



Fair Trade Certified™

Every
Purchase
Matters



The Fair Trade Approach



Sustainable Livelihoods



Farmers & Workers

Value Creation



Businesses

Activation



Consumer



Develop &
Implement
Standards

Certify
Producers &
Supply Chain
Partners

Support
Producers & Supply-
Chain Partners

Engage Businesses &
Consumers to
Cultivate
Demand

Define, Measure &
Communicate
Impact



STANDARDS



1

Internal Management System

- An internal management system facilitates implementation and compliance.

COMMUNITY

2

Empowerment & Community Development

- Smallholders and workers are represented in a Fair Trade Committee to manage the use of the Premium.
- Fair Trade Premium is spent according to the needs of the community, smallholders and workers.
- Smallholders are empowered to improve their livelihoods.

3

Fundamental Rights at Work

- There is no forced, bonded or compulsory labor.
- Children and young workers are protected.
- Freedom of association and the right to collective bargaining are respected.
- There is no discrimination or abuse.

4

Wages, Working Conditions & Access to Services

- Employment contracts and conditions are clear.
- The work environment is safe.
- Individuals receive fair wages and benefits.
- Individuals work reasonable hours.
- Migrant workers are recruited ethically.
- Farmers and workers have access to basic needs and services.
- Workers have opportunities to air grievances and communicate concerns.

5

Biodiversity, Ecosystem Function, & Sustainable Production

- Water used in farming and processing is from clean and sustainable sources, and is used efficiently.
- Production methods protect waterways and biodiversity, including forests.
- Farmers use integrated pest management (IPM) and other best practices to protect soils and reduce the use of agrochemicals.
- Agrochemicals are used safely.
- Waste disposal does not threaten human health or the environment.

6

Traceability of Fair Trade Products & Premiums

- There is traceability throughout the supply chain.
- Contracts and agreements are followed.
- Certificate holders are transparent with FTUSA and the certification body.

