

**SWEET NEWS****FAIRTRADE SUGAR NEWSLETTER***Photo: Didier Gentilhomme*

Dear Sugar Stakeholders:

It is impossible to disregard the profound effects that the coronavirus pandemic is having and will have for the global population and the hardships we will all face over the coming months. Around the world, governments, communities, and businesses are adapting to minimize the spread of the virus.

Together with yourselves and the Fairtrade Producer Networks, we are closely monitoring the situation at origin and producer level to detect possible disruptions in supply chains. The closing of borders and flight restrictions has implications for support visits of our producer networks. Harvesting, production, and processing might also be impacted.

The Fairtrade Global CEO, Dario Soto Abril, requested regular updates on the situation at producer and market-level caused by this crisis. In the last section of this newsletter, you can read the latest updates on the impacts of COVID-19 per region provided by our Producer Networks and other stakeholders. If you become aware of other specific challenges for farmers and workers, or interrupted supply chains at origin or markets or if you think Fairtrade can play a role in minimizing certain risks, please get in touch with me.

Despite the impacts of the coronavirus, we are committed to continuing our support for farmers and workers who are at the heart of our system. In those times of crisis, small-scale farmers and agricultural workers are often the ones who are hit the hardest. Many have already suffered the devastating impacts of unexpected natural disasters such as hurricanes, cyclones or draughts which destroyed their crops and put at risk their livelihoods. Weak health systems and lack of good infrastructure in their countries further puts them at risk. So now, more than ever, they are in need of Fairtrade sales.

In this newsletter, you will read inspiring stories from Fairtrade sugar producers in Mauritius, Malawi, El Salvador, and Cuba. It is our aim to communicate impacts at different origins and countries in the various sugar reports and newsletters. You'll find more relevant global sugar and impact information in the 2019 Sugar Monitoring Report (link is provided below). You are welcome to share with us your reports on how Fairtrade drives change, whether through the Premium or in general because of Fairtrade.

We also wish to provide you with an update about the latest developments and projects related to Fairtrade sugar. Please enjoy reading and sharing it within your organization/company and please use it to further promote Fairtrade sugar sales. Throughout these difficult times, we all take stock, reflect, and continue supporting the farmers and workers who produce our food. We are all interconnected and need each other to overcome this crisis.

A big thank you to each of you for promoting and contributing to the success of Fairtrade sugar sales.

Please stay well and healthy.
With kind regards,

Monika Berresheim | Global Products Manager, Sugar | m.berresheim@fairtrade.net

What you will find in this issue

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- Malawi: Fairtrade Sugar Cooperatives in Malawi: Investing in a Better Future.
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- Potential Product Advisory Council (PAC) meeting.

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- Information from Producer Networks (PNs) and other stakeholders
- FLOCERT letter.

1. FAIRTRADE STANDARDS UPDATE

Increased flexibility in the use of the Fairtrade Premium during the COVID-19 pandemic

In view of the current situation with the COVID-19 pandemic, Fairtrade's role in supporting the livelihoods of small-scale producers and workers becomes increasingly important. As such, Standards & Pricing, via endorsement by the Standards Committee, has issued an interpretation notes for more flexibility in the decision-making process and use of Fairtrade Premium, until the end of September 2020, to address critical circumstances during the COVID-19 pandemic.

The interpretation notes apply to all products and all regions and are applicable as of 27 March 2020. For more details, please refer to [the announcement letter](#).

Interpretation Notes

Relevant Updates for sugar stakeholders

There are four updates related to Fairtrade Standards that are relevant for sugar stakeholders:

- The Fairtrade International Standards Unit communicated that a review of the Cane Sugar Standard will not take place in 2020. The last review took place in 2015.
- The refinement of the SPO definition in the Standard for Small-scale Producer Organizations (SPO) continues in 2020 as part of the review of the SPO Standard last year. As part of the SPO standards - indicators are now set to define

small-scale farmers in sugar as those having 10 hectares or less under sugarcane cultivation. That means that 66% of the members of an SPO need to have sugar fields below 10 hectares.

- Sugar producers from various countries requested the maximum land size of 30 hectares to be modified for sugar. While the majority of sugar cane farmers of an organization have small land sizes, there are a few with larger plots. SPOs with smaller and larger farmers reached out to the Standards Committee (who is the independent decision-making body) laying down the reasons and benefits of staying together. Decisions of the Standards Committee will be communicated around mid-April.
- Concerning all products, a calibration of the Trader Standard and Hazardous Materials List will take place.

