GROWING STRONGER TOGETHER
Annual Report 2009–10
FAIRTRADE’S VISION
A world in which all producers can enjoy secure, sustainable livelihoods, fulfil their potential and decide on their future.

FAIRTRADE’S MISSION
To 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.

FLO’S PURPOSE
To provide the leadership, tools and services to inspire and empower more people to achieve Fairtrade’s vision and mission.

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**FAIRTRADE HISTORY**
- 1988 – Dutch development agency Stichting lanceert Max Havelaar, the first Fairtrade label
- 1988 to 1997 – Fairtrade grows to include 17 Labelling Initiatives worldwide
- 1997 – FLO is founded to unite Labelling Initiatives and Producer Networks in the Netherlands
- 2000 – FLO launches the FLO-CERT Certification Mark
- 2002 – FLO launches the FairTRADE Certification Mark
- 2004 – FLO-CERT established to certify producers and traders independently
- 2007 – FLO’s Strategic Review
- 2008 – FLO embarks on global strategy to Strengthen, Broaden and Deepen the impact of Fairtrade
- 2011 – FLO recognizes the need for sustainable development increases almost daily and Fairtrade is a simple, practical tool in the pursuit of sustainability.

**Market Overview**
- 927 Fairtrade certified farmer and worker organizations
- 60 countries where Fairtrade producers are present
- 11% increase in certified producer organizations
- 1.2 million farmers and workers benefit from Fairtrade sales

**Success in the North**
- 27,000 Fairtrade products worldwide
- Over 70 countries where Fairtrade products are sold
- 1% increase in number of licensees
- 2,849 total number of licensees

**Success in the South**
- 3.4 billion global Fairtrade retail sales
- 15% annual growth

**Message from the Board Chairman**

**Message from CEO Rob Cameron**

The need for Fairtrade is greater and more urgent than ever. Global actors are struggling to take on the pressing financial, environmental and structural issues facing our planet. But equally, our opportunity has never been greater. As more companies engage with Fairtrade the easier it becomes for others to join.

In closing, I should like to thank the FLO staff, their FLO-CERT colleagues, the Labelling Initiatives, our Licensees, our many funders and supporters and above all the Fairtrade producers in this most testing of years for their unwavering support, untiring effort and amazing achievements.
A Stronger FLO

Achievements of 2009

Fairtrade’s worldwide recognition gives us the opportunity and responsibility to set ambitious goals. Over the past year, the Board of Directors, staff and members got down to work on achieving the objectives of our Global Strategy. It is our aim to strengthen our operations, broaden Fairtrade’s reach and deepen its impact for producers. It has meant making bold decisions and taking ambitious steps to go forward as a stronger movement. The achievements of 2009 are testimony to how FLO is moving from strategy into action as we pursue new markets and opportunities for producers.

Fairtrade’s achievements in 2009 brought benefits to more producers of more products in more locations than ever before. Turning FLO’s strategy into reality is the result of the combined efforts of the FLO Departments now in place to meet the development challenges facing disadvantaged producers. During 2009 we:

- Created a stronger leadership team with the skills and experience to drive Fairtrade’s ambitious plans forward
- Put the foundations in place for the New Standards Framework to simplify the standards, improve economic returns for producers and help them strengthen their position
- Began a complete overhaul of our Producer Services to improve producer support
- Established a Strategy and Policy unit, Global Product Management and Global Account Management
- Extended our range of product categories
- Developed an Information Management System to provide access to reliable high-quality, system-wide data
- Signed major licensing agreements that will make a difference to thousands of producers

Global Product Management

GPM was established as a central point of product information providing expertise, tools and product-specific strategic direction. This will help connect producers to market and identify areas for improvement. The team now has managers for the “Big Six” Fairtrade products: coffee, tea, cocoa, bananas, cotton and sugar. In 2009, the first Product Advisory Council brought together experts from across the tea supply chain to provide product insight and advice to FLO. Other Advisory Councils are in the planning.

Building Strong Business

"Once companies meet producers in the field, Fairtrade sells itself. Now producers are improving their own lives through trade opportunities is convincing and contagious. FLO is here to introduce companies to producers and open doors for both.”

Martin Hill, Director of Global Account Management

The goal of the newly created Global Account Management Unit (GAM) is to leverage deeper commitment from global business partners by opening up opportunities, streamlining engagement with Fairtrade and negotiating as a single global system.

One of the early achievements of GAM is Starbucks’ success at doubling its Fairtrade-certified coffee purchases.

Ambitious New Standards Framework

For the first time in its history, FLO is revamping its standards. Better cost-benefit ratio, simplified compliance criteria and ensuring that FLO meets the needs of Fairtrade farmers, workers and traders: these are the key goals of the New Standards Framework. The new framework has three pillars: Production, Trade, and Business & Development which cover economic tools unique to Fairtrade and help to reinforce the Fairtrade Minimum Price and Premium.

Scaling Up Producer Support

With the help of 43 Liaison Officers in the field, Producer Services and Relations (PSR) provided 856 certification advisory visits to Fairtrade producers and 536 to applicant organizations in 73 countries. PSR will also help producers to comply with the revised standards. This means working more closely with producers to design their own business and development plans, train them in key aspects and connect them to additional resources and partnerships to achieve the producer’s own vision for their members and communities.

A Full Fairtrade Herb Shelf

Responding to more than one hundred requests from farmers to expand the existing range of 26 Fairtrade herbs and spices, FLO amended its existing standard. As a result, certified farmers are able to offer any type of seed, root, flower or leaf that meets the definition of herb or spice. Producers and traders of herbs and spices have welcomed this change, which also expands consumer choice.

"The farmers I work with in Vietnam are really excited about the new standard. It means they can finally stabilize their incomes by diversifying their product range beyond tea into cinnamon and ginger.”

Jaap Brands, founding member of Vietnamese Van Chan Bio Farmers Club.

FLO Opens Door for New Products

FLO’s Strategy & Policy Unit has developed a clear process for new product development. It enables the expansion of new product categories, thereby giving more options to producers to sell under Fairtrade conditions while growing existing product categories. FLO will ensure the integrity of the process and be the key contact for champions of new product ideas. New categories currently considered include marine products, rabbit and silk, as well as many more agricultural food products.

Dual Certification Partnerships

FLO has launched two historic dual-certification partnerships: FLO and the Alliance for Responsible Mining (ARM) developed the first ever third-party independent certification for gold to bring social, environmental and economic development in artisanal and small-scale mining communities. The FLO Standards Committee also approved a pilot project for jointly labelled FSC/FLO timber products from small-scale community-based forests.

New Markets for Fairtrade

FLO and Fairtrade Label South Africa took a historic step by signing the first Fairtrade Marketing Organization agreement. The Czech Fair Trade Association (Asociace Pro Fair Trade) soon followed as the first national Fairtrade organization in Eastern Europe. In new Fairtrade markets, FLO licenses the Mark on products while local organizations are responsible for marketing and promotion. As Fairtrade continues to grow, a new Market Development Unit is now in place to combine brand management and market research activities globally and in countries without national labeling initiatives.

