



FAIR TRADE USA

2016 ALMANAC



For the past 18 years, Fair Trade USA has worked to increase the market access, linkage, and impact of responsibly sourced agricultural products and factory-made goods, directly benefiting millions of farmers, workers and families all over the world and establishing the Fair Trade Certified™ seal as a respected and reliable brand for informed consumer choices.





Mission & Vision

Founded in 1998, Fair Trade USA is the leading 501(c) (3) nonprofit, third-party certifier and promoter of Fair Trade products in North America. Our mission is to enable sustainable development and community empowerment by cultivating a more equitable global trade model that benefits farmers, workers, consumers, industry and the earth. We achieve our mission by empowering producers around the world with the business training, environmental knowledge, and capital investment necessary to create high-quality products that can compete in global markets, and by certifying and promoting Fair Trade products.

Through Fair Trade, farmers and workers earn Community Development Funds for use on long-term social and business development projects such as healthcare, scholarships, women's leadership initiatives and environmental preservation initiatives, as voted on by the farmers themselves. These funds, which set Fair Trade apart from other certifications, are one of the key drivers of impact and is the best way to evaluate the difference that Fair Trade is making in the hundreds of communities we serve.

In some of the most price-volatile commodities, like coffee, sugar and cocoa, Fair Trade standards require that farmers earn at least a Fair Trade Minimum Price. While many Fair Trade products fetch higher prices due to their superior quality, the Minimum Price protects against major dips in the market that have historically left farmers struggling to stay afloat.

In addition to the many improvements and financial security that the Community Development Funds and Minimum Price bring to communities, there are a myriad of equally important benefits that result from our certification. Compliance with Fair Trade standards ensures that farms and factories are safe places to work, while also preserving local ecosystems and improving farming practices to protect the planet and produce healthier goods. In addition, the standards demand workers receive a fair wage for a fair days work, while also ensuring they do not have to work excessive hours. Democratic decision-making, gender equality, mutually-beneficial business relationships and education are also topics that are addressed head-on through Fair Trade's deliberate balance of empowerment and economic justice.

Dear Friends,

In 1998, after a decade of organizing farming cooperatives in Nicaragua, I returned to the U.S. to help launch the Fair Trade Certified™ seal. We were a small but mighty group, working in partnership with a handful of brave farmers and a few mission driven coffee companies who were out to change the world.

Our one-room converted warehouse in Oakland (*which we fondly refer to as our first global headquarters*) wasn't much, but it was the beginning of something powerful. We had a vision, and it was bold. Some people called us crazy, because we actually believed that rural farmers and workers around the world could learn to navigate the global market and empower themselves on a journey out of poverty. We believed that business could be a major force for change, creating "shared value" and a better life for farming families. We envisioned consumers awakening to their power to choose a better world through their everyday purchases. In short, we had faith that the Fair Trade movement would become part of a much larger shift toward Conscious Capitalism.

Today, Fair Trade has grown into a leading market-based model of sustainable production, trade and consumption and is approaching an inflection point. In 2016, the sale of Fair Trade Certified™ products in the U.S. reached an estimated \$6 billion. More than 1,200 leading brands and retailers sell Fair Trade products. Consumer awareness of our seal rose to 67%. Most important, we have generated cumulative impact of \$441 million in additional income for farmers and workers in more than 70 countries. That means that every dollar we've spent building the Fair Trade market has generated \$4 in impact for the hardworking families whom we serve. This "social return on investment" is truly unprecedented.

The success of core products like coffee has attracted visionaries in other industries. Together, we are innovating the Fair Trade model to expand impact to new communities. Some highlights:

U.S. Farms

In 2016, we certified the first farm in the United States. This milestone builds on our successful produce partnerships with leading retailers like Whole Foods and Costco in Latin America, which have improved the livelihoods and working conditions of thousands of migrant farmworker families.

Fisheries

Our fisheries initiative, launched in partnership with Albertsons Companies, is growing fast. We now certify tuna, shrimp and scallop fishermen in four countries, ensuring better labor practices and environmental stewardship.

Apparel & Home Goods

The Fair Trade Apparel and Home Goods program grew 66% in 2016, thanks to the support of visionary brands like Patagonia, West Elm, PrAna and Athleta. These pioneering companies are leveraging Fair Trade to empower and engage factory workers in Asia and Latin America.

In my travels, I've seen the profound impact these initiatives have on families and communities. Recently, I visited a pineapple farm in Costa Rica where, thanks to Fair Trade certification, the farmworkers receive a five-cent premium on every pineapple. These remarkable workers voted to save their premiums for four years until they had enough funds to build a community center. Their dream is now reality: their new center offers free classes in adult literacy, household finance, English, computer skills and even motorcycle maintenance. This story reaffirms my belief that Fair Trade means empowerment: with the right support, marginalized farmers and workers are planning, saving, investing and improving their own lives on their own terms. Fair Trade also empowers each of us as consumers to make the world better, one pineapple and one nickel at a time.

We are truly grateful to everyone in the Fair Trade movement – farmers, workers, companies, consumers, philanthropists, activists – for partnering to grow the impact of Fair Trade. Together, we are writing a new chapter in the age of Conscious Capitalism.



Paul Rice

Paul Rice,
President & CEO



Theory of Change

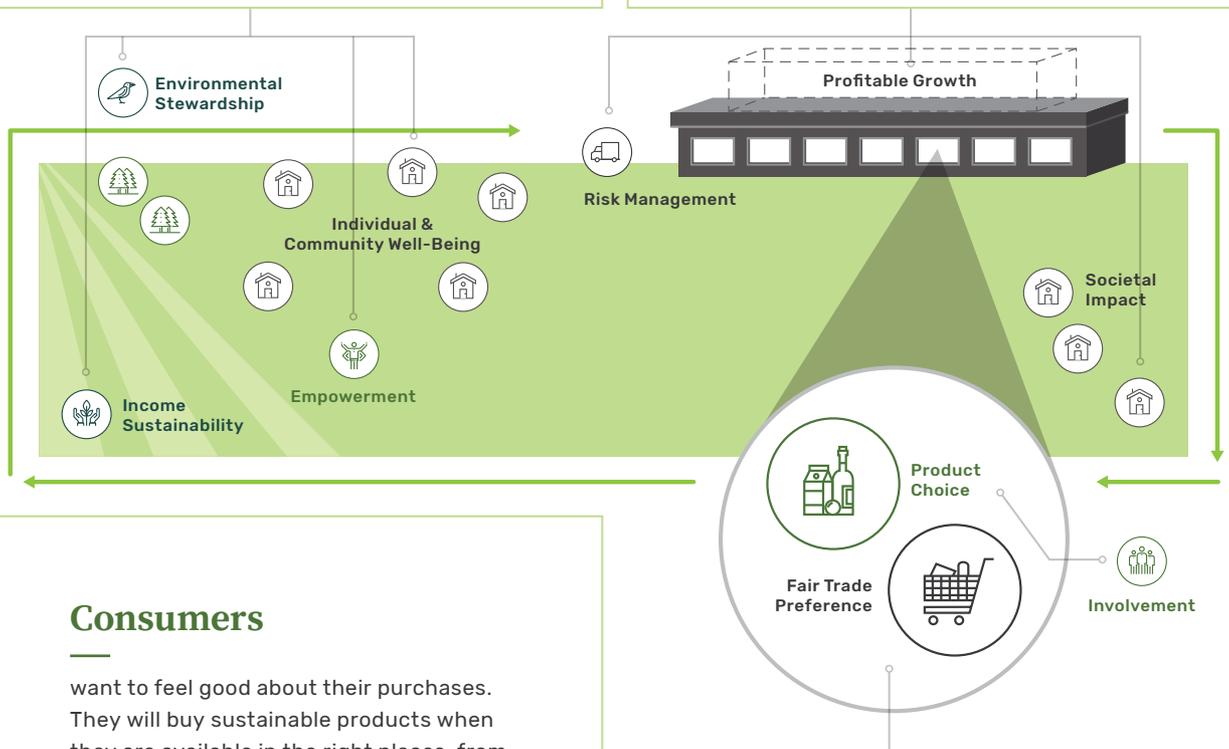
Fair Trade USA is building an innovative model of responsible business and conscious consumption that enables sustainable livelihoods for farmers, workers and their families around the world. Our model engages three key stakeholders - Producers, Businesses, and Consumers - and deeply connects all to realize shared goals. As a part of this ecosystem, Fair Trade USA believes:

Farmers & Workers

will have more sustainable livelihoods if the economic model of trade enables access to markets and good working conditions; if they have the skills and resources to manage their businesses and to produce in environmentally sustainable ways; and if they develop and successfully implement organizational models for enterprise and community development.

Businesses

will strengthen themselves by enabling sustainable livelihoods for producers in their supply chains. Companies that source in socially and environmentally responsible ways, verified by independent third party certification, will create "shared value" through stronger supply chains. They will also be rewarded by employees, consumers and other stakeholders for sourcing in this responsible manner.



Consumers

want to feel good about their purchases. They will buy sustainable products when they are available in the right places, from the right brands, at the right quality and price; and when the products' sustainability attributes are credible and verified by independent third party certification.

In order to enable these outcomes, Fair Trade USA invests in the following core activities:



Develop & Implement Fair Trade Standards



Certify Producers & Supply Chain Partners



Enable Producer Services Which Build Competitiveness



Engage Businesses & Consumers to Cultivate Demand



Define, Measure & Communicate Impact



What We Do

Develop & Implement Fair Trade Standards

Fair Trade USA sets standards related to labor, livelihoods, and the environment and regularly evaluates them to ensure that they're providing maximum impact to producers and workers while remaining practical for businesses. We partner with certification bodies to audit and certify supply chains against these standards.

The development of new standards involves a comprehensive multi-stakeholder process that leverages a combination of expert opinions and learnings from the field. The standards are reviewed to ensure they align with the goals of Fair Trade USA and maximize impact on the ground. Fair Trade standards cover four main pillars of sustainable development: Empowerment, Community and Individual Well-being, Income Sustainability, and Environmental Stewardship. Specifically, our standards include requirements related to fair prices and wages, safe working conditions, biodiversity and sustainable production, and the management of the Community Development Funds to improve their farms, businesses, and lives.

Certify Producers & Supply Chain Partners

The Fair Trade Certified™ seal is backed by a rigorous, third-party auditing process to ensure compliance with our standards. We track transactions along the supply chain between more than 1,000 companies and nearly 500 producer organizations which represent millions of farmers, workers and their family members.

Our approach to certification enables many different producers of a range of commodities to participate and compete in international markets in ways that are fair and equitable today and help them to progress and acquire greater business capacity over time.

The Fair Trade standards are regularly audited at every level of the supply chain to ensure equitable trade practices.

1

Farm and Fishery Audits

Fair Trade USA partners with California-based SCS Global Services, an independent certification company with more than 25 years of experience, for farm audits, certification and standards development. We also recognize certificates from FLO-CERT, the Germany-based, ISO 65-accredited ethical certification program.