2. VOICES FROM THE FIELD - FAIRTRADE IMPACT

The Fairtrade Sugar Map now available online!

We have finally launched the Fairtrade sugar map on [our website](#) with information based on sugar production indicator reports to monitor sugar cane production practices and performance. By clicking on the Fairtrade origins in the world map, producer and country profiles will appear and you will be able to download them as a pdf document. The map currently includes information about seven sugar origins. We are hoping to encourage more producers to participate and invest time and effort to contribute the right information.

These annual production indicator reports were introduced to enable producers to take measures to increase their competitiveness. An external consultant analyzed these indicators and collected secondary data for the presentation of the sugar map. The sugar map (country and producer profiles) is a **pilot project**, which aims to test the impact of providing quantitative and qualitative data for Fairtrade sugar producers and other stakeholders.

Fairtrade International is not responsible for the accuracy and reliability of the data and sources. If you have questions or comments about this project, please let me know.

Diversifying from sugar production into the tourism sector: the case of L'Esperance CCS, Mauritius

L'Esperance CCS, one of the first Fairtrade certified producer organizations in Mauritius, has had the vision to go beyond sugar cultivation since it was first certified. The co-op is currently decertified but is seeking re-certification. Its members decided to invest the Fairtrade Premium that they received during the time they were certified to build a duplex tourist villa following the advice of tourism agencies. In Mauritius, where many family members live abroad and come together for holidays or special events and celebrate together, such villas are very much in demand. The villa is located in the Northern part of the island close to the sea. Renting the villa to local and foreign tourists will generate extra income for farmers who can then reinvest in their cane fields.

While visiting Mauritius, Monika Berresheim was given the honour of inaugurating the 'Villa l'Esperance'. Members and family of L'Esperance, other Fairtrade certified organizations, the Federation of Fairtrade certified producers, MSS – Mauritius Sugar Syndicate – and Fairtrade Africa were present during the inauguration.



Group photo during the inauguration ceremony.



L'Esperance CCS tourist villa, built with Fairtrade Premium.

Fairtrade Sugar Cooperatives in Malawi: Investing in a Better Future

Monika Berresheim accompanied one National Fairtrade Organization (NFO) to the Fairtrade sugar cooperatives Phata and Kasinthula in Malawi in November 2019. The objectives were to build a relationship with the supply chain, to understand the co-ops' key challenges and investment needs and to build a mechanism to receive information about Fairtrade Premium projects on a continuous basis. Though many obstacles remain for farmers in one of the poorest countries of the world, the producers have been benefiting from Good Agricultural Practices and Fairtrade Premium funds invested to increase yields, in income diversification projects, food security and educational projects that benefit entire communities.

Phata Cooperative

Phata obtained its Fairtrade certification in January 2015 and has initiated several projects for the community using Premium funds. It is one of the two coops supplying its Fairtrade cane to ILLOVO's mill in Nchalo.

Provided the cooperative maintains its good corporate governance, fiscal discipline and the technical and production standards to produce high yields, the future for its members looks bright with the potential to generate a sustainable business.

Since its certification, Phata has become an economic motor for the region and has created a business environment from which the community also benefits.

Click the button below to read the latest newsletter issued by Phata Cooperative, outlining its sustainability journey. Other cooperatives are welcome to share their newsletters with us as well.



Phata received an award from the government of Malawi. From left to right, Gaston Andersick (Current Chairman), Ibrahim Bwanali (Previous Chairman) and Tione Malizani (Extension Officer).

Phata Cooperative Newsletter

"Before Fairtrade we used to grow some crops, just enough for the families and for our daily consumption. Food security plans didn't exist. With Fairtrade, we have been able to start producing cane in a structured and professional way and made a business out of it."

- Tione Malizani, Extension Officer

**The following articles are based on information contained in reports provided by producers in El Salvador and Cuba and received during the Fairtrade Sugar Network Meeting in Lima, Peru.*

El Sunza Cooperative in El Salvador: workers' health and safety as top priority - Chronic Kidney Disease (CKD) in the focus

For more than two decades, large areas of Central America have been impacted by an epidemic of chronic kidney disease (CKD). El Salvador, for example, has one of the highest mortality rates from kidney disease in the world (with Nicaragua and Honduras also among the ten most affected countries), and CKD is the second leading cause of mortality among men of working age in the country. Diagnosis and prevention are key in the fight against the disease but the health systems in those countries are weak and many cases go undiagnosed. This is why the Fairtrade certified sugar and coffee cooperative El Sunza has been investing Fairtrade Premium funds to help identify the disease in their community in El Salvador and make sure that the workers are in good health before taking on work in the fields.

