



**FAIRTRADE GIVES YOU
THE POWER TO
CHANGE THE WORLD
EVERY DAY**



FAIRTRADE
AUSTRALIA
NEW ZEALAND

2013/14 ANNUAL REPORT

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WELCOME FROM OUR CHAIR

It has been a busy start to my term as chair of Fairtrade Australia & New Zealand (Fairtrade ANZ) after taking over from Jim Willet in October 2013. Jim has been highly effective in his capacity as Board Chair, and looking back on his achievements he will feel justifiably proud of the growth the organisation experienced during this time. We thank Jim for his wonderful contribution.

There is a synchronicity in the complexity of the issues faced by Fairtrade farmers, and the single minded objectives of our organisation. I was reminded of that by the farmers I have had the privilege of spending time with in my recent travel to visit cooperatives in Fiji and training workshops in Australia. The message is clear, and that is 'help us sell more product on Fairtrade terms for we cannot start to solve our many problems without income security'. So our organisational response to these challenges also remains clear – continually improve the ways we create access to markets for Fairtrade certified products in Australia and New Zealand and support regional producers to access these markets. We increased our investment in the Australian market which included relocating the head office from New Zealand to Australia. This has enabled us to increase our responsiveness to market and government opportunities.

The board set out on a year of positive regeneration for Fairtrade ANZ. The composition of the board has remained focussed and clear in their vision for what is required to significantly increase the impact we are able to deliver. We continue to identify and introduce skills and knowledge to our board and increase the effectiveness of our governance and organisational strategy. The appointments of Gareth Edgecombe and Lisa Barker are examples of this commitment. Gareth brings extensive experience in executive and marketing roles with leading global Fast Moving Consumer Goods companies. He was formerly the President Asia Pacific for Campbell Arnott's and The Coca Cola Company.

He's also New Zealand raised and a great bridge for our two markets. Lisa brings extensive international trade law, development and policy experience having held the role of Chief of Staff and extensive advisory roles for the Australian Government, RMIT, APEC and Red Cross.

One of our most significant decisions in 2013/2014 was to appoint the highly capable and experienced Molly Harriss Olson as the new Australian based Chief Executive in February 2014. Molly joined us from her role as Chair of Fairtrade International, and a comprehensive sustainable development based background including Executive Director of the US President's Council on Sustainable Development. It has been an inspiring start for Molly in her new role, hitting the ground running within weeks of her arrival, with initiatives such as a comprehensive Business Development Visit Program with Martin Hill (Director Global Account Management for Fairtrade International). This has built momentum for medium to long term partnerships in cocoa, coffee and cotton supply. Molly has developed a close working relationship with the Australian Department of Foreign Affairs and Trade, highlighting the benefits and effectiveness of our trade based aid model. This could transform our opportunities to support growth of the Fairtrade system in the Indo-Asia Pacific region. The Board and Fairtrade management team came together in Melbourne in April to set the vision and strategy for Fairtrade ANZ where we focused on accelerating the growth in Australia and New Zealand to ensure we can maximise the impacts for Fairtrade farmers and



producers in our region and around the world. We also thank Ernst & Young for their in kind support for facilitating our strategy day as well as supporting our new CEO with the strategy development program.

Internationally, the Board identified closer alignment to our global network of Fairtrade offices as a critical step in optimising our resources by leveraging global programs for local activation. We began this process by embedding 'Unlocking the Power of Fairtrade' global strategy into our planning process.

Our Board sub-committees have been hard at work throughout the year covering many aspects of the organisation. The Committees in 2013/14 include;

- Producer Support & Relations
- Business Development
- Marketing & Communications
- Finance & Risk; and
- Nominations and Remuneration.

The committees are creating a vital link between our Board objectives and business operations.

On governance, we were privileged that Egon Zehnder undertook, in kind, our first external Board Effectiveness Review. Board reviews are a key element of good

governance and an important mechanism to review and seek opportunities to improve board effectiveness. The review is assisting us to clarify our objectives as a Board and how we can best work together to add value to Fairtrade. We will look to review our performance again against these agreed objectives.

In closing 2013/2014 I wish to thank Fairtrade ANZ's outgoing Board of Directors, Barry Coates and Phillip Toyne, for their support. I would like to extend special thanks to the founding CEO Steve Knapp, who departed in 2014, for his service and significant achievements in building the Fairtrade ANZ organisation.

The Fairtrade model has demonstrated its effectiveness for over 25 years and it is now our responsibility to broaden the impact in our region. We seek to be at the cutting edge of reforming global trade in favour of justice.

Valentina Tripp

Chair, Fairtrade Australia & New Zealand





MESSAGE FROM OUR CHIEF EXECUTIVE OFFICER

It has been both a great opportunity and challenge to join the team at Fairtrade Australia and New Zealand this year after six years of service on the Fairtrade International Board. In my first five months, I've reflected on our position in the international network, and thought carefully about the organisation's direction and challenges. Steps have been put in place towards our new vision to support and provide new focus to poverty alleviation in the Indo-Pacific region. Expanding opportunities for Fairtrade certified products within the market is the critical catalyst for empowering producers to combat poverty and take control of their lives.



In 2013/14, we introduced Fairtrade Sourcing Programs (FSP) for cocoa and cotton to the market, and secured significant partnerships with local chocolate manufacturers and retailers. It has also facilitated new conversations in cotton, which continues to be an area of focus internationally as we work to increase market access for cotton farmers. In 2014, we held our first Licensee Feedback Forums, where key Fairtrade licensees spent invaluable time with our team, sharing their experiences and discussing their needs and aspirations around greater collaboration on new ideas and approaches to grow Fairtrade sales for producers. This information has been critical in shaping our strategic direction and planning for the coming years.

Fairtrade Fortnight in 2014 was the strongest yet and a wonderful triumph for producers Esther Ephraim and Rose Mensah from the Kuapa Kokoo cooperative in Ghana, joining us to lead our promotion of key events, and helping us to secure national press coverage with their inspiring stories in both Australia and New Zealand. It was a privilege to host Esther and Rose, and a wonderful reminder of the transformative impact Fairtrade can make in alleviating some of the worst forms of poverty, child labour, and gender inequality in the world today.

