



FAIRTRADE
AUSTRALIA
NEW ZEALAND

Focus on the Fairtrade regions **The wider-Pacific**

MONITORING REPORT 2020

FAIRTRADE IN THE WIDER PACIFIC



FAIRTRADE
AUSTRALIA
NEW ZEALAND

Fairtrade Australia and New Zealand

Fairtrade ANZ is an independent non-profit organisation that focuses on 5 key areas of work in Australia and New Zealand:

- **License** the use of the FAIRTRADE Mark in Australia and New Zealand
- Support **companies** to change their business practices and increase Fairtrade opportunities in businesses
- Raise awareness, mobilise the **citizens** and the civil society for **alternative ways of consuming**
- **Support** and contribute to build capacity of **producer organisations in the wider Pacific**
- **Advocate for fairer trade**, and propose concrete actions to the challenges of sustainable development.

Fairtrade ANZ is a full and active member of Fairtrade International and has the sole right to license the use of the international Fairtrade Mark in Australia and New Zealand.

For more information, visit
www.fairtradeanz.org

Fairtrade International

Fairtrade International is a non-profit, multi-stakeholder association that **promotes fairer** conditions for **international trade**, **empowers** small-scale **farmers and workers**, and fosters **sustainable livelihoods**.

Fairtrade International **develops** and maintains the internationally agreed **Fairtrade Standards**, owns the **FAIRTRADE Mark**, and coordinates Fairtrade worldwide.

Three regional **Fairtrade Producer Networks** representing **1.88 million farmers and workers** co-own the international Fairtrade system, which also includes the **independent certification body FLOCERT**, and **Fairtrade organisations** in more than 30 countries that **promote Fairtrade to business and consumers**.

For more information, visit
www.fairtrade.net



Papua New Guinea

11 producer organisations
9,635 farmers
63,991 beneficiaries
Coffee, cocoa

Solomon Islands

1 producer organisations
64 farmers
320 beneficiaries
Coffee

Samoa

1 producer organisations
95 farmers
950 beneficiaries
Coconut

Timor Leste

2 producer organisations
3,378 farmers
13,508 beneficiaries
Coffee

Fiji

3 producer organisations
10,572 farmers
42,336 beneficiaries
Sugarcane, ginger

Tonga

1 producer organisations
142 farmers
1,420 beneficiaries
Vanilla

Snapshot of 2020

2020 proved to be a challenging year with the advent of COVID 19. Fairtrade producer organisations were not immune. Despite the challenges, there continued to be **consistent sales of Fairtrade** coffee from the wider Pacific. Consumer research in both Australia and New Zealand has also shown a rise in **interest in conscious consumerism** as a result of the pandemic which could result in an increase in Fairtrade sales in the coming years.

Fairtrade continued to experience growth within the region.

23,886

farmers

are members of **19** Fairtrade producer organisations reaching **121,959** Fairtrade beneficiaries



Women

represented **13%** of Fairtrade members with a **2.4%** rise in female membership from the previous year



In 2020, the number of **Fairtrade producer organisations**

increased from **16** to **19** with **9%** increase in total membership



Fairtrade producer organisations

are made up of **20,678** male members and **3,208** female members



Fairtrade producer organisations earned **AUD 11 million** from Fairtrade sales and received **AUD 1.5 million** in Fairtrade Premium

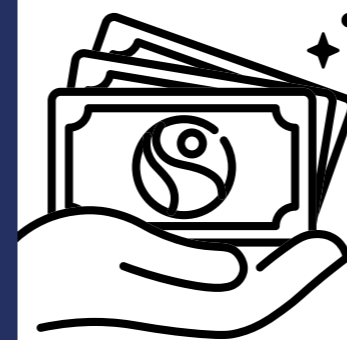


Volumes & Sales

Increasing the sale of Fairtrade products from the wider Pacific is our core mission. More **Fairtrade volumes and sales**, mean more **Fairtrade benefits** for certified producer organisations and their members.

