



DEAR FRIENDS,

Twenty years ago, an idealistic, young do-gooder (that would be me) brought an idea from Nicaragua to a one-room office in Oakland, California. What started with coffee and conviction – and not much else – is now the leading market-based model of sustainable production, trade and consumption.

And you made it possible.
Thank you. You helped us
beat the odds and succeed
at something most said
could never work.

There wouldn't have been a one-room office without the Ford Foundation betting on us with that first grant. That grant allowed conviction to become confidence.

But for Fair Trade USA to become sustainable we needed more than grant dollars alone. Without early company partners, like Green Mountain Coffee, signing on to the crazy notion of buying Fair Trade Certified products and putting our label on their products – we wouldn't have become a viable organization poised for growth.

And our whole model would have collapsed without those first consumers willing to buy Fair Trade products and reward companies for making the sustainable choice.

And of course, we couldn't exist without the Fair Trade coffee farmers who invested in themselves and their craft. They put in the extra work to improve product quality and eventually deliver some of the best coffee in the world.

Everyone did their part to make Fair Trade work.

I'm often celebrated as a social entrepreneur – a label I embrace and reject at the same time. I embrace the scrappy, risk-taking for social good, disruptive qualities of the label. But I don't accept the myth of social entrepreneurs as lone wolves or brilliant individuals who single-handedly change the world. Fair Trade USA wouldn't have made it 20 years or achieved what we have without so many others who joined me to challenge the status quo and reimagine capitalism.

I established Fair Trade USA as a different kind of organization – a nonprofit that generates revenue. One that helps companies embrace sustainability profitability. One that serves small farmers *and* big business. One that grows communities *and* corporations. One with *you* in mind.

Whether you've been with us 20 years or you're just learning about who we are and what we do, you're what makes the difference in Fair Trade.

Thank you!

With deepest gratitude,



Create Value with Communities, Companies and Consumers

About Fair Trade

Fair Trade empowers farmers and workers to fight poverty and protect the environment. Rather than creating dependency on aid, it harnesses the power of markets to help producers and consumers alike invest in a better future.

Fair Trade USA, a nonprofit organization, is the leading certifier of Fair Trade products in North America. We audit and certify transactions between companies and their global suppliers; educate consumers, enroll new manufacturers and retailers; and provide farming communities with the tools, training and resources needed to thrive as international businesspeople.

Mission

Fair Trade USA enables 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 certifying and promoting Fair Trade products.

Vision

We envision a world where Fair Trade for All—producers, consumers and businesses—is not only possible, but also the norm. We envision a world where everyone is able to make fair, sustainable choices that reflect their values. Join us to learn more about where Fair Trade USA has been in the past—and where we are going in the future.

OUR 20-YEAR IMPACT IS SIGNIFICANT. And we're just getting started.

CUMULATIVE PREMIUM IN 2017

\$349,811,992

1,400

TOTAL NUMBER OF BUSINESS PARTNERS WE WORK WITH

63%

CONSUMER AWARENESS OF THE FAIR TRADE CERTIFIED LABEL IN THE UNITED STATES

\$504 million

CUMULATIVE FINANCIAL BENEFIT TO FARMERS & WORKERS

Fair Trade provides a way for producers, businesses, and consumers to end the persistent problem of poverty with an alternative approach that relies on markets, economic empowerment, choice and voice.

Refining our model to make it stronger is an ongoing progress. There's no resting on our laurels or complacency with the status quo. Instead, we strive to innovate and improve so that we deliver more for you.

