

A man with dark skin, wearing a white lab coat over a light purple shirt, stands in a greenhouse filled with rose bushes. He is holding a small, unopened rose bud in his right hand. The greenhouse has a curved metal frame and a translucent plastic covering. The background shows rows of rose plants stretching into the distance.

MONITORING THE SCOPE AND BENEFITS OF FAIRTRADE FLOWERS

Monitoring Report 10th Edition





About Fairtrade International

Fairtrade International is a non-profit, multi-stakeholder association that promotes fairer conditions for international trade, empowers small-scale farmers and workers, and fosters sustainable livelihoods.

Fairtrade International develops and maintains the internationally-agreed Fairtrade Standards, owns the FAIRTRADE Mark, and supports the international Fairtrade system. Three regional Fairtrade producer networks representing 1.6 million farmers and workers co-own the international Fairtrade system, which also includes the independent certification body FLOCERT, and Fairtrade organizations in more than 30 countries that promote Fairtrade to business and consumers.

For more information, visit www.fairtrade.net



About FLOCERT

FLOCERT is a global certification body offering verification and supply chain services to ensure social and environmental standards. Founded in 2003 as the single certifier for Fairtrade, the company has six international offices, 125 employees and more than 120 auditors worldwide.

For more information, visit www.flocert.net

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Disclaimer

The monitoring data in this report are based on data collected by FLOCERT, and reported in some cases by producer organizations through the audit process and in other cases by other supply chain actors. Fairtrade International is not responsible for the accuracy of the data. The report has been compiled to the best of our knowledge and is provided for informational purposes only. Fairtrade International reserves the right to update the monitoring data as new information becomes available. The data are provided 'as is' and no warranty of any kind is given for the accuracy and reliability of the data. Fairtrade International will not be liable for any claims or damages related to the quality and completeness of the data, as far as it is permitted under law.

Cover photo credits - Flowers

Simon Kolly, safety manager inspecting some of the roses at Fairtrade certified Panda Flowers farm.

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1. KEY DATA: FAIRTRADE FLOWERS



64 PRODUCER ORGANIZATIONS

↓ 4% since 2016



57,900 WORKERS

↑ 7% since 2016



24,100 OR 42% WOMEN WORKERS

↓ 13% since 2016



2,700 HECTARES

↑ 6% since 2016



4,079 MILLION FLOWER STEMS PRODUCED BY FAIRTRADE PRODUCER ORGANIZATIONS

↑ 8% since 2016



834 MILLION FLOWER STEMS SOLD AS FAIRTRADE

↑ 1% since 2016



€6,773,300 PREMIUM EARNED

↓ 1% since 2016

Fairtrade first began certifying flowers in 2001 to address labour rights and environmental challenges in the industry and offer consumers responsibly produced flowers. Many Fairtrade certified flowers come from large-scale flower farms scattered across East Africa - primarily in Kenya where approximately half of Europe's imported Fairtrade flowers originate, and in Ethiopia which contributes around 40 percent of Europe's flower imports. By far the largest category of Fairtrade flowers sold are cut roses (more than 97 percent of sales in 2017), with cut carnations (1.9 percent) and various young plants and grasses making up the remainder. Young plants are those that are started off in warm climates, then exported to Europe for growth to maturity and eventual retail sale.