Monitoring Impact

In July 2009, the Strategy and Policy Unit published the first Monitoring and Evaluation Report which provides insights ranging from how many producers are benefitting from Fairtrade to the volume of their Fairtrade sales. FLO will establish a comprehensive impact assessment system over three phases, with the ultimate aim to track and access timely analysis of Fairtrade impacts.

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How We Are Governed

Our Members

We often talk about Fairtrade in terms of what we do or why we do it; but how we go about our work is equally important. Fairtrade is one of the largest and most diverse multi-stakeholder initiatives in the world, with thousands of relationships in over 90 countries. As sales and recognition of Fairtrade grow, so does the number of people involved, from producers or funding partners right down the Fairtrade chain to consumers and grassroots campaigners.

Ian Bretman, Vice Chair of FLO Board

“...exercise their voice within ASSEMBLIES...”

The Labelling Initiatives gather at least once a year at the LI Assembly, as do the three regional Producer Networks. The 24 members come together yearly to exercise their rights as owners of Fairtrade through the General Assembly. The General Assembly’s role is to maintain the constitution and membership systems of the association and to approve the annual accounts.

…appoint the BOARD

FLO’s Board of Directors decides on the long-term strategy for Fairtrade. The Board is made up of 14 people: five are elected by the Labelling Initiatives, four by the Producer Networks and five by the Board based on recommendations from the Board’s Nominations Committee. Of these five, two are nominees of certified traders and three are independent, appointed for their relevant knowledge and experience. The Board appoints sub-committees to provide expertise and oversight in key areas, such as finance, standards and audit.

…are supported by FLO’s LEADERSHIP TEAM

FLO’s Leadership Team provides operational services and Fairtrade’s strategic direction. FLO is led by the CEO, COO and FLO’s Unit Directors and Heads from: Finance and Central Services, Producer Services and Relations, Strategy and Policy, Standards, Global Account Management, Global Product Management, Market Development, Communications and Human Resources.

…work with FLO-CERT

FLO-CERT is an independent certification organization responsible for certifying producers and traders against the Fairtrade Standards. It is the only ISO 65 accredited social certification body in the world.
One of the key messages emerging from FLO’s Strategic Review was the need to strengthen existing partnerships and develop new ones. Our approach is based on the principle that what is done is more important than who does it. By working together with organizations who have other areas of expertise, or access to other resources, we can add value to Fairtrade’s work, that of our partners and, most importantly, deepen the impact of Fairtrade.

Through strategic partnerships we can ensure that disadvantaged producers have access to more benefits by engaging with Fairtrade, and that we will be able to deliver on our core objectives.

Key to the success of strategic partnerships is the identification of mutual objectives. The Millennium Development Goals (MDGs) provide a focus both for Fairtrade and for many of the most significant players in international development. We are working with several of these organizations to enhance our contribution to achieving the MDGs and thereby addressing the world’s most pressing development challenges.

FLO’s commitment to the MDGs is articulated in the Strategic Fairtrade Funding Programme, Phase I of which was successfully concluded in 2009. The Programme aims to attract coordinated funding for Fairtrade, thereby enhancing the effectiveness of development assistance. During this phase, we worked with five strategic funding partners (see below) to enhance Fairtrade’s development impact. Phase II of the Programme runs from 2010-2013 and embodies our core strategic objectives: strengthening the global Fairtrade system; broadening the scope of Fairtrade; and deepening the impact of Fairtrade.

As part of this Programme, and with funding partners who support specific projects, our relationships extend beyond a simple financial transaction and recognize the variety of ways in which organizations can work together to achieve mutual objectives. This approach extends to the many other important development actors with whom we are building relationships, including major international development banks, partly in the context of our new activities in the field of improving access to finance for developing countries. There are 18 product-specific standards for small producers and eight for hired labour covering 20 product groups.

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The Fairtrade Standards

Socially and Economically Fair, Environmentally Responsible

In order to be a part of the Fairtrade system, traders and producers have to meet certain criteria. FLO is responsible for developing and maintaining the Fairtrade Standards. They are designed to tackle poverty and support sustainable livelihoods for farmers and workers in the world’s poorest countries. They also serve to foster mutually beneficial and longer-term relationships between producers and traders.

Our standards apply to producers and their buyers in the supply chain. They include producer standards for workers, Hired Labour and small-scale farmers organized in Small Producer Organizations or who sell through external bodies, which is known as Contract Production. There are also standards for the importer, exporter or processor who buys directly from the producer group.

Unique to Fairtrade

Minimum Price: The first buyer of Fairtrade certified products has to pay producers the Fairtrade Minimum Price for their products or the market price, whichever is higher. This means it can serve as a safety net for farmers when world markets fall below a sustainable level. Minimum price only sets the minimum trading price; producers and traders can also negotiate a higher price, for example on the basis of quality, and for some products, FLO also sets different prices for organic crops, or for particular grades of produce.

Fairtrade Premium: An additional sum of money is paid on top of the agreed Fairtrade price. It is usually invested in social, environmental or economic development projects that are decided upon democratically by producers within the farmers’ organization or by workers on a plantation. For example, education and healthcare, farm improvements to increase yield and quality, or processing facilities to add more value to the products. Even if the producer is paid more than the Minimum Price, the Fairtrade Premium remains the same.

The FAIRTRADE Certification Mark

Fairness, Empowerment, Progress, Hope. A small Mark that says and does a lot.

When the FAIRTRADE Certification Mark was launched in 2002, there were questions: “What does the symbol represent?” “Is that a person in the middle?” “Is that an elephant under a setting sun?” “Does the blue symbolise loyalty?” Whatever people may interpret, what the Mark does and what it stands for is not left to the imagination.

The FAIRTRADE Certification Mark is now the most widely recognised ethical label in the world. When a consumer product bears the Mark it ensures that the product has been traded according to FLO’s Internationally Fairtrade Standards.

There are roughly 27,000 products on store shelves around the world bearing the FAIRTRADE Mark. When consumers choose to buy a product labelled with the FAIRTRADE Mark, they are helping to reduce poverty and encouraging companies around the world to trade fairly.

The FAIRTRADE Mark is a registered trademark of FLO certifying that products meet the social, economic and environmental Fairtrade Standards.

These standards are set in accordance with the ISEAL Code of Good Practice.

Benefits to Producers:

- Long-term trading relationships
- Producers have greater control over the selling process
- Access to pre-financing
- The Fairtrade Minimum Price
- The Fairtrade Premium

Fairtrade Certification

Certification for Development

Millions of people around the world count on the FAIRTRADE Mark and the ethical value it adds to a product. All along the trade chain, from producer to consumer, cocoa bean to chocolate bar, all Fairtrade labelled products must be certified. It starts with a written application and ends with certification for a specific period of time. But in a globalized market that is growing ever more complex, how can people be sure that the FAIRTRADE Mark really is ‘fair’?