2

Factory Audits

Fair Trade USA partners with California-based Elevate Global Limited and Arche Advisors, both are specialist companies conducting audits in factories around the world. Both partners conduct audits for Fair Trade USA against our Apparel and Home Goods Standard.

3

Desk Audits

Our certification team audits transactions between importers, manufacturers, distributors and the farmer organizations from which they source. We verify the chain of custody to ensure that the companies licensed to display the Fair Trade Certified™ logo are following our strict standards.

4

Trade Audits

To earn a license from Fair Trade USA to use the Fair Trade Certified™ seal on their products, companies must buy from certified farms and organizations, pay Fair Trade prices and Community Development Funds, and submit to rigorous supply chain audits. We partner with the leading organic certifier Oregon Tilth to ensure brand compliance with our standards.



Enable Supply Chain Services Which Build Competitiveness

While Fair Trade is a powerful model of community development and empowerment, we believe that trainings and strategic partnerships with other organizations make our model stronger and more effective. To this end, Fair Trade USA plays a unique and valuable role in connecting organizations from all areas of the supply chain to maximize impact for producers. We connect companies with suppliers and importers of Fair Trade goods. We work with producer organizations to help improve product quality and business acumen, secure financing, and foster the development of business and communication skills. And finally, we address supply chain challenges through innovative partnerships with NGOs and industry partners.

Leadership trainings for farm and factory workers are an especially important way to ensure maximum benefit is being garnered from our certification. In places where workers have historically had no voice in the workplace, we lead workshops on democratic process, decision making, communication with management, and best practices for Community Development Fund investment and budgeting. Trainings like these empower workers to make the most of the benefits that Fair Trade offers.

Engage Business & Consumers to Cultivate Demand

Today's consumers don't just shop for price and quality. They are seeking products that align with their values. Sustainable and responsibly-sourced products are rapidly gaining in market share across product categories. A growing body of research indicates that consumers want to know more about the food they eat: is it safe, is it healthy, what was the impact on the environment and the farmer? A macro-trend is clearly emerging toward more conscious and responsible shopping, pushing industries to seek greater transparency and traceability in their supply chains.

Fair Trade helps companies get the transparency needed to tell the full story of products and their impact. Moreover, Fair Trade certification adds value to skeptical consumers who want independent, third-party verification of companies' claims around sustainability. Finally, we empower advocates and activists with a meaningful way to get involved at a local level through our Fair Trade Campaign program. These factors are all key to Fair Trade's success as a market-based approach to sustainable development.

With the rise of conscious consumerism and increasingly sophisticated campaigns from our Communications team, **recognition of the Fair Trade Certified seal has jumped to 67% in the United States**, with an even greater level of awareness and understanding (73%) among the up-and-coming millennial generation.



“More than ever before, consumers want accountability, responsibility and sustainability from the companies they buy from. By looking for the Fair Trade Certified seal on products from more than 1,000 companies, people can turn their everyday purchases into a profound force for good. Every dollar is a vote for the world we want to live in.”

MaryEllen Molyneaux,
President of Natural Marketing Institute

Define, Measure & Communicate Impact

Fair Trade USA has a responsibility to ensure that all of our work leads to the greatest possible impact for farmers and workers, our business partners and the end consumers of Fair Trade products. In order to do that, we consistently monitor, evaluate and communicate about the impact that we are having on the lives of farmers and workers around the globe. The impact data that we collect and analyze offers a high level of visibility into supply chains for brands and retailers, in addition to giving Fair Trade USA the insight needed to constantly improve the service we offer.

Our Impact Management System is constantly evolving and has become a robust system for evaluating the impact Fair Trade USA is having on the lives of farmers and workers. Using a multitude of data collection methods, from audit reports to farmer and worker surveys, we now know more about the effects of our model than ever before.

Communicating this impact with stakeholders and the public is of utmost importance to our organization. This document provides detailed volume and Community Development Fund data, while impact stories and study results are regularly published throughout our online network (blog, newsletter and social media) and by independent news sources via partnerships we have with the media. In addition, we regularly provide our brand and retail partners with impact reports demonstrating the impact their investment in Fair Trade is having on their supply chain.



How Fair Trade USA Drives Impact

The primary goal of Fair Trade USA is to enable sustainable livelihoods for the farmers and workers who grow and create the goods we purchase. Fair Trade USA accomplishes this through certifying producer organizations against Fair Trade standards and enabling a price premium that goes back directly to producers and their communities.

Standards	Premium	Impact	SUSTAINABLE LIVELIHOODS
<p>Producers are certified against Fair Trade standards.</p> <p><i>Some of the concepts that are required and encouraged include:</i></p>	<p>Fair Trade Producers receive a premium on products sold. Farmers & Workers vote democratically on how to invest the premium based on their community's needs.</p> <p><i>Example Premium Projects include:</i></p>		
<ul style="list-style-type: none"> Elections & democratic decision-making Freedom of Association & Collective Bargaining Capacity Building (<i>Trainings</i>) Clear employment contracts & conditions* Ethical recruitment of workers* Dialogue between workers & management* 	<p> Women's training & leadership programs</p> <p> Training & investment in financial literacy & income diversification</p>	<p>Empowerment</p>	
<ul style="list-style-type: none"> No forced labor, discrimination or abuse Protection for young workers Use of Personal Protective Equipment Safe worker housing conditions* Access to potable water Access to education & childcare* Access to healthcare, first aid & emergency services* Reasonable working hours & breaks* 	<p> Building schools & funding scholarships for students</p> <p> Investment in medical & dental care</p>	<p>Community & Individual Well-being</p>	
<ul style="list-style-type: none"> Fair Trade Minimum Price Trade, contract & pre-finance requirements Increased market access Soil fertility & soil health practices Progress towards a living wage 	<p> Investment in infrastructure to improve production output & product quality</p> <p> Development of low-interest credit & savings programs</p>	<p>Income Sustainability</p>	
<ul style="list-style-type: none"> Prohibition of the worst chemicals Protection for biodiversity & waterways Integrated Pest Management Efficient pesticide use Waste management Soil health management 	<p> Training & technical support to help farmers convert to organic production</p> <p> Development of reforestation programs</p>	<p>Environmental Stewardship</p>	

* In these areas there are additional requirements for larger scale producers because they tend to have more workers and often have more resources to implement the standard.

Producer Impact Framework

The Producer Impact Framework is a structure of the expected outcomes within the overarching goal of Sustainable Livelihoods for producers. Sustainable Livelihoods are driven by Empowerment, Individual & Community Well-being, Income Sustainability, and Environmental Stewardship. Tier 1 Outcomes are a more granular definition of what Fair Trade USA is working to achieve within those goals. Tier 2 Outcomes are quantitative or qualitative factors to which Fair Trade USA directly or indirectly contributes.

Using the impact framework, a comprehensive list of indicators was developed, in close alignment with industry-accepted metrics from the ISEAL Alliance, Sustainable Food Lab, Committee on Sustainability Assessment (COSA), Fair Trade USA business partners and many other organizations.

Impact	Goals	Tier 1 Outcomes	Tier 2 Outcomes
SUSTAINABLE LIVELIHOODS	Empowerment	Individual Empowerment	<ul style="list-style-type: none"> • Knowledge • Ability to Act on Choices • Participation & Engagement • Grievance Procedures
		Collective Empowerment	<ul style="list-style-type: none"> • Worker-Management Relationships • Fair Trade Premium
	Community & Individual Well-being	Access to Services & Basic Needs	<ul style="list-style-type: none"> • Food Security • Access to Drinking Water • Education • Medical Care • Worker Housing** • Quality of Life
		Fundamental Human Rights	<ul style="list-style-type: none"> • Protection of Children & Young Workers • Non-discrimination • Benefits** • Freedom of Association
		Safe Working Conditions	<ul style="list-style-type: none"> • Workplace Accidents & Injuries • Protective Measures & Equipment
	Income Sustainability	Income Strength & Stability	<ul style="list-style-type: none"> • Profit*/Wages** • Income Consistency • Financial Resilience • Income Diversification
		Organizational Strength & Stability	<ul style="list-style-type: none"> • Member Commitment • Access to Financing • Sales • Trading Relationships • Organizational Profit
		Reliable Production	<ul style="list-style-type: none"> • Yield • Yield Consistency • Product Quality • Availability of Inputs
	Environmental Stewardship	Inputs Management	<ul style="list-style-type: none"> • Resource Efficiency • Toxic Chemical Management
		Ecosystem Health	<ul style="list-style-type: none"> • Soil Health • Biodiversity • Water Source Management

Collaboration for Innovation

Collaboration makes the Fair Trade vision possible.

We collaborate with foundations, non-profits and industry leaders to innovate the Fair Trade model and address critical challenges facing farmers, workers, and fishermen. Our strategic alliances bring resources, expertise, and opportunities to co-invest in new technologies that ultimately help us expand into new industries and reach more people. In 2016, four collaborations stood out:



Price Risk Management Project

Fair Trade USA is collaborating with the Sustainable Food, Agriculture and Environment (SAFE) platform of the Inter-American Development Bank, Oikocredit, Keurig Green Mountain and Catholic Relief Services to provide a more stable income for smallholder farmers in Latin America. Over a three-year period, the project will equip 16 coffee producer organizations throughout Latin America with the skills, tools, and competencies needed for price risk management.



Social and Labor Convergence Project

In collaboration with the Sustainable Apparel Coalition, this project is a collective agreement between brands, retailers and industry groups to improve working conditions in apparel and footwear manufacturing. Fair Trade USA is a Collaborator and sits on the Steering Committee.



Conservation Alliance for Seafood Solutions

The Conservation Alliance connects leading conservation groups that work with businesses to solve sustainable seafood's biggest challenges. Fair Trade USA is a proud collaborator and shares the goal of improving ocean health and ensuring a long-term supply of seafood.



Researching the Cost of Sustainable Production

Fair Trade USA and Cornell University have partnered for ongoing research into farming costs of four Fair Trade coffee producers in Latin America with the goal of increasing transparency and enabling long-term partnerships and sustainable purchasing habits.

From remote farming village to urban grocery store shelf, it is our dedicated partner brands that make the Fair Trade dream a reality. These groundbreaking companies put the best interests of both producer and consumer at the forefront and set a positive example for entire industries.

Fair Trade USA is proud to partner with more than 1,250 brands to bring Fair Trade Certified products to life, giving shoppers in North America ethical, sustainable and high quality options in grocery stores, cafes, restaurants and beyond.



west elm



patagonia



HONEST tea



HERSHEY'S



TCHO



DAVIDsTEA



rishi





By The Numbers

2016 Highlights

1st

Farm certified in the United States.

This year Fair Trade USA certified the first produce farm in the United States, empowering workers at Wholesum Harvest in southern Arizona to subsidize transportation and medical insurance with their Community Development Funds. The farm met a rigorous checklist of 300 standards detailing working conditions and environmental protection.