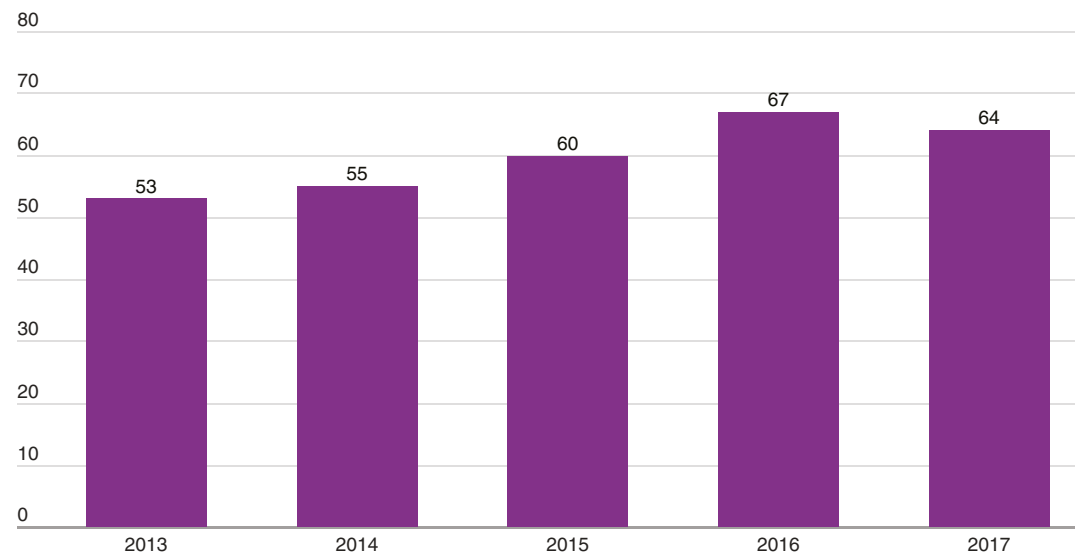
In addition to being the most popular Fairtrade flower, roses are one of the top two cut flowers on the European retail market (along with tulips). Cut roses make up an estimated 30 to 50 percent of the €20 to €25 billion retail value of cut flowers overall in Europe.

Notes:






Data from 2017.

Numbers above 10,000 are rounded to the nearest hundred.

2. NUMBER OF FAIRTRADE CERTIFIED FLOWER PRODUCER ORGANIZATIONS 2013-2017



3. FAIRTRADE FLOWER PRODUCING COUNTRIES

	Country	Premium received (€)	Volume sold as Fairtrade (stems)	Number of POs	Number of workers
	Kenya	€4,443,960	425,765,830 stems	38	31,753
	Ethiopia	€1,254,655	329,964,114 stems	7	18,043
	Tanzania	€548,727	57,370,100 stems	3	1,642
	Ecuador	€419,788	8,500,049 stems	11	2,299
	Rest of the World	€106,152	13,150,245 stems	5	4,126
	Total	€6,773,282	834,750,338 stems	64	57,863

PRODUCTION AND FAIRTRADE SALES CONTINUE STEADY GROWTH

There are a total of 64 Fairtrade certified flowers and plants operations employing a workforce of 57,863 people. From 2016 to 2017, overall production volume grew by 8.3 percent. In 2017, Fairtrade producers sold almost 835 million stems on Fairtrade terms, ultimately reaching shoppers in 17 countries and generating Fairtrade Premium earnings of €6.7 million for flower workers.

Notes:

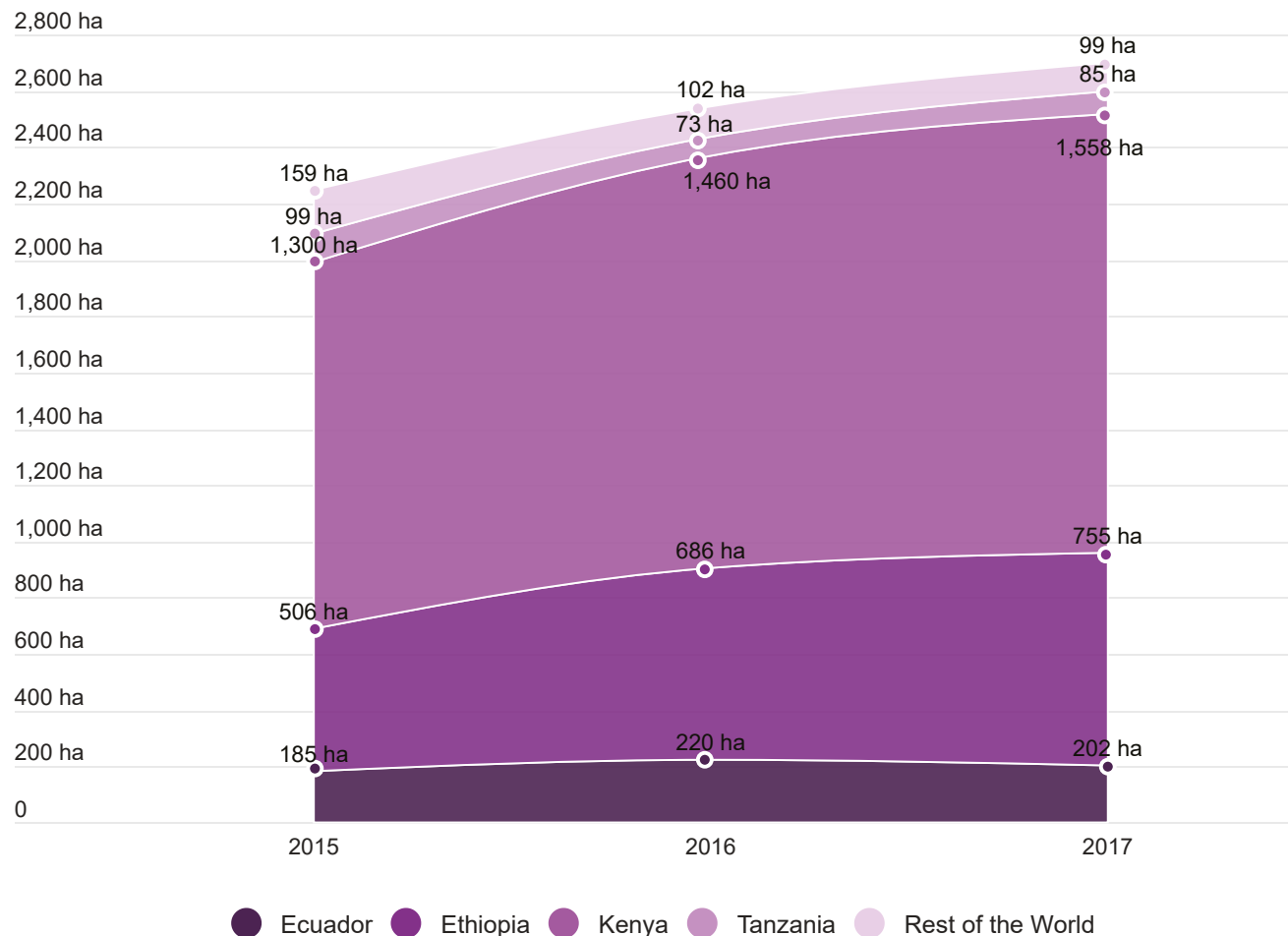
· Data from 2017.

· Where there are fewer than three Fairtrade certified producer organizations in a country, the data are aggregated into the 'Rest of the World' category to protect the organization's data confidentiality.

· Producer Organizations abbreviated to POs.

4. AREA UNDER FAIRTRADE FLOWERS CULTIVATION 2015-2017

In 2017, the area of land under Fairtrade flowers certification was **2,689 hectares (ha)** - equivalent to filling the gardens of the Palais de Versailles with flowers three times over.



RAMPING UP EFFORTS TO IMPROVE WAGES AND OTHER BENEFITS FOR FAIRTRADE FLOWER WORKERS

Despite steady growth in the past, the business environment has not been without its challenges: for instance, in 2017 Fairtrade flower sales stagnated due to a slump in the UK market. A relatively low percentage of Fairtrade sales per farm and low wages generally throughout the sector are two of the most pressing issues Fairtrade is tackling in order to boost benefits for workers.

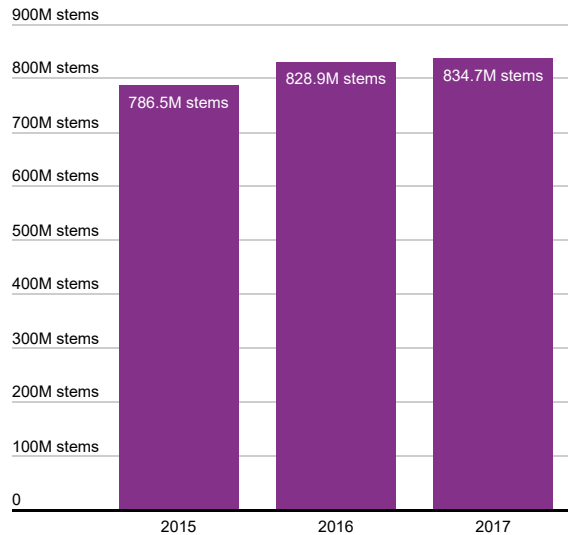
To increase sales for Fairtrade producers, focused efforts include expanding the new model that allows Fairtrade certified flowers to be mixed with conventional flowers in bouquets (the Fairtrade Sourced Ingredient model, particularly for roses). This gives flower companies more opportunities to use Fairtrade flowers and increases sales for Fairtrade producers, including the benefit of the higher Fairtrade Premium that goes along with that.