People Need Reassurance

A producer wants to know that when his products are Fairtrade certified he will receive a fair price and premium to be able to improve his community and business. A trader wants to assure her buyers that her product was ethically produced. Consumers want to be certain that when they buy Fairtrade they are making a contribution to a better world.

That is why Fairtrade has robust standards and a rigorous certification process that makes sure these principles are upheld.

FLO-CERT works to ensure that producers and traders comply with the Fairtrade Standards and that producers receive the Fairtrade Minimum Price and Premium.

Certification has three basic steps: reporting, auditing and certification. A full Fairtrade audit can last a few days for a small organization or up to several weeks for the largest ones. Certification is financed through fees paid by producers and traders. The amount depends on the size of the organization, its complexity and the number of certified products it is seeking to sell.

Many industrial and business sectors certify the quality or technical standards of their products, or their services. Fairtrade Certification goes beyond that, also ensuring the ethical and social value of a product. It is the only certification scheme set up to tackle poverty and to enable the empowerment of farmers and workers in developing countries. Consumers can be assured that the International FAIRTRADE Mark can only be used when producers and traders have met the Fairtrade standards.

ISO 65 Certification

FLO-CERT is the only ISO 65 accredited social certification body in the world and follows the ISO norm in all its certification operations. ISO 65 is the leading, internationally recognized quality norm for bodies operating a product certification system. ISO 65 accreditation means that:

- A quality management system is in place
- Transparency in all processes
- Independence in the certification decision making
2009 was another year of positive growth for Fairtrade, as sales continued to increase across all 142 countries. It’s estimated that roughly 27,000 Fairtrade products are now sold in over 70 countries. According to recent surveys, consumer awareness of the FAIRTRADE Mark has exceeded 80% in some countries. And, despite the economic downturn, Fairtrade has achieved a 15% increase in global retail value, with estimated sales amounting to €3.4 billion.

### Retail Sales Around the World

<table>
<thead>
<tr>
<th>Country</th>
<th>2008 (in €)</th>
<th>2009 (in €)</th>
<th>Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>AUS/NZ</td>
<td>18,067,280</td>
<td>28,733,986</td>
<td>50%*</td>
</tr>
<tr>
<td>Austria</td>
<td>65,200,000</td>
<td>72,000,000</td>
<td>10%</td>
</tr>
<tr>
<td>Belgium</td>
<td>45,793,141</td>
<td>56,437,406</td>
<td>23%</td>
</tr>
<tr>
<td>Canada</td>
<td>123,737,132</td>
<td>201,378,074</td>
<td>66%*</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>2,561,000</td>
<td>556,540</td>
<td>-</td>
</tr>
<tr>
<td>Denmark</td>
<td>51,220,106</td>
<td>54,436,609</td>
<td>6%</td>
</tr>
<tr>
<td>Estonia</td>
<td>-</td>
<td>295,045</td>
<td>-</td>
</tr>
<tr>
<td>Finland</td>
<td>54,445,645</td>
<td>88,865,284</td>
<td>60%</td>
</tr>
<tr>
<td>FLO** / Rest of World</td>
<td>130,722</td>
<td>18,099,255</td>
<td>-</td>
</tr>
<tr>
<td>France</td>
<td>255,570,000</td>
<td>287,742,792</td>
<td>13%</td>
</tr>
<tr>
<td>Germany</td>
<td>212,788,451</td>
<td>267,473,584</td>
<td>20%</td>
</tr>
<tr>
<td>Ireland</td>
<td>94,429,886</td>
<td>118,574,416</td>
<td>26%</td>
</tr>
<tr>
<td>Italy</td>
<td>41,284,198</td>
<td>43,382,860</td>
<td>5%</td>
</tr>
<tr>
<td>Japan</td>
<td>9,067,132</td>
<td>11,283,451</td>
<td>2%*</td>
</tr>
<tr>
<td>Latvia</td>
<td>-</td>
<td>153,500</td>
<td>-</td>
</tr>
<tr>
<td>Lithuania</td>
<td>-</td>
<td>315,380</td>
<td>-</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>4,249,301</td>
<td>5,327,122</td>
<td>25%</td>
</tr>
<tr>
<td>Netherlands</td>
<td>60,913,968</td>
<td>88,816,400</td>
<td>41%</td>
</tr>
<tr>
<td>Norway</td>
<td>30,961,192</td>
<td>34,689,522</td>
<td>19%*</td>
</tr>
<tr>
<td>South Africa</td>
<td>-</td>
<td>458,075</td>
<td>-</td>
</tr>
<tr>
<td>Spain</td>
<td>5,483,126</td>
<td>8,030,724</td>
<td>48%</td>
</tr>
<tr>
<td>Sweden</td>
<td>72,930,302</td>
<td>82,662,331</td>
<td>28%</td>
</tr>
<tr>
<td>Switzerland</td>
<td>168,766,526</td>
<td>180,160,263</td>
<td>7%</td>
</tr>
<tr>
<td>UK</td>
<td>880,620,304</td>
<td>987,315,061</td>
<td>14%*</td>
</tr>
<tr>
<td>USA</td>
<td>757,753,382</td>
<td>851,403,590</td>
<td>7%*</td>
</tr>
<tr>
<td><strong>GRAND TOTAL</strong></td>
<td><strong>2,964,368,443</strong></td>
<td><strong>3,394,187,360</strong></td>
<td>15%</td>
</tr>
</tbody>
</table>

FLO 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 restaurants and cafés. Retail Sales come from consumer products bought in stores and supermarkets.

In 2009, the following countries calculated the 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, Finland, FLO, Germany, Ireland, Spain, USA. These countries listed below calculated the Out of Home sales value using the average Retail price for consumer products bought in stores and supermarkets: Belgium, France, Italy, Japan, Sweden, Switzerland.

The rest of the countries do not separate the Out of Home sales from Retail Sales. Out of Home retail price often has a higher value per volume sold than the Retail Sales price found on products in stores. Therefore, the countries that use the Out of Home retail price for their calculation may have higher growth rates. Out of Home sales make up approximately 19% of the total global estimated Retail Sales value.