The Model: Applied

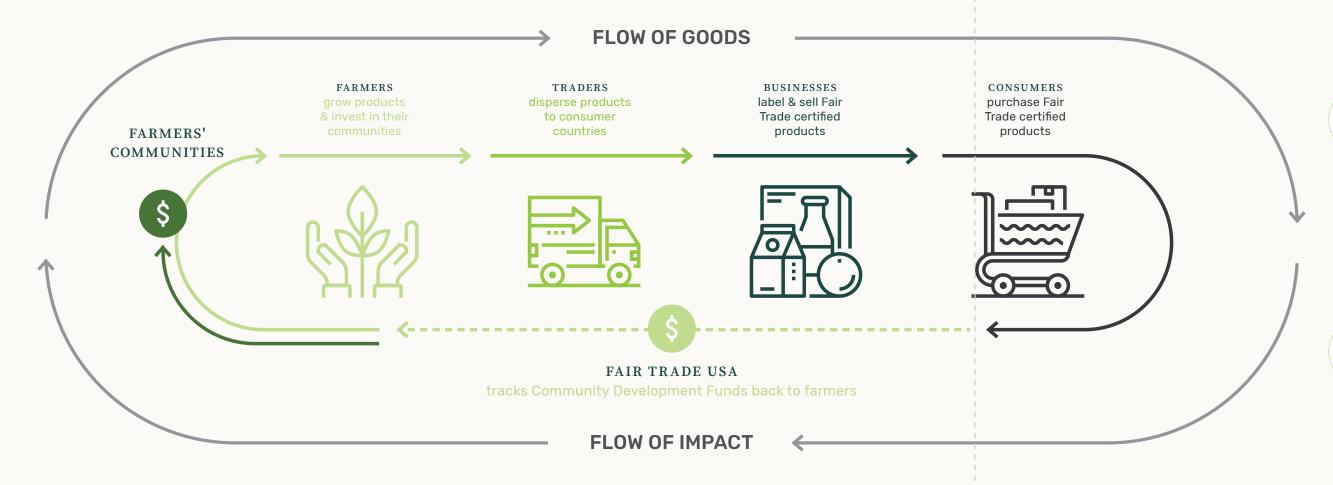


When you see a product with the Fair Trade Certified™ seal, you can be sure it was made according to rigorous social, environmental, and economic standards. We operate in accordance with ISEAL Code of Conduct good practices in Standard Setting, Assurance and Impact.



Our standards are the way we transform through trade and deliver full benefits to producers and businesses we work with. From agriculture to fisheries and home goods to apparel, our standards are tailor-made for each industry to ensure that we're all working together toward the same goal. Visit our website for detailed standards, glossary of terms, and our price and premium database.

The Model





For every Fair Trade Certified™ product sold, the business selling it pays an additional amount of money into a **Community Development Fund**, which goes directly back to the community of origin. From there, the community decides together how to spend the funds. For more on how these funds impact producer communities around the world, and to view our detailed standards, visit FairTradeCertified.org.



Transparent supply chains and conscious consumers complete the circle of Fair Trade. By helping manufacturers and brands source Fair Trade Certified™ products and materials, we improve visibility and credibility for businesses and help create shared value for everyone who cares about shopping ethically. We audit both the origin (factory, farm, fishery) and chain of custody for every certified product. Our seal makes it easier for consumers to purchase goods that align with their values.

The Model: Brought to Life



It started in the Philippines. 8,500 miles away from this shelf in a Columbus, Ohio, Kroger store where I pick up a bottle of Naked Coconut Water.



the number one exporting country of coconuts. Here, the salt from the ocean and the volcanic soil makes these islands the perfect place to grow what is known as the "tree of life." Coconuts here are gtrown by 3.5 million farmers on small farms. Smallholder farmers in the Philippines and



The Philippines are around the world are the most vulnerable, often lacking access to markets, credit, and the resources necessary to invest back into their farms.



Estrella Formento is a Filipino coconut farmer. Her annual income is the global average for farmers - less than \$2 a day. So, she does a bunch of other odd jobs to make ends meet. She has to, because she is a mother. As someone who only finished elementary school, Estrella is passionate that her children attend school. She sees education as their way out of the poverty she has experienced her whole life.



For communities to reap the full benefits of Fair Trade, we must have a partner who commits to purchasing from the farmers once they are certified. PepsiCo learned about farming communities' needs in their coconut supply chains and partnered with us to launch the first Fair Trade coconut product, their Naked Coconut Water.



Because PepsiCo laid the path for Fair Trade coconut, lots of other brands have followed. Thanks to these brands. Fair Trade Certified Coconut farmers in the Philippines have earned \$1.7 million in premium since 2013.



One partner, The Kroger Company, decided to educate their shoppers on the importance of purchasing Fair Trade. They did this by creating five origin videos which they launched in April 2018 with an instore campaign.



Because of companies like Pepisco and Kroger, farmers like Estrella now benefit from the Fair Trade Premium. Estrella convinced her community that investing in their children's education was necessary and they started a scholarship program with their first round of premium. Over the past five years, 500 students have gone on to college.

Extraordinary things happen because ordinary consumers like you are choosing Fair Trade coconut and making a difference. You have the power to change lives ... every time you shop.

Grow & Make

From farms to factories and fisheries, producers make Fair Trade possible.