With regard to wages, in 2017 Fairtrade updated its Flower Standard to require employers to pay a World Bank-based 'floor wage'. Now, Fairtrade is developing an overarching and long-term strategy on living wages in all Fairtrade certified horticultural farms. Achieving a living wage will take coordinated effort and commitment across the sector. We have been engaging with business partners along the supply chain to launch an innovative pilot project to move towards a living wage for workers in the young plants sector (specifically poinsettias). Fairtrade is also launching an online Premium Platform in spring 2019 where Fairtrade flower producers, buyers and other stakeholders can access information about how Fairtrade Premium spending is benefitting flower workers.

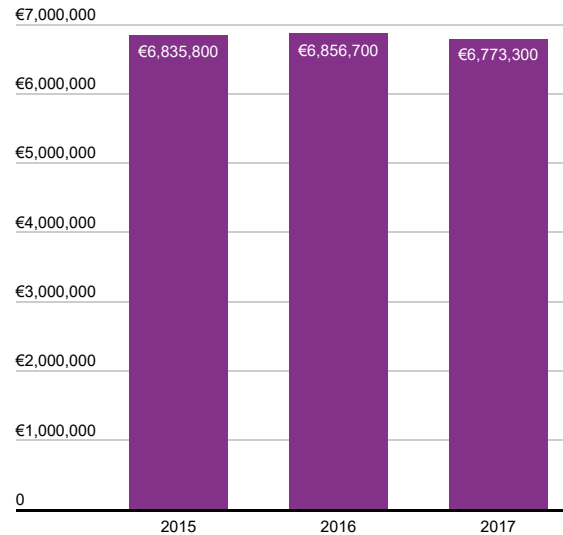
In addition, Fairtrade is working with other partners and our producer network Fairtrade Africa to implement some new projects to deepen impact for flower workers, including a project to reduce the use of pesticides, and a gender-based violence prevention project.

5. FAIRTRADE FLOWERS SALES VOLUMES AND PREMIUM RECEIVED 2015-2017

Fairtrade flower volumes sold (million stems)



Fairtrade Premium received (€)