### Fairtrade Prize Winning Products

**Excellence in Taste and Quality**

- **Belva's Chocolate Truffles**
  - Top rated, TESTBESTE
  - Origin: Dominican Republic, Paraguay

- **Migros' Basmati Rice**
  - Top rated, TESTBESTE
  - Origin: India

- **Gepa's Bio Cocoba Chocolate Spread**
  - Very Good, ÖKOTEST
  - Origin: Latin America

- **The Fair Trade Spirits Company's FAIR.Vodka**
  - World’s Best Unflavored Vodka, New York Spirits Awards
  - Origin: Peru

- **Rishi Tea**
  - 28 awards including 11 First Place, World Tea Championship
  - Origin: China, India, Egypt

- **Ethiquable’s Spicy Banana Plantain Chips**
  - Golden Archer Best Ethical Product, Belgian Committee of Distribution
  - Origin: Ecuador

- **Hampstead Tea’s Earl Grey Leaf Tea**
  - Non Alcoholic Beverages Award, Soil Association Food Awards
  - Origin: India

- **Alter Eco’s Noir Intense Force Brute Pérou**
  - Top place, Que Choisir
  - Origin: Peru

- **FAIR.Vodka**
  - World’s Best Unflavored Vodka, New York Spirits Awards
  - Origin: Peru

- **Hamptons Tea’s Earl Grey Leaf Tea**
  - Non Alcoholic Beverages Award, Soil Association Food Awards
  - Origin: India

- **Belva’s Chocolate Truffles**
  - Palm, Quality Food Awards
  - Origin: Dominican Republic, Paraguay

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Different continents have different opportunities and challenges. In order to be more effective in helping producers, it became clear that a more regional approach was needed. The three Producer Networks joined FLO in 2006. A major focus of FLO’s global strategy is to significantly increase their role in Fairtrade. Membership is voluntary and many small producers are not part of a network. There are now 827 producer organizations in 60 countries; an 11% increase over 2008.

Fairtrade Standards now cover 20 product groups as the number of consumer products made from Fairtrade certified goods continues to grow. Cocoa and sugar saw strong leaps in sales thanks in part to 100% commitments by global chocolate and confectionary brands including Cadbury Dairy Milk, Nestlé UK’s Kit Kat, Ben & Jerry’s and Green & Black’s. Coffee, the pioneering Fairtrade product, also experienced steady growth.

<table>
<thead>
<tr>
<th>Product</th>
<th>Unit</th>
<th>Conventional</th>
<th>Organic</th>
<th>Total 2009</th>
<th>Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flowers and plants</td>
<td>1,000 stems</td>
<td></td>
<td></td>
<td>335,893</td>
<td>6%</td>
</tr>
<tr>
<td>Bananas</td>
<td>MT</td>
<td></td>
<td></td>
<td>311,465</td>
<td>4%</td>
</tr>
<tr>
<td>Sugar (cane sugar)</td>
<td>MT</td>
<td></td>
<td></td>
<td>89,628</td>
<td>57%</td>
</tr>
<tr>
<td>Coffee (roasted, instant)</td>
<td>MT</td>
<td></td>
<td></td>
<td>73,781</td>
<td>12%</td>
</tr>
<tr>
<td>Fruit juices</td>
<td>MT</td>
<td></td>
<td></td>
<td>45,562</td>
<td>62%</td>
</tr>
<tr>
<td>Cotton</td>
<td>1,000 items</td>
<td></td>
<td></td>
<td>23,346</td>
<td>-10%</td>
</tr>
<tr>
<td>Fresh fruit</td>
<td>MT</td>
<td></td>
<td></td>
<td>20,091</td>
<td>-24%</td>
</tr>
<tr>
<td>Cocoa (cocoa beans)</td>
<td>MT</td>
<td></td>
<td></td>
<td>13,898</td>
<td>30%</td>
</tr>
<tr>
<td>Wine</td>
<td>1,000 litres</td>
<td></td>
<td></td>
<td>11,524</td>
<td>1%</td>
</tr>
<tr>
<td>Tea</td>
<td>MT</td>
<td></td>
<td></td>
<td>5,032</td>
<td>9%</td>
</tr>
<tr>
<td>Rice</td>
<td>MT</td>
<td></td>
<td></td>
<td>2,005</td>
<td>0%</td>
</tr>
<tr>
<td>Honey</td>
<td>MT</td>
<td></td>
<td></td>
<td>859</td>
<td>13%</td>
</tr>
<tr>
<td>Nuts and oilseeds</td>
<td>MT</td>
<td></td>
<td></td>
<td>578</td>
<td>200%</td>
</tr>
<tr>
<td>Herbs and spices</td>
<td>MT</td>
<td></td>
<td></td>
<td>556</td>
<td>1%</td>
</tr>
<tr>
<td>Quinoa</td>
<td>MT</td>
<td></td>
<td></td>
<td>541</td>
<td>-24%</td>
</tr>
<tr>
<td>Sports balls</td>
<td>1,000 items</td>
<td></td>
<td></td>
<td>118</td>
<td>-16%</td>
</tr>
</tbody>
</table>

Evolution of certified producer organizations 2005–2009

Africa & Middle East
- Producer Organizations: 231
- Members & workers: 760,000

Asia
- Producer Organizations: 120
- Members & workers: 199,000

Latin America & Caribbean
- Producer Organizations: 476
- Members & workers: 282,000

28 Producer Countries:
- Benin, Burkina Faso, Cameroon, Comoros Islands, Côte d’Ivoire, Democratic Rep. of Congo, Egypt, Ethiopia, Ghana, Kenya, Madagascar, Malawi, Malawi, Mauritius, Morocco, Mozambique, Palestine, Rwanda, Senegal, Sierra Leone, South Africa, Swaziland, Tanzania, Togo, Tunisia, Uganda, Zambia, Zimbabwe
Our Producers in Africa

An expanding Producer Network, better information for producers on new market opportunities, and an increase in South-South trade are all part of the exciting work going on in Africa. In 2009, the first Fairtrade Marketing Agreement was signed by FLO and Fairtrade Label South Africa. Awareness is on the rise, and producers across the continent are investing their Fairtrade Premium in innovative projects, improving their business and the local community.

African Fairtrade: A Partnership in Zimbabwe

The AFN has a mission to promote Fairtrade in Africa, facilitate regional trade and increase opportunities for its members to sell their products. There are 231 certified producer organizations in 28 African countries and this figure continues to grow. There are four regional offices in East, West and Southern Africa and an office in Northern Africa is planned for later this year.

FLO and the Netherlands Development Organization (SNV) have been working together on trade and development issues since 2006. According to Lawrence Attipoe, Country Director for the organization in Zimbabwe, the relationship is an important one:

“A significant outcome of the partnership is the new support model to small producers and FLO’s move towards a more market-oriented pricing system. FLO’s focus on developing capacities of producer groups is very commendable and appreciated by clients and partners. Also, the move to identify and jointly develop value chains with SNV rather than concentration on certification, will ensure more sustainable supply chains in the future.”

Attipoe adds that the future of Fairtrade in Africa depends, among other things, on the development of local producer capacity, leading to the development of integrated value chains that enable processing of primary products for both the domestic and international Fairtrade markets.

“Our expectation is that FLO, within the boundaries of confidentiality, can share reasonable amounts of its market intelligence with us as a tool for developing strong value chains linked to existing and potential market opportunities. Up until now, FLO has not been very responsive in this rather important area of the partnership. In addition to working with partners such as SNV, FLO can also play a major role in ascertaining the capacity needs of identified producer networks, such as the AFN.”