In the field, our Producer Support and Relations team are developing world-class training tools for the region. At the Network of Asia and Pacific Producers' (NAPP) General Assembly in March 2014, Sandra Mendez, Producer Support Officer and Gabriel Iso, Liaison Officer for Papua New Guinea, led the delegation to experience our Fairtrade environmental training tools. These have been developed to help producers understand the

Fairtrade standards on the environment, helping Fairtrade producers become better farmers, and take control of their futures.

2014 saw the departure of our first CEO Steve Knapp, whose important work over the past nine years is deeply appreciated. Next year we will celebrate our 10th Anniversary, and as I look forward I am inspired by the significant regional opportunities that we have to alleviate poverty and empower the producers who are now half owners in the global Fairtrade system. I am grateful for the support provided from our Board and our international colleagues in furthering our wider regional vision of how Fairtrade ANZ can support our work with producers and Fairtrade supply chains into Australia, New Zealand and the new markets into Asia and the Indo-Pacific.

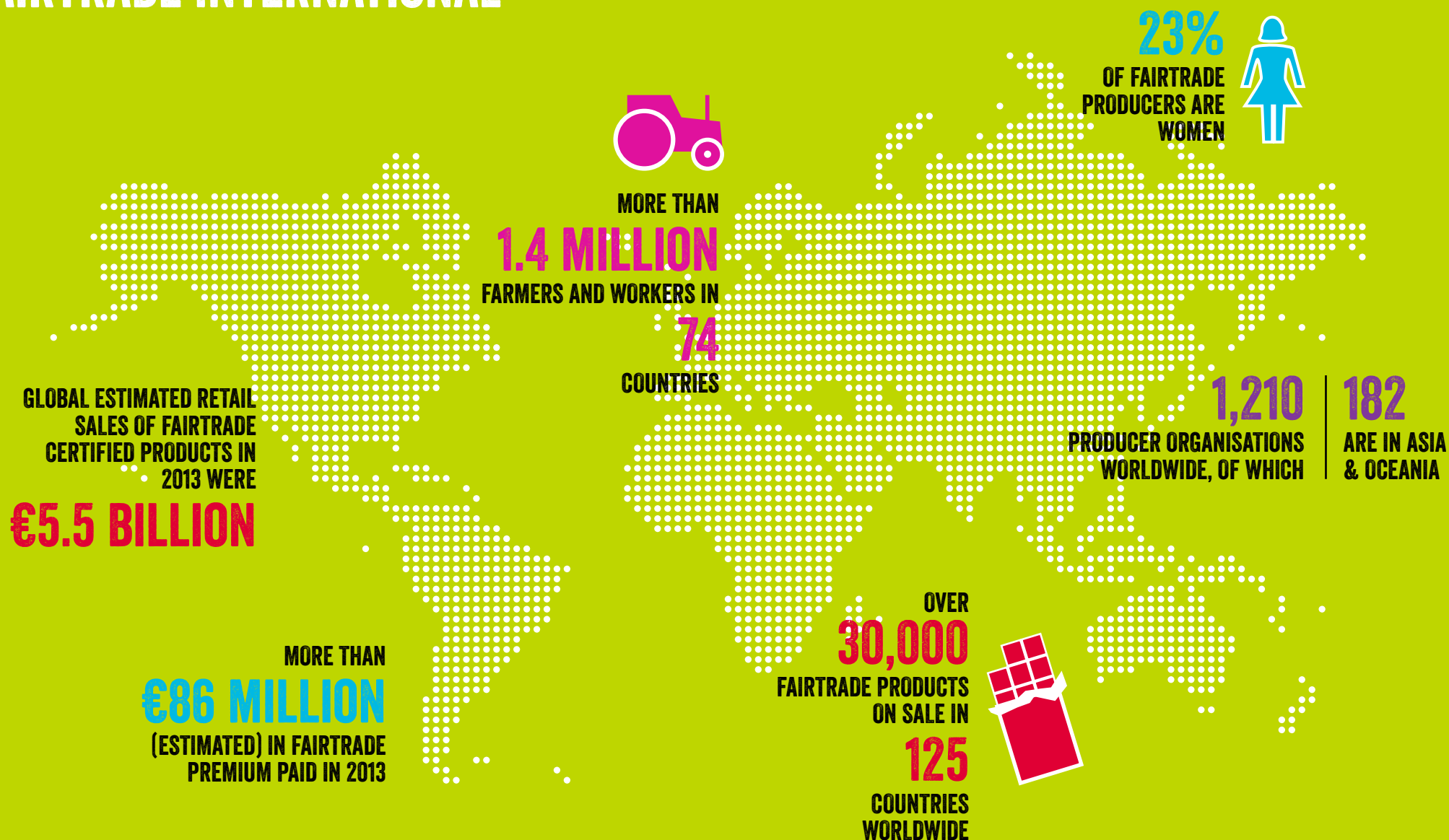
Finally, I'd like to thank all our wonderful supporters and partners for the opportunity to do the life changing work we do. As we look to the coming year, I see exciting opportunities for stronger global alignment, more energetic and visible campaigns and new connections with business and grassroots communities. As we continue to grow and achieve our objectives, we look forward to seeing greater results come to bear for our true customers – Fairtrade farmers, workers and their communities – in 2015.

Molly Harriss Olson

Chief Executive Officer, Fairtrade Australia & New Zealand



FAIRTRADE INTERNATIONAL





UNLOCKING THE POWER OF MANY

Fairtrade International and its members are working within a common strategic framework for 2013-15, focussed on four key areas: **Smallholders, Workers, Citizens and Companies**, and **the Fairtrade system**.

UNLOCKING THE POWER OF SMALLHOLDERS

Our work with smallholders will be world class, supporting them to organise, to build thriving businesses and communities.

Small producer organisations are investing an increasing proportion of the Fairtrade Premium in direct services for farmers (42%), or measures to strengthen their cooperative (44%). This is good news for farmers and their communities. When farmers are strong and democratically organised, generating steady income and investment, they can tackle the challenges faced by their communities and drive transformation. This is at the core of the Fairtrade model, and reflected in Fairtrade International's [Theory of Change](#).