\$44 million

Community Development Funds

This year farmers and workers around the world earned \$44 million in community development funds to invest in a variety of projects from schools and medical clinics to child care and subsidized grocery stores.

6.4 million

Apparel & Home Goods products in the market

Fair Trade Certified Apparel & Home Goods grew by 66% in 2016 with the certification of more than 6.4 million products. Factory workers and cotton farmers in 11 countries invested Community Development Funds in exciting projects like medical centers, onsite daycare, bicycles for commuting and more.

1,000

New consumer packaged goods

Fair Trade Certified sugar, tea and cocoa all saw double-digit growth in 2016 thanks to new brand partnerships and increasing commitments from existing partners. Nearly 1,000 new consumer packaged goods (CPG) were launched this year alone, filling store shelves with a variety of Fair Trade options.

390%

Growth in Community Development Funds

Fair Trade USA's newest endeavor, the Capture Fisheries Program, had impressive 390 percent growth in Community Development Funds earned by fishermen with the addition of two new fisheries and expanded retail distribution. Fair Trade Certified seafood is now available in 18 U.S. retailers, allowing shoppers to support both environmental sustainability and community development with their purchase of tuna, shrimp and scallops.

Fair Trade products come from over 70 countries. ***In 2016, Fair Trade Certified™ products were sourced from more than 1.6 million farmers and workers in 46 countries.***

Their products, which represent social, economic and environmental sustainability, can now be found in hundreds of thousands of stores across North America.



Peru continues to be a major hub for Fair Trade, with 88 producer organizations supplying coffee, cocoa and produce. **Mexico**, follows close behind with 77 producer organizations providing the United States with an abundance of fresh produce, coffee and seafood. In **Asia**, **India** is a leader in tea, cotton and apparel production. And **Cote d'Ivoire** leads in **Africa** with 10 cocoa producer organizations. The **Maldives**, **Nepal** and the **United States** are the newest countries on our map, with recently-certified organizations supplying tuna, handicrafts and produce respectively.



 Fair Trade Producer Origin

Countries

Argentina	Democratic Republic of the Congo	Honduras	Nepal	Sri Lanka
Belize	Dominican Republic	India	Nicaragua	Tanzania
Bolivia	Ecuador	Indonesia	Pakistan	Thailand
Brazil	Egypt	Ivory Coast	Panama	Timor-Leste
Burundi	El Salvador	Kenya	Papua New Guinea	Uganda
Canada	Ethiopia	Liberia	Paraguay	USA
Chile	Ghana	Malawi	Peru	Vietnam
China	Guatemala	Maldives	Phillipines	
Colombia	Haiti	Mauritius	Rwanda	
Costa Rica		Mexico	South Africa	

All Products Volume Certified

Since 1998, Fair Trade producers have earned a total financial benefit of \$441 million. This includes nearly \$295 million in additional Community Development Funds and \$166 million in financial benefit as a result of the Fair Trade Minimum Price.

Fair Trade Certified Products in the United States, 1998 - 2016

Year	Coffee	Tea	Cocoa	Produce	Sugar	Grains	Herbs & Spices
1998	76,059						
1999	2,052,242						
2000	4,249,534						
2001	6,669,308	65,261					
2002	9,747,571	86,706	14,050				
2003	19,239,017	95,669	178,888				
2004	32,974,400	180,310	727,576	8,814,171			
2005	44,585,323	490,645	1,036,696	7,384,202	271,680	73,824	26,855
2006	64,774,431	517,386	1,814,391	6,176,907	3,581,563	390,848	309,744
2007	66,339,389	1,008,798	1,951,400	8,030,482	8,657,427	436,456	275,654
2008	87,772,966	1,142,611	3,847,759	25,492,767	8,696,172	317,652	273,815
2009	108,373,041	1,183,141	2,629,411	50,272,722	11,307,547	1,275,805	338,360
2010	105,251,476	1,483,666	4,392,674	51,055,320	18,146,124	1,437,005	530,867
2011	145,406,320	1,759,954	11,255,319	71,515,439	23,703,384	1,134,515	620,591
2012	169,592,542	1,474,805	6,029,942	114,205,154	18,043,079	1,761,027	857,825
2013	155,811,905	1,922,036	23,469,130	155,127,984	10,500,085	3,547,486	1,066,095
2014	172,873,183	2,243,356	33,247,700	194,738,243	10,168,270	2,164,362	1,031,998
2015	163,783,617	2,347,699	29,272,806	256,183,083	45,072,408	2,119,787	1,344,965
2016	141,744,192	3,028,294	35,894,601	253,197,201	58,272,939	1,614,245	1,326,005
TOTAL	1,501,316,516	19,030,338	155,762,343	1,202,193,675	216,420,678	16,273,011	8,002,774
GROWTH (2015-2016)	-13%	29%	23%	-1%	29%	-24%	-1%

Coffee continues to be the leading Fair Trade category: farmers earned more than \$28 million in Community Development Funds and saw a \$40.7 million total financial benefit in 2016 alone. Additionally, significant growth was seen in both tea and sugar with the certification of hundreds of new products. And Fair Trade USA's newest categories, apparel & home goods and seafood, saw impressive growth with increased distribution, bringing Fair Trade to all aisles of the grocery store and beyond.

Year	Flowers	Wine	Honey	Apparel & Home Goods	Agave	Coconuts	Seafood
1998							
1999							
2000							
2001							
2002							
2003							
2004							
2005							
2006							
2007	650,832						
2008	9,835,028	257,959	266,385				
2009	9,539,859	1,450,717	250,662	850			
2010	10,489,991	530,446	919,130	14,961			
2011	10,892,094	316,237	333,600	54,023			
2012	8,858,738	99,060	82,826	49,561	2,138,430		
2013	10,633,330	113,280	140,216	114,356	1,568,793	6,026,102	
2014	11,680,185	64,764	298,196	558,947	2,324,743	51,757,802	40,250
2015	13,247,454	77,184	1,196,897	3,892,750	2,324,743	197,896,069	400,705
2016	14,309,014	-	1,511,674	6,443,961	10,752,385	228,444,494	1,874,275
TOTAL	100,136,525	2,909,647	4,999,587	11,129,409	33,986,904	484,124,467	2,315,230
GROWTH (2015-2016)	8%	-100%	26%	66%	-37%	15%	368%

The Apparel and Home Goods category includes Sports Balls and Cotton, but for S1 2016 cotton information is not included. Volume measurement for seafood represents harvest volume. Transaction data varies on an annual basis based on volume of audit reports received. Source: Fair Trade USA

All Products Premium Payments

Premium Payments to Producer Organizations, 1998 - 2016

Year	Coffee	Tea	Cocoa	Produce	Sugar	Grains	Herbs & Spices
1998	\$3,803						
1999	\$102,612						
2000	\$212,477						
2001	\$333,465	\$10,757					
2002	\$487,379	\$30,415	\$956				
2003	\$961,951	\$43,792	\$12,171				
2004	\$1,648,720	\$62,346	\$38,291	\$312,156			
2005	\$2,229,266	\$169,823	\$130,233	\$312,442	\$8,383	\$781	\$7,584
2006	\$3,238,722	\$212,725	\$199,164	\$171,956	\$124,704	\$5,851	\$84,835
2007	\$4,941,530	\$389,210	\$132,748	\$637,610	\$289,683	\$6,449	\$79,223
2008	\$8,777,297	\$384,679	\$261,752	\$637,610	\$303,891	\$5,085	\$101,094
2009	\$10,837,304	\$389,679	\$178,871	\$1,268,332	\$392,763	\$29,445	\$91,703
2010	\$10,525,148	\$461,858	\$298,875	\$1,271,414	\$640,041	\$51,022	\$166,844
2011	\$18,259,473	\$543,605	\$1,012,760	\$1,786,353	\$820,520	\$40,962	\$199,308
2012	\$33,021,029	\$505,062	\$541,345	\$2,876,775	\$578,132	\$159,706	\$228,786
2013	\$31,162,381	\$594,135	\$2,134,078	\$4,192,493	\$317,048	\$389,234	\$269,581
2014	\$34,574,637	\$628,557	\$3,016,212	\$5,522,675	\$327,772	\$242,234	\$279,163
2015	\$32,756,723	\$687,335	\$2,655,612	\$6,522,147	\$1,534,725	\$249,995	\$320,731
2016	\$28,348,838	\$832,692	\$3,256,337	\$6,578,548	\$2,021,163	\$178,302	\$293,115
TOTAL	\$222,422,754	\$5,946,671	\$13,869,405	\$31,697,135	\$7,358,825	\$1,359,066	\$2,121,967
GROWTH (2015-2016)	-13%	21%	23%	1%	32%	-29%	-9%

Flowers	Wine	Honey	Dried Fruit, Nuts & Oilseeds	Apparel & Home Goods	Coconuts	Seafood	Total	Annual Growth
							\$3,803	n/a
							\$102,612	2598%
							\$212,477	107%
							\$344,222	62%
							\$518,750	51%
							\$1,017,914	96%
							\$2,061,513	103%
							\$2,858,513	39%
							\$4,037,956	41%
\$8,125							\$6,091,203	51%
\$302,835	\$19,197	\$18,125					\$10,811,567	77%
\$295,352	\$114,065	\$17,055	\$16,961	n/a			\$13,631,531	26%
\$317,698	\$38,579	\$62,537	\$10,616	\$3,731			\$13,848,362	2%
\$396,734	\$23,881	\$30,264	\$6,132	\$11,586			\$23,131,579	67%
\$382,550	\$6,987	\$7,514	\$60	\$22,132			\$38,330,076	66%
\$481,098	\$8,364	\$12,720	\$440	\$61,219	\$73,782		\$39,696,573	4%
\$525,244	\$4,301	\$27,052	\$2,757	\$215,707	\$550,239	\$4,491	\$45,921,040	16%
\$562,465	\$4,746	\$108,582	\$7,132	\$717,046	\$822,612	\$46,551	\$46,996,401	2%
\$598,919	\$-	\$132,346	\$42,002	\$1,234,971	\$330,738	\$203,527	\$44,051,498	-6%
\$3,871,019	\$220,121	\$416,196	\$86,099	\$2,266,392	\$1,777,372	\$254,570	\$293,667,590	
6%	-100%	22%	489%	72%	-60%	337%		



Coffee

We are proud to share that:

1

Nearly 142 million pounds of Fair Trade Certified coffee were imported into the United States and Canada in 2016. In addition to a fair price for their beans, farmers earned more than \$28 million in Community Development Funds.

2

Coffee farmers invested 32 percent of their Community Development Funds in projects to improve productivity and quality, setting their organizations up for success in the future.

3

Fair Trade USA launched a much-needed Price Risk Management partnership with the SAFE platform of the International Development Bank, Keurig Green Mountain, Oikocredit and Catholic Relief Services. This 3-year, \$2.5MM partnership aims to stabilize the income of 20 coffee-growing communities across Latin America by providing the necessary technical knowledge, resources and competencies to successfully execute physical and financial price risk management strategies.