On an annual basis, El Sunza, in cooperation with the Izalco Health Unit, organizes medical days to carry out general health



Workers are checked for possible kidney disease.

checks and blood tests, including creatinine levels, to determine whether workers have renal problems. The health checks are carried out at the cooperative's health centre, which was also financed with Fairtrade Premium Funds.

First aid training is another area the cooperative is investing in. In March 2019, El Sunza organized first aid training for the workers, delivered by healthcare professionals. The aim was to teach workers how to react in case of an emergency or an accident in the fields and deal with burns, wounds, fractures, poisoning, heatstroke, etc.

Besides training, the cooperative provides workers with all the necessary protective equipment and clothing to harvest the cane such as gloves, long-sleeved shirts, etc. El Sunza also installs shaded areas in the fields for workers to rest and drinking water facilities at their disposal.



El Sunza installs shaded areas for workers to rest during the harvest season and avoid heatstroke.

Investment in machinery maintenance is increasing the output of Fairtrade certified cooperatives in Cuba

Cuba is an important producer of Fairtrade organic sugarcane for the export market and is one of the 19 Fairtrade sugar origins. There are four certified organic sugar cooperatives in the country:

- UBPC Pita
- UBPC Bemejal
- UBPC Ricardo González
- UBPC Rodrigo

There is also one Fairtrade certified mill in the country, which processes the cane from the cooperatives.

Since certification, the Fairtrade cooperatives have reported a significant rise in productivity and economic output. On average, their yields have increased by between 15-20 percent. In addition, they have also reported a similar increase in their annual gross income. None of this would have been possible without the investments made using Fairtrade Premium funds. Thanks to the Premium, the cooperatives were able to repair and reactivate approximately 70-90 percent of the farm machinery used to cultivate and harvest the sugarcane. For instance, they were able to purchase tyres, batteries and spare parts for tractors and other equipment.



Tractors could be put into work again thanks to investments in their maintenance made with the Fairtrade Premium.



Reforestation projects are a common sight in the Cuban Fairtrade certified cooperatives.

Environmental awareness has also increased since the cooperatives became Fairtrade certified. Training provided to co-op members has helped make them more aware of how important it is to look after their natural resources and the biodiversity living within them. The cooperatives have implemented several reforestation projects and are all producing and using organic matter in their fields.

3. FAIRTRADE IN NUMBERS

Sales of Fairtrade Sugar finance sustainable change

Despite several challenges for cane sugar globally, including ongoing price volatility, Fairtrade sugar sales have remained relatively stable in recent years, reaching nearly 200,000 MT in 2018. Continuing to retain and develop new markets for Fairtrade cane sugar and its by-products is a priority in order to ensure that Fairtrade Premium funds continue to flow to the farmers. These funds are crucial for financing change and driving impact on their farms and in their communities.

ESTIMATED VOLUME OF PRODUCTS SOLD BY FAIRTRADE PRODUCERS IN 2018

PRODUCT	VOLUME	UNIT	CONVENTIONAL	ORGANIC	FAIRTRADE PREMIUM EARNED*
 Bananas	686,603	MT	39%	61%	€ 32.2 million
 Cocoa (Cocoa bean)	260,628	MT	87%	13%	€ 44.4 million
 Coffee (Green bean)	207,158	MT	45%	55%	€ 76.4 million
 Cotton (Cotton lint)*	10,172	MT	35%	65%	€ 1.4 million
 Flowers and Plants	825,197	1,000 Items	100%		€ 6.7 million
 Sugar (Cane sugar)*	199,517	MT	75%	25%	€ 10.7 million
 Tea (Camellia sinensis)	9,864	MT	71%	29%	€ 4.7 million