Fairtrade ANZ supports growth of Fairtrade volumes and sales through market linkages to Fairtrade supply chains, access to finance, product quality support and development of Fairtrade impact stories.

Though the sales and volumes of Fairtrade producer organisations can vary considerably, coffee remains one of the primary Fairtrade export commodities from the wider Pacific in 2020.



Samoa produced **153,583** nuts for **AUD 33,479**

Papua New Guinea produced **110MT** of cocoa for **AUD 87,353**

Papua New Guinea and Timor Leste produced **2,466MT** of coffee for **AUD 8.2 million**



Producer Organisations

Across the wider Pacific there are two ways that **small-scale producers** can achieve Fairtrade certification. The first, and most common, is for **small-scale producers** to be organised within a producer organisation that must adhere to the **Fairtrade Standard for Small-scale producer organisations**. This standard applies to 89% of Fairtrade certified producer organisations across the wider Pacific.

The second is for **small-scale producers** who are not yet formally organised. Known as the **Fairtrade Standard for Contract Production**, this standard is considered a temporary measure, to allow **small-scale producers** to receive the benefits of Fairtrade certification in partnership with an organisation (such as an exporter or NGO) that is committed to assisting them to form an independent producer organisation over time. In 2020, two producer organisations were certified to this standard.

17
SMALL-SCALE
PRODUCER
ORGANISATIONS

2
CONTRACT
PRODUCTION



90%
coffee sold on
Fairtrade Organic
terms



55%
cocoa sold on
Fairtrade Organic
terms



100%
coconuts sold on
Fairtrade Organic
terms

Fairtrade & organic

Dual certification of Fairtrade and organic is an important market tool for producer organisations across the wider Pacific, increasing access to buyers and providing higher returns for farmers through the combination of the **Fairtrade Minimum Price** and the **Organic Differential**.

In 2020, the primary sales of **Fairtrade and organic** products were **coffee, cocoa and coconuts**.

Thanks to the Organic Differential, Fairtrade producer organisations selling on organic terms earned an additional AUD 2.2 million for their effort.

FAIRTRADE MINIMUM PRICE

Price established to cover sustainable production costs and to provide the basic needs of the family. It constitutes a floor price in the event of low prices.

- Coffee (Kg)*:**
AUD 4.49
- Coconut (1 nut)*:**
AUD 0.12
- Cocoa (MT)*:**
AUD 3,487



ORGANIC DIFFERENTIAL

Conversion to organic farming is encouraged by a premium for organic product

- Coffee (Kg):** AUD 1
- Coconut (1 nut):** AUD 0.01
- Cocoa (MT):** AUD 436

* FOB Level

Fairtrade Premium

Fairtrade Premium is an additional sum of money which goes into a **communal fund for workers and farmers**. In a General Assembly members of the producer organisation decide how to use the Fairtrade Premium to **improve their social, economic and environmental conditions**.

The Fairtrade Premium is calculated as a percentage of the volume of produce sold. The amount of Premium farmers receive differs from product to product and across regions.