- ▶ We're constantly fine-tuning and developing our programs for producers: In 2013, the **Fairtrade Access Fund** dispensed a total of US\$10 million in loans to 14 producer organisations, benefiting more than 60,000 farmers. This year the fund is expanding to Africa.
- ▶ In 2013, Fairtrade International launched three new **climate change** adaptation projects with small producer organisations in Latin America and East

Africa. Crucially, producers are not just receiving training but becoming trainers themselves, passing on their knowledge throughout the cooperative and beyond.

▶ **Fairtrade is leading the way among certification schemes on confronting Child Labour:**

- While Fairtrade Standards and rigorous auditing systems are important, they are only part of the answer. Fairtrade also supports farmers to take the lead and become agents of change themselves, identifying and addressing unacceptable child labour practices in their own communities.
- Fairtrade International have been encouraging producer groups to appoint youth monitors to help drive community based approaches to child labour prevention. Pilot projects are underway with Fairtrade sugar and cocoa producers, with plans in the pipeline to roll out to producers of other major Fairtrade products.

86%
OF FAIRTRADE PREMIUM
INVESTED IN SERVICES
TO FARMERS OR
STRENGTHENING
COOPERATIVES

**US\$10
MILLION**
IN LONG-TERM LOANS,
BENEFITING MORE THAN
60,000
FARMERS

UNLOCKING THE POWER OF WORKERS

We will clarify and re-focus our efforts to make Fairtrade deliver change for workers, in particular in bananas, tea and flowers.

Workers are learning more about their rights and the power of collective action.

A key part of our workers' rights strategy was the revision of the Fairtrade Standard for Hired Labour.

We spoke to more than 400 workers on plantations and commercial farms to get their input in an innovative consultation process. The resulting Standard takes their daily realities into account. It includes more autonomy in decision-making, greater support for freedom of association, more flexibility on Fairtrade Premium use, and clearer living wage requirements. Some of the changes had nearly unanimous support; others were hotly debated among the workers themselves.



We want to improve the impact of Fairtrade for workers on small farms, and better support the vulnerable farmers who employ them. We are partnering with the Fairtrade producer networks to lead this work, with expert advice from Fairtrade's Workers Rights Advisory Committee.

We continue to build relationships with the trade union movement.

For employers to progress towards providing workers with a living wage we must first establish benchmarks in the regions where we work. The next challenge will be how to encourage farms to pay a living wage. This won't be easy. Minimum wages are often far below the living wage level and there are historic power imbalances in many producer regions.

**LIVING WAGE
BENCHMARKS**
SET FOR 3 COUNTRIES

REVISED HIRED
LABOUR STANDARD
PUBLISHED
**400 WORKERS IN
14 COUNTRIES
CONSULTED**

UNLOCKING THE POWER OF CITIZENS & COMPANIES

We will strengthen the grassroots social movement further, so we can increase producers' sales and ensure even greater impact.

Fairtrade is going truly global as producer countries become consumers too.

Fairtrade Foundation India was launched in November 2013 with broad support from government, NGOs, producers and retailers. Home-grown Fairtrade products, such as rice, tea, spices, coffee and cotton are now on sale to Indian shoppers and businesses.

Citizens, policy-makers and governments increasingly recognize the value and importance of fairer trading practices.

In the European Union, new procurement rules make it easier for public authorities to purposefully opt to buy Fairtrade products.

More and more young people are engaging with Fairtrade, in both developed economies and new markets such as Kenya. There is growing mention of Fairtrade in school curricula and ten countries are now running Fairtrade School schemes.

We continue to innovate, finding new ways to increase sales and impact for producers.

The new **Fairtrade Sourcing Programs (FSP)** give cocoa, sugar, and cotton farmers another avenue to sell their crops as Fairtrade. The new programs connect farmers with companies wanting to buy these specific raw products on Fairtrade terms for use throughout their business or product ranges. Launched in January 2014, ten companies have already made commitments under the Fairtrade Cocoa Program, including Mars, Ferrero and major German, Swiss and Japanese retailers. We are also innovating in other areas:

- ▶ Our revised Standard for **artisanal gold and precious metals** is better suited to the unique nature of the gold supply chain, and is designed to support miners to tackle the many social and environmental risks endemic to this industry. It also enables smaller jewellers to participate more easily, using the Goldsmiths Registration Scheme.
- ▶ A new Standard for carbon credits will allow producers to generate vital income to combat the effects of climate change. Consultation is now underway, generating a lot of interest from producers and stakeholders.

**FAIRTRADE
SOURCING
PROGRAMS**
LAUNCHED

**FAIRTRADE
FOUNDATION
INDIA**
ESTABLISHED



UNLOCKING THE POWER OF THE PEOPLE IN THE GLOBAL FAIRTRADE SYSTEM

We will strengthen our global Fairtrade system, increasing the voice of producers and working closely together across all countries to minimize costs and maximize impact.

Our experience has taught us that local ownership and leadership is key to increasing Fairtrade's impact on farmers, workers and their communities and keeping the international Fairtrade system accountable. With our governance changes that make producers equal owners of the Fairtrade system, farmers and workers are leading on the changes they want to see in their communities. Fairtrade Africa is now running producer services in the region, giving producers a greater say in the type of services and support they need. The producer networks in Latin America and Asia are also increasing services to producers and moving towards taking full responsibility for their delivery.



**NEW FAIRTRADE
INTERNATIONAL
CONSTITUTION**

The new Fairtrade International Constitution passed at the General Assembly in June 2013 included a profound and fundamental change to **enable the producers and workers to own 50% of the entire 7 billion AUD international Fairtrade system.**

NEXT SECTION



FAIRTRADE AUSTRALIA & NEW ZEALAND 2013 BY THE NUMBERS



**AU\$259
MILLION**

RETAIL SALES OF FAIRTRADE
CERTIFIED PRODUCTS



2,500

FAIRTRADE CERTIFIED
PRODUCTS WERE AVAILABLE
IN AUSTRALIA AND NEW
ZEALAND



191

LICENSEES & TRADERS
IN AUSTRALIA

42

LICENSEES & TRADERS
IN NEW ZEALAND



53%

OF AUSTRALIANS RECOGNISE
THE FAIRTRADE MARK

79%

OF NEW ZEALANDERS
RECOGNISE THE FAIRTRADE
MARK



54%

COCOA

6%

TEA

36%

COFFEE

1%

COTTON & SPORTS
PRODUCTS

3%

OTHER



PRODUCER SUPPORT & RELATIONS

The Producer Support and Relations (PSR) project supports more than 43,000 producers in Papua New Guinea (PNG), East Timor and the Pacific islands, providing guidance on Fairtrade certification requirements, facilitating access to market and relationships with buyers, liaising with support agencies, and promoting regional participation in the international Fairtrade system.