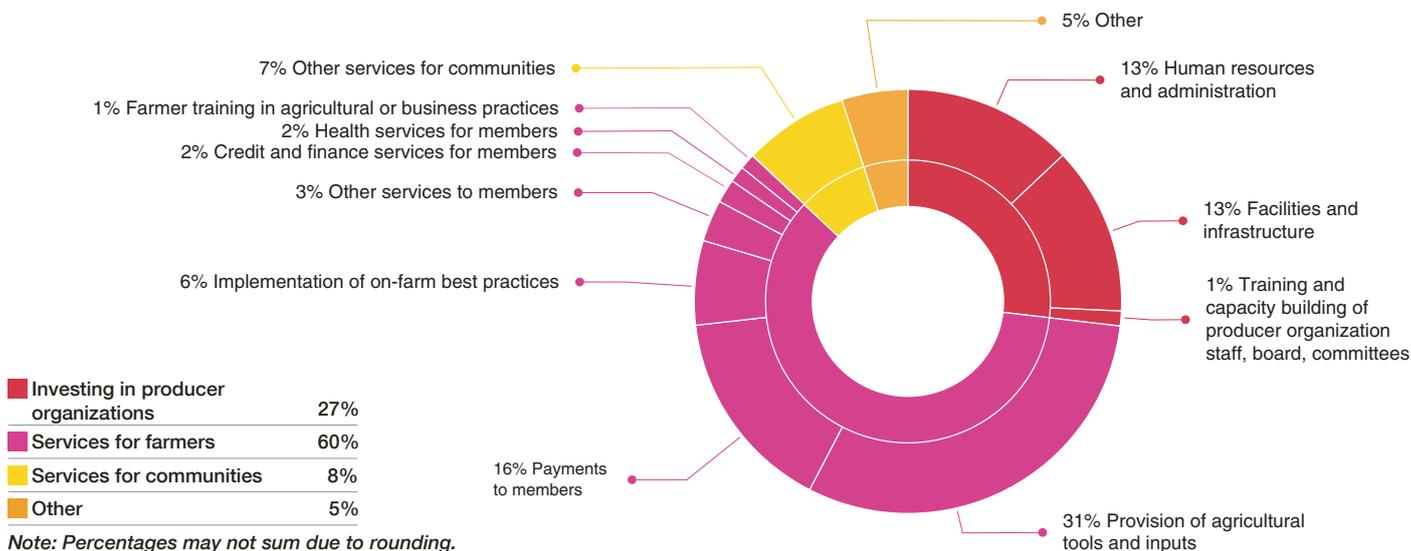
MT = metric tonnes

For more information, click the button to go to our Annual Report.

Fairtrade Sugar Annual Report

Farmers invested most of their Premium into improving good agricultural practices (GAPs) and buying equipment to speed up deliveries to the mills (see graph below). The majority of Fairtrade Premium investments (60 percent) were on services for farmers. The major categories included the provision of agricultural tools and inputs, including fertilizers, pesticides, and health and safety equipment. This was followed by payments to members, which also included cash disbursements as a safety net to buffer low prices and some small welfare payments. Services to farmers included investment in implementing good agricultural practices (GAPs) such as land rehabilitation programmes and replanting.

FAIRTRADE SUGAR PREMIUM USE IN SMALL-SCALE PRODUCER ORGANIZATIONS 2016-2017



For more information, click the button to download the latest Fairtrade Monitoring Report.

Fairtrade Monitoring Report

4. FAIRTRADE'S SUGAR MARKET UPTAKE & OPPORTUNITIES

Sales & Marketing Update

Thank you ALL for making an effort to retain and drive Fairtrade sugar sales.

- **Growing demand for sustainable sugar:** generally speaking, there is a growing demand for sustainably certified sugar. In order for Fairtrade tapping into this opportunity, we are putting together a team of NFO commercial sugar members to engage with potential “targets”. If you want to be part of conversations of clients important to you, please advise.
- **Visits with customers to origin** – are always an attraction, especially if we can show the deep impact and footprint that Fairtrade is having in the country.
- **Regional sales continue to represent an opportunity:** the introduction of differentiated Fairtrade Premium levels for countries where the sugar is also produced –applies currently to Southern Africa/Indian Ocean & India– represents an opportunity to increase sales of Fairtrade sugar at origin.

Successful Fairtrade sugar markets

- UK (30%) retains its position as the strongest market for mostly non-organic sugar.
- Followed by the US (18%) and Germany, Switzerland and the Netherlands.
- Some of the above NFOs as well as Fairtrade Italy, France, Canada, and Australia/New Zealand are interested in being part of the commercial sugar team.

Business Events

Over the last few months the following events relevant to Fairtrade sugar stakeholders took place:

- **The Nordic Alcohol Monopolies** organized a meeting on sugar and rum production with a focus on workers and working conditions in sugar cane in Oslo in September 2019. Fairtrade was invited to attend alongside Bonsucro and [La Isla](#). Fairtrade was represented by the NFOs from Finland, Norway, and Sweden. [The Mauritius Sugar Syndicate](#) was a key representative of Fairtrade sugar/rum from Mauritius. On the occasion of the event, the Monopolies also launched a Fairtrade rum from Mauritius.
- **Sugar Network Meeting in Lima, Peru** organized by the Latin America and Caribbean Fairtrade Producer Network (CLAC).
- **Biofach:** like every year, Fairtrade had a stand at Biofach, the largest organic trade show in Europe. GPM Sugar was present and took the opportunity to meet with several global traders, producers and PNs. Fairtrade global sugar traders again stressed their commitment to Fairtrade while demanding more support from Fairtrade to develop the sugar market.