SNV appreciates FLO’s passion for improving producer group capacity for sustainable business, but Attipoe adds they have been less impressed with the pace and cost of the certification process, especially for smallholders.

“Here, FLO can, and should do more to simplify the certification process, while maintaining its quality and credibility. Given the scope of work on the ground and the increasing wave of Fairtrade worldwide, FLO must increase the number and capabilities of Urdoon Officers to support integration of Fairtrade thinking into effective and integrated value chains. SNV remains committed to partnership with FLO to achieve these objectives.”

Lawrence Attipoe, Country Director, Zimbabwe / SNV Netherlands Development Organization

Dates from Tunisia: Building on Success

It’s five years since the Groupement de Développement de l’Agriculture Bio-Dynamique (GDBAD) decided to go for Fairtrade certification, motivated by the desire for sustainable production methods, better environmental practices and increased export sales.

Since then the Tunisian farmers have formed long-term trading relationships with European partners, improved the quality of their produce and have increased their exports, meaning that 75% of members’ income now comes from overseas sales of their Fairtrade organic dates.

The cooperative is keen to build upon this success. Its vision is to increase Fairtrade sales further and to diversify into other markets such as North America and the UK.

“With Fairtrade, we have a Minimum Price which is a useful tool to protect us from market price fluctuations. Last year we used the Premium to purchase netting to prevent damage to the crop from pests and the summer rains. That’s why we are now producing better quality dates.”

Aldoolla Mestain, President of the Cooperative

A Partnership in Zimbabwe

The Waridi Flower Farm is located close to the Kenyan village of Kinani. Many of its workers and their families live there. What separates the farm from the village is the Athi River, a waterway that is subject to flooding in rainy season but can also dry up for months at a time.

Both these situations have proven problematic for the local community - in rainy season they can’t cross the river to get to work or to access other local services, whereas in periods of drought there isn’t enough water for cooking and cleaning, or for feeding their livestock.

Waridi Flower Farm already carried out a project to build a footbridge over the river in 1999, and Fairtrade Premium money helped fund essential repair work to the bridge when it was severely damaged by flood. Local communities now have year-round access to local trading centres.

Last year, the company undertook another project to tackle the problem of drought and water shortage. Fairtrade Premium money was used to construct two weirs across the river. The weirs act as a dam, allowing water to be stored during drought time so the community has access to water during the dry season.

Work on the two weirs started in February last year and by the end of April both reservoirs were full with rainwater. It’s now much easier for the villagers to get the water they need, and as problems of drought and water shortages continue to increase, Waridi Farm expects the weirs will be invaluable to the local community in the months and years to come.

Bridging the Gap and Dealing with Drought

Here, FLO can, and should do more to simplify the certification process, while maintaining its quality and credibility. Given the scope of work on the ground and the increasing wave of Fairtrade worldwide, FLO must increase the number and capabilities of Urdoon Officers to support integration of Fairtrade thinking into effective and integrated value chains. SNV remains committed to partnership with FLO to achieve these objectives.”

Lawrence Attipoe, Country Director, Zimbabwe / SNV Netherlands Development Organization

A United Voice

Our Producers in Africa

AFRICA

Total Fairtrade Premium .......... € 12.6 million

Community .................................. 22%

Education ......................................... 16%

Environment .................................. 0.2%

Health .............................................. 6%

Business & Production ....................... 46%

Women’s Programmes ...................... 3%

Other / Not yet spent ......................... 3% / 4%
A United Voice

Our Producers in Asia

Network of Asian Producers

Representation, coordination, exchange and collaboration for the empowerment of small scale farmers’ and workers’ organizations. That is the self-proclaimed mission of NAP, the Network of Asian Producers, which now has 96 member producer organizations in 12 countries.

Since its founding in 2005, NAP has been working to help even more Asian producers join the Fairtrade movement. It also works to ensure that Asian realities and conditions are taken into account when Fairtrade Standards are set without compromising on the basic principles of Fairtrade.

“Producers often lose track of changes happening around them. These changes can be in the form of fluctuating market demand, in the quality of their product and of course to the economy in general. NAP is an important tool for information dissemination and building awareness. The relationship between FLO and the NAP has always been strong and we continue to cooperate in many areas such as producer support, information sharing and building strategic partnerships that share our cause across the globe.”

Binod Mohan, NAP Chairman

Coffee in Papua New Guinea

Some of the world’s best coffee comes from the small country of Papua New Guinea. Yha Hauka Kopi Pty Ltd is one of four Fairtrade certified producers in the country. It is a small farmers’ cooperative with 670 members that sells to traders in the U.S. and Australia. Papua New Guinea is divided by a spine of mountains and a rugged rainforest region. The lack of basic infrastructure means that farmers spend a large part of their earnings on shipping by plane or boat. Others must carry their harvest to the nearest road, sometimes walking half the day.

Yha Hauka Kopi was founded in 1986 to help the farmers market their coffee. It became Fairtrade certified in 2004. Since then, the Fairtrade Premium has helped the coop to achieve its vision of improving the livelihoods of its members and the people of the community.

“Producers often lose track of changes happening around them. These changes can be in the form of fluctuating market demand, in the quality of their product and of course to the economy in general. NAP is an important tool for information dissemination and building awareness. The relationship between FLO and the NAP has always been strong and we continue to cooperate in many areas such as producer support, information sharing and building strategic partnerships that share our cause across the globe.”

Binod Mohan, NAP Chairman

Premium Investments

- **Education**: The Yha Hauka Cooperative offers partial and full scholarships to cover school fees of the members’ children.
- **Health**: Yha Hauka assists with hospital transportation and medical evacuation in case of emergencies. It also provides free transportation services for teachers, school and medical supplies, as well as transportation of patients.
- **Productive Investment**: Cooperative members are offered extension services, including advice on field practices. The cooperative also uses Fairtrade sales revenue to help pay the cost of airlifting coffee from growers in remote regions of the district. The coffee of these farmers had previously gone unsold due to the drop in coffee prices and the increase in air freight costs.

Small Producers in China

The first Chinese producer organization to join Fairtrade was Da Zhang Shan, an organic tea producer certified in 2001. Today, there are four small producer organizations for tea. However, one of FLO’s newest members from China is a group of small farmers from Inner Mongolia who grow soybeans, peanuts and pulses. The Junhe/Zhaluteqi Nature Village Farmers’ Association was certified in 2009. Its 39 members farm 21 hectares of land near the small village of Junhe/Zhaluteqi, near Tongliao City in Inner Mongolia. Inner Mongolia is the third-largest sub-division of China and one of China’s poorest rural areas. It has long, cold winters and short, warm summers.