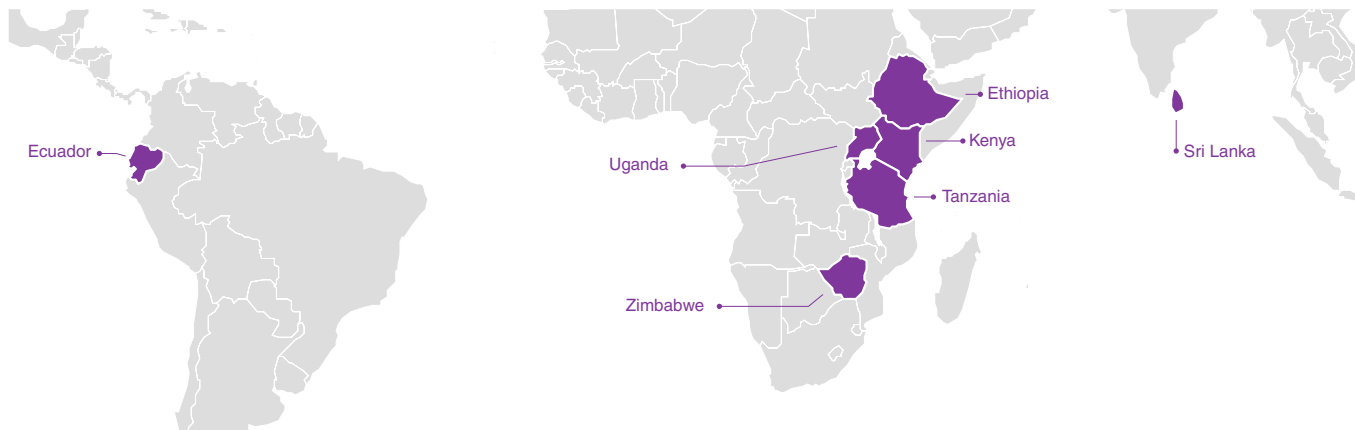


FAIRTRADE SALES SUPPORT EDUCATION, FINANCIAL SERVICES AND HEALTHCARE FOR WORKERS

Fairtrade flower workers choose to spend the majority of their Fairtrade Premium on direct services for themselves and their families. Education is the most common investment, including scholarships for children, followed by other services such as funding for subsidized shops or goods, child care services and contributions to cultural events. Workers also prioritize financial and credit services for themselves and their families, such as rotating funds for workers or loans. Another big category of Premium expenditure relates to the provision of healthcare services for workers and their families, primarily medicine and equipment.

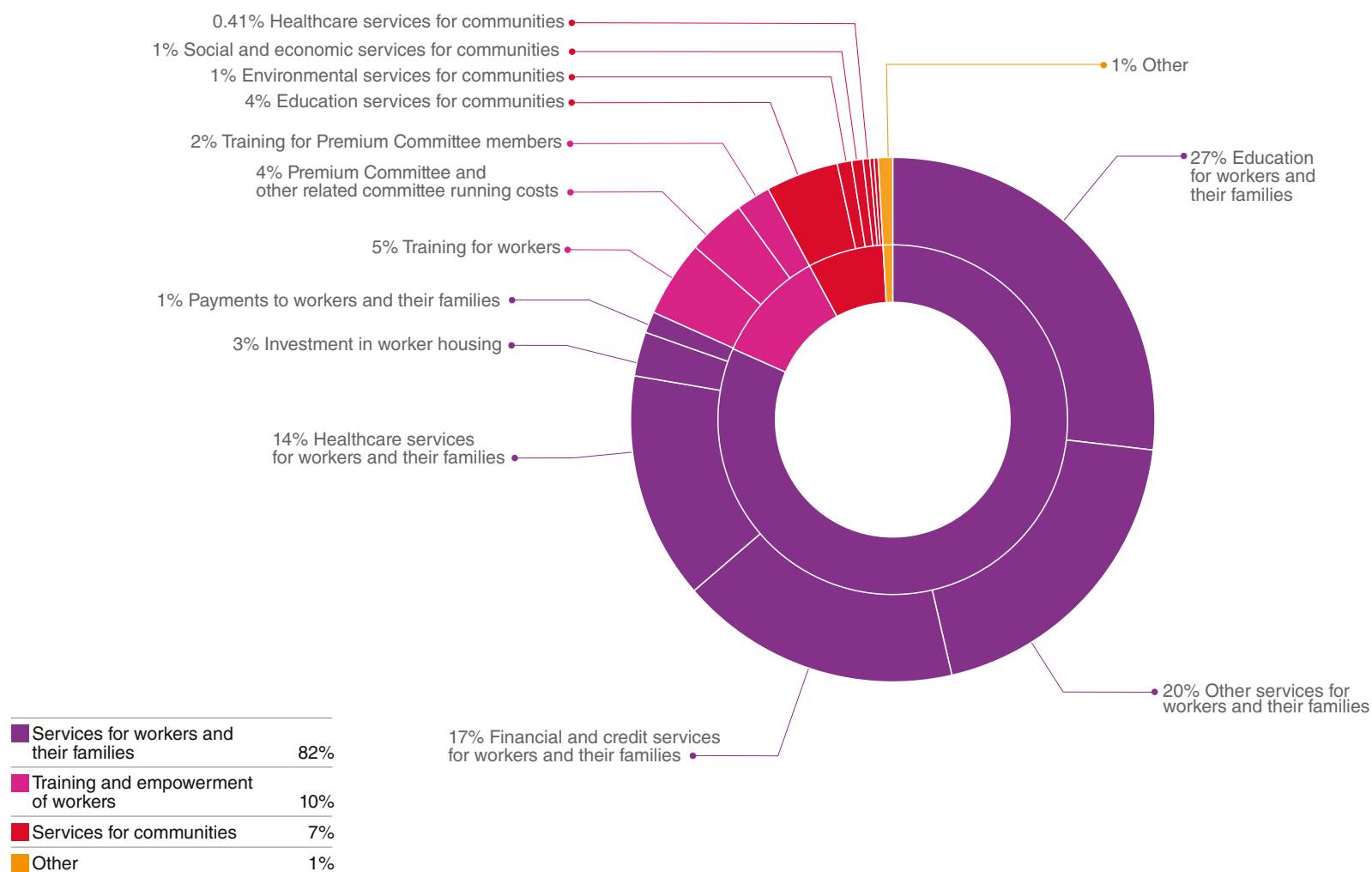
Note:

Data rounded to the nearest hundred.