Breakdown of Fairtrade Premium for commodities from the wider Pacific

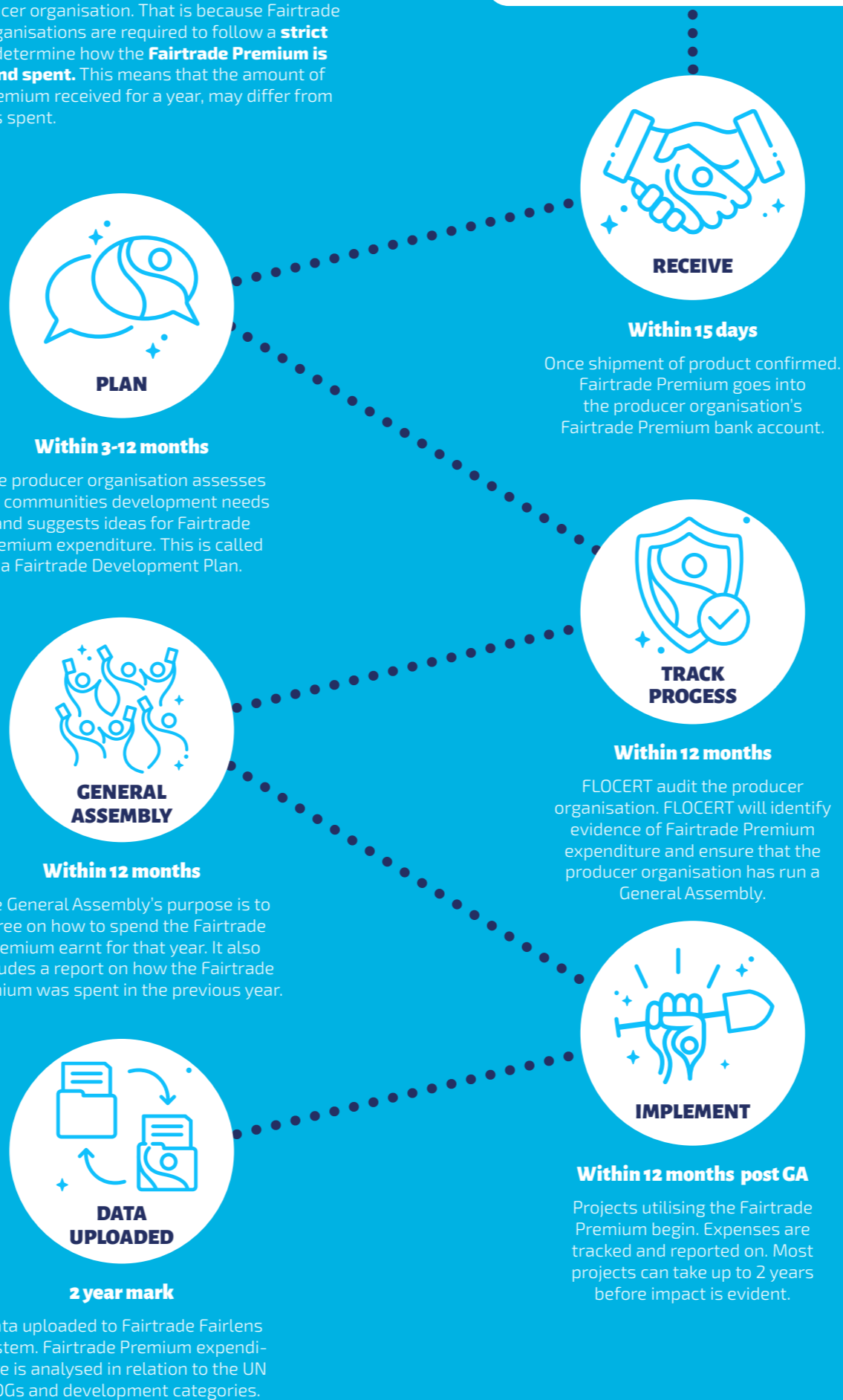
COMMODITY	METRIC	VALUE OF FAIRTRADE PREMIUM
CANE SUGAR	1 MT	AUD 87
COCOA	1 MT	AUD 290
COCONUTS	1 nut	AUD 0.01
COFFEE	1 pound	AUD 0.30
GINGER	1 kg	15% of commercial price
VANILLA	1 kg	AUD 9.50

Over the past 5 years, Fairtrade producer organisations across the wider Pacific have generated over **AUD 23 million** in Fairtrade Premium

Fairtrade Premium Expenditure

Fairtrade Premium expenditure may not happen within the same year that the Fairtrade Premium is received by the producer organisation. That is because Fairtrade producer organisations are required to follow a **strict process** to determine how the **Fairtrade Premium is allocated and spent**. This means that the amount of Fairtrade Premium received for a year, may differ from that which is spent.