4

Our Cost of Sustainable Production (COSP) research partnership with Cornell University was expanded to include five additional research sites and the development of a web-based production cost calculation tool for farmers.

5

Peru continues to be the leading producer of Fair Trade Certified coffee, followed by Colombia and Mexico.

6

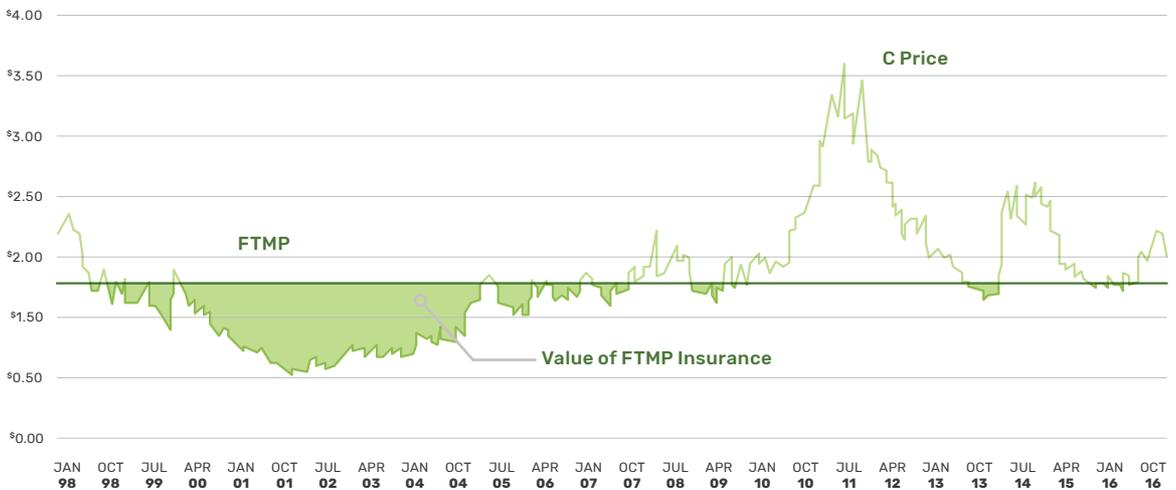
Despite a decrease in coffee import volumes due to challenges within the coffee industry such as La Roya (coffee leaf rust), coffee farmers saw 12% year over year growth in total financial benefit because the Fair Trade Minimum Price provided a safety net when market prices dipped.

Coffee was Fair Trade USA's first product category, and it continues to be the most prominent Fair Trade Certified™ product on the market. Since 1998, coffee producers have earned nearly \$369 million in total financial benefit including the Community Development Funds and Fair Trade Minimum Price insurance.

Looking Ahead

Fair Trade USA is working to further support producers' efforts to gain deeper market insights and make better data-informed investment decisions. We are determined to continue to drive impact at the farm level while adding value to our brand partners in the United States and Canada.

Coffee Market Price vs. FTMP (arabica washed)



One of the economic benefits of Fair Trade Certification for a coffee producer organization is the Fair Trade Minimum Price (FTMP). Over the years this FTMP has been adjusted based on rising production costs and inflation. According to the current Trade Standard, the FTMP for washed Arabica is \$1.40. Fair Trade farmers are guaranteed at least this amount when the commodity market price for washed Arabica coffee falls below \$1.40, allowing them to capture additional value for their coffee contracts. The above graph shows a historic view of daily coffee contract prices (for washed Arabica) and the additional value that the FTMP offers to coffee producer organizations.

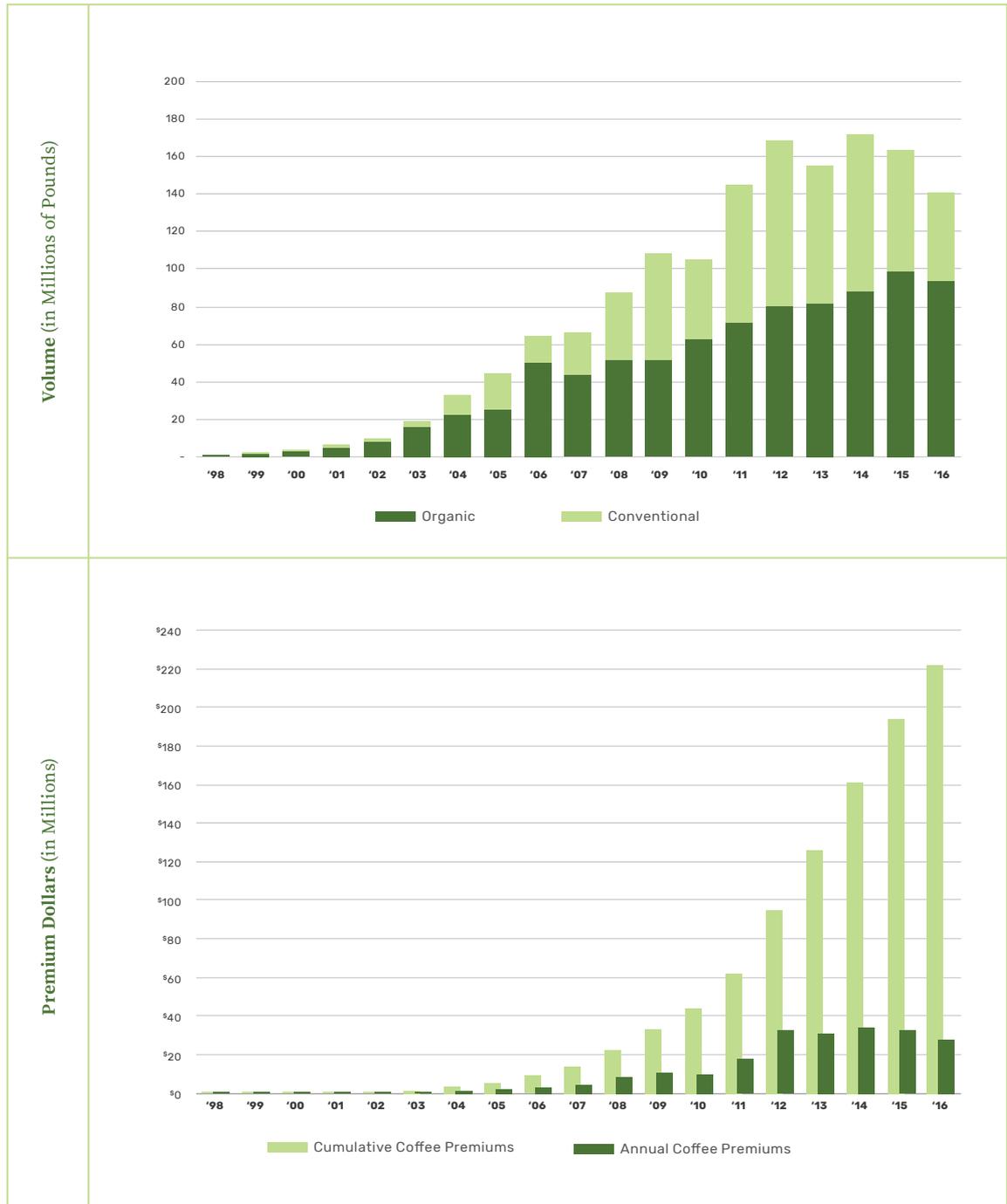


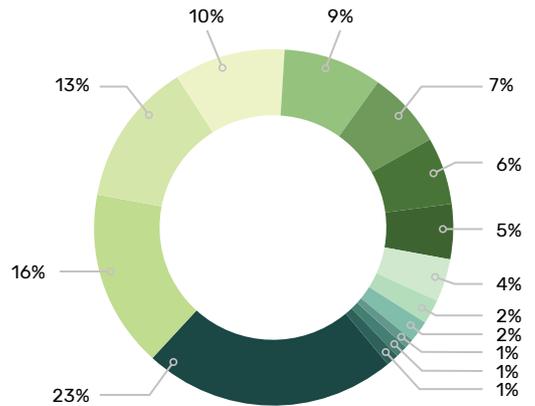
“The Fair Trade benefits are great for our children, particularly with regards to education. We have also participated in gender equality workshops, paid for by our Community Development Funds, that have dramatically changed our village.”

Luz Marleni Mendoza,
CECANOR Coffee Cooperative, Peru

Coffee

Import Volumes and Premium Payments for Fair Trade Certified Coffee





Countries	Pounds
Peru	32,831,408
Colombia	22,765,947
Mexico	18,913,440
Honduras	13,529,863
Indonesia	13,369,610
Brazil	9,210,960
Guatemala	8,559,946
Nicaragua	7,419,805
Costa Rica	2,703,351
Other Latin American Origins	1,446,120
Ethiopia	5,774,306
Other African Origins	1,618,548
Other Asian Origins	2,312,188
Blended Origins	1,288,700
TOTAL	141,744,193



Produce & Flowers

Since Fair Trade USA launched produce certification in 2004, produce and flower farmers and farm workers have earned more than \$35.5 million in Community Development Funds. Products carrying our seal have expanded from bananas, mangos and pineapple to an impressive assortment of fruits and vegetables including tomatoes, squash, grapes, raspberries and more.

We are proud to share that:

1

More than 250 million pounds of Fair Trade Certified™ produce were sold in the United States, two thirds of which was also certified organic.

2

This year we certified the very first U.S. farm, bringing the benefits of Fair Trade to farm workers in southern Arizona and empowering shoppers to support a farm where workers' rights, safety and environmental sustainability are valued.

3

More than half of Fair Trade Certified produce came from Mexico. The country provides U.S. consumers with fresh fruits and vegetables when they are not in season locally.