SEVEN COUNTRIES WITH FAIRTRADE FLOWER CERTIFICATION

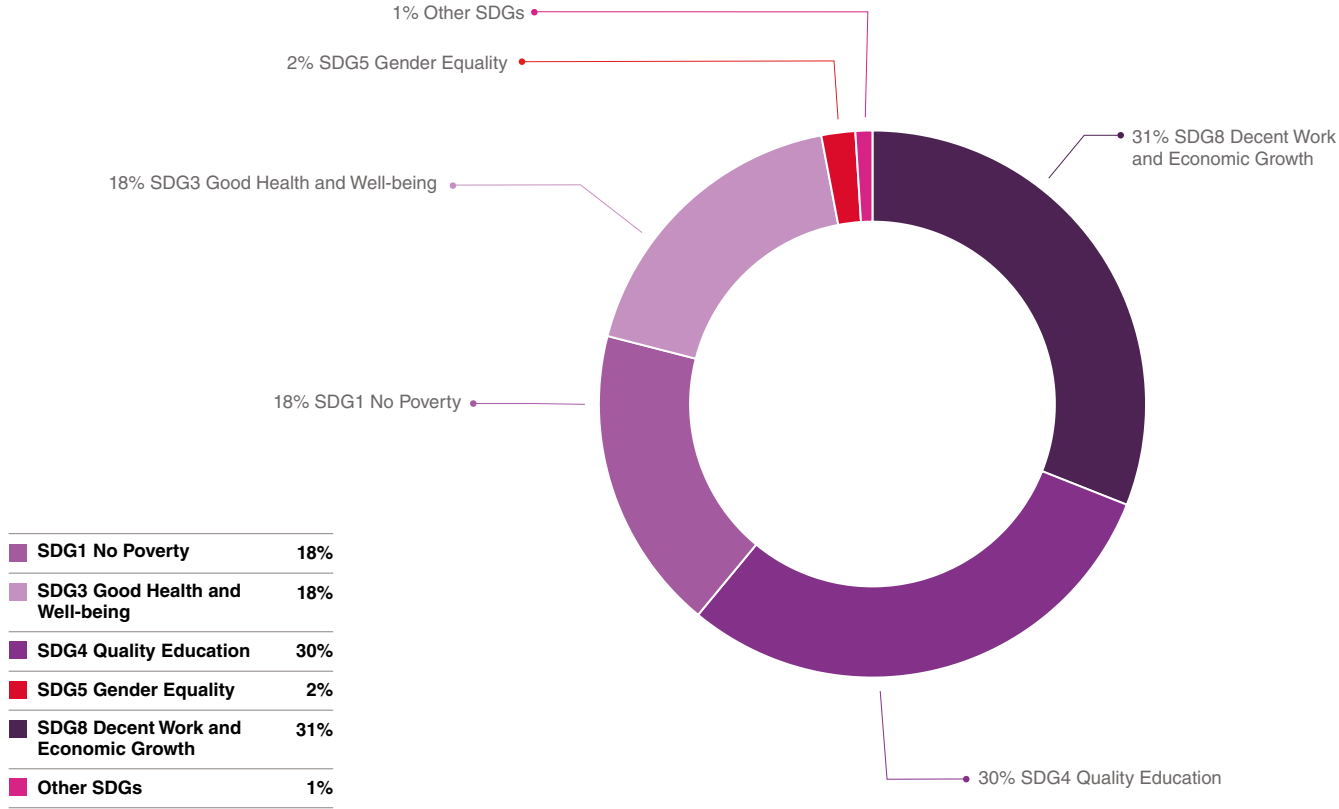
6. FAIRTRADE FLOWERS PREMIUM USE IN HIRED LABOUR ORGANIZATIONS 2016-2017



Note:

Percentages may not sum due to rounding.