Flow of Fairtrade Premium

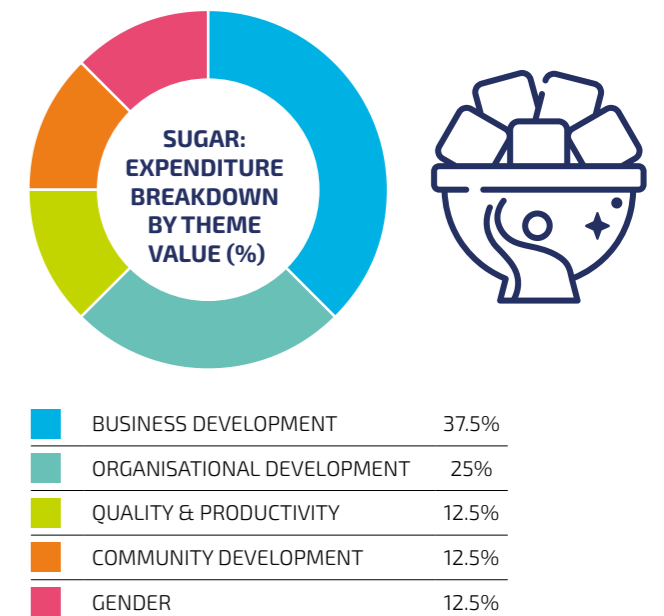
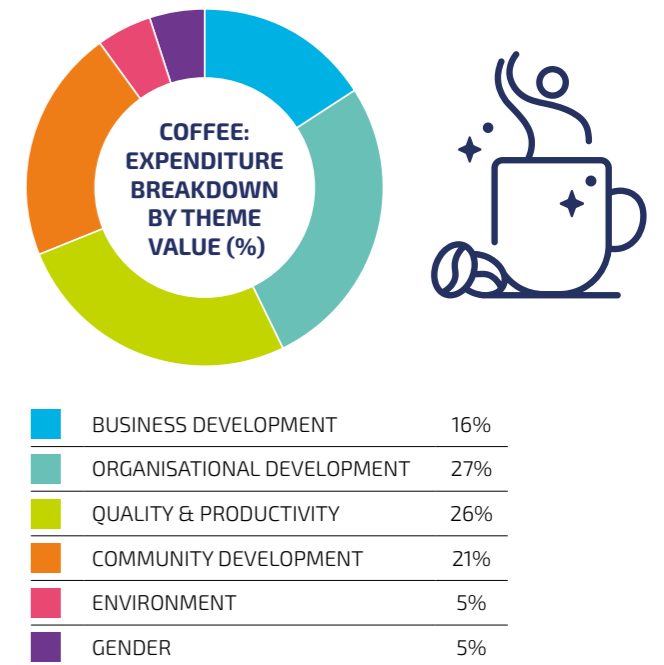


Fairtrade Premium Expenditure by commodity

In 2020, Fairtrade producer organisations prioritised **Fairtrade Premium** on projects that focused on **organisational, business and community development**. Coffee producer organisations also invested in enhancing quality and productivity.

FAIRTRADE PREMIUM EXPENDITURE AUD 6.1 million

Premium expenditure by commodity



Fairtrade Producer Relief Fund

On World Fair Trade Day, Fairtrade International announced the launch of a "Fairtrade Producer Relief Fund" and the establishment of a "Fairtrade Producer Resilience Fund" in response to the global COVID 19 pandemic. The two funding mechanisms, with initial investments of AUD 4.5 million, were intended to meet immediate needs of farmers, workers, and their communities, while also establishing a foundation for longer-term economic recovery efforts.



In 2020, FAIRTRADE ANZ supported **18** Fairtrade producer organisations to access **AUD 93,811** in cash from the Fairtrade Producer Relief Fund.