Their commitment to producing highquality coffee, cocoa, sugar, produce, home goods and apparel means that companies have reliable supply chains and consumers don't have to compromise value to purchase products aligned with their values. Producing with Fair Trade means investing in quality.



Reginberto Jesus Serna Restrepo
• COOPERANDES •

Reginberto Jesus Serna Restrepo, 61, and father of four, is a third-generation coffee-producer. He's been a member of COOPERANDES in Colombia since 1987. He believes his community's greatest needs are the improvement of roads and schools.

"I think the Fair Trade program is excellent. I have learned from other coffee producers in other regions of Colombia. Stuff I didn't know we could do. The exchange has been great. Our coffee is excellent, so please keep buying it because this is how we can collaborate: we produce a great product, and you can enjoy it and help us get ahead!"



Latha Maheshwari
BESTITCH KNITS

As a 38-year-old mother of two, Latha
Maheshwari works hard to give her children a
future without limits. She has held jobs in several
factories throughout the Tiruppur area, and says
it's different at Bestitch Knits in Tiruppur, India,
the Fair Trade certified factory where she's been
working for two years.

Her 18-year old son, Gautam, recipient of a scholarship from the Fair Trade community benefit fund, notes the strong work ethic he's been exposed to in the Fair Trade factory. "There's a lot of hard work that goes into making these Fair Trade garments," he says. "I hope the consumers value the product and recognize the mutual benefit in this arrangement."

"I'm very happy to work here, at a Fair Trade factory. After work, I'm not too tired when I get home and I can take care of my family. At other factories, this was not the case."