Development Premiums Help Communities Thrive



Development Premiums

Farmers Vote

Community Projects

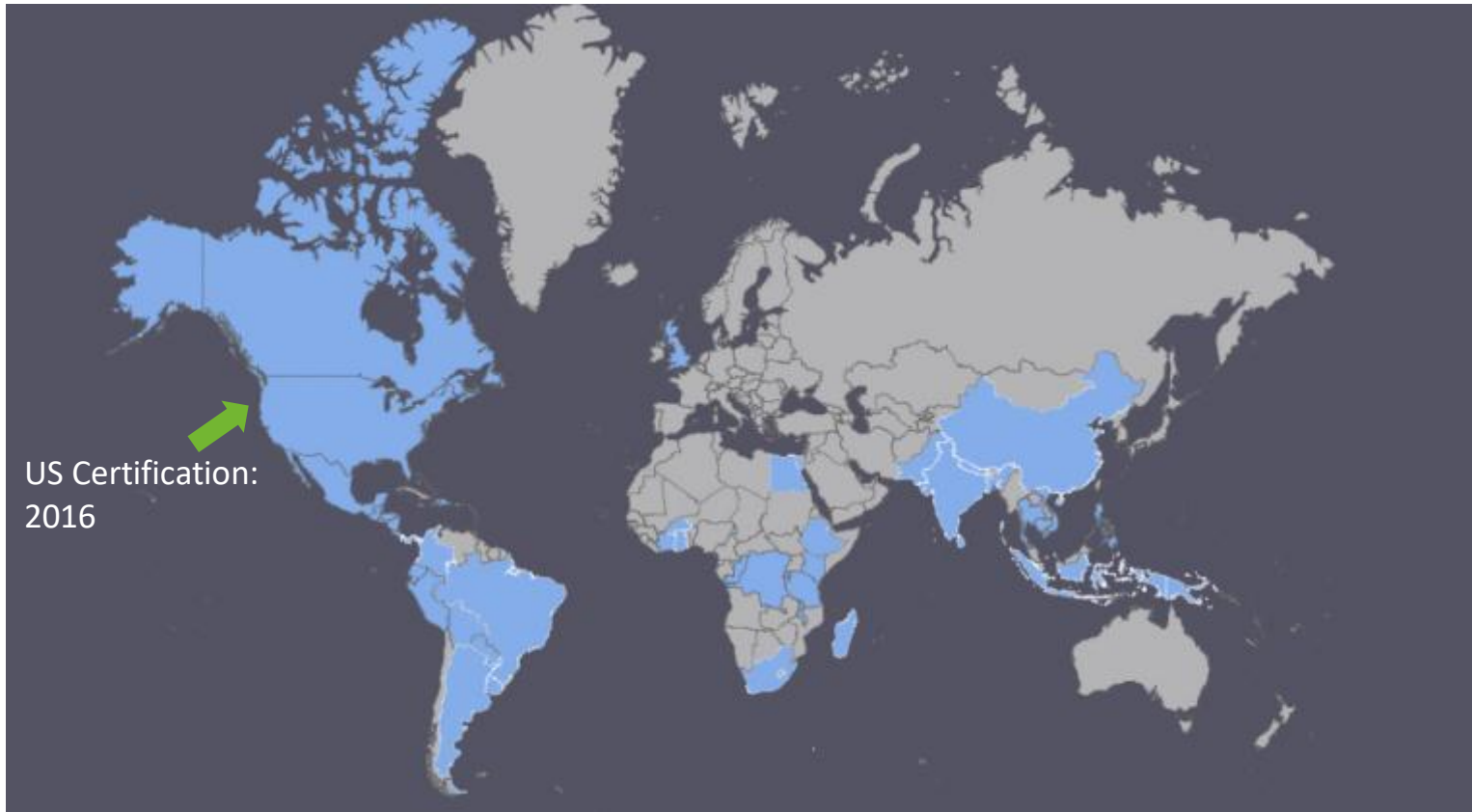


Fair Trade Community Development Premiums are paid directly to the farmer groups

Farmer representatives vote on how to use the Development Premiums for community projects

Projects include educational stipends, environmental training, healthcare services and productivity investments

Fair Trade products are certified & sold globally



The breadth of Fair Trade Certified products continues to grow



From bananas & tomatoes to chocolate & rugs...