4

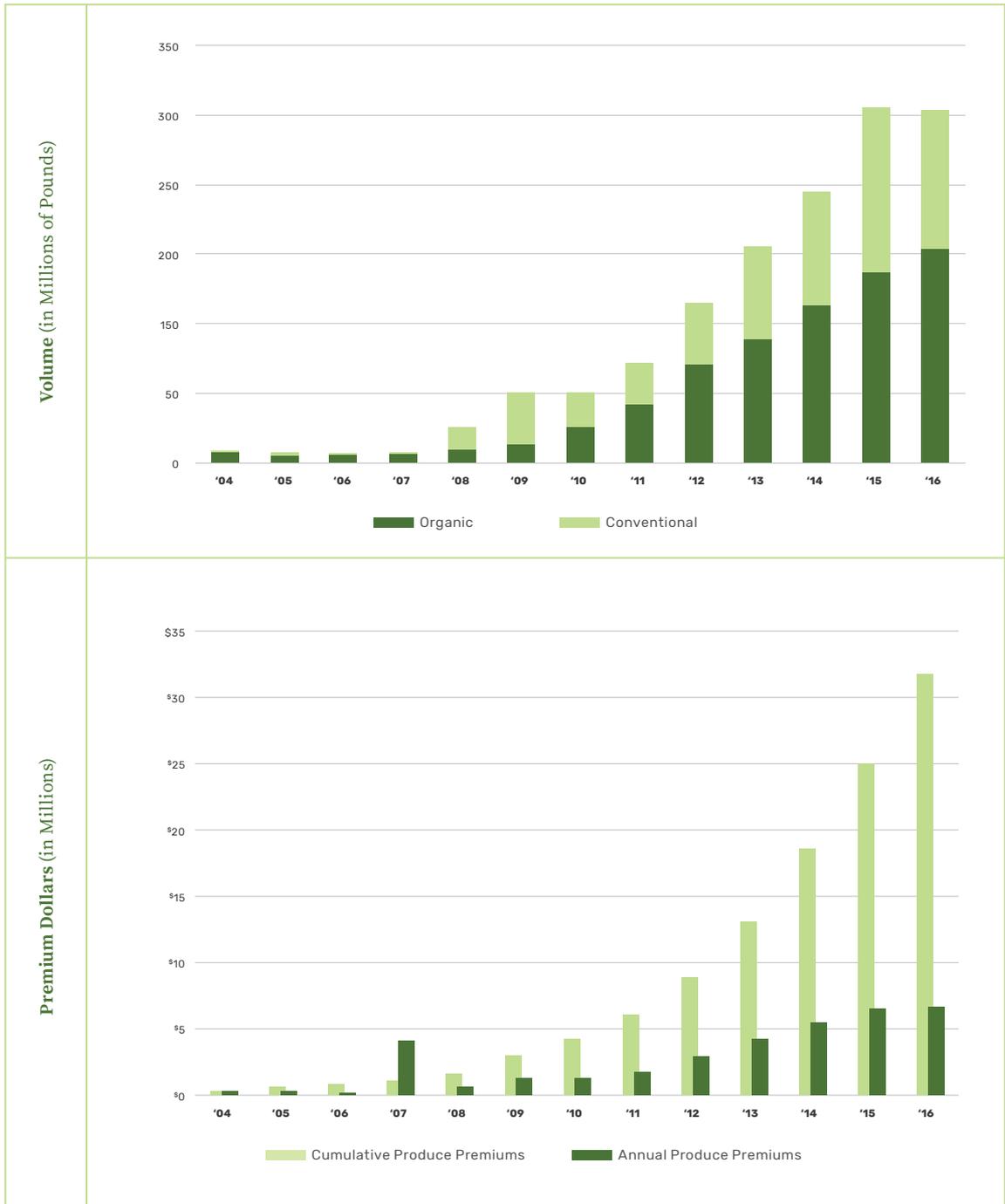
The Fair Trade floral program continues to grow and more than 13.8 million Fair Trade Certified roses were imported in 2016. Since its inception in 2009, the floral program has benefited more than 13,000 people. This year flower workers elected to use their Community Development Funds to improve housing, living conditions and education in their communities.

Looking Ahead

There continues to be an enormous opportunity to improve the lives of farmers and workers in the produce industry – both in the United States and abroad. We will continue to collaborate with growers and business partners to make Fair Trade Certified produce and flowers available to more consumers, and bring the benefits of Fair Trade to even more farmers and workers.

Produce & Flowers

Import Volumes and Premium Payments for Fair Trade Certified Produce & Flowers



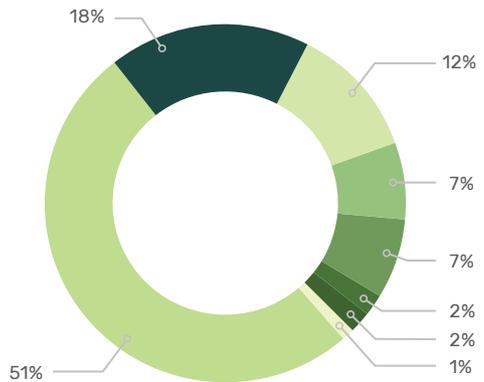






“The Fair Trade program has provided numerous useful benefits, like transportation, scholarships and the store. Please make sure you keep buying our products, the quality is top notch!”

Maribel Rodriguez,
Wholesum Harvest Farm, Mexico



Countries	Pounds
Mexico	129,971,299
Ecuador	45,884,400
Costa Rica	30,861,115
Peru	18,517,012
Columbia	16,840,520
Guatemala	5,309,046
South Africa	3,836,482
Other Origins	1,977,326
TOTAL	253,197,201

Other Origins includes Canada, Haiti, Argentina, Chile & Nicaragua

A man in a green jacket is carrying a large, round, woven basket on his shoulder. He is standing on a wooden bridge over a river. The background shows a lush green forest and a body of water. The text is overlaid on the image.

Consumer Packaged Goods:

Cocoa, Sugar, Tea, Spices, Coconut & More

We are proud to share that:

1

The CPG category generated more than \$7.08 million in Community Development Funds in 2016. Long-standing partners and new partners collectively launched 963 Fair Trade Certified™ CPG products.

2

More than 58.2 million pounds of Fair Trade Certified sugar were imported into the United States resulting in \$2.02 million in Community Development Funds. The sugar category had a 29% increase over 2015 thanks to substantial growth as an ingredient in Ready to Drink (RTD) beverages and in the baking aisle.

3

Over 3 million pounds of tea were sold on Fair Trade terms which resulted in tea farmers and workers earning over \$832,000 in Community Development Funds, which is a 21% increase in premium over 2015.

4

Cocoa farmers earned over \$3.2 million in Community Development Funds, which is a 23% increase over 2015 due to heightened popularity of Fair Trade Certified cocoa as an ingredient in confectionery products, bars and snacking chocolate.

5

In its fourth year as a category, more than 228 million coconuts were sold on Fair Trade terms resulting in \$330,000 in Community Development Funds. Coconut farmers in the Philippines continued to invest in strengthening their farms and livelihoods by replanting aged trees, expanding inter-cropping, and supporting small businesses through their micro-loan program. The decrease in Community Development Funds this year was due to a combination of factors, including volatile sourcing patterns and a change in Fair Trade coconut premium terms.

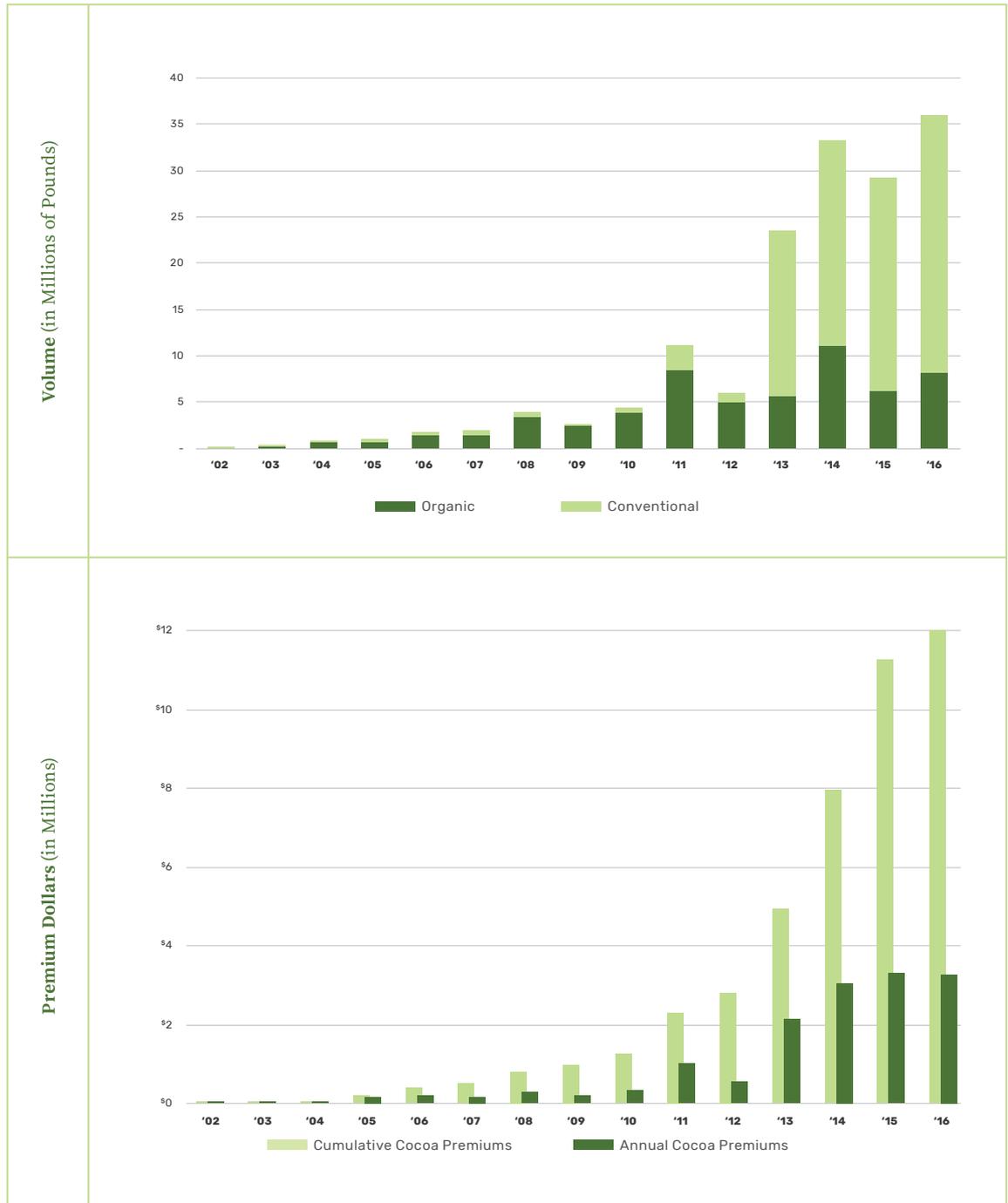
The Consumer Packaged Goods (CPG) program is comprised of many different product categories including cocoa, sugar, tea, coconut, grains, spices and more. The CPG category grew in 2016 with commitments from a variety of new brands and expanded sourcing from existing partners.

Looking Ahead

Fair Trade USA's CPG team is thankful for the visionary brands that have made commitments to supporting the people and the land behind their products. We are proud of the impact that has been generated. Looking forward, we are confident that as consumers continue to vote with their dollars for Fair Trade, more Community Development Funds will be generated to invest in farming communities around the world.