PSR's approach is to build the capacity of small producer organisations through training on business management, sustainable productivity, and good governance, so that these farmers can improve their businesses and organisations while choosing their own paths for development.

In 2014, the PSR team conducted more than 30 field visits, delivering tailored training to 15 certified and applicant groups based in PNG, Fiji, Samoa, Vanuatu, Tonga, Solomon Islands and East Timor. The trainings covered Fairtrade standards for production, governance, business development, child protection and gender equality.

KEY ACHIEVEMENTS

- ▶ Continued to deliver on the five year contract with the New Zealand Government to support the PSR project in the Pacific.
- ▶ In August and September, PSR hosted its third annual Fairtrade Pacific Stakeholders Workshop in two events, one in PNG which gathered Fairtrade stakeholders from PNG and East Timor; and a second event held in Fiji, gathering stakeholders from Fiji and Samoa. In total more than 90 Pacific stakeholders convened in the two countries.
- ▶ Fairtrade ANZ's PSR team finalised the implementation of its Biodiversity and Agricultural Commodity Program (BACP) funded project "Promoting biodiversity-friendly farming techniques in Papua New Guinea through Fairtrade Certification". Thanks to this partnership, the team designed a training module on biodiversity and Fairtrade environmental standards and carried out twelve workshops which were attended by more than 500 farmers from Fairtrade certified producer organisations in PNG.
- ▶ In December 2013, Fairtrade International invited Fairtrade ANZ to co-host the workshop "Fairtrade's Rights Based Approach to Addressing Child Labour, Including Trafficked and Forced Labour" in Indonesia. This training event was attended by Fairtrade International's Southeast Asia PSR team and representatives of Fairtrade coffee and sugar producer organisations from Indonesia, Thailand and the Philippines.





- ▶ In March 2014, Fairtrade ANZ conducted its first field visit to the Kingdom of Tonga. During their visit, the team provided certification advice to Fairtrade applicant Vanilla Growers Association of Vava'u (VGA) and shared the work of Fairtrade ANZ's PSR Project with government and non-government organisations. Fairtrade ANZ is now supporting VGA through its Producer Development Fund, to execute a two component business innovation project to support the rehabilitation of vanilla farms and to increase quality and productivity.
- ▶ In March, Fairtrade ANZ became a member of the Council for International Development (CID), the body that brings together fifty New Zealand based organisations involved in international aid.
- ▶ The first 200,000 coffee seedlings sown under Fairtrade ANZ and Papua New Guinea's Coffee Industry Corporation (CIC) partnership are growing across the four main coffee growing provinces of PNG. In 2013, the two organisations started a NZD50,000 program set to benefit eight coffee growing communities by establishing a training programme based on the construction and implementation of coffee nurseries. The project allows small farmers to build, run and benefit from these facilities, and to learn best production practices supported by CIC's extension officers.

- ▶ In March, Fairtrade ANZ proudly welcomed Club 3000, a group of 629 cocoa farmers from Papua New Guinea, to the Fairtrade system. Thanks to their partnership with the Madang branch of Monpi Cocoa Exports and its long-term capacity building relationship with Fairtrade ANZ, Club 3000 became the first cocoa farmer group to achieve Fairtrade certification under the Fairtrade Standards for Contract Production in Oceania. Contract Production Standards ensure that small producers who are unorganised or organised into non formal structures can participate in Fairtrade if they have a partnership with an intermediary organisation that is able and willing to assist them to become an independent producer organisation over time.
- ▶ Fairtrade ANZ's producer support team conducted the first two visits of a long-term support strategy aimed at empowering coffee producers in East Timor. The PSR team trained representatives of 16 coffee communities across the island, members of to the Fairtrade pre-applicant Cooperativa Sociedade Agricola Logistica Timor.

CURRENT PROJECTS

- ▶ The development of a Producer Library is underway to support small producers' understanding of the Fairtrade system, its standards and benefits, and how to incorporate those standards in their day-to-day activities. To date, the Producer Library has materials on the Fairtrade Standards for child protection, gender equality and environmental protection.

- ▶ Fairtrade ANZ closed the first year of implementation of the IFAD-funded project "Linking Farmers in Papua New Guinea (PNG) to Fairtrade Markets". Aimed at increasing Fairtrade farmers' entrepreneurial abilities through the use of technology, the project supports farmers to capitalise on mobile communication and the internet to better perform tasks such as negotiation of prices, logistics and planning, as well as to identify market opportunities and access information. This project is targeting 5,000 Fairtrade farmers, their families and communities in PNG. During the first year of implementation Fairtrade ANZ held two Information Communication Technology workshops in Papua New Guinea, serving as opportunities for data collection and stakeholder consultation. In 2015, Fairtrade ANZ will focus on discussing and refining the analysis undertaken so far to finalise a package of interventions for each group.
- ▶ Funded by the Interchurch Organization for Development Cooperation (ICCO), Fairtrade ANZ designed a good governance training module in collaboration with cocoa, coffee, sugar, coconut and vanilla farmers, who attended three pilot sessions in Papua New Guinea and Fiji in August and September this year. Training kits were distributed at the end of the final session, which will be disseminated in training activities by lead farmers in 2015.



PACIFIC SUB-NETWORK LAUNCH

Fairtrade farmers based in the Pacific launch their own network.

Fairtrade farmers own 50 percent of the Fairtrade system, executing their ownership through voting rights at general assembly meetings, where they give direction and shape important aspects of Fairtrade such as prices and standards. Farmers' and workers' voices are represented by three networks based in Africa, Latin America and Asia, who provide platforms for information sharing, training and identification of market opportunities. In 2014, Pacific based farmers took the opportunity at Fairtrade ANZ's Stakeholder Workshop to discuss the best ways to organise themselves into a Pacific Sub-Network. Farmers drafted and approved a constitution to guide the governance of the sub-network and its relationship with the wider Fairtrade Network of Asia and Pacific Producers (NAPP).