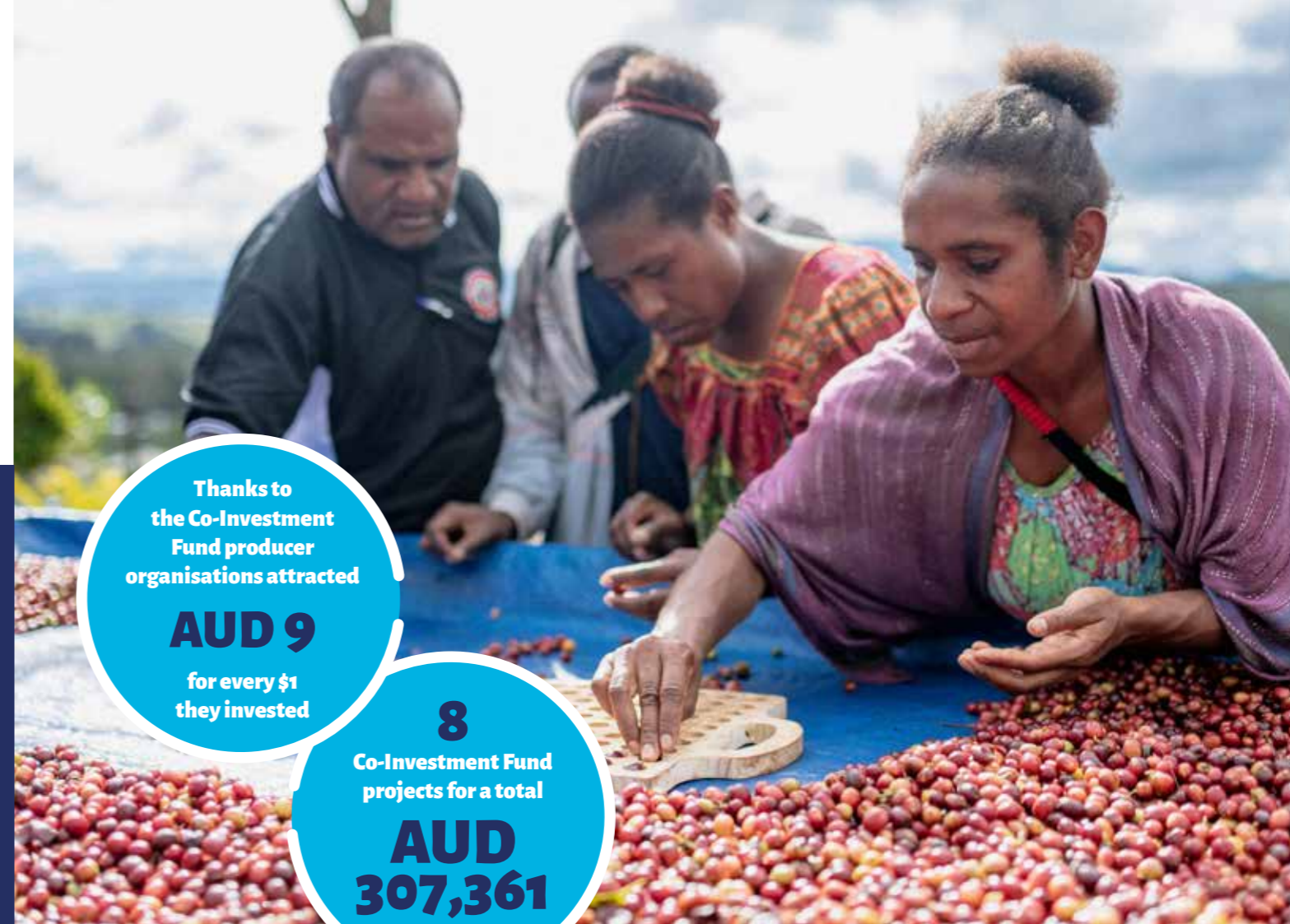
94% of producer organisations spent the fund on their Fairtrade certification fees, which has freed up more funds to invest in business development and community projects.

Planting the seeds for success – and resilience in Timor Leste

One Fairtrade producer organisation chose to redirect their COVID relief funds directly back into the community. Initially the impact of COVID 19 in Timor Leste was not so much about the disease but the economic impacts of lockdowns. Producers were unable to access local markets to sell vegetables and sales from coffee were disrupted. As a result, families were left without the resources to pay for living costs or buy more vegetable seeds for their gardens.