Development of Biomaterials Supply Chains

Sugarcane and sugar are approved feedstock for the production of biofuels and bioplastics. There is an opportunity for Fairtrade to enter this new market. There are already various discussions going on in the Scandinavian countries. Ideas

range from alternative bags (replacing plastic bags), packaging material, containers for food, etc. These products are mainly made out of polymers. If you are aware of any initiatives that could be linked to Fairtrade, or if you know companies that produce final products made out of sugar-cane based materials, please let us know.

Fairtrade Sugar By-Products

Fairtrade Sourcing Ingredients (FSI) Projects:

Fairtrade Sourcing Ingredients replaced Fairtrade Sourcing Programs and is now open to all Fairtrade products, except coffee and bananas.

In 2018, the Fairtrade system agreed to set up an 'FSI sugar producer support fund. Based on global challenges in the sugarcane sector, it has been agreed to fund projects in the following areas:

- Climate-smart cane production.
- Adoption of better agricultural practices.
- Better labour practices (improving labour practices and strengthening human rights in the sugarcane supply chains).

The successful sugar bestsellers with the capacity to implement regional projects were identified and agreed to implement one of the above projects. While the need existed probably in the area of climate-smart cane and adoption of better agricultural practices, the Fairtrade certified producers in Belize, Fiji and Mauritius have chosen to focus on better labour practices. The standards are already demanding certain practices. The farmers and SPOs are keen to demonstrate that, despite low incomes at farm level, farmers do want to bring about positive change in the labour sector and for workers specifically. In many countries, there is a labour shortage and competition with a much better paying tourism sector. They hope that by learning more about better labour practices, they will be able to retain their workers.

Following an invitation made by the Mauritian Federation of Fairtrade certified sugar cane farmers, Belizean farmer representatives were asked to share their vast experience gained through [Fairtrade Child Labour Practices](#).

A series of trainings have and will be offered by Fairtrade International's Senior Advisor Social Compliance and the relevant PNs/NFOs. The producers are obliged to report as narrative and financial to Fairtrade International. These reports will be translated into communication materials and will be shared.

As part of the FSI projects, the Mauritians also chose to carry out a carbon and water footprint assessment with Soil & More. The data was gathered by the producers and the two factories in Mauritius. The results of the assessment are now available to them. Interventions to mitigate the effects of climate risks can now be based on the specific areas Soil & More identified. Fairtrade Premium Funds and other potential funding that the Mauritians might be able to attract could now be strategically invested into the interventions highlighted.

The Fairtrade teams are in discussion to assess the interest in carrying out similar studies at producer level in other countries. With such studies, Fairtrade is able to differentiate itself from conventional sugar and demonstrate that Fairtrade is more than a "social" standards. Such studies guide producers to strategize interventions and are an opportunity for critical climate investments of buyers and origins to build long-term and stronger relationships.

Contest to Rename our Sugar Fairtrade Ingredient Label: Send your ideas!

To encourage further sales by Fairtrade producers, Fairtrade members agreed to introduce a Fairtrade Sourcing Ingredient (FSI) model for all Fairtrade products, except for bananas and coffee in 2018.

Recap of FSI – with a labelling solution and unlabelled

As per the FSI model, a certain volume of sugar can be purchased and used in any product if the Mark is not used. In this case, there are fewer stipulations than for sugar used in, for example, labelled chocolate. If your company has a valid permit for Group Mass Balance, the sugar can be imported to any of your businesses and not necessarily to where it is processed or used as an ingredient.

The FSI label for Sugar



We want to collect your ideas to make FSI labelling for sugar more attractive – here is the **contest conditions**:

- Please present us your ideas to attract more buyers with a catching label
- Send your ideas to sugar@fairtrade.net by **15 May 2020**.

Fairtrade International will take these ideas into consideration, especially the winning one, for the future development of this Mark. The winner will be announced in the next edition of Sweet News in the 2nd half of the year and the prize (guess what?)... might be a trip to visit one of the Fairtrade sugar producer organizations in one of the producer countries! Hoping to receive many interesting suggestions!

5. PARTNERSHIPS

The Bonsucro-Fairtrade Collaborative Project

From February 2017 to April 2019 Fairtrade and Bonsucro collaborated in an ISEAL funded innovations project