The approval was the result of an extensive consultation process with representatives of all certified and pre-applicant organisations in the region. This process was closely supported by Fairtrade ANZ's PSR team, who were pleased to observe producer representatives putting into practice the skills they gained through the two workshops on good governance previously conducted in Papua New Guinea and Fiji. In November, the Fairtrade Pacific Sub-Network was formally launched with the election of a Board of Directors chaired by Parbindra Singh, board member of the NAPP. The sub-network is structured by crops, ensuring flow of information by market needs and is set to increase Pacific input in the international Fairtrade system.



CERTIFICATION & LICENSING

Certification is responsible for ensuring conformity with Fairtrade Standards and the requirements of the Fairtrade ANZ Licence Agreement. Conformity is assured through on-site audits against the relevant Fairtrade Standards conducted by a team of contract and staff auditors, as well as desk audits conducted by staff.

Licensing involves processing business applications for a licence to use the FAIRTRADE Mark on finished product, ensuring the business understands and is able to comply with requirements of the Licence Agreement including correct use of the Mark on packaging and promotional material as well as reporting Fairtrade transactions.

Although Fairtrade ANZ has the lowest proportion of staff to clients of any National Fairtrade Organisation (NFO) conducting certification, the department delivers timely and effective responses to licensing enquiries and applications, including the provision of supply chain services to existing and prospective customers and training and assistance to clients in Standards and record-keeping requirements. Use of the FAIRTRADE Mark and IP by licensees, NGO stakeholders, retailers and brand owners is supervised from within the department. This assistance extends to companies in Australia and New Zealand certified by FLOCERT GmbH.

KEY ACHIEVEMENTS

STANDARDS CONFORMITY - AUDITS

► Over 80 onsite audits conducted

The audit programme continues to increase. 8 contract auditors conducted audits of traders and licensees across Australia and New Zealand.

► New Zealand audit partners

In 2014 Fairtrade ANZ partnered with BioGro New Zealand to conduct Fairtrade audits in the country. BioGro auditors are able to conduct joint Fairtrade and organic audits with businesses with dual Fairtrade and BioGro organic certification. BioGro has already conducted a number of audits, including one joint audit. The two organisations are philosophically aligned and look forward to the many opportunities the future holds, both in New Zealand and the wider Oceania region.

► Auditor Training

4 training events were held for external auditors in Australia and New Zealand to train new auditors and to update existing auditors on new standards developments. Internal staff also underwent training in quality management systems.

FAIRTRADE ANZ CLIENTS

► 23 businesses were newly certified and/or licensed

Fairtrade ANZ certifies businesses to the Fairtrade Trade Standard as either:

- **Trader – Manufacturers:** businesses which manufacture Fairtrade product
- **Trader – Non Payer:** businesses which import Fairtrade product (finished or un-finished) but are not responsible for paying the Fairtrade Price & Premium
- **Trader – Payer:** businesses which import Fairtrade product and pay the Fairtrade Price & Premium

Or licenses businesses to use the FAIRTRADE Mark on finished product and promotional material

- **Licensee:** Have signed the Agreement for use of the FAIRTRADE Mark on finished product and promotional material. Licensees may also be certified under the Trade Standard in either of the categories above.

► At 1 July, 2014:

- 191 licensees and traders were registered in Australia;
- 42 licensees and traders were registered in New Zealand



397 NEW PRODUCTS REGISTERED TO COMPANIES IN AUSTRALIA AND NEW ZEALAND

- ▶ Of the 397 new products registered, there were new ranges in product categories including: spices, gold, cosmetics, oilseeds and oleaginous fruits, as well as coffee, cocoa, and sugar.
- ▶ 5 ANZ businesses also reported cross border sales of Fairtrade product outside of Australia and New Zealand to countries in the region and as far afield as Fiji, Saudi Arabia, UK, India, Korea, Japan.
- ▶ There were also new cross border products for sale in Australia and New Zealand from South Africa, United States, Canada, Netherlands, Belgium, UK, Sweden and others. Products include Fairtrade spirits, beer, wine, and spices.

NEW STANDARDS DEVELOPMENTS

▶ Fairtrade Sourcing Program - Cocoa, Sugar & Cotton

Fairtrade ANZ was one of the first National Fairtrade Organisations (NFOs) to register products under the long anticipated Fairtrade Sourcing Program (FSP). Under FSP new opportunities are created for producers to sell into markets which may otherwise be closed to them. Fairtrade ANZ has registered 23 products so far under the Fairtrade Cocoa and Sugar Programs.

FAIRTRADE MARK SUPERVISION COMMITTEE

Certification Officer, Vicky Tran represented Fairtrade ANZ on the Fairtrade International Mark Supervision Committee.

STAFF CHANGES

Vicky Tran has accepted a position with Fairtrade International in Bonn as their new Licensing Officer. Vicky joins a team of 4 working with around 120 licensees throughout the world, with her role to support Hong Kong, Korea and other new markets in Eastern Europe. Vicky's knowledge, skills, doggedness and tenacity will be sorely missed, however we are very glad to announce the appointment of Matilde Defraeiye who will join us in the new year from Fairtrade Max Havelaar Belgium where she has worked as certification officer since 2012.

CURRENT PROJECTS

ISEAL ASSURANCE CODE

ISEAL is the International Social and Environmental Accreditation and Labelling Alliance, which is a norm-setting organisation for voluntary sustainability standards. As a member of ISEAL, Fairtrade International is harmonising certification policies and procedures to meet compliance with the ISEAL Assurance Code by July 2016. Fairtrade ANZ is working with Fairtrade International, FLOCERT, and other NFO certifiers to complete this project.

FAIRTRADE TRADE STANDARD REVISION

This revision which commenced in late 2012 is now near completion. Next steps shall be informing certified clients of the Standards changes and the implications for them; working with FLOCERT on new compliance criteria; training auditors and staff on the new compliance criteria.

AUDIT SOFTWARE – MAXFILES

Mid way through 2014 Fairtrade ANZ purchased a software program to track and manage client certification. Maxfiles shall greatly increase the efficiency of scheduling, conducting and following-up audits of Fairtrade's clients. Initial training has been conducted for staff and New Zealand auditors with the intention of using Maxfiles for onsite audits from the beginning of 2015.