7. FAIRTRADE PREMIUM USE IN RELATION TO THE UN SUSTAINABLE DEVELOPMENT GOALS (SDGS)



HOW FAIRTRADE PREMIUM USE CONTRIBUTES TO THE SDGS

Fairtrade Premium investments made by flower producers contribute to several UN Sustainable Development Goals (SDGs). Our analysis of Fairtrade’s impact related to the SDGs continues to evolve. While most activities can apply to more than one SDG, here we have mapped each category of spending to a unique SDG for the sake of simplicity.

Thirty percent of Fairtrade Premium spending contributed to SDG4 of quality education, mainly related to education services for workers, their families and communities. Eighteen percent of Fairtrade Premium spending contributed to SDG1 of ending poverty, including investing in financial and credit services for workers and their families and a small share of cash payments. A further eighteen percent of the Fairtrade Premium contributed to SDG3 of good health and well-being, which included spending on healthcare services for workers, their families and communities. Two percent of Premium spending contributed to the goal of gender equality (SDG5).

PRODUCER STORY

THE IMPLEMENTATION OF A BASE WAGE FOR WORKERS YIELDS POSITIVE CHANGE AT MOUNT MERU

In 2017, Fairtrade International took a decisive step towards improving wages in the flowers and plants sector when it changed its Flower Standard to demand that employers apply the World Bank's global poverty line (US\$1.90 per day in purchasing power parity terms) as a minimum base wage. Following this decision, newly certified Fairtrade flower farms had to pay the floor wage from day one. Existing certified flower farms had to reach 85 percent of the floor wage level by April 2018 and are expected to arrive at 100 percent by April 2019.

One of the many flower farms that had to comply with these new requirements was Mount Meru, a plantation situated in Northern Tanzania which has been Fairtrade certified since 2009. Thanks to the implementation of the base wage requirement, the workers at Mount Meru received a base wage salary increase of nearly 30 percent in 2017. The statutory national minimum wage in Tanzania is currently set at 100,000 Tanzanian Shillings (TZS). Workers at Mount Meru now earn 129,000 TZS as a base wage. In addition to the base wage, 95 percent of the workers get additional payments depending on their roles and responsibilities on the farm.

"I appreciate what Fairtrade has done...The economic situation is still difficult but Fairtrade has certainly helped. On behalf of the workforce, I want to say that we really appreciate the change that Fairtrade has brought about," said one worker and union member

at Mount Meru when asked how the new base wage system had impacted on those employed there.

As well as getting better wages, the workers at Mount Meru are also benefitting from the projects made possible through the investment of the Fairtrade Premium. The farm sells approximately 15 percent of its production on Fairtrade terms, for which it receives Premium funds.

A large proportion of these funds have been invested in social and educational projects which directly benefit the workforce and their families. The Fairtrade Premium has, for example, been used to finance school fees for children as well as to provide further education opportunities for the workers and their families.

One of the most recent projects was the construction of a borehole to improve the drinking water supply in the village where a large proportion of Mount Meru workers live. Another was the construction of a dining hall, built entirely with Fairtrade Premium funds, where the children now have their lunch. Hygiene conditions in the new dining hall are so much better and the new kitchen has led to a reduction in smoke emissions from the cooking.

"We have benefitted from an increase in salaries but there is more than that. Through Fairtrade, my children and even my husband were able to go to school and further their education. Besides this, the entire community is benefitting from Fairtrade projects such as the water project and, more recently, the construction of the dining hall and canteen," explained Sirila Ion, a female worker at Mount Meru.

Photo:

Sirila Ion at the Fairtrade certified plantation Mount Meru Flowers Ltd., Tanzania.

© Fairtrade Austria / Georges Desrues

Her colleague Damian adds: "Fairtrade has supported not only my education but also the education of my brother, who is now a hotel manager, and of my sister. I was also able to build a house with the revolving fund set up with money from the Fairtrade Premium."

With sales of Fairtrade flowers continuing to grow, Fairtrade hopes that the workers at Mount Meru and many others working at flower farms across East Africa will continue to benefit from projects and initiatives that bring about positive change in their lives.