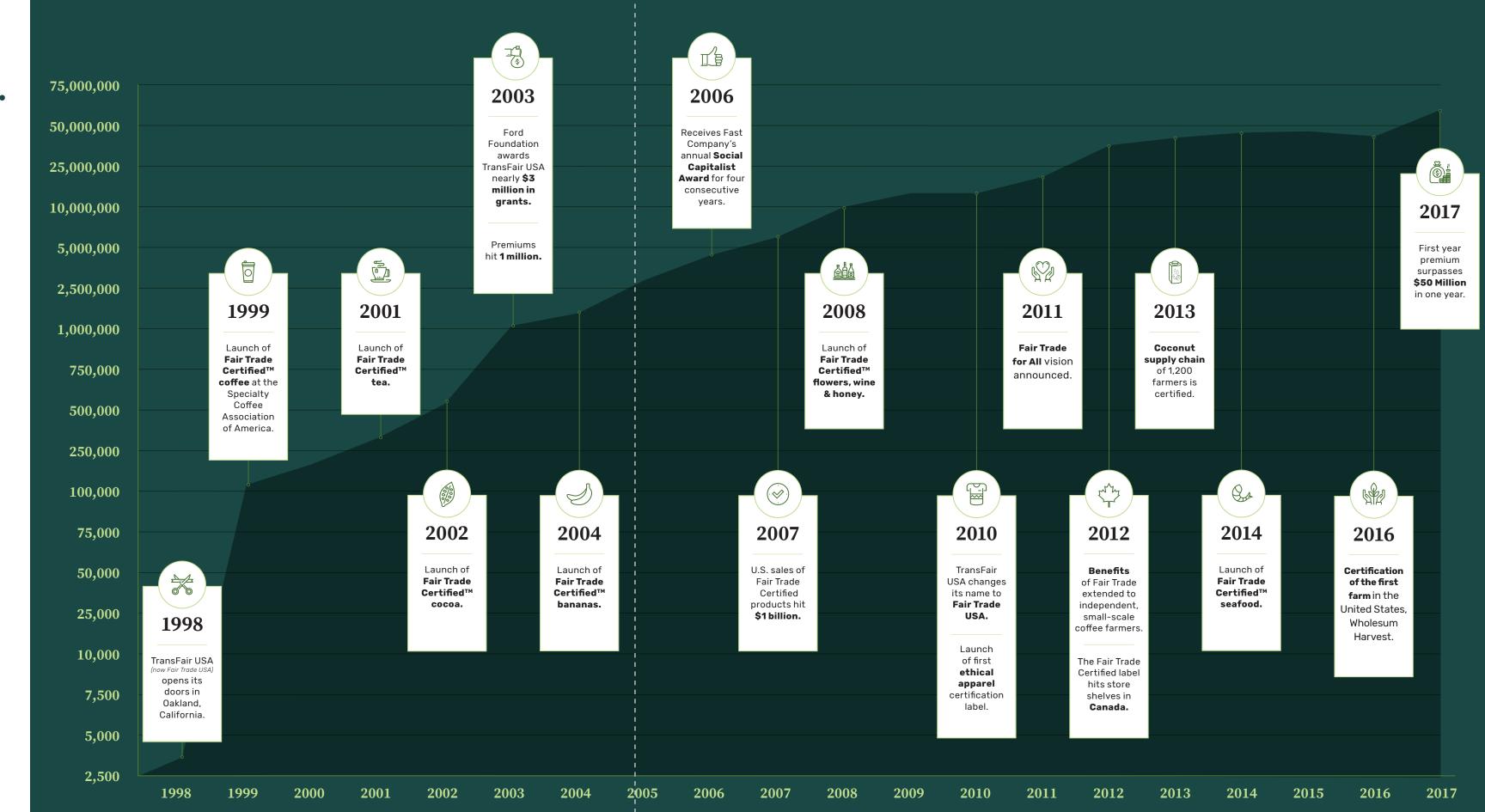
Fabiola Lauro
• WHOLESUM HARVEST •

Fabiola Lauro, 33, from the state of Sonora in Mexico, works at Wholesum Harvest as a manager in the seedling section. As president of the Fair Trade Committee she represents local workers on the farm, as well as migrant workers from communities in southern Mexico. Workers like Fabiola are dedicated to their farm and to helping Fair Trade grow. She brought the voice of Fair Trade farm workers to the 2016 Domestic Fair Trade Association's annual conference in Oregon, and took back many lessons about the Fair Trade movement. When companies like Wholesum Harvest invest in their workers the result is increased quality – in both product and experienced workers.

"Within the committee we have specific duties and mine include overseeing the Fair Trade Store. It is still new, we are learning a lot. I've helped expand what we offer to include meat and frozen foods. The Fair Trade programs have brought many benefits to the employees and the communities, such as entertainment, the products here in the store at good prices, and general well-being."

In 1998, Fair Trade was a new idea that many people thought could never succeed. Through ingenuity and adaptation, we've moved beyond false trade-offs to achieve more than anyone thought was possible.

Today, Fair Trade is a vibrant, global community of farmers, workers, consumers, businesses, nongovernmental organizations, towns and even university campuses all working together for better, more sustainable trade.



Invest

WHO

BOB STILLER

MEMBER OF BOARD OF DIRECTORS 2014

"For many years,
Keurig Green
Mountain has
supported the Fair
Trade movement
because we believe
that our highest
quality coffees come
from coffee-growing
communities with a
healthy quality of life."

Bob Stiller



Pictured Above: Bob and his wife Christine Stiller.

Individuals and organizations invest in Fair Trade USA as business partners, donors, board members and advocates. Since the early days of Fair Trade, **Bob Stiller**, chairman emeritus of **Keurig Green Mountain (KGM)**, has invested personal time and money, business brand and reputation, and much more to make Fair Trade possible.

As one of **our earliest business partners**, KGM is synonymous with Fair Trade. In 2001, they became one of the first roasters in the country to offer Fair Trade Certified™ coffees. They helped us prove that Fair Trade can mean a better cup of coffee for you and a better quality of life for farmers.

In 2014, Keurig Green Mountain revealed a robust strategy for building a more resilient supply chain. By continuing its support of Fair Trade, the company aims to build lasting relationships with its suppliers and help communities become more robust in tackling climate-driven issues that could impact their suppliers over the coming decades.

Bob and his wife, Christine, are also generous philanthropic investors in Fair Trade. Most recently, they gave a \$10 million challenge grant to the Fair Trade for All capital campaign. Specifically, their gift is helping us build the entrepreneurial capacity of farmers and workers, strengthen our certification model, and deepen consumer engagement to increase market demand and broaden the availability of Fair Trade Certified™ products.

"Our donation is a challenge not only to the organization, but also to other donors and investors out there looking for a tangible way to shift sustainable trade from niche to norm," The idea is to build momentum around this increasingly important work."

"Since entering the coffee industry in 1981, I've seen
Fair Trade become a staple of better business for
producers, companies and consumers. I'm a supporter
and a champion, but I'll also be the first to say that
it can do more. We're only at the tip of the iceberg in
terms of potential impact, and I want to see Fair Trade
be even more effective, reach more people and begin
shifting practices at a larger scale."