GLOBAL IT SYSTEMS – HARMONY

2015 promises to be the year for efficiency improvements through improved information technology systems. Fairtrade ANZ will commence information sharing with Fairtrade International through the Harmony platform. The promise of Harmony is to allow real-time data transfer between organisations, including between Fairtrade ANZ and clients.



EAT ME CHUTNEYS: CHUTNEYS MADE WITH FAIRTRADE SUGAR, SPICES & RAISINS

Jaya and Ankit Chopra are the dynamic mother and son duo who power Eat Me Chutneys, a company dedicated to the concepts of Fairtrade, rescued and organic produce, taking the concept of ethical sourcing as far as it is possible.

Creators of an enticing range of chutneys and other condiments, from the start Ankit and Jaya wanted as much of the Eat Me range as possible to be Fairtrade certified. To this end Jaya contacted us in early 2013 for our help locating sources of Fairtrade ingredients for the chutneys – sugar, spices and raisins. Certification Officer Vicky Tran, facilitated contact with a range of sugar suppliers in Australia and New Zealand as well as regional suppliers of spices and raisins.

From there it took another several months for Eat Me Chutneys to finalise recipes which would be eligible for certification. Jaya spent a lot of time attempting to source Fairtrade raisins from Afghani suppliers, but unfortunately because of the conditions there, the group eventually fell out of certification. Similarly, as a small start-up company one of the challenges they quickly identified was that Indian and Sri Lankan Fairtrade spice suppliers are unable to ship the small quantities required by Eat Me. Some

quoted minimum order quantities of 500-1000kg for cumin, black pepper, etc - volumes which made purchase unfeasible for Eat Me. Eventually, having demonstrated attempts to source these ingredients as Fairtrade, we granted an exception for the first batches.

They had greater success with Fairtrade sugar, sourcing from Paraguay via one of the pioneers of Fairtrade, Trade Aid Importers, in New Zealand. (On behalf of Eat Me, the Fairtrade team also liaised with Trade Aid to see if they would consider adding Fairtrade raisins to their certification under FLOCERT. Trade Aid purchase raisins from Fairtrade certified sources in South Africa, however because these raisins are not included in the certification scope – ie are not audited to verify compliance with Fairtrade Standards – they cannot be included as Fairtrade Certified in finished product).

After manufacturing the first batches – in the garage of the family home after

passing their food safety inspection – Jaya and Ankit continued attempts to source Fairtrade spices, Jaya travelling to India and Sri Lanka to meet with farmers, and finally successful with Wayanad Social Service Society.

Among the many things unique about Eat Me Chutneys is that the non-Fairtrade ingredients – the “rescued” component – are agricultural products which do not meet the narrow “aesthetic standards” of major retailers and so would otherwise be wasted. These ingredients are sourced from local farmer organisations, “Common To Us” and “Field to Feast”, as well as Eco-Farms Wholesalers.

As Eat Me Chutneys write: “Together let’s change the world, one jar at a time”

For more information about Eat Me Chutneys, [visit their website](#) and [Facebook page](#).



BUSINESS DEVELOPMENT

The commercial team work to grow the market for Fairtrade products in Australia and New Zealand. Working with a range of stakeholders from not-for-profit through to commercial partners we promote the movement and market for products carrying the FAIRTRADE Mark. Through education, awareness raising and commercial campaigns, we seek to inspire individuals to take action and create strong consumer demand.

OUR INITIATIVES INCLUDE:

- ▶ Advocacy through relationships with NGOs
- ▶ Developing relationships with retailers
- ▶ Promoting Fairtrade, and its impact, through national consumer campaigns
- ▶ Regular updates to supporters and industry
- ▶ Provision of Fairtrade information such as research results and analysis, global case studies and Fairtrade Premium economic impact data
- ▶ Provision of educational and training resources

KEY ACHIEVEMENTS

- ▶ Awareness of the FAIRTRADE Mark continues to grow in both markets, reaching 53 per cent recognition in Australia and 79 per cent in New Zealand and still maintains its prominence as the most recognised independent ethical label in both markets. Conversion of recognition to regular purchase has held steady at 37 per cent for Australia and increased to 42 per cent for New Zealand.
- ▶ Retail sales of Fairtrade products in Australia and New Zealand grew by 11% in 2013 reaching an estimated \$AUD259.36 million. Both chocolate and bananas have seen strong growth in NZ - on average 1 in every 12 bananas sold in NZ is now Fairtrade. Whilst in Australia there has been good growth across all four major categories - cotton, cocoa, coffee and tea.
- ▶ Fairtrade ANZ brought four Fairtrade farmers to our shores to educate and promote awareness of Fairtrade and illustrate its impact to supporters and retail partners. In October 2013, a father and daughter team from the El Guabo Association of Small Banana Producers from Ecuador visited New Zealand speaking at a number of events in five major cities sharing their experience of Fairtrade and the difference it has made to their lives. Also as part of Fairtrade Fortnight in May 2014, two female cocoa farmers from the Kuapa Kokoo cooperative in Ghana toured both countries meeting thousands of supporters and commercial partners at events in all major cities, and undertaking a number of media interviews.





- ▶ Fairtrade ANZ took part in several major events targeting specific industry and consumer audiences; educating and raising awareness for Fairtrade whilst showcasing Fairtrade products. These included the Caffeination Coffee Festival in Wellington, showcasing Pacific grown coffee to roasters and 6,500 coffee lovers; the Melbourne International Coffee Expo for the second successive year to showcase 11 Fairtrade brands, allowing them a unique opportunity to be exposed to over 10,000 people; and the Aroma Festival at The Rocks, Sydney reaching over 100,000 people.



- ▶ More than 30 Fairtrade producer profiles were completed to better connect Australian and New Zealand businesses with the smallholder farmers they support. These highlighted the location, size and history of cooperatives as well the impact created at origin through the Fairtrade system. Profiles relevant to each licensee were delivered and accompanied by Fairtrade Premium calculations in order to demonstrate the impact that each business is having at origin.