The Fairtrade Producer Relief Fund filled this gap and allowed Cooperativa Comercio Agricola de Timor to support farmers to extend land cultivation and grow more vegetable and gonjac (an Asian root vegetable). Once the markets re-opened, the produce was ready to sell, and the seeds have now been stored for future seasons as well. In total, the Fairtrade producer organisation estimates that this small program had an impact on 342 people.

Cooperativa Comercio Agricola de Timor is now seeking to extend this program to further support farmers after the latest hardships in the country so that more small steps can be made to ensure the livelihoods of producers.



Thanks to the Co-Investment Fund producer organisations attracted **AUD 9** for every \$1 they invested

8 Co-Investment Fund projects for a total **AUD 307,361**

Fairtrade Co-Investment Fund



For farmers across the wider Pacific, getting access to financial investment for business development can be a major challenge. To help Fairtrade producer organisations overcome this obstacle, Fairtrade ANZ developed the **Co-Investment Fund**, to make investment in, and collaboration with, Fairtrade communities easier.

The Co-Investment Fund works by bringing together a range of partners from a specific Fairtrade supply chain. They then work to find ways to increase the amount of product the producers can get to market. This might mean making finance available at particular times in the harvest season or working to develop market capabilities together. This kind of collaboration can lead to benefits for Fairtrade farmers throughout the region.

In 2019 and 2020, through the Co-Investment Fund, **Fairtrade ANZ invested over AUD 150,000** into the organisational and business development potential of Fairtrade producer organisations, leveraging an additional AUD 154,580 in financial support as well as an estimated AUD 500,000 + in-kind from partners across the region.

The Co-Investment Fund has enabled producer organisations to enhance the impact of their Fairtrade Premium and strategically invest in key priorities.



FAIRTRADE ANZ	48%
PRODUCER ORGANISATION	12%
TRADERS	31%
BRAND/MANUFACTURER	2%
GOVERNMENT	7%

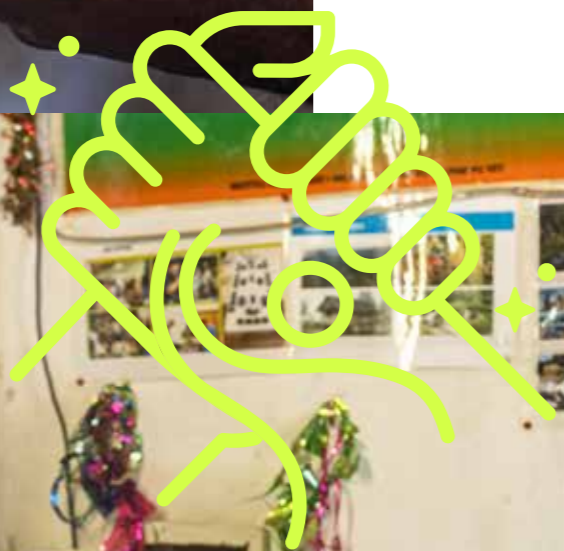


Money First – Prefinancing for Unen Choit Cooperative Society

In 2020, Unen Choit Cooperative Society harnessed the Co-Investment Fund to increase working capital so the cooperative could consistently buy coffee from their farmers and sell for export. This gave communities reliable income to plan for the future and enabled Unen Choit to increase Fairtrade volumes and Fairtrade Premium returns.

In 2020, 94% of the Co-Investment Fund was allocated towards business development activities and of that 100% was utilised to enable the creation of revolving capital funds to support buying and selling activities.

Unen Choit Cooperative Society is just one Fairtrade producer organisation that has leveraged its Fairtrade Premium to co-invest with Fairtrade ANZ, and other partners, to enhance the impact of Fairtrade.



Producer Support Services

In 2020, the Fairtrade ANZ **Producer Support** team changed the delivery of services due to the COVID 19 outbreak: shifting from in person trainings to **remote trainings** and working with **local consultants**.