Brand Partners

These are just a few of our over 1,400 business partners that make Fair Trade possible...















































NESPRESSO_®















Sam's Club.
Savings Made Simple









patagonia

Promote & Purchase

COMPANY

PATAGONIA

PARTNERED SINCE 2014

Every time you buy a Fair
Trade Certified™ product,
money goes back to the
producer community to
invest in health, housing,
water, education and other
vital needs. Companies
help make sure consumers
know that when they
choose Fair Trade, their
purchase changes lives.

Make the invisible story behind the products we buy visible.

That's the secret to promotion of Fair Trade that drives purchasing.

Some consumers will by a product just because it's a good value. Others will buy it because it's a good value and it's Fair Trade Certified™. The second group – the "conscious consumers" – make it possible to end poverty through trade not just aid. Shopping Fair Trade means taking a stand for a system that treats everyone with respect.

"Most people recognize that their clothing is made of certain materials, but it's important to understand that it's also made by hands. And the people who make our clothing deserve to be seen and recognized."

Helena Barbour
VICE PRESIDENT OF SPORTSWEAR AT PATAGONIA

Patagonia's mission is to build the

best product, cause no unnecessary harm and use business to inspire and implement solutions to the environmental crisis. Since 2014, making products at Fair Trade Certified™ factories has become a part of how the company carries out this mission.

Patagonia has more styles and products made in Fair Trade

Certified[™] factories than any other apparel or home goods brand, including two of Patagonia's best-selling product lines, the Better Sweater® and Synchilla® Snap-T® Fleece.

Patagonia doesn't educate or preach to their customers. They tell

stories. Their role is simply to open people's eyes to the realities and then let them make the purchase decision.

Patagonia has made it easier than ever to support the factory workers

who make its clothing – and that includes promoting their Fair Trade lines so that consumers can make informed choices. Their promotion includes in-store displays, product hang-tags, social media campaigns, online banners and storytelling, videos, and in-person events, such as their 2016 Facebook Live discussion about Fair Trade and public screening of Fair Trade:

The First Step.

When it comes to convincing consumers their purchase makes a difference, Patagonia recognizes the importance of having a third party like Fair Trade USA validating their work. "We can't just say we're doing the right thing to customers and ask them to trust us. We're keen to have partners like Fair Trade USA to hold us accountable," stated Barbour.

Advocate

For us, Fair Trade is not just a market; it is also a social movement that brings strength, hope and real choice to the world's consumers.

Through Fair Trade Campaigns, advocates and ambassadors for Fair Trade have built a powerful grassroots movement awakening Americans to their purchasing power.

We provide tools, resources and support events for these advocates to launch and grow campaigns in towns, colleges, universities, schools and congregations in the U.S. to embed Fair Trade practices and principles into the policy and fabric of their institutions.

The progress we've made over the last twenty years wouldn't be possible without the thousands of student volunteers who made time after class to hand out free Fair Trade chocolate on their campus and church members who told the stories of Fair Trade's impact.

These advocates know the simple truth – at the point of purchase, we all have a chance to make our voice heard, to make a choice that can change lives.

In 2013, students at University of California-Los Angeles (UCLA), after learning that University of California-San Diego had become one of the first Fair Trade Universities in the country, launched their own effort to ensure that Fair Trade products were available across the campuses 22 retail outlets and three catering offices.

UCLA is one of the largest public universities in the country with nearly 45,000 students. After a year of organizing and persistence, the students enrolled a key ally – the Sustainability Manager for Housing and Hospitality Services. By following one of the core principles of the Fair Trade model – building relationships – these students were able to ensure Fair Trade product sourcing, and engage the student senate and administration to pass a strong Fair Trade resolution.

After three years of persistent advocacy, UCLA celebrated becoming what was in 2016, the largest Fair Trade University in the country. They continue to grow the Fair Trade movement on their campus, and their achievement became a milestone and model for other large, public universities, including Texas A&M and Arizona State University.

1

Money matters, but it's not everything

We know the 3.5x multiplier of social return on investment from Fair Trade is extraordinary, but it's not all we measure. Environmental stewardship, community empowerment, worker health and safety, consumer demand for products aligned with their values are all results you've told us matter. And the invisible dividend from Fair Trade – the hope, pride, dignity and self-confidence producers gain – that's where we add real value.