In Junhe, poverty is widespread. Children cannot get basic education. Schools are old and in need of repair. Children have to walk more than one hour to reach the school. In winter, temperatures drop below -20 degrees, adding to already difficult living conditions.

The Fairtrade Premium can be used by the Association to address these problems and help improve the lives of its workers and their families. The Association sells its products to the DunHua Dewei Organic Products Co. Ltd, a Fairtrade certified exporter in the City of DunHua, which is about 600 kilometres from Tongliao.

“Our farmers group is located in the poorest rural area of China with rough geographical conditions and wicked weather. Some of them are still worrying about their survival and basic education of their children. Although we are already solving these problems actively, our farmers group is young and faces a lack of capital support. So, we still have more to do, to change, to improve. And we are very happy that the Fairtrade certification is helping us to make that change together.”

DunHua Dewei Organic Products

Premium Use 2009

**ASIA**

Total Fairtrade Premium € 5.6 million

Community ........................................ 25%

Education ........................................ 12%

Environment .................................... 0%

Health ............................................. 18%

Business & Production ...................... 20%

Women’s Programmes ..................... 4%

Other / Not yet spent .................... 14% / 7%
The devastating earthquakes that hit Haiti and Chile in early 2010 mean that many producers in this region need Fairtrade more than ever. If there could be a positive aspect of the horrendous natural disasters, perhaps it would be the sight of Fairtrade producers and the wider Fairtrade movement of which we are a part and to which we have contributed to change the attitude of the market and of consumers, creating more just relationships between producers and consumers, respect for human rights, quality production, respect for the environment and involving ourselves in democratic institutions.”

Raul del Aguilas, President, CLAC

Coordinator of Fairtrade Small Producers in Latin America and the Caribbean

CLAC is the network of small producers representing roughly 300 organizations in 20 countries in the region. CLAC offers its members representation, coordination, exchange and collaboration, all with the aim of strengthening the region’s small producer organizations within the framework of Fairtrade.

“I believe there are two ways to see things. One way is to see Fairtrade only as a market tool to improve producers’ income and strengthen our organizations through access to market, financing and other forms of cooperation. The other equally important way is to see Fairtrade as a movement of which we are a part and to which we have contributed to change the attitude of the market and of consumers, creating more just relationships between producers and consumers, respect for human rights, quality production, respect for the environment and involving ourselves in democratic institutions.”

Raul del Aguilas, President, CLAC
A fair boost for Boston commuters, "A t"
ac"A wo"
Fairtrade campaigners have been out in
in full force again. Highlights include:
- A world record in Fairtrade coffee drinking in Germany: 120,556 cups in just one hour
- A cross-border Nordic Fairtrade Challenge, in which 289,678 participants in Finland, Sweden, Norway and Denmark used Fairtrade products at 3,800 events
- A triumph for Fairtrade bananas in Luxembourg: 75,000 bananas were bought, distributed and eaten on Fairtrade Banana Day, almost double the original target of 40,000
- A fair boost for Boston commuters, as Fairtrade supporters in the U.S. distributed thousands of coupons for free Fairtrade beverages.

Fairtrade campaigns have been out in

Over the past 12 months there has been a flurry of web and social networking activity, boosting awareness of Fairtrade and the need for a better deal for producers and their families.

In “The Big Swap” campaign, UK consumers exchanged their conventional products for Fairtrade ones and registered each “swap” on an interactive webpage. This led to over a million and one Fairtrade swaps being made, and countless Fairtrade events being registered and documented.

2009 saw the launch of the award-winning international Fairtrade Towns website (www.fairtradetowns.org), combining the best resources, case studies and reports from the international movement. Since the launch in June, the site has been visited by people from 81 countries and 580 members have joined the online community network.

In the online campaign “Cut It Out For Change!” Max Havelaar France asked people to cut the label off their clothing, sign an online video petition and in so doing encourage top brands to include Fairtrade cotton in their collections. Over 10,700 people have signed the petition so far.

This year’s Fairtrade Breakfast was the largest ever. Over 110,000 participants joined Fairtrade Breakfasts in 21 countries around the world. Many Fairtrade Labelling Initiatives have Facebook pages with thousands of people subscribed as fans.

Over the past year: Not only the general public, but governments and public figures are also increasing their support for Fairtrade. Over the past year:
- The Czech Parliament’s cafes started serving Fairtrade coffee.
- In Denmark, 12 master chefs wrote recipes based on Fairtrade ingredients for a “Fair Food” cookbook, with all proceeds going to Fairtrade.
- In Switzerland, two famous chefs became Fairtrade Ambassadors.
- 440 candidates running for the European Parliament elections pledged to support Fair Trade if elected and to ensure that the needs of marginalized producers and workers in the South are reflected across all European Union policy areas.
- The U.S. Secretary of State, Hillary Clinton, stopped at a Dublin café during Fairtrade Fortnight to enjoy a cup of Fairtrade coffee.

In 2009, Fairtrade Sweden hosted their first Fairtrade Award ceremony, which honoured people and companies who demonstrate an outstanding commitment to Fairtrade.

Fairtrade Around the World

News and Highlights from Our Markets

Our national Labelling Initiatives and Marketing Organizations are the pillars of the Fairtrade system. Although Fairtrade depends on partnerships and collaborations with individual organizations to realise our goals, it continues to be a grass-roots social movement. Fairtrade would not enjoy the success it has today without the commitment and the support of hundreds of thousands of people around the world: ongoing proof of how we are truly growing stronger together.

Governments Show Support for Fairtrade

Accolades & Distinctions
- TransFair USA was named one of Entrepreneur Magazine’s 100 Brilliant Companies for the second year in a row.
- “Fairtrade” was listed as one of the “words of the decade” by the BBC.
- November 2009: TransFair Germany was awarded the German Sustainability Prize, Deutscher Nachhaltigkeitspreis, in the category “Germany’s most sustainable products / services”.
- In 2009, Fairtrade Sweden was awarded “Strongest Brand” by two major PR agencies, Hill & Knowlton and Westendar.

“Exceptional growth demands innovative approaches to fight poverty and to contribute to sustainable economic development. We believe that cooperation and collaborative efforts will create synergies and support each others’ efforts. The challenge lies in how to manage growth and the quality of the Fairtrade Standards, as well as consumer demand and producers’ capacity building. We believe FLO provides appropriate responses to these issues but will probably have to get even better to correspond properly to market growth.”

Carsten Schmitz-Hoffmann, GTZ – Deutsche Gesellschaft für Technische Zusammenarbeit GmbH

Social Networking

Conferences

Our national organizations held conferences worldwide, showing Fairtrade’s unique role in bringing people involved at all stages of the global trade chain together to talk about issues and opportunities.