CURRENT PROJECTS

- ▶ With the international launch of the new Fairtrade Sourcing Programs for cocoa, sugar and cotton in 2014 – Fairtrade ANZ has started rolling it out across our markets with two chocolate brands already working under FSP. This new initiative enables companies to buy these specific commodities on Fairtrade terms which means companies can make big commitments to sourcing specific commodities for use across ranges, or even their whole business as part of sustainable sourcing strategies. These new models have potential to enable greater impact for Fairtrade farmers going into the future.
- ▶ In August, Fairtrade ANZ completed two business forums in Australia, in order to engage with new and existing partners to better understand their insights, concerns and aspirations for the Fairtrade market in our region. Working together we were able to generate many great ideas to transform our local markets and we are using these to shape our strategy heading into the next twelve months and beyond.



CONNECTING COCOA PRODUCERS TO REGIONAL CONSUMERS

This past year, Fairtrade Australia & New Zealand connected Ghanaian cocoa producers and Ecuadorian banana farmers with regional consumers by hosting a series of farmer tours, aimed at delivering the stories of Fairtrade farmers to supporters, consumers and businesses across the Australian & New Zealand markets.

Wilson and Kelly Sanchez, a father & daughter team from El Guabo Association of Small Banana Producers in Ecuador, visited New Zealand in October 2013 to tell their story first hand of how Kiwis buying Fairtrade bananas has changed their lives. Over a ten day period, Wilson & Kelly visited schools, universities, buyers, stores, supermarkets and other Fairtrade stakeholders in Auckland, Wellington, Christchurch and Dunedin. Esther Mintah Ephraim and Rose Boatemaa Mensah, two Fairtrade cocoa farmers visited Australia and New Zealand for Fairtrade Fortnight in May 2014 to share their experience of working in the Kuapa Kokoo cooperative in Ghana. Over 3000 people heard

first-hand from Esther and Rose throughout their tour, during which they spoke about how their families have benefited from the Fairtrade system and their communities have been positively impacted by investment of the Fairtrade Premium. Connecting producers to consumers and businesses powerfully communicates the benefits of the Fairtrade system and imbues a strengthened understanding of everyday consumers' purchasing power, allowing the continued development of passionate grassroots support and that will champion the Fairtrade movement in 2015 and beyond.





CAMPAIGNS

THE POWER OF YOU

At Fairtrade Fortnight 2014, Australia and New Zealand launched The Power of You, a new campaign developed by Fairtrade International and executed by national Fairtrade organisations in their respective markets. The campaign highlights that consumers have the power to help change the world, simply through everyday choices.

Fairtrade Fortnight aims to increase awareness of, and interest in, Fairtrade and to motivate consumers to purchase Fairtrade certified products. Campaign materials were displayed in cafes, supermarkets and independent retailers across New Zealand and Australia. The campaign received strong support with more than 366,400 people reached via social media (Australia & New Zealand), and a media/PR reach of 13.6 million (Australia & New Zealand).

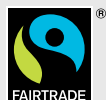


HIGHLIGHTS NEW ZEALAND

- ▶ A television commercial campaign shown on major TV channels 223 times during Fairtrade Fortnight.
- ▶ A Ghanaian cocoa producer visit reaching 1,200 people – touring the country to meet supporters, commercial partners and undertake media interviews and media events in three major centres, as well as a speaking slot at Parliament in Wellington.
- ▶ Retailer activity; with promotional packs sent out to over 452 independent cafes, retailer off-shelf display bins in 140 supermarkets in collaboration with commercial partners, and promotions through procurement channels and petrol stations.
- ▶ Media coverage; with over 40 hits through TV, radio, print and online including a piece on primetime news with a story about Rose Mensah, the Ghanaian cocoa producer, reaching 700,000 Kiwis. An additional 125,000 people were reached through social media.

HIGHLIGHTS AUSTRALIA

- ▶ 9.1 million people were reached via coverage in media and through blogger engagement
- ▶ Fairtrade products featured in Coles catalogues reaching more than 3.5 million shoppers and 280 point of sale displays of The Power of You promotional materials in retail outlets.
- ▶ 10,900+ people either heard first-hand from Esther Ephraim, a cocoa farmer from Ghana, about how her family & community has benefited from Fairtrade, or from us and our partners at the 2014 Melbourne International Coffee Expo where we showcased a broad mix of Fairtrade certified products to trade and consumer audiences.





FAIRTRADE AWARDS (NEW ZEALAND)

In 2013-14, New Zealand held the second annual Fairtrade Awards.

Designed to raise awareness of Fairtrade certified products available in New Zealand, as well as celebrate the great work that is being done to make a difference to farmers in developing countries, the awards were judged by the general public.



THE CAMPAIGN REACHED OVER
3,000 VOTES

REACHING
**1.1 MILLION
PEOPLE**



LARGE
CATEGORY



MEDIUM
CATEGORY



SMALL
CATEGORY

THE WINNERS OF THE 2013-14 FAIRTRADE AWARDS ARE:

Fairtrade Certified

Product of the Year (Large)

Whittaker's 5 roll refined Creamy Milk

Fairtrade Certified

Product of the Year (Medium)

All Good Bananas

Fairtrade Certified

Product of the Year (Small)

Micah Clothing

The awards were well supported with strong social media engagement and coverage in trade and news publications. New Zealand brands nominated 25 products for the Awards.

BIG FAIR BAKE (NEW ZEALAND)

New Zealand launched a new campaign in 2013 to educate consumers on how easily Fairtrade products can be used in baking and the flow on benefits to farmers that this choice to use Fairtrade ingredients has.

It was executed as an online competition in partnership with Whittaker's, All Good, Caffè L'affare, KTea (now known as Ritual Tea Company), Scarborough Fair, and Trade Aid.

The competition ran in August - September and was promoted online, on television, in print media, and in retail stores. It received over 100 entries with an estimated overall reach of 1.2 million.





