
Tea	6.7%	Tea	24%
Fresh Fruits / Vegetables	6.5%	FFruits/Veg.	20%
Banana	5.3%	Banana	13%
<i>Honey, Seed Cotton, Cocoa, Rest</i>	<i>31.5%</i>	Wine Grapes	11%
		<i>Rest</i>	<i>6%</i>

Data 2007

Most important crops

% of cultivation area



SPO	100%	HL	100%
Coffee	67%	Flowers	2%
Tea	4.5%	Tea	69%
Fresh Fruits / Vegetables	1.3%	FFruits/Veg.	21%
Banana	2.3%	Banana	4%
<i>Seed Cotton</i>	<i>9.2%</i>	Wine Grapes	4%
<i>Cocoa</i>	<i>8%</i>		
<i>Rest</i>	<i>7.7%</i>		

Total Cultivation area **740'000 ha**

50'000 ha

Data 2007

Most important crops

% of Premium



SPO	100%	HL	100%
Coffee	39%	Flowers	35%
Tea	6.6%	Tea	13%
Fresh Fruits / Vegetables	2.6%	FFruits/Veg.	12%
Banana	30%	Banana	31%
<i>Cocoa</i>	<i>7.5%</i>	Wine Grapes	9%
<i>Seed Cotton (6.5%), Sugar Cane (3.6%), Rest (4.3)</i>			
Total Premium	24.5 Mio €		7.5 Mio €

Data 2007

Premium Use



SPO	100%	HL	100%
Business Dev./Production	50%	Career Dev.	24%
Community	24%	Community	42%
Education	6%	Education	20%
Health	6%	Health	7%
<i>Other</i>	<i>14%</i>	<i>Other</i>	<i>9%</i>
Total Premium	24.5 Mio €		7.5 Mio €

Data 2007

FLO 2007/8 strategic process

2009ff Implementation of Empowerment Model

**strengthen
broaden
deepen
Fairtrade's impact**

New organisational structure



Global Product Management

Demand & Supply management

International Key Account Management

Negotiating as a single global system with major business partners

Leverage deeper commitment with FTL (system & producers)

Strategy & Policy Department

New: Drafts all Strategies/policies, e.g. Product-, Environmental-, Climate-

Quick Price setting mechanisms

for minor products in existing Fairtrade product standards

Easy Entrance procedure - new products, no initial minimum price – 15% default premium

Price Extension procedure – extending existing Prices to other geographical regions, other methods of production (organic) or other level of trade (Ex works/FoB)

New Standard Framework as of 2011



- § Built on the current standards model
- § Strengthen producers' social organization and self determination
- § Reinforce the Fairtrade Minimum Price
- § Three pillars: Production, Trade, and Business Development.

New Standards Framework Intended Outcomes



Builds on common industry standards

Trade Standards

- Flow of Goods
- Flow of Money
- Flow of Information
- Traceability

Certifiable

Must be met at all times

Production Standards

- Labour conditions
- Health and Safety
- Environmental Mgt.

Certifiable

Minimum and Progress Requirements

Business & Development Standards

- Collective organization
- Transparent decision making
- Business and Development Plan

**Template for Business & Development Plan
integral part of
Standard**

**Processes are certified,
content of plan is monitored
Minimum and Progress Requirements**

Provides FTL USP

SCORE – Strengthening the Core

New certification approach



Reduce high 'compliance costs' to take part in Fairtrade by reducing the number of non-conformities

§ Distinction of 'core' (major) and 'developmental' (progress) Compliance Criteria

Developmental = all other requirements important to Fairtrade
Progress to be made

§ End qualification of Developmental Compliance Criteria with 'YES' or 'NO'

Classifying criteria with performance indicators (rankings from 1-to-5)

§ Producers make choices about their developmental path (timings, degree of compl)

Field trials start in Q2 / 2010

ISEAL Impact Code



Systematic assessment (and improvement) of impact of Standard System

Description and definition of

- § Goals
- § Areas of impact
- § How is change intended to occur as result of activities
- § Desired outcome
- § Anticipated short & medium term results
- § Monitoring indicators