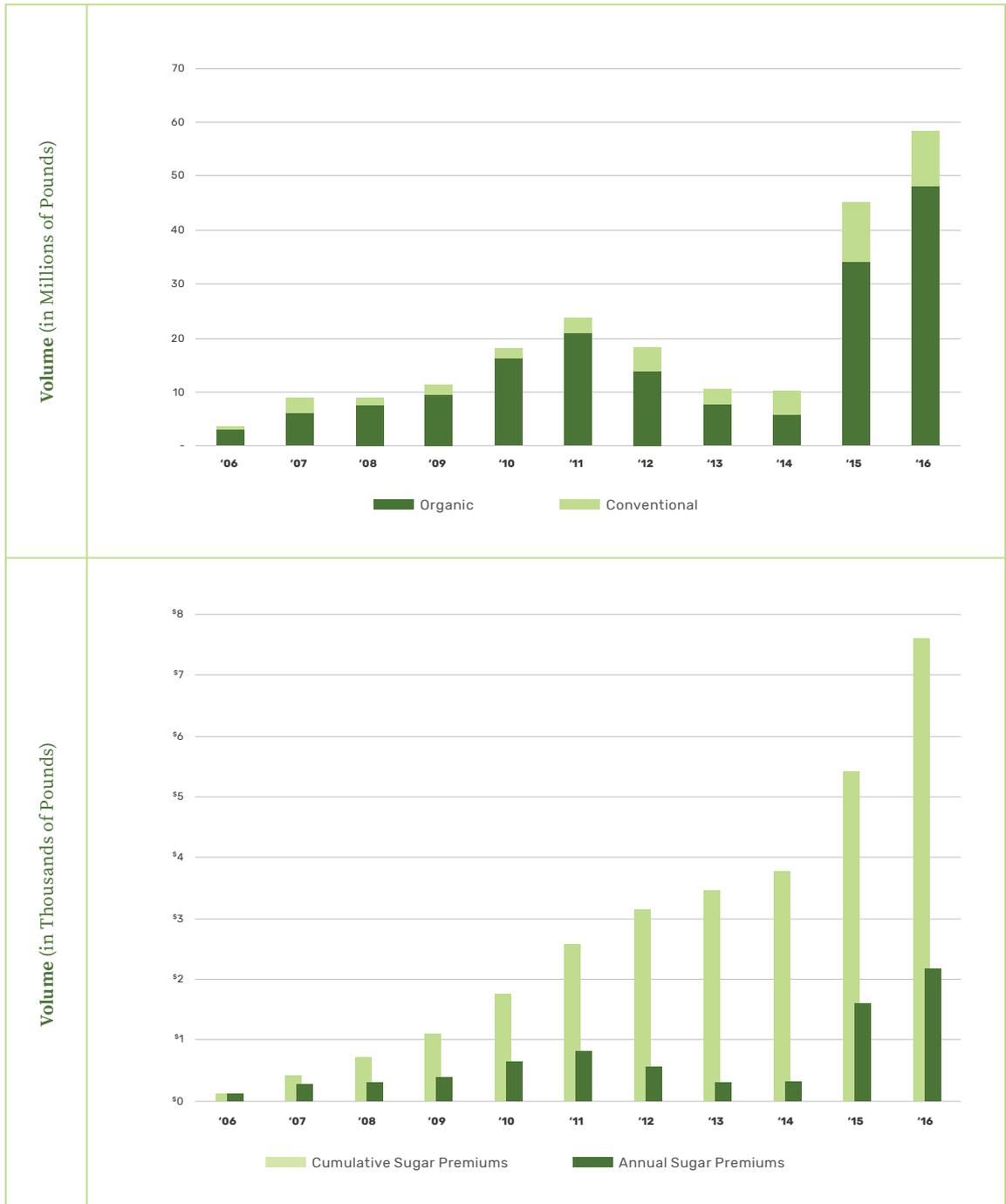
Cocoa

Import Volumes and Premium Payments for Fair Trade Certified Cocoa



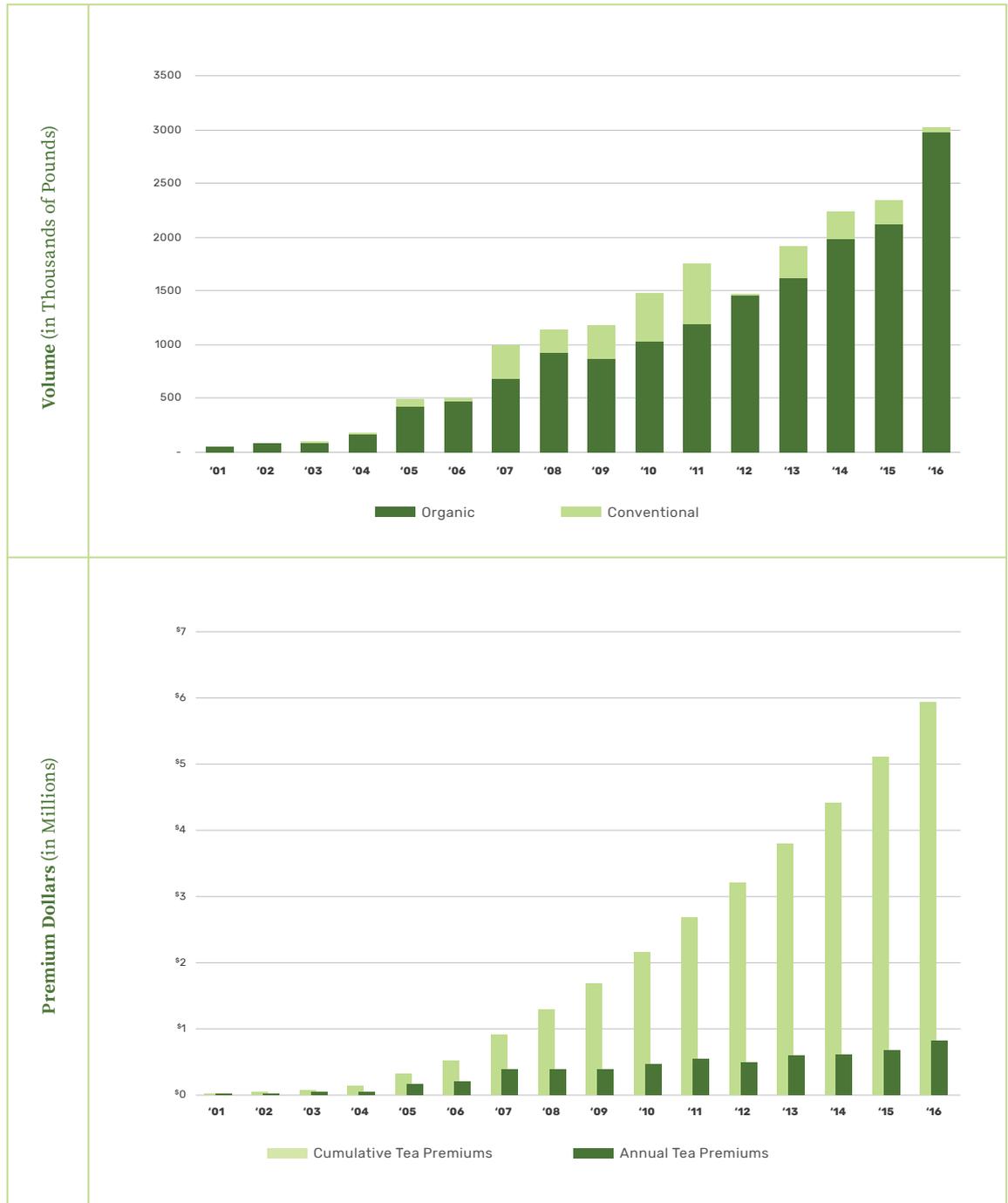
Sugar

Import Volumes and Premium Payments for Fair Trade Certified Sugar

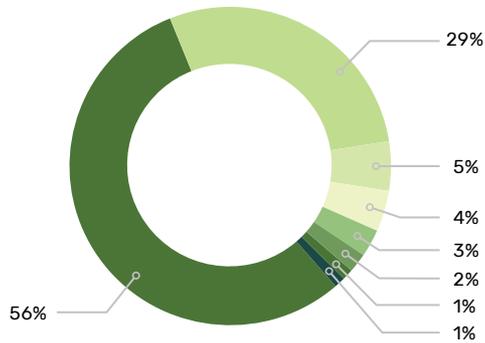


Tea

Import Volumes and Premium Payments for Fair Trade Certified Tea



Cocoa Countries



Countries	Pounds
Ivory Coast	19,971,604
Peru	1,994,824
Dominican Republic	1,548,418
Ecuador	1,163,187
Ghana	661,380
Mexico	214,336
Panama	55,115
Non-Direct/Blended Origins	10,285,737
TOTAL	35,894,601

Sugar Countries



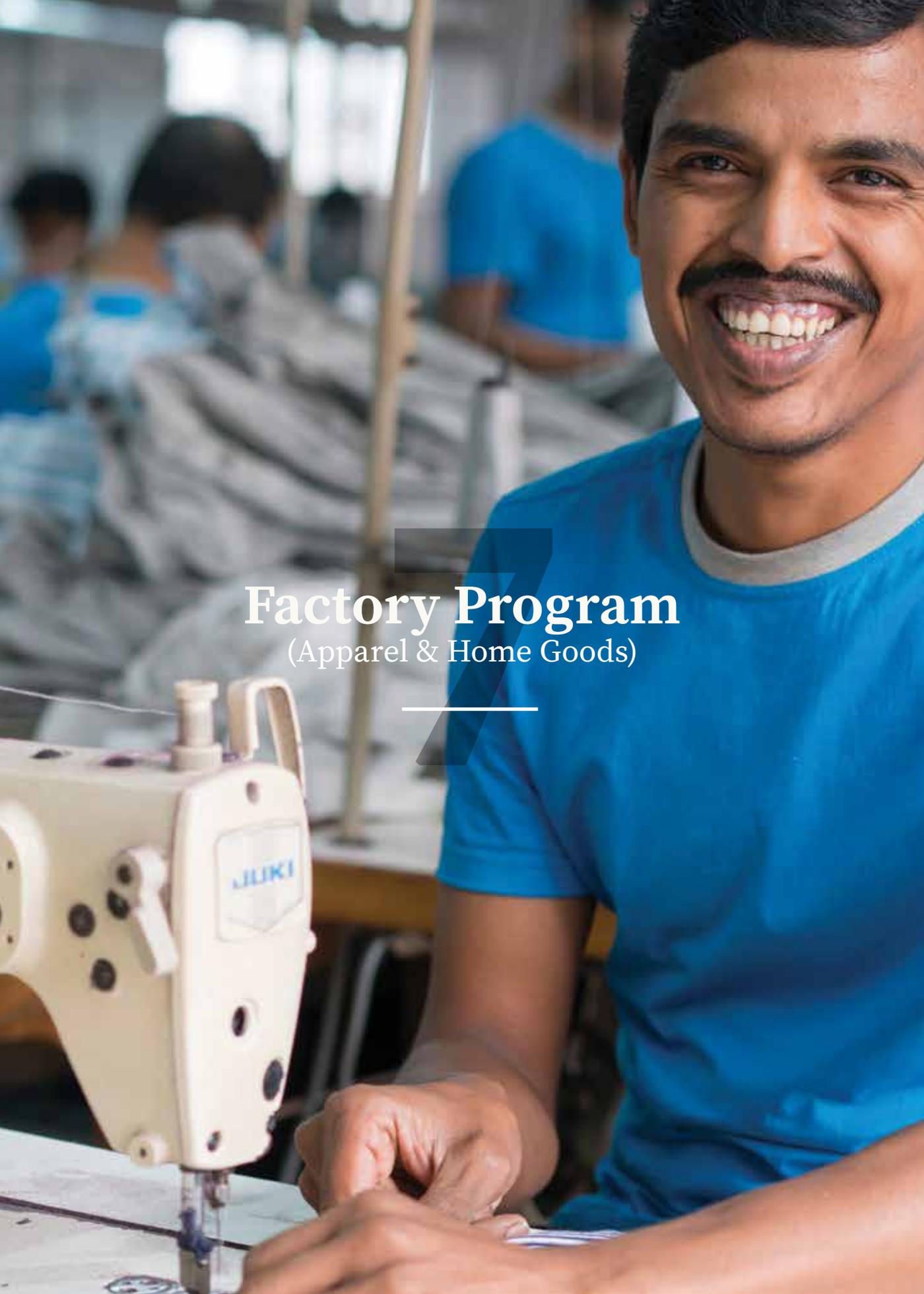
Countries	Pounds
Paraguay	47,844,821
Mauritius	7,336,322
Belize	6,692,245
Malawi	2,282,914
Other Origins	132,337
TOTAL	64,288,640