FINANCIAL STATEMENTS

FINANCIAL REPORT FOR AUSTRALIA AND NEW ZEALAND 2013/14

| BALANCE SHEET | TOTAL 2013 (AUD) | TOTAL 2014 (AUD) |
|--------------------------|---------------------|---------------------|
| Current Assets | 1,998,622 | 2,489,696 |
| Non-Current Assets | 27,609 | 84,223 |
| Total Assets | 2,026,230 | 2,573,919 |
| Current Liabilities | 1,311,911 | 1,847,449 |
| Non-current Liabilities | 16,686 | 13,947 |
| Total Liabilities | 1,328,597 | 1,861,396 |
| Net Assets | 697,634 | 712,522 |

| PROFIT AND LOSS STATEMENT | TOTAL 2013 (AUD) | TOTAL 2014 (AUD) |
|--|---------------------|---------------------|
| Grant Income | 814,511 | 1,039,387 |
| Membership/Licence Fees | 1,820,890 | 1,975,396 |
| Other income | 60,088 | 63,511 |
| Total Income | 2,695,489 | 3,078,294 |
| Wages and Salaries | 1,043,324 | 1,246,409 |
| FLO Fees | 357,186 | 524,077 |
| Marketing, Promotional and Office Expenses | 501,163 | 614,924 |
| Audits | 11,712 | 13,028 |
| PSR | 535,188 | 639,959 |
| FTAANZ payments | 162,500 | 100,000 |
| Total Expenses | 2,611,074 | 3,138,397 |
| Net Surplus/Deficit | 84,415 | - 60,103 |





GOVERNANCE

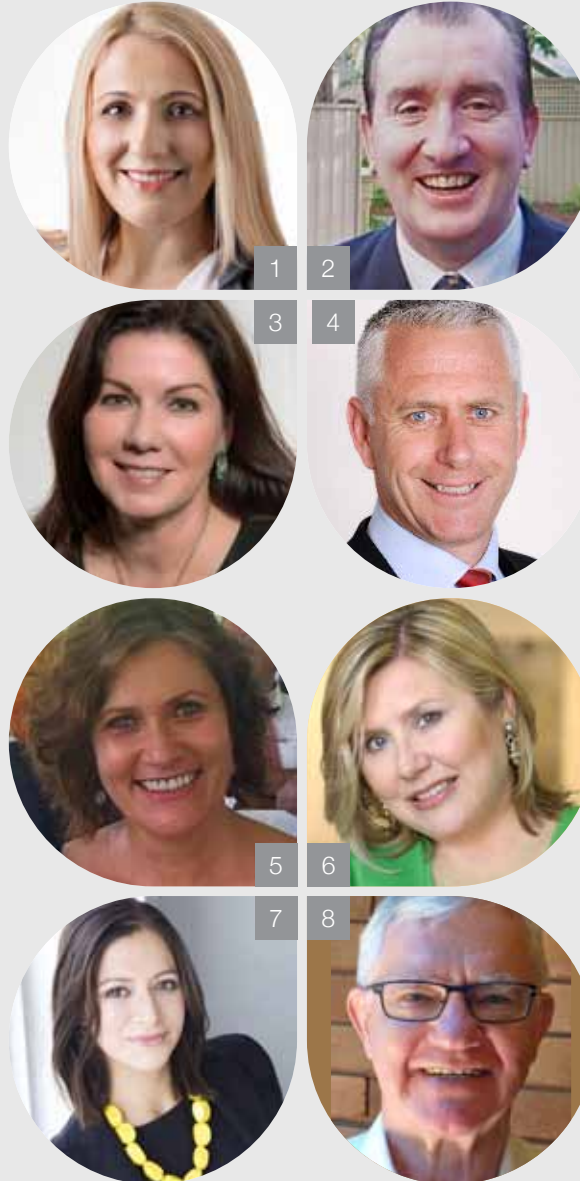
Fairtrade Australia & New Zealand is a not for private profit company limited by guarantee and Income Tax Exempt Charity. It is overseen by a board elected by Fairtrade Australia & New Zealand Member Organisations – Friends of the Earth Australia, Oxfam New Zealand, The St James Ethics Centre and Christian World Service.

THE BOARD CONSISTS OF 8 MEMBERS:

1. Valentina Tripp (Chair)
2. Theo Simos (Treasurer)
3. Lisa Barker
4. Gareth Edgecombe
5. Karen Mapusua
6. Kim McKay
7. Markerita Poutasi
8. Jim Willett

Our thanks go to Jim Willett for his dedication and enthusiasm as Chair from March 2009 to November 2013, and as member of the Board for five years.

The board and the membership of Fairtrade Australia & New Zealand are independent of any commercial interests regarding the use of the FAIRTRADE Mark.



FAIRTRADE ASSOCIATION OF AUSTRALIA AND NEW ZEALAND

In June 2012, the Fairtrade Association of Australia and New Zealand (FTAANZ) and Fairtrade Australia & New Zealand re-structured the operational relationship between the two organisations.

This is in order to achieve:

- ▶ Support for the broader fair trade movement, as well as products bearing the FAIRTRADE Mark
- ▶ Direct accountability for staff at Fairtrade Australia & New Zealand and FTAANZ to their respective governing bodies
- ▶ Clearly defined roles, leadership and lines of reporting

FTAANZ continues its focus on engaging with and supporting local fair trade network groups such as councils, universities, workplaces, faith groups and schools who have made a commitment to fair trade.



THE FAIRTRADE MARK



® The FAIRTRADE Mark is the most widely recognised ethical label in the world. (GlobeScan, 2013)

For a product to display the FAIRTRADE Mark it must meet the international Fairtrade social, economic and environmental standards which are set by Fairtrade International, and monitored by the certification body FLO-CERT.

These standards are agreed through a process of research and consultation with key participants in the Fairtrade system, including farmers and workers, traders, NGOs, academic institutions and national Fairtrade organisations such as Fairtrade Australia & New Zealand.



ABOUT FAIRTRADE AUSTRALIA & NEW ZEALAND

Fairtrade Australia & New Zealand 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.



Fairtrade International sets the international standards for Fairtrade and governs the use of the FAIRTRADE Mark worldwide.

Fairtrade Australia and New Zealand's work is divided into three key areas in order to grow the Fairtrade market:

1. **Promote, position and protect the FAIRTRADE Mark**
2. **Increase the range, availability and sales of Fairtrade Certified products**
3. **Provide effective licensing, labelling and certification services.**



THANK YOU

TO ALL OUR SUPPORTERS, LICENSEES, RETAILERS, AND MOST IMPORTANTLY
CONSUMERS FOR CHOOSING FAIRTRADE TO HELP FARMERS BUILD BETTER FUTURES
FOR THEMSELVES, AND IMPROVE WORKING CONDITIONS AROUND THE WORLD.

CONTACT US

If you have any queries or would like more information please go to:

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www.fairtrade.com.au www.fairtrade.org.nz

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FAIRTRADE
AUSTRALIA
NEW ZEALAND