Key areas of focus included:

- Certification and Compliance
- Organisational Development
- Business Development
- Labour Practices
- Environment & Climate Change
- Gender Equality
- Coffee Quality

Improving labour practices in Fiji

In 2020, Fairtrade ANZ and Fairtrade International provided support to two producer organisations to implement Fairtrade's Better Labour Practices approach in sugar cane production. This approach is being piloted in Belize, Mauritius and Fiji. Key components of the Better Labour Practices include targeted trainings to the producer organisations, awareness raising to its members, community engagement and establishing and operating an inclusive monitoring and response systems for child labour, forced labour and/or gender-based violence. This project has been funded by Fairtrade International, the Australian Department of Foreign Affairs and Trade and the two producer organisations Fairtrade Premium.

The two producer organisations' in Fiji have; produced relevant policies with regard to prohibiting child labour and forced labour and rolled out awareness with their members. Labour committees were also set up, these were made up of board members, certification officers, protection focal points and youth monitors, including representatives from rights-based NGOs and local government and engaged communities in identifying risks to child labour.

**Labasa Cane
Producer Association
undertook 13
trainings with a
total of 163
participants**

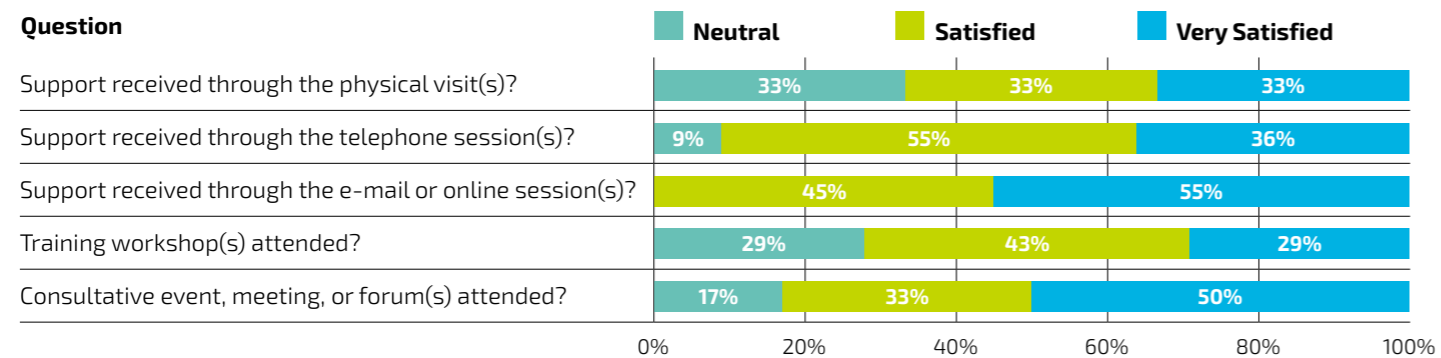
**Rarawai and Penang
Cane Producer
Association undertook
16 trainings
with a total of
423 participants**

Producer Satisfaction Survey

To evaluate Fairtrade ANZ's Producer Support services, a Producer Satisfaction Survey is conducted with all Fairtrade certified producer organisations across the wider Pacific. The aim of the survey is to better understand **how satisfied producer organisations** are with the **services Fairtrade provides**. This survey gives important insights into areas where the Fairtrade ANZ could improve its support, whilst also highlighting the positive impact that these services are having for agricultural communities.

Despite the new operational environment created by COVID 19, Fairtrade producer organisations across the wider Pacific largely reported being satisfied or very satisfied with the support delivered by Fairtrade ANZ.

Satisfaction with Producer Support services



“Fairtrade is the best partner to protect the right of farmers to sell their products in a fair manner. Provide support on the method of premium use and revision after audit.”

