Coconut Impact Report
2016 Annual Fair Trade Supply Chain Report

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BY: Fair Trade USA, CPG
Consumer Demand for Sustainable Products is Increasing

89% would like to see more products they use support worth social and/or environmental issues

– Cone Communications, 2015

60% are more likely to try products if they know a company is mindful of sustainability

– Natural Marketing Institute, 2016

58% are more likely to buy sustainable products repeatedly

– Natural Marketing Institute, 2016
Fair Trade is Growing in Consumer Packaged Goods (CPG)!

Consumer awareness of Fair Trade USA increased to: 67% (+8% from 2015)

CPG Fair Trade USA Certified products launched: 963 (+75% from 2015)

Fair Trade CPG premiums delivered to farmers and workers: $34M (+2% from 2015)
The Fair Trade Model Ensures that Products are Made with Respect to People and Planet

Fair Trade **STANDARDS**
require rigorous labor and environmental practices

Fair Trade **PREMIUMS**
are invested by farming communities to improve livelihoods

Fair Trade **STRUCTURE**
empowers farmers to work together to address their greatest needs
Coconut
Coconuts Are Mostly Grown By Small-scale Farmers in Asia Pacific

Sources of FT Certified Coconut:  
Other Top Producing Countries:
Coconut Farmers and Workers Face Significant Economic, Social and Environmental Challenges

**Income Sustainability**

Coconut farmers struggle with low yields due to aging trees and frequent typhoons.

An estimated 41-60% of Filipino coconut farmers live in poverty.

**Well-being**

Because farmers aren’t formally employed, they are often operating outside of the government benefits system and don’t have access to insurance.

**Environmental Stewardship**

Limited resources mean farmers aren’t always able to employ best practices to maintain soil quality and ecosystem diversity and resilience.

**Empowerment**

Independent, small-scale coconut farmers have little bargaining power and many are dependent on traders for important services like transportation and credit.
Fair Trade coconut farmers strengthen their livelihoods by investing in renewing their coconut trees and providing micro-loans to diversify income.

Farmers have invested in life insurance for members – in the event of death, the member’s family receives ~$200 to support burial costs and avoid debt.

The Standard requires farmers to employ waste and water management practices as well as be trained on IPM to support healthy crops and ecosystems.

By working together, farmers are able to leverage their group power to lobby for better access to resources and services while investing in their futures.
Since 2013, Fair Trade has Delivered $1.7M of Impact to Coconut Communities!

Investments in Fair Trade Coconut Communities
(Volume: +15% vs PY; Premium: -59% vs PY*)

*Volume reported is calculated as coconut equivalent (in pounds) of by-products sold on Fair Trade terms. Fair Trade Premium is calculated as either $40/MT of coconut water or $90/MT of all other coconut by-products. Decreases in Fair Trade Premium paid to certified coconut farmers is based on a combination of factors, including a change in premium terms, volatile sourcing patterns and changes in proportions of purchased coconut by-products. For a more information please see the Fair Trade USA 2016 Almanac.
Peter Paul Philippine Corporation

Luzon, Philippines
4,468 Farmers
An FTUSA survey of Fair Trade coconut farmers showed that more than 80% depended on coconut for more than half of their income. Fair Trade Committee member Felci leads an inter-cropping effort to identify and proliferate profitable inter-crops, like moringa, that can strengthen incomes as well as farm resiliency in the face of pests and storms.

Farmers Invest their Premium in Inter-cropping to Diversify their Farms and Incomes
Another important way that farmers help each other to grow their incomes is to provide access to individual capital so they can invest in other forms of business. Shirley (above right) utilized a micro-loan from her Fair Trade group to expand her village store which has helped her earn more customers and profit. This program supports the growth of farmers and the group – since loans are paid back with 2% interest, the same premium dollar can be invested over and over again.
Farmers believe that education for their children is the pathway to a brighter future so they set aside premium funds to offer scholarships to help families keep their kids in high school and pursue college degrees. Scholarship recipients also develop a sense of responsibility to their communities by supporting Fair Trade events throughout their scholarship period. So far, 235 students have been supported through the scholarship program, many for multiple years of education.
Thank you!
We’d love to hear your thoughts on this report. 
Click here to share feedback in less than 3 minutes!

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