Farm labor is not easy. Juan Ricardo Pérez Núñez, an 18-year old farm worker from Sonora, Mexico, explains "walking a lot and being in the sun in very hot weather" can take a toll, which is why he's happy to work on a Fair Trade Certified farm. The Fair Trade standards require measures to reduce heat exhaustion, such as shade and water breaks, along with 208 other criteria to protect the health and safety of farmworkers.

2

Believe in the "and" not the "or"

We reject false tradeoffs so common among both nonprofits and business. You've helped us demonstrate that sustainability and profitability can co-exist. Under Fair Trade's brand of capitalism, the pie grows, and that new value is shared among all producers, companies and consumers.

Most people think of long-time Fair Trade partners like Whole Foods and Honest Tea as good corporate citizens and successful companies. Newer partners, like big box brands Sam's Club, Costco and Walmart prove that business can be laser-focused on the bottom line and promote Fair Trade – at significant scale.

3

Set the table and invite people to dinner

Fair Trade USA's value is as a convener and facilitator. We don't produce, buy or sell Fair Trade products. But we do create the space for those with seemingly divergent interests to come together, learn from each other, find common ground and then act to make production, buying and selling possible.

We've convened partners, including Inter-American Development Bank, Catholic Relief Services, Oikocredit and Dr. Pepper/Snapple, to reduce coffee farmers' vulnerability to price fluctuation on the international marketplace. These partnerships leverage our "table" to gather the expertise and perspective necessary to equip 22 coffee producer organizations throughout Latin America with the skills, tools, and competencies needed to ensure a more stable income.

Thanks to producers, Join Us business partners, donors and consumers like you, we achieved the following in **2017**: Total Financial Benefit of over \$64M Delivered to over 800,000 farmers, workers & fishermen In 45 countries

But we won't stop there not when there is much more we can do with your support.

FAIR TRADE FOR ALL: AN UNPRECEDENTED OPPORTUNITY

We have an ambitious vision of the future. A vision we call, "Fair Trade for All." With this vision, Fair Trade will reach millions more farmers, fishers and workers, deliver lasting benefits for businesses, and provide new opportunities for consumers to shop with their values.

To grow our proven model, we're raising \$25 million to double our impact and channel \$1 billion in additional income to farmers, workers and fishers around the globe by 2020.

We have identified five initiatives that will transform the Fair Trade movement and demonstrate that business is a powerful force for ending poverty.

Support smallscale family

farmers so that they can tap into vital markets while improving productivity, incomes and livelihoods.

Bring justice to farmworkers both at home and abroad so that they can build a future free of abuse

and poverty.

Expand Fair Trade in the factory to allow those workers to enjoy the protections and benefits of Fair Trade. Sustain fishing communities through the world's first Fair Trade fish certification.

Strengthen the Fair Trade model through investments in technology, impact assessment and organizational culture to drive growth and impact, and catalyze change around the world.



We extend our heartfelt gratitude to all our supporters and partners over the past 20 years.

Fair Trade USA is proud to recognize those who made cumulative gifts of \$1,000 or more between January 1, 2013, and December 31, 2017.

\$1 Million & Above

Bob Stiller

Rockefeller

\$100,000 to \$ 1 Million

Barr Foundation

Fundación Avina

Gordon & Betty Moore Foundation

Highwater Global Fund LLC

Jack & Betty

Keurig Green

Liesel Pritzker Simmons & lan Simmons

Laughing Man Foundation

Corporation Foundation for the Americas

New Venture Fund Rabobank Foundation

Susan Clare & Peter Parker

Skoll Foundation

The Ashmore Foundation

The Walton Family Foundation

\$15,000 to \$100,000

Gregory Smith

Foundation

Jennifer Walske

Jerry Dodson

Larry Ruff

Patagonia Foundation Paul Rice

SG Foundation

Wallace Genetic Foundation

\$5,000 to \$15,000

1500 Broadway Real Estate

Blooming Prairie Foundation

Charitable Thayer

Diane Espaldon Diane Meyer Simon

F&A Freight Frank Tsai

George Scharffenberger

Jeff Waldron

John Mackey

Ken Beeby

Chocolates

Michael Besancon PepsiCo

Roberto & Kenya Crisantes

SeaChange

& Civil Society

Thomas Bullock

\$1,000 to \$5,000

Alex Groth

Bon Appetit

Chartwells Educational **Dining Services**

Cocoa Community **Coffee Traders**

Incorporated **David Sherman**

Farm Journal Media

Fertizona Frontier Natural Products Coop

Honestly pHresh James White

Janet Nezhad Band Java City

Koppert México

KUBO Group

Laura Tyson Michael Perman

Pierre Ferrari

Rosemary Baker Ruskin & Emily

> Hartley Tony Marx

Vitalis Organic

Williams-Sonoma Inc

Gifts In-Kind

Goulston & Storrs

Nonprofit/ **Multi-Lateral** Partners & **Collaborators**

Catholic Relief Services

del Migrante (CDM)