- At the Fairtrade Foundation’s Commercial Conference, banana farmer Cornelius Lynch spoke on the same platform as the Managing Director of Waitrose, one of the supermarket chains to stock his bananas.
- TransFair Germany held its second Fairtrade Conference in Berlin, alongside its first Fairtrade Awards ceremony, which honoured people and companies who demonstrate an outstanding commitment to Fairtrade.
- Max Havelaar Belgium’s conference brought together producers, retailers and economic experts to discuss the global crisis and Fairtrade.

Our national Labelling Initiatives and Marketing Organizations are the pillars of the Fairtrade system. Although Fairtrade depends on partnerships and collaborations with individual organizations to realise our goals, it continues to be a grass-roots social movement. Fairtrade would not enjoy the success it has today without the commitment and the support of hundreds of thousands of people around the world: ongoing proof of how we are truly growing stronger together.
FLO’s Financials

Statement of Accounts

The summarized key financial figures outlined below have been extracted from internal management reports and from the audited financial statements 2009. The latter, as in previous years, received an unqualified opinion (Deloitte). FLO’s accounting practices comply with generally accepted accounting practices and relevant German legislation (KStG and HGB). The full audited financial statements are available on request from FLO’s office in Bonn.

**INCOME STATEMENT 2009**

<table>
<thead>
<tr>
<th></th>
<th>2009 (£’000)</th>
<th>2008 (£’000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Membership fees</td>
<td>4,859</td>
<td>3,381</td>
</tr>
<tr>
<td>Grants – restricted</td>
<td>3,612</td>
<td>2,108</td>
</tr>
<tr>
<td>Grants – unrestricted</td>
<td>2,358</td>
<td>624</td>
</tr>
<tr>
<td>Interest &amp; other income</td>
<td>386</td>
<td>366</td>
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<tr>
<td><strong>TOTAL INCOME</strong></td>
<td><strong>11,215</strong></td>
<td><strong>6,479</strong></td>
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**EXPENDITURE PER BUSINESS UNIT**

<table>
<thead>
<tr>
<th>Business Unit</th>
<th>2009 (£’000)</th>
<th>2008 (£’000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Producer Services &amp; Relations</td>
<td>4,377</td>
<td>2,850</td>
</tr>
<tr>
<td>Standards development &amp; maintenance</td>
<td>1,218</td>
<td>725</td>
</tr>
<tr>
<td>Strategy &amp; Policy</td>
<td>565</td>
<td>537</td>
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<tr>
<td>Communications, brand and product management</td>
<td>1,728</td>
<td>996</td>
</tr>
<tr>
<td>Governance &amp; Central Support Services</td>
<td>2,776</td>
<td>1,135</td>
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<tr>
<td><strong>TOTAL EXPENDITURE</strong></td>
<td><strong>10,664</strong></td>
<td><strong>6,243</strong></td>
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</tbody>
</table>

Change in reserves: 551 ........ 235

**SURPLUS**

<table>
<thead>
<tr>
<th></th>
<th>2009 (£’000)</th>
<th>2008 (£’000)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0</td>
<td>1</td>
</tr>
</tbody>
</table>

**BALANCE SHEET 31 December 2009**

<table>
<thead>
<tr>
<th></th>
<th>31.12.09</th>
<th>31.12.08</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FIXED ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intangible fixed assets</td>
<td>186</td>
<td>116</td>
</tr>
<tr>
<td>Tangible fixed assets</td>
<td>145</td>
<td>70</td>
</tr>
<tr>
<td>Financial assets</td>
<td>29</td>
<td>29</td>
</tr>
<tr>
<td><strong>TOTAL FIXED ASSETS</strong></td>
<td><strong>366</strong></td>
<td><strong>295</strong></td>
</tr>
<tr>
<td><strong>CURRENT ASSETS</strong></td>
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<td></td>
</tr>
<tr>
<td>Outstanging accounts</td>
<td>878</td>
<td>466</td>
</tr>
<tr>
<td>for services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other assets</td>
<td>830</td>
<td>208</td>
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<tr>
<td>Liquid funds</td>
<td>879</td>
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<td><strong>TOTAL CURRENT ASSETS</strong></td>
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<td><strong>2,590</strong></td>
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<tr>
<td><strong>LIABILITIES</strong></td>
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<td></td>
</tr>
<tr>
<td>Provisions</td>
<td>317</td>
<td>102</td>
</tr>
<tr>
<td>Other liabilities and accruals</td>
<td>124</td>
<td>80</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td><strong>611</strong></td>
<td><strong>595</strong></td>
</tr>
<tr>
<td><strong>EQUITY</strong></td>
<td><strong>1,066</strong></td>
<td><strong>514</strong></td>
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<tr>
<td><strong>PROVISIONS</strong></td>
<td><strong>317</strong></td>
<td><strong>102</strong></td>
</tr>
<tr>
<td><strong>DEFERRED INCOME</strong></td>
<td><strong>611</strong></td>
<td><strong>1,595</strong></td>
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</tbody>
</table>

Tangible fixed assets relates to office equipment.

Outstanding accounts for services comprises outstanding membership fees.

Other assets relates to activities and expenses made in 2009 which are still to be reimbursed by funding partners (€ 665,000), as well as activities, accruals and costs related to 2010 already paid in 2009 (€ 165,000).

Membership fees: As a membership association, FLO receives membership fees from the national Labelling Initiatives. The membership fee is unrestricted funding and is calculated as a percentage of the licence fee income of the Labelling Initiative.

Grants were received from the funding partners mentioned on page eight. An amount of € 3.6 million is restricted funding: these funds can only be used for specific purposes indicated by the funding partner. The remaining € 2.35 million is unrestricted funding.

Expenditures are presented per Business Unit. Governance & Central Support activities include coordination of a global multi-stakeholder governance system and services for our members, existing and potential funding partners and other stakeholders.

Change in reserves comprises: Net decrease of Producer Certification Fund of € 11,000 (being annual contributions of € 100,000 less payments of € 111,000 from the Fund to producer organizations).

Net increase in other reserves of € 562,000 being the 2009 surplus, and transfers from the surplus brought forward and the operational reserve to a new general reserve.

Restricted & designated reserves comprise the Producer Certification Fund (€ 249,000) through which, under specified criteria, certification costs can be subsidized in part for producers.

The General reserve was introduced in 2009 and replaces the former Surplus Brought Forward and the Operational Reserve, which was a designated reserve.

Deferred income consists of grants from funding partners for 2010, already received in 2009.

Provisions are for possible and foreseeable costs that have not materialized by the year-end.

Liabilities are outstanding bills and other regular costs for 2009 paid in 2009 (€ 165,000).
Challenges and Expectations

An External Perspective

As we embark on fulfilling our goal to strengthen, broaden and deepen the impact of Fairtrade, we feel the need to reach out to our partners and supporters for their insight into FLO’s performance. Our intention is to gain valuable insight for ourselves, create a more outward-looking culture and to give our readers some external personal perspectives on challenges and expectations ahead.