Other Origins includes India, Peru & Blended sales

Tea Countries



Countries	Pounds
China	1,561,248
India	1,216,535
Kenya	107,463
Other/Blended Origins	143,049
TOTAL	3,028,294

A smiling man with a mustache, wearing a blue t-shirt, is seated at a sewing machine in a factory. The machine is white and has the brand name 'JILIKI' on it. In the background, other workers in blue shirts are visible, working at similar machines. The scene is brightly lit, suggesting a clean and active industrial environment.

Factory Program

(Apparel & Home Goods)

We are proud to share that:

1

Fair Trade USA certified more than 6.4 million apparel and home goods products this year, a 66% increase from the 3.9 million products certified in 2015.

2

Community Development Funds back to cotton farmers and workers in Fair Trade facilities totaled \$1.2 million, a 72% growth rate over 2015 (\$717,000).

3

12 new factories achieved Fair Trade certification this year. There is now a total of 34 certified factories in 11 countries, including new countries Vietnam, Colombia, Mexico and Nicaragua.

4

More than 30,000 factory workers are now benefiting from inclusion in the Fair Trade system.

5

Factory workers invested their Community Development Funds in a variety of exciting projects this year such as medical centers that provide services to workers and their families, onsite day care for their children, and to purchase bicycles which helps workers save large amounts time and money on their commute.

6

A wide range of products are now available from over 30 leading companies that offer clothing, footwear and accessories for women, men and children and home goods such as furniture, rugs, bedding, blankets, and decorative accessories.

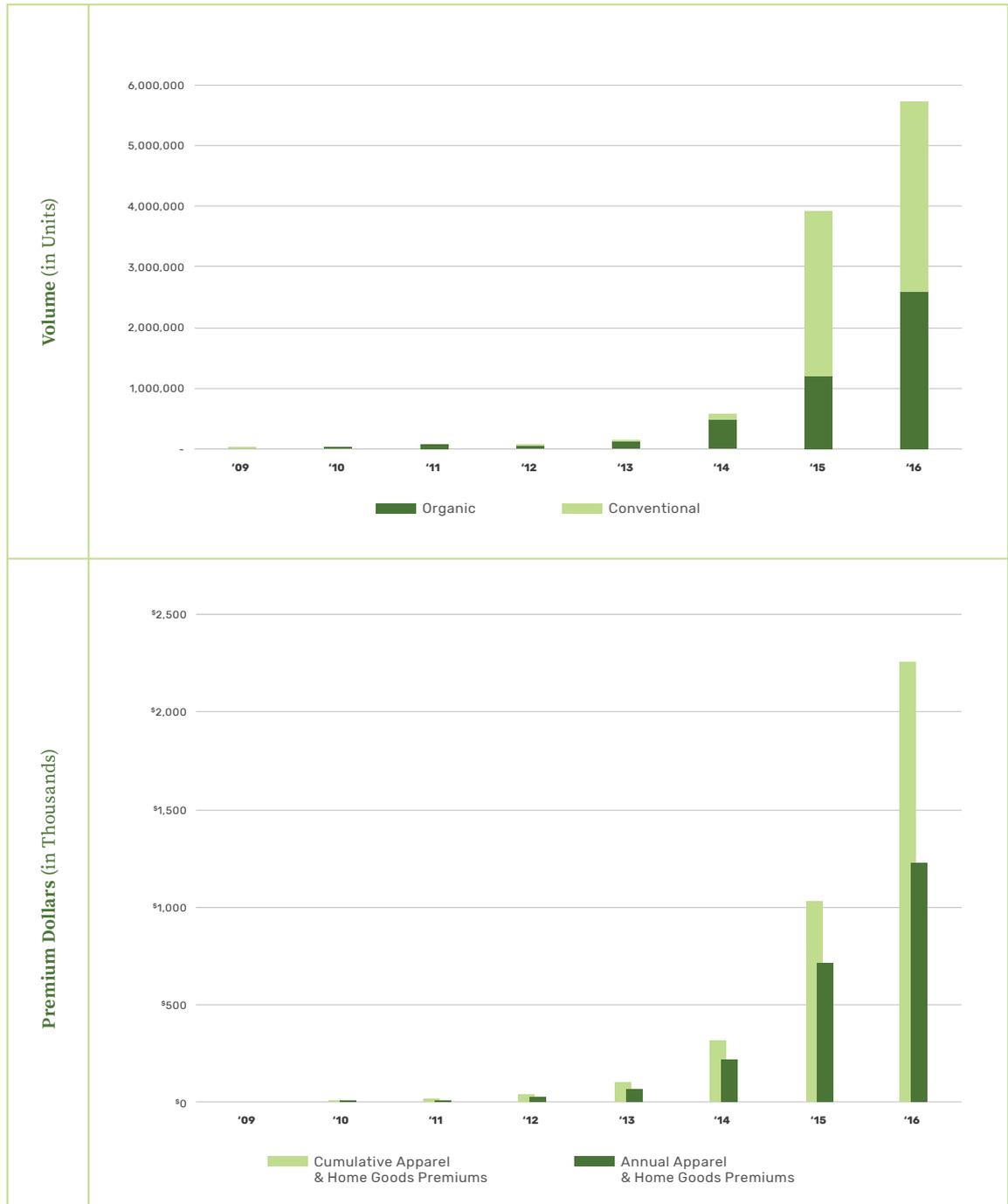
The Fair Trade Certified Apparel and Home Goods program is the first of its kind, enabling people to buy clothing, textiles, furniture and footwear that were made in Fair Trade Certified™ factories. Since Fair Trade USA launched the program in 2010, cotton farmers and factory workers have earned over \$2.3 million in Community Development Funds.

Looking Ahead

Looking ahead, the Fair Trade factory program will continue to experience exponential growth. Consumer demand for Fair Trade Certified fashion, home goods and furniture is on the rise, and we will be working with leading global brands to generate positive impact for a growing number of factory employees around the world.

Apparel & Home Goods

Import Volumes and Premium Payments for Fair Trade Certified Apparel & Home Goods



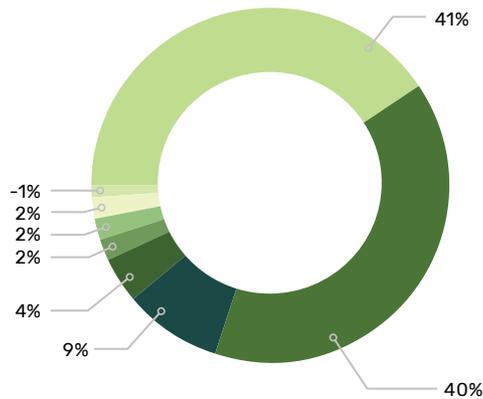






“As a member of my factory’s Fair Trade committee, I am proud to find ways to improve benefits for our workers and give them a voice.”

Alka Nim,
Pratibha Syntex LTD, India



Countries	Pounds
India	2,333,127
Sri Lanka	2,265,265
USA	499,166
Pakistan	232,553
Columbia	115,066
Nepal	114,696
Vietnam	104,457
Other Origins	40,029
Ethiopia	29,249
Mexico	6,678
Kenya	4,102
TOTAL	5,744,388

Origins representing less than 1% includes Ethiopia, Mexico & Kenya



Seafood

RU

Fair Trade USA's Capture Fisheries Standard (CFS) is a progressive certification system focused on baseline social and environmental criteria with benchmarks for moving toward better stewardship practices and improved business capacity, market access, and community development programs. The seafood category experienced significant growth in 2016, bringing on two more certified fisheries, increasing the total to five and including wild species such as tuna, shrimp, and scallops. In total, Community Development Funds earned by fishermen increased 390% over those earned in 2015.

We are proud to share that:

1

In 2016 the volume of Fair Trade Certified™ seafood increased 368%, helping fishermen earn more than \$203,000 in Community Development Funds.

2

Bristol Seafood became the first domestic fishery in the United States to earn Fair Trade certification for its New England scallops.

