Fairtrade International

San Jose, Costa Rica, June, 15 2018
Mission
Connect disadvantaged producers and consumers, promote fairer trading conditions and empower producers to combat poverty, strengthen their position and take more control over their lives.
Deep Connection and Commitment with Sustainable Development Goals

1. No Poverty

17. Partnerships for the Goals

8. Decent Work and Economic Growth
Fairtrade Interventions for Sustainable Supply Chains

Minimum Price and Premium
Empowerment & Decision making at origin
Capacity Building & Producer Services at origin
Advocacy for sustainable trade Policies and trades
Partnership with Like Minded Companies
Consumer awareness, involvement, mobilization

AT ORIGIN

AT Destination
Challenges (mushrooms popping everywhere)

- Poverty - Low wages/low income
- Climate Change
- Youth and Gender
- Regressive Trade Policies
- Competitive Landscape - Race to bottom
- Industry’s Sustainability Expectations
- Consumer conscience vs pocket
Fairtrade Supply Chain Agenda 2020

- Producers at the Center
- Living Income & Living Wages
- Impact Driven Agenda & beyond Certification
- Data for decision making
- Engagements & Partnerships
THE PATH TO A 100% SUSTAINABLE BANANA

On our way to the most sustainable banana by working with Fairtrade
Key Idea: Supply Chain
“All contribute approach for Living Wages”

FT Living Wage for all Banana workers (16,000) - 2020

Current Low Wage Levels

Wage/Income Improvements

Current Wage Gap

Living Wage or Significant Progress Towards

New Fairtrade Base Wage Level

- Combined value sources bridges wage gap
- Flexible approach to deal with complex reality
KEY IDEA: CONSIDERING THE TRUE COSTS OF PRODUCTS

1. The “crooked” banana campaign
2. Led to a retail commitment of an additional 14 million kg conventional Fairtrade banana’s
Fairtrade Case Study: Cocoa, Living Income
Cocoa household baseline CDI

Extreme poverty

*A living income in CDI is estimated at $6133 per year for a typical cocoa farmer household of 8 members*
Cocoa LI Strategy - Supply Chain Actions

- Gradual minimum price increase and set a Fairtrade Reference Price. (This week)

- Market development will focus on Disruptive projects with key Partners to prove the concept on a limited scale until 2020,

- Productivity interventions focused on strengthening SPO capacity

- Advocacy priorities were defined as follows:
  - Alliances with external influencers, messaging and visibility,
  - Strengthening relationships with governments at origins
Possible Applications of Fairtrade Principles for Creative Industries

- Cooperative setting and democratic decision making
- Fair prices: income and wages for artist and other players in cultural industries agreed and respected by those in the chain
- A cultural & Creative premium: for investments and community support
- Capacity building programs for creative industries at origin.
- Awareness on “cultural consumers in Northern Markets of the impact and realities of Cultural Industries at Origin
- Advocacy at transnational level for Cultural Industry standards
The Potential
A tale of two industries in Colombia

• In 2017 Coffee Production represented 1% of the Colombian GDP compared to 1.1% in the same year by Creative and Cultural Industries. (1)
• 2017 Coffee generated 2.5 Billion USD compared to 4.72 generated by the creative and cultural industries (2)
• Average age of coffee grower is 55 years old in Colombia (3). Compared to participants in creative industries who 60% began working in the past 10 years (4)
• Creative industries are generally SMEs with an average of 7 workers (5)
A CALL TO ACTION