Mark Lee, Executive Director, Sustainability

"FLO’s new strategy embraces a more flexible approach to ethical sourcing and is better positioned to mainstream its ambitions and engage more consumers – and ultimately have more impact as a result."

"Recent market share gains for Fairtrade products and the expansion of product lines deeply impress. Yet amidst the array of competing certification schemes, FLO would benefit from stating more definitively the impact and outcomes that Fairtrade certification delivers. How much poverty has been alleviated and how exactly have producers been empowered? To what extent are consumers more aware of the impact of their purchases?"

"We would be delighted also to see FLO do more to build consumer awareness and demand for sustainably sourced products. This will be accomplished not only through improved marketing of the Fairtrade label itself, but by working with partners, especially manufacturers and retailers – and with other certification schemes to identify and pursue shared goals."

Deborah McGurk, Trade Policy Unit, UK Dept. for International Development

"I expect FLO to energetically pursue the ambitious targets it has set itself. This includes supporting many more producers into Fairtrade in poorer and more difficult, conflict-affected countries; striving for gender equality in Fairtrade; and widening the range of standards. The stronger global Fairtrade Information Management System being developed will help inform work on how and where Fairtrade is achieving development impacts."

Hans Peter Egler, SECO

"The FLO strategy identifies the major challenges and identifies how they will be tackled. Within that, to reduce the entry costs for a producer going Fairtrade, it’s important to collaborate with various partners – other agencies providing technical expertise and market development; other Fair Trade efforts supporting producers and helping grow demand and consumer awareness; other sustainability and ethical labels where mutual recognition could help reduce the inspection burden on producers."

Sasha Courville, Executive Director, ISSEAL

"FLO has done a brilliant job of bringing its core stakeholders together around a cohesive and productive strategic plan. As a work that is constantly in progress, FLO needs to strengthen its certification system. As ISSEAL, starts the process of developing a Verification Code, we welcome FLO’s experiences and those of other ISSEAL members in teasing out the challenges and opportunities to develop cost-effective and accessible certification systems that meet the needs of supply chain companies and consumers in terms of acceptable and credible levels of assurance. There is no such thing as a perfect certification system – it is a question of identifying the priorities, managing stakeholder expectations and delivering to same."

"FLO needs to reach out to those outside of its traditional stakeholder base of producers, business and civil society organizations. FLO has the opportunity to make real inroads, given that it now has a solid base to build from. The Fairtrade community must recognise that part of its future success will depend on how well it can collaborate with the rest of the sustainability standards movement to achieve common sustainable development objectives and overcome common challenges, while at the same time preserving what is unique to Fairtrade."

Patricia Francis, Executive Director, International Trade Centre

"FLO possesses excellent organizational and technical skills for the Fairtrade certification process. However, producer groups most often lack the managerial, operational, as well as marketing and sales skills to run as efficient businesses. ITC has engaged in a dialogue with FLO to capacity build its Producer Networks so that they are able to manage and grow their business independently and sustainably. This is an area where ITC’s enterprise competitiveness programmes can ideally complement FLO, in the field of export management, export value chain, export marketing and branding as well as e-solutions. ITC is looking forward to starting a joint pilot programme that will demonstrate the synergies and added value of a joint approach."

Representatives from Fairtrade certified producer organizations (at least one from each of the regional Producer Networks)

Mr Bhish Mohan represents producer organizations in Asia and is also Chairman of the NAP (Network of Asian Producers) and the Managing Director of Tea Promoters India, a Fairtrade certified tea estate.

The FLO Board is made up of:

Mr Carlos Eugenio Vargas represents producer organizations in Latin America. Mr Vargas works for a Fairtrade certified banana cooperative in Costa Rica as co-ordinator for the compliance with Fairtrade standards and for commercial relations.

Mr Raúl del Águila represents coffee producers in Latin America and is President of the CILC, Coordinadora Latinoamericana y del Caribe de Productores de Comercio Justo and the Managing Director of COCLA, a Fairtrade certified coffee cooperative in Peru.

Mr Noel Oettle joined the Board in February 2010. He is a Board member of the African Fairtrade Network and represents producer organizations in Africa.

Representatives from Fairtrade certified traders

Mr Léo Ghysels is the Director of the Department of Producer Research at Oxfam Wereldwinkels Belgium.

Ms Liz Jarman joined the Board in February 2010. She is Head of Grocery Product Development and Fairtrade at Sainsbury’s, a UK supermarket chain.

Independent experts:

Mr Jean-Louis Homé is Chair of the Board of Directors. Mr Homé was Hæknel’s Director for African and Middle East operations from 1993 to 2002.

Mr Molly-Harris Olson is a Director of Eco Futures Pty Ltd, an Australian-based international policy firm working on building sustainable strategies with business, government and civil leaders.

Ms Esther Guluma joined the Board in late 2009. She has over 30 years experience in the aid and development sector in Asia and Africa. Most recently Ms Guluma worked as the Regional Director for UNICEF in West and Central Africa.

Our thanks also go to:

Mr Yorokamu K. Abaine of Transfair USA and Mr Rick Peyser, who stepped down as Board members last year as their terms of office expired.

FLO Board AND PARTNERS

FLO collaborates with the following organizations who share common principles on Fair Trade:

- FTAA Fair Trade Advocacy Office
- WFTO World Fair Trade Organization
- EFTA European Fair Trade Association
- ISSEAL The International Social and Environmental Accreditation and Labelling Alliance
- IFOAM The International Federation of Organic Agriculture Movements

Other Partners

- Representatives from the Fairtrade Labelling Initiatives (LiB)
  - Mr Ian Bremties is Vice Chair of FLO Board and represents Fairtrade Foundation UK.
  - Mr Martin Rohner is CEO of Max Havelaar Foundation Switzerland.
  - Mr Steve Knapp is Director of Fairtrade Labelling Australia and New Zealand.
  - Mr Thomas Bullock is a board member of TransFair USA.
  - Ms Judith Kyst is Secretary General of Fairtrade Mark Denmark. She is also co-founder and head of the board of the Danish Initiative for Ethical Trading and has a seat in the Consumer Council in Denmark.

Labelling Initiatives

There are Fairtrade Labelling Initiatives or Marketing Organizations covering the following countries:

- Australia/New Zealand, Austria, Belgium, Canada, Czech Republic, Denmark, Estonia, Finland, France, Germany, Ireland, Italy, Japan, Latvia, Lithuania, Luxembourg, Mexico, Netherlands, Norway, South Africa, Spain, Sweden, Switzerland, UK, USA.

For full contact details please visit our website: www.fairtrade.net
IN 2010 WE WILL:

- Streamline and revise Fairtrade Standards and Certification
- Launch our new Producer Services and Relations strategy
- Strengthen the Producer Networks
- Facilitate new financial opportunities for producers
- Identify new types of producer set-ups
- Invest in new partnerships
- Implement new Information Management System
- Review our governance & finance model

Come join us on our journey to make a difference!