List of Products Grows Daily



Apparel & Shoes



Quinoa & Rice



Fruits & Vegetables



Coffee



Tea



Honey and Sugar



Flowers



Herbs & Spices



Body Care



Chocolate



Home Goods



Wine & Spirits

The Fair Trade Movement is Growing

~900 partnerships with leading retailers and brands



Major Brands



Retail Partners



...while relationships with other organizations help deepen our impact



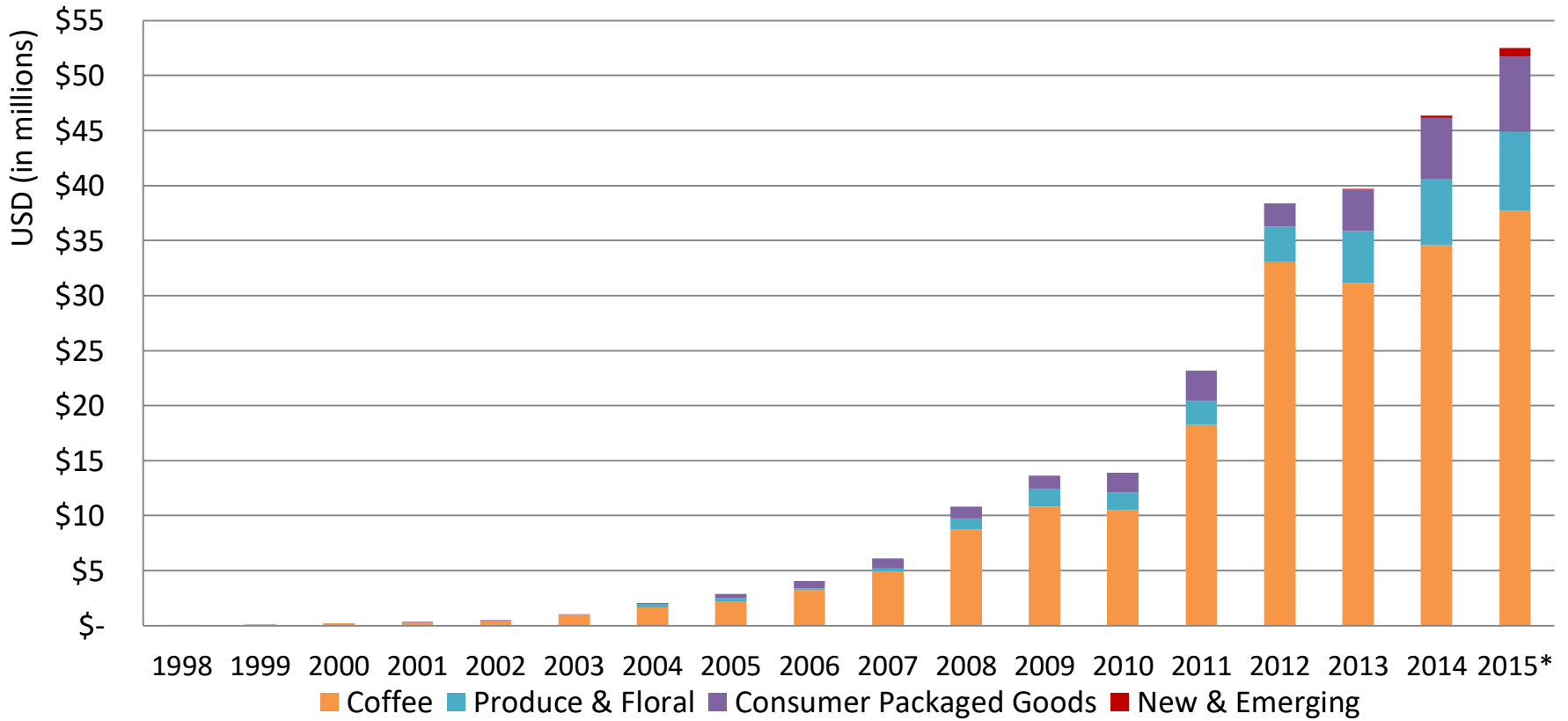
Rabobank



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Premium Payments to Fair Trade Producers

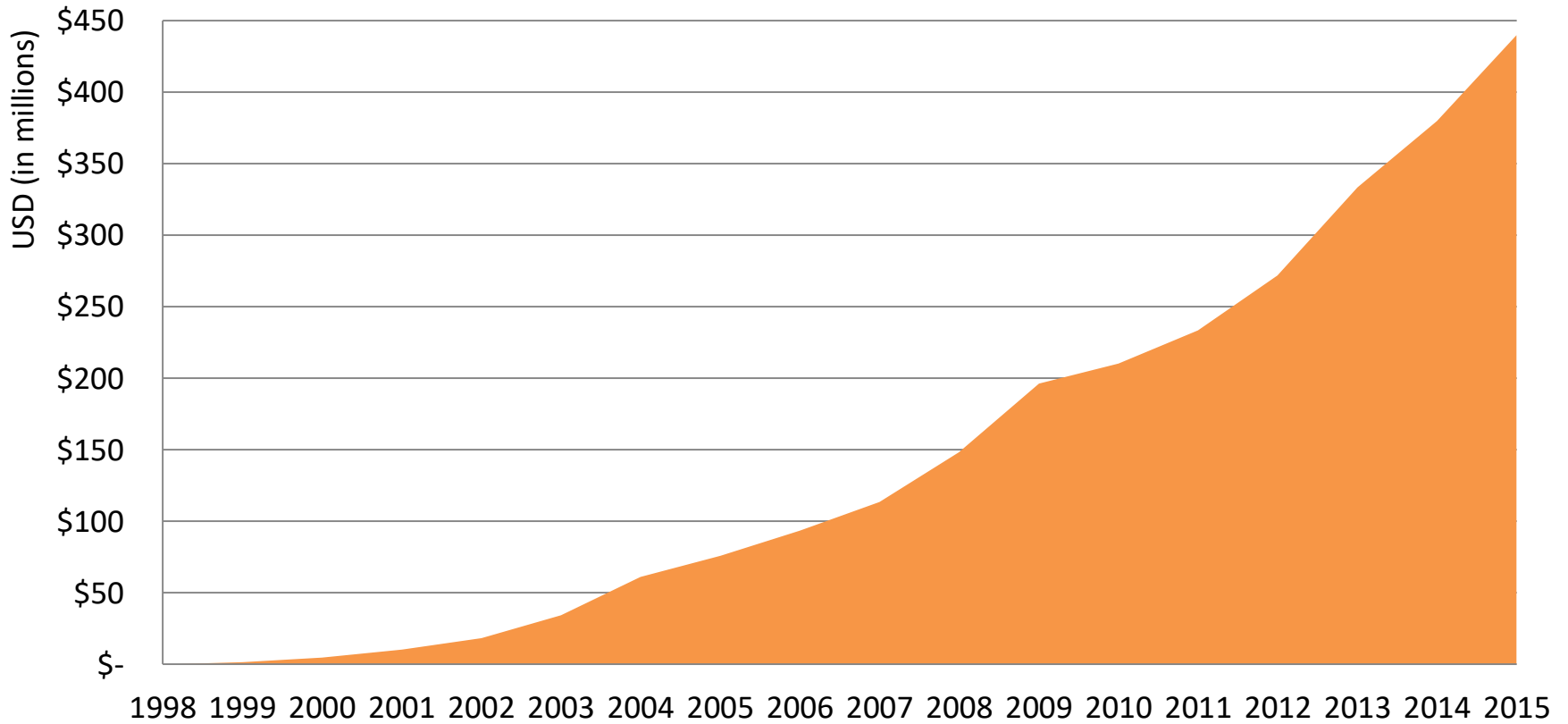
\$255 million in Community Development Premiums since 1998



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Estimated Additional Income to Fair Trade Producers






\$440 million in Additional Income since 1998



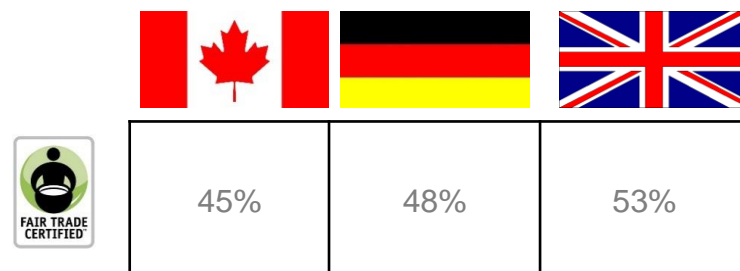
Consumer Awareness of Fair Trade is Growing



U.S. 'I Recognize This Logo'

	<u>2014</u>	<u>2015</u>
 USDA CERTIFIED ORGANIC	80%	78%
 FAIR TRADE CERTIFIED	53%	59%
 Non-GMO Project VERIFIED	51%	57%
 RAINFOREST ALLIANCE CERTIFIED	48%	42%
 MARINE STEWARDSHIP COUNCIL	24%	24%

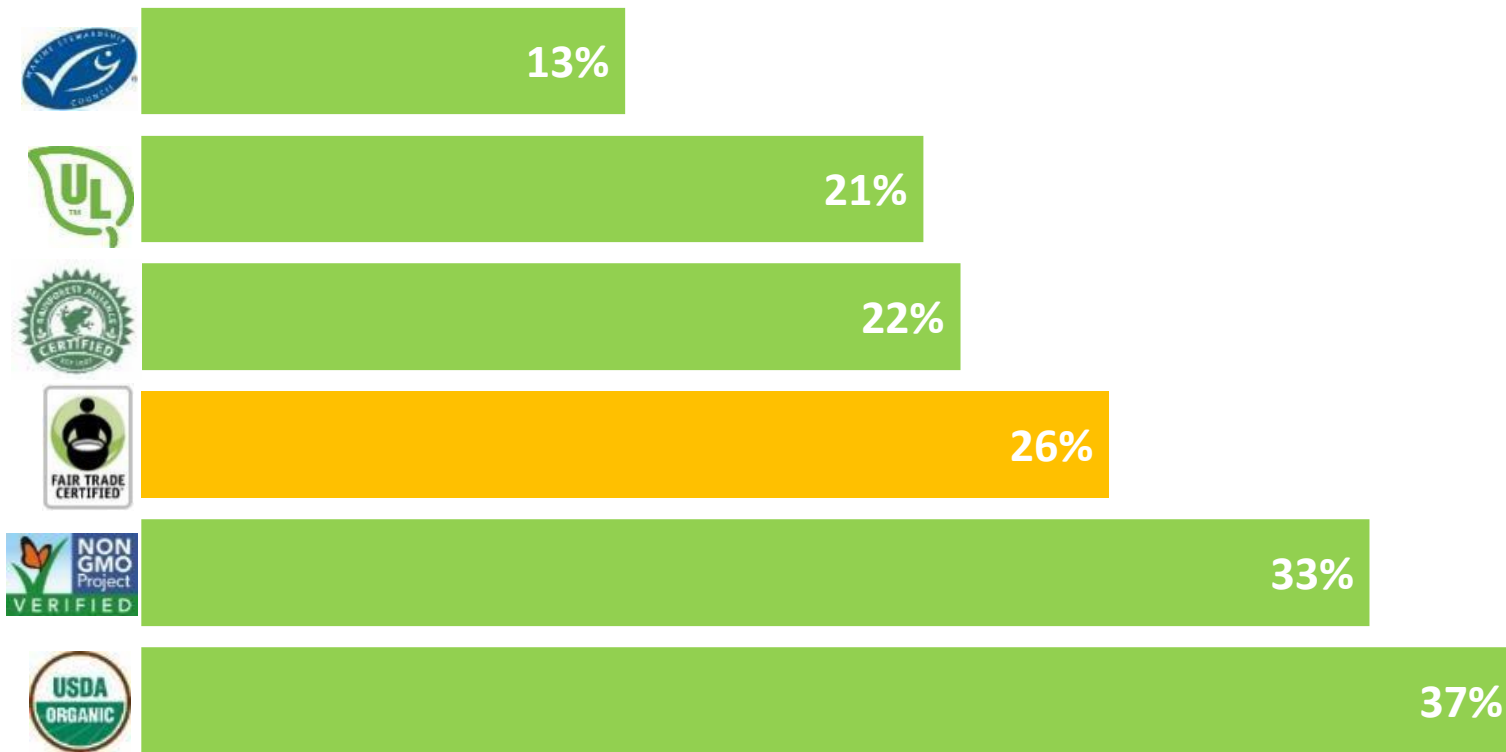
Global- 'I Recognize This Logo'



Over 1 in 4 Consumers Are More Likely to Purchase a Fair Trade Certified™ Product



% general population indicating they would be more likely to purchase a product with the following seals/certifications



Increasingly, Millennials Care About Fair Trade



70% of consumers under age 30 consider social issues before buying
– KPMG 2013

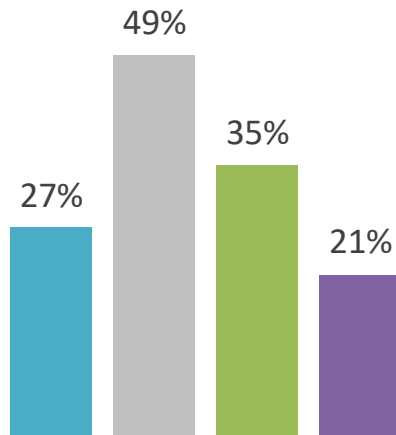
25% of Millennials look for certification on packaging when deciding what to purchase
– Hartford 2015

Millennials are 33% more likely to have purchased Fair Trade
– NMI 2013

Sustainability Means Increased Brand Value and Brand Loyalty

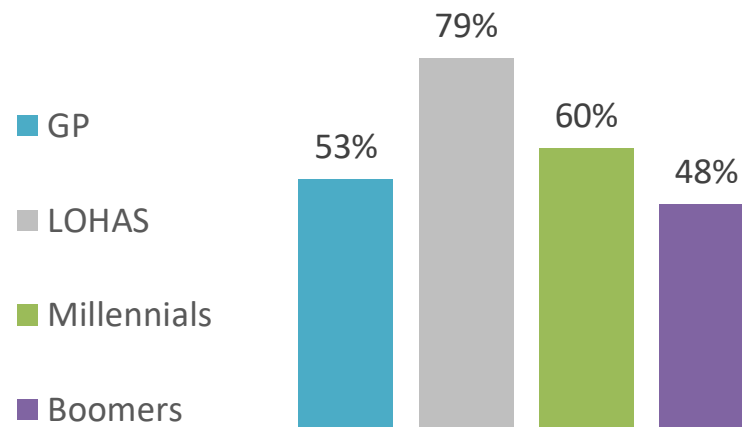
Willingness to pay a premium

"I am willing to pay 20% more for products which are made in an environmentally-friendly and sustainable way"



Brand loyalty

"Knowing a company is mindful of its impact on the environment and society makes me more likely to buy their products repeatedly"



How We Support our Partners in Spreading the Word



Celebrate Product Launches

Develop Turn-key Campaigns

Provide Tools to Highlight Fair Trade—in store and online

Build Momentum, with Influencers & Advocates





Highlight Fair Trade at Retail



Create in-store displays

A large form sign increased sales on a single SKU **over 10%**
National retailer (2010)



Use Point of Sale materials

Shelf-talkers highlighting Fair Trade products throughout the store increased sales **almost 40%**
National retailer (2011)

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Coconut farmer needs and How Fair Trade can help



The Philippines is the most important origin when it comes to coconuts for oleochemicals

Volumes

The Philippines is the world's leading producer of coconuts accounting for 46.2% of global coconut oil production and 59% of the world's coconut exports.

Farmers

- There are around 3.5 million coconut farmers and as many as 25 million people are directly or indirectly dependent on the coconut industry
- Coconut farming is distributed across the entire country: of 79 provinces, 68 are coconut-growing areas and coconut is grown on 26% of Philippine farmland
- The coconut farms of the Philippines are relatively small – with an average area of 2.4 hectares
- Despite their contribution to the country's annual GDP, poverty incidence among Filipino coconut farmers is about 62%

This current state leads to coconut farmers who struggle to earn a sustainable livelihood

Productivity

- **Aging Trees:** The majority of producers' trees have aged past their prime years, resulting in declining nut yields over time and threatening the security of supply and farmer incomes.
- **Climate & Pest Threats:** Farmers remain extremely vulnerable to catastrophic events common to their region, including typhoons and insect viruses affecting palms. These events can be difficult to predict, and without access to insurance or quick government response, difficult to recover from—effectively capable of destroying farmer livelihoods overnight.

Community

- **Food Security:** Given the remote location of small producers, it can be difficult and costly for individual families to get quality food staples like rice on a consistent basis. Farmers either have to put up with low quality food or frequently spend extra time and money to travel to more central towns in order to purchase small quantities of quality food staples.