3

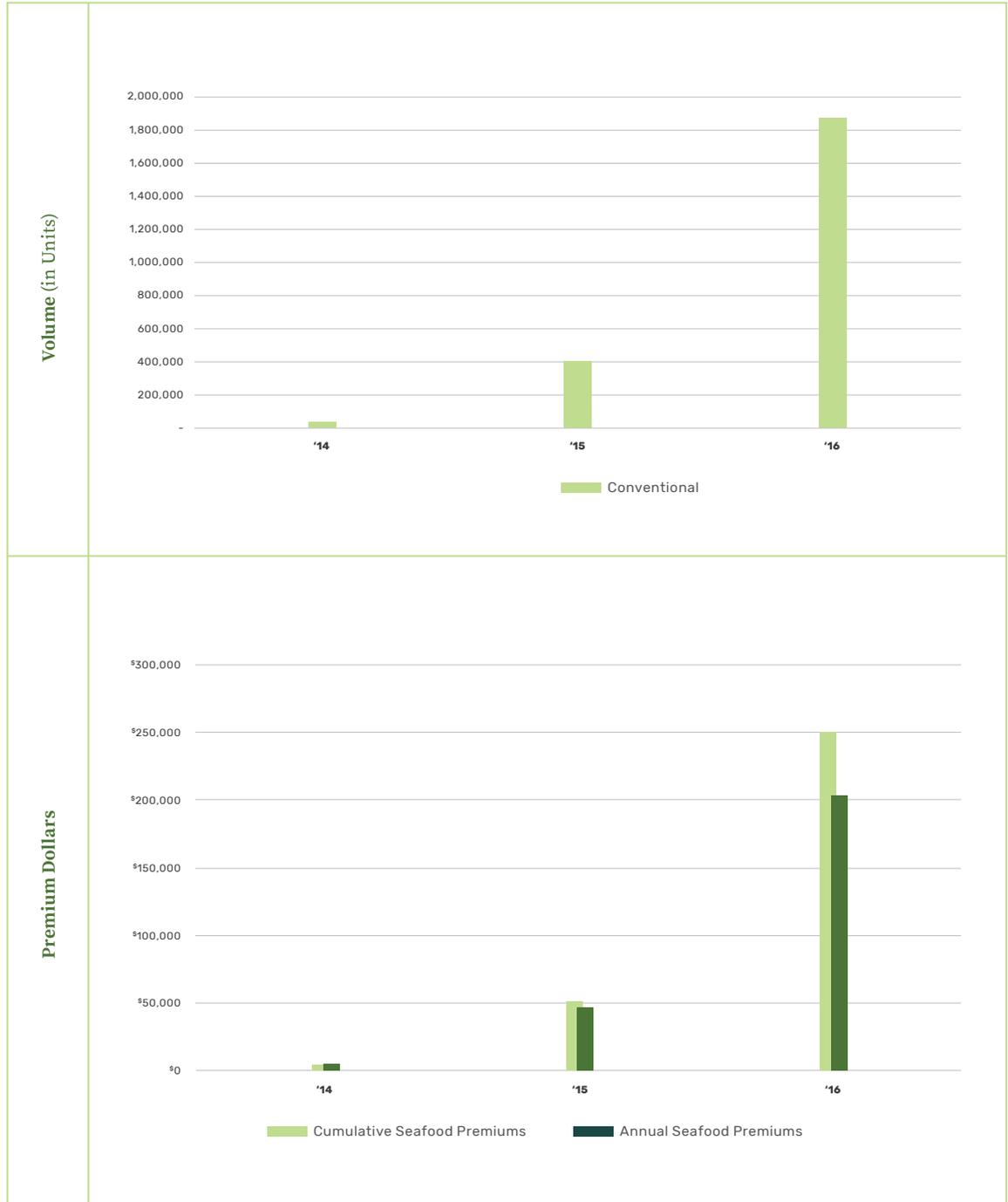
Fair Trade Certified seafood is now available in 18 U.S. retailers through 14 importers and distributors.

Looking Ahead

There is increasing momentum in the seafood industry towards greater environmental and social responsibility in sourcing commitments. This is enabling Fair Trade USA to be a sought-after solution for brands and retailers that want to differentiate their products and mitigate labor risks in their supply chains. We will continue to differentiate ourselves from the multitude of certification and rating groups in the seafood industry with top-notch impact communication, the ability to certify multiple production types (e.g. wild capture and aquaculture), collaborations with influential NGOs, and close consultations and partnerships within the industry.

Seafood

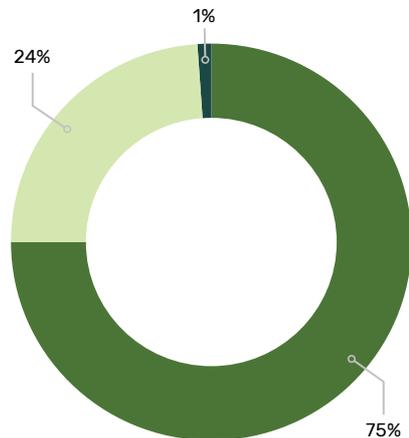
Import Volumes and Premium Payments for Fair Trade Certified Seafood





“Overfishing is our community’s main concern. A program like Fair Trade can help motivate people to work properly and take care of the bay and other resources we have.”

Rogelio Aguilar Romo,
Co-op Ribereña Barra de Palmitas, Mexico



Countries	Pounds
● Indonesia	1,400,438
● Mexico	456,076
● Maldives	17,761
TOTAL	1,874,275

Assets

Current Assets	2015	2016
Cash and cash equivalents	10,817,919	8,927,536
Investments	-	-
Other assets	3,289	13,534
Service fees receivable	3,197,691	3,704,351
Grants receivable, current	499,599	3,025,000
Other receivables	347,224	283,813
Prepaid expenses	122,817	165,671
TOTAL CURRENT ASSETS	14,988,539	16,119,905
Property & equipment, net	102,717	182,783
Deposits	50,450	50,450
Grants receivable, long term	75,000	50,000
TOTAL ASSETS	15,216,702	16,403,138

Liabilities & Net Assets

Current Liabilities	2015	2016
Accounts Payable	277,967	359,970
Accrued Liabilities	905,740	916,703
Deferred revenue	6,517,541	4,215,703
Notes payable, current portion	688,035	688,178
TOTAL CURRENT LIABILITIES	8,389,283	6,180,554
Notes payable	1,783,287	1,097,825
Accrued lease incentive	273,039	273,039
TOTAL LIABILITIES	10,445,609	7,551,418
Net Assets		
Unrestricted	3,181,560	7,501,053
Temporarily restricted	1,589,533	1,350,663
TOTAL NET ASSETS	4,771,093	8,851,716
TOTAL LIABILITIES & NET ASSETS	\$15,216,702	\$16,403,138

2016 Financial Statements

2015 Revenue & Support

Revenue & Support

Service fees, net	11,412,921	61%
Grants and contributions	6,119,008	33%
In-kind donations	982,197	5%
Other	230,938	1%

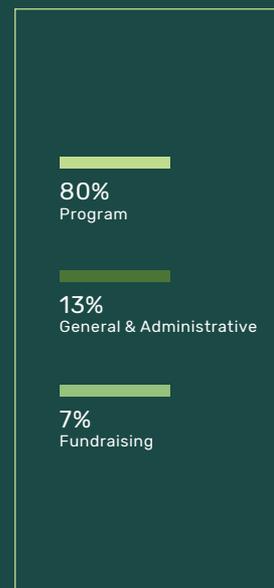
TOTAL REVENUE & SUPPORT \$18,745,064

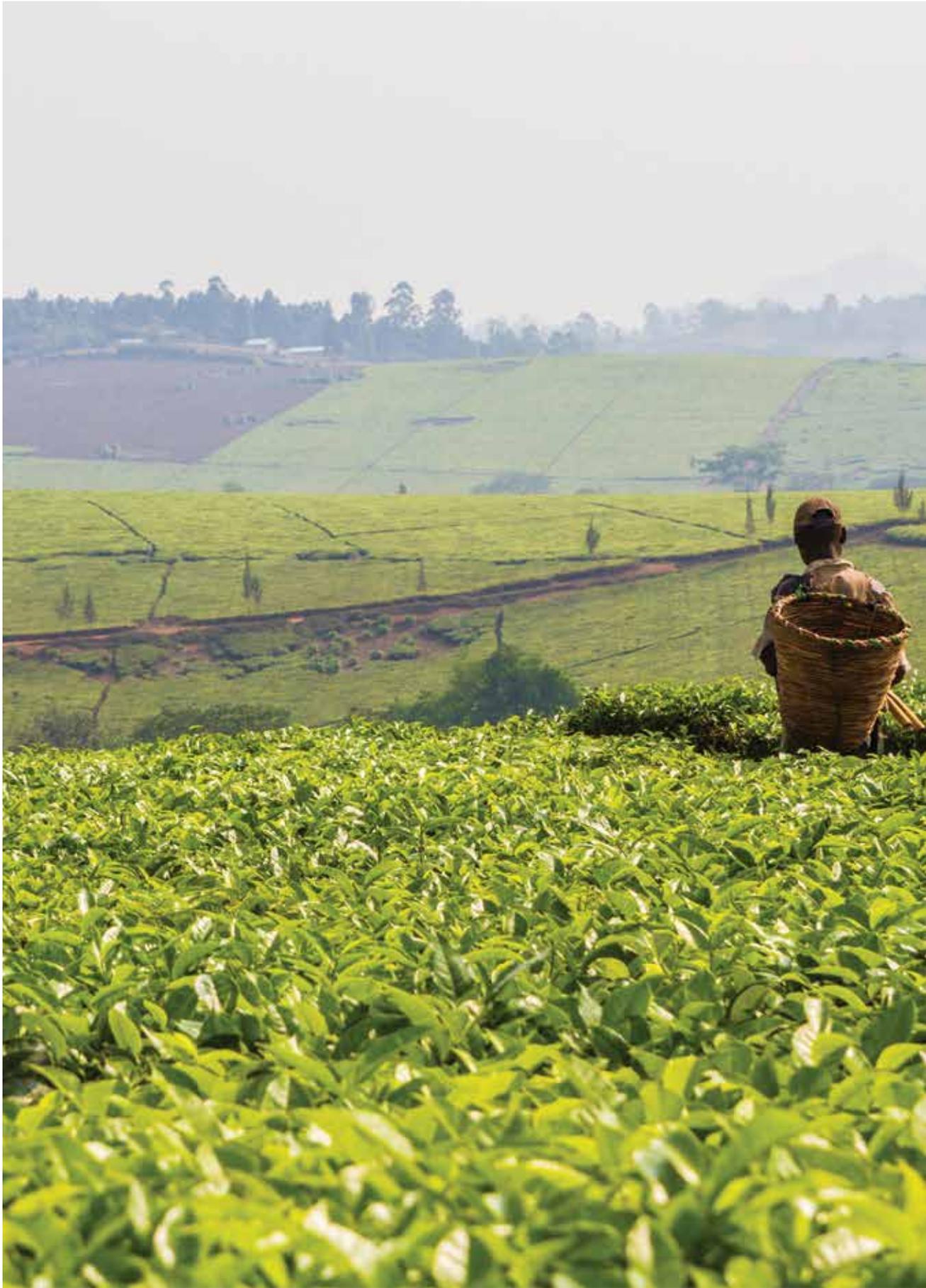
Revenue & Support

Program	11,589,654	80%
General and Administrative	1,910,767	13%
Fundraising	926,940	7%

TOTAL EXPENSES \$14,427,361

Please see our website for our complete 2016 Audited Consolidated Financial Statement.







Board of Directors

Janet Nezhad Band

Development Strategy Consultant / Attorney

Ron Cordes

*Chair, Fair Trade USA
Co-Founder at Cordes Foundation*

Ricardo Crisantes

*Vice President Sales & Marketing,
Wholesum Harvest*

Erik Nicholson

*National Vice President,
United Farm Workers*

Paul Rice

President & CEO, Fair Trade USA

Larry Ruff

*Vice-Chair, Fair Trade USA
Board Director, Global CMO and Strategic
Advisor*

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*Co-Founder & Principal at Blue Haven
Initiative*

Robert Stiller

*Founder, Green Mountain
Coffee Roasters*

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Clay Brown

*Vice President, Certification,
Standards & Impact*

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Julie Kuchepatov

Director, Seafood

Nora LaTorre

*Director, Consumer
Packaged Goods*

Ken Redding

Chief Commercial Officer

Paul Rice

President & CEO

Carlos Ruiz

Controller

Steve Sellers

Chief Operating Officer

Maya Spaul

*Senior Director, Apparel
& Home Goods*

Frank Tsai

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Director, Certification

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