RESEARCH INSIGHT

Fairtrade and the Migros-Genossenschafts Bund (MGB) in Switzerland commissioned [a life-cycle analysis](#) to understand the environmental impacts of cut roses from different origins destined for the Swiss market. The study looked at conventional and Fairtrade cut rose production in Kenya, conventional and ecologically produced roses from the Netherlands, and -to a lesser extent- Fairtrade roses from Ecuador. Relevant aspects of agriculture production in the countries of origin, such as packaging and transportation to the country where they are being sold, were considered.

Researchers found that cut roses imported into the EU from Kenyan growers generated the lowest environmental impact. Greenhouse gas emissions were 5.5 times lower and production required 6.5 times less energy than that their Dutch counterparts. Dutch growers outperformed the surveyed Kenyan flower farms on efficiency of water usage by 50 percent due to more advanced water recycling systems. However, the same is true for non-Fairtrade roses from Kenya as well. Fairtrade roses had lower pesticide use than non-Fairtrade roses albeit more than Dutch roses. This aspect, however, does not have a bearing on the environment and so does not indicate environmental impact.

The reason for the considerable differences lie in how the greenhouses are heated. Farms in the Netherlands rely on natural gas, whereas farms in Kenya greatly benefit from year-round moderate temperatures, sunlight and more consistent rainfall. Even when accounting for the negative impacts of air-freight transport, roses grown in Kenya still generated significantly lower emissions and used less energy.

Life Cycle Assessment Cut Roses, Treeze (2018)



Photo:

Rosa Torres holding up a bunch of light green roses at Fairtrade certified Jardines Piaveri Cia. Ltda. cooperative, Ecuador.

© Sean Garrison

ABOUT THE DATA IN THIS REPORT

This report has two sources of data.

CODImpact is the data collected from producers during the audits. Since not all producer organizations are audited each year, the data is completed using the last available record. This is the data source for production volume, area of cultivation, number of farmers and workers, and Premium usage.

The second source of data is FLOTIS. This is the data collected from all Premium payers for all transactions in a given year for Fairtrade sales and Premium generated. The data has been extensively checked and cleaned. However, in a monitoring project of this magnitude there may be some areas of inaccuracy, such as:

- There may be missing information from Fairtrade certified producer organizations that is not taken into account because of quality.
- There may be missing information in some questionnaires from certified producer organizations that were not reported by auditors.
- There may be wrong data or data that was not validated.

The number of certified organizations is counted as the number of producer organizations at the end of the year with any of the following certifications statuses: certified, suspended or permission to trade.

Data on volumes produced, volumes sold and Fairtrade Premium income and expenditure are retrospective for a 12-month period preceding the audit. Since the majority of the audits for this data set took place during 2017, the majority of producer organizations have reported on time periods spanning 2016–2017. We thus use '2016–17' to describe these data in the report.

Under the terms of confidentiality agreements with Fairtrade producer organizations, data may be publicly reported in aggregate form, but not used in ways that expose data belonging to a single producer organization, Fairtrade Premium payer or trader. Where there are fewer than three Fairtrade certified producer organizations in a country, and market-sensitive business information could be deduced, we do not report aggregated data on the producer organizations.

DISCLAIMER

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PREMIUM SPEND

SERVICES FOR WORKERS AND THEIR FAMILIES

27% Education services for workers and their families

20% Other services for workers and their families

17% Financial and credit services for workers and their families

14% Healthcare services for workers and their families

3% Investment in worker housing

SERVICES TO COMMUNITIES

4% Education services for communities

TRAINING AND EMPOWERMENT OF WORKERS

5% Trainings for workers

4% Premium Committee and other related committee running costs

2% Trainings for Premium Committee members

1% OTHER



€6.7 MILLION

FAIRTRADE PREMIUM GENERATED



6%
REST OF THE
WORLD

94%
AFRICA &
MIDDLE EAST

834 MILLION

STEMS SOLD ON FAIRTRADE TERMS



64

HIRED LABOUR
PRODUCER
ORGANIZATIONS



57,863
WORKERS



2,698

HECTARES UNDER CULTIVATION

(equivalent to almost
4,000 football pitches)





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