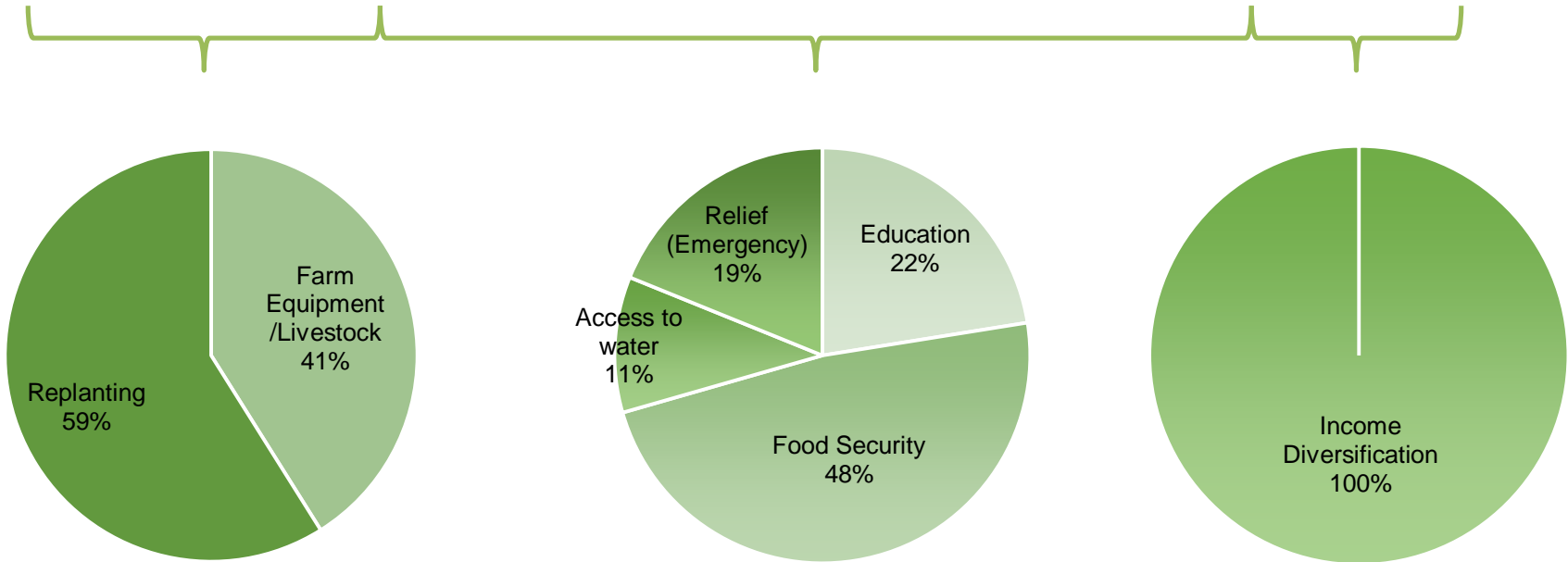
Economic

- **Low Earnings:** 65% of farm households polled in a needs assessment reported earning about \$4/day.¹ In our survey of coconut farmers, we found 20% of farmers skip meals or reduce portion size because they don't have enough money for food
- **Volatile Nut Prices:** Depending on a number of factors, nut prices can fluctuate between roughly 3 and 10 PHP (\$0.07 - \$0.24) per nut. This results in farmer incomes that vary dramatically over different harvests periods, making it difficult to plan.

However, through Fair Trade, farmers come together and figure out how to invest in solutions that improve their farms and their communities



For example, a group of ~2,000 Fair Trade farmers are investing in a range of improvement projects



Productivity Case Study: Replanting

The Problem

The majority of producers' trees have aged past their prime years, resulting in declining nut yields over time and threatening the security of supply and farmer incomes. Farmers lack government support and individual financial capacity to invest in replanting on their own.



The Investment

Training

Farmer representatives were chosen to attend a training on planting of high-yielding coconut palms

Local Resources: Training given on Oct 2014 by Philippine Coconut Authority (PCA).

Premium Investment:

Premium covered travel and accommodation costs of farmer representatives.

Technical Support Network

Each representative provides technical support and be responsible for administration of the replanting project (identifying superior seed nuts for nurseries, inspecting farms, etc.) among the Fair Trade farmers in their region.

Premium Investment: Premium will be used on an on-going basis to compensate the technical representatives for their work.

Replanting

Farmers are incentivized to replant 200 seedlings per year, until unproductive land is planted or replanted.

Local Resources: The PCA will provide some seedlings

Premium Investment:

Premium covers additional seedlings, transport, and on-going farmer incentive (rice).

Community Case Study: Food security

The Problem

Many children in the community have been identified as severely under-nourished and the walk to school with nothing in their stomachs leaves them tired, hungry, and unable to focus on their lessons.

The Investment

A school feeding program was implemented in 8 schools and included 240 students, spanning pre-school to third grade. Fair Trade premiums were used to purchase food supplies to provide these students with nutritious meals over 120 school days. The meals were served at school where the teachers administered the program by leading meal planning, budgeting, and monitoring of child weight, attendance, and academic performance to measure progress. Furthermore, the program involved the students' parents as volunteers to help with shopping for, cooking, and serving the food, as a means to educate them and encourage them to use the same practices to continue to provide nutritious meals at home as well.

Children eating their daily lunch provided as a part of the school feeding program. →





Thank You



www.FairTradeCertified.org