Manager of Fairtrade producer organisation in Timor-Leste

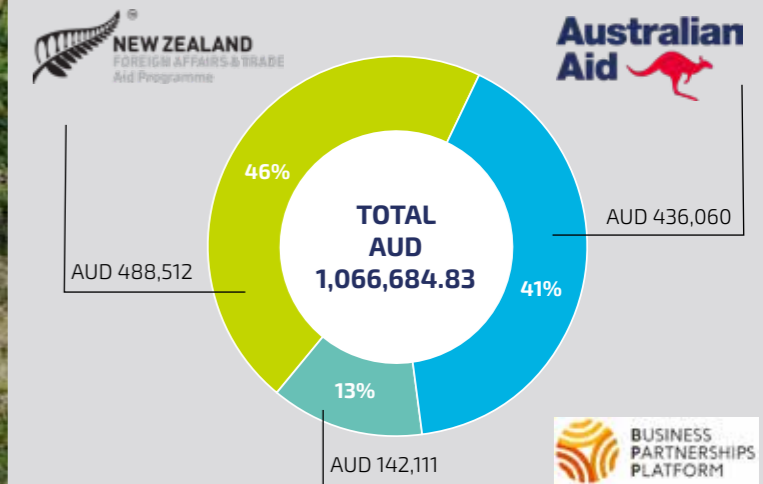
“Well supported by Fairtrade ANZ in all aspects of our operation.”

Manager of Fairtrade producer organisation in Fiji



Investment in the wider Pacific through Fairtrade

In 2020, Fairtrade ANZ's work across the wider Pacific was made possible thanks to ongoing partnerships with the Australian and New Zealand governments. These partnerships have supported the introduction and the growth of the Fairtrade model for agricultural development in the region, fostering economic inclusion in rural communities and building the network of small-scale producer organisations.



In 2020, it was reported that:



8

producer organisations received certification compliance support, of which 88% were able to better prepare for a FLOCERT audit



4

producer organisations received support on labour rights, of which 100% noted enhanced awareness of social compliance amongst farmers and workers



4

producer organisations received business development support, of which 100% recorded increased Fairtrade sales and improved market access



5

producer organisations received support on gender equality, of which 100% increase women's participation and/or gender awareness



6

producer organisations received organisational development support, of which 100% better able to plan and/or allocate the Fairtrade Premium funds



5

producer organisations received support on environmental sustainability, of which 100% strengthened resilience to climate change impacts and/or protecting biodiversity

About this report

The information presented in this report primarily comes from Fairtrade ANZ's internal and independent data collection processes and from Fairtrade International.

The report has three primary sources of data:

- **Fairtrade ANZ Annual Producer Organisation Survey.** This survey is conducted annually and gathers data from across the wider Pacific from Fairtrade certified producer organisations. The data collection aims to produce lessons for the specific needs of the wider Pacific region, enabling us to monitor sales, production volumes, number of farmers, and Premium expenditure and to track how the producer organisations are progressing along the Fairtrade development pathway. The results are used to strengthen the delivery of our producer support services, while allowing Fairtrade ANZ to determine progress towards the goals shared by the international Fairtrade system of making trade fair, empowering producers, and fostering sustainable development.
- **Fairtrade ANZ Training Record.** It is updated after each training event provided by Fairtrade ANZ and indicates the theme of the training and the number of participants disaggregated by age and gender.
- **Producer Satisfaction Survey.** Collected on an annual basis, the satisfaction survey gathers feedback on types of interventions and communications, their effectiveness and the outcomes they support.

The data has been extensively checked and cleaned. However, in a monitoring report of this magnitude, there may be some areas of inaccuracy, namely that certain data points may not have been included for each producer organisation due either to non-reporting or the incomplete nature of the data. Fairtrade ANZ takes every effort to validate figures through multiple sources and enquiries. Fairtrade ANZ acknowledges that some data may be inaccurate or unvalidated. In some cases where total annual sales figures are presented in local currency a USD figure is calculated based on annual average exchange rates from <https://www.exchangerates.org.uk/>. For 'Premium Earned' figures these are established through reported numbers as well as volume calculations where necessary (see Premium Description above for premium rates).

The number of certified organisations is counted as the number of producer organisations at the end of the year with any of the following certification's statuses: certified, suspended or permission to trade. Data on volumes produced, volumes sold, and Fairtrade Premium income and expenditure are retrospective for a 12-month period preceding data collection.



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