Seafood Solutions Cornell University

Domestic Fair Trade Association (DFTA)

Development Bank

Lutheran World Relief

Oiko Credit Oxfam America

World Banking

Program-Related Investments from philanthropy were an important part of our growth, especially in the early days. We proudly honor the following investors for making Fair Trade possible. Ford Foundation, Nonprofit Finance Fund, Viva Trust, the Catholic orders and RSF

Social Finance.

2017 Financials

Assets

CURRENT ASSETS	
Cash & Cash Equivalent	8,748,478
Other Assets	27,006
Service Fees Receivables	3,614,696
Grants Receivable, current	808,044
Other Receivables	54,553
Prepaid Expenses	440,429
TOTAL CURRENT ASSETS	13,693,207
Property & Equipment, net	530,767
Deposits	50,450
Grant Receivables, long term	135,000
TOTAL ASSETS	14,409,423

LIABILITIES & NET	ASSETS
Accounts Payable	300,192
Accrued Liabilities	1,279,114
Deferred Revenue	671,067
Notes Payable, current portion	727,208
TOTAL CURRENT LIABILITIES	2,977,580
Notes Payable	373,967
Accrued Lease Incentive	201,942
TOTAL LIABILITIES	3,553,489
NET ASSETS	
Unrestricted	9,165,932
Total Restricted	1,690,002
Total Restricted	1,070,002
TOTAL NET ASSETS	10,855,934
TAL LIABILITIES & NET ASSETS	14,409,423

2017 Revenue & Support REVENUE Service Fees, net 13,262,102 Grants & Contributions 5,258,959 755,160 In-Kind Donations 254,467 19,530,688 **TOTAL REVENUE & SUPPORT** SUPPORT (EXPENSES) 14,360,906 Program General & Administrative 2,326,098 1,187,547 Fundraising **TOTAL EXPENSES** 17,874,551

Leadership

BOARD OF DIRECTORS

Janet Nezhad Band

Ron Cordes

Ricardo Crisantes

Robin Evitts

Sherri Pittman

Paul Rice

Larry Ruff

Liesel Pritzker Simmons

Robert Stiller

James White

EXECUTIVE LEADERSHIP TEAM

Anna Banks
CHIEF MARKETING
OFFICER

Clay Brown
CHIEF OF STANDARDS,
CERTIFICATION, AND
IMPACT ASSESSMENT

Jennifer
Chapman
HEAD OF PEOPLE

Nancy Girouard
CHIEF FINANCIAL
OFFICER

Mark Gunton
CHIEF OPERATING
OFFICER

Ken Redding
CHIEF COMMERCIAL
OFFICER

Paul Rice
PRESIDENT & CEO

For as long as I can remember, I've always wanted a job that would make my parents proud. I've been fortunate to work for well-known brands such as Coca-Cola, Gillette and Jamba Juice. And my parents were always proud. But I think they're most proud of my newest endeavor as Board Chair for Fair Trade USA.

It was my parents who instilled in me a strong work ethic and commitment to community. Being part of Fair Trade USA enables me to live both of those values by helping to promote conscious capitalism – not just business for profit, but business also with a purpose.

During my two decades as a corporate executive – the same two decades we're celebrating for Fair Trade – I've experienced the rise of more conscious business leaders and more conscious consumers. It's a tide that continues to rise and I'm honored to have an opportunity to be at the forefront of that tide with Fair Trade USA.

We have a unique opportunity before us. To bring the benefits of Fair Trade to more farmers, workers, fishers, businesses and consumers

I invite you to join us in the next steps along this journey, whether you're a farm or factory worker, fisher, advocate, company, conscious consumer, donor or volunteer. With your investment of time, money, skill, effort, or ideas, the ambitious goal of Fair Trade for All is within reach.

In partnership,



James White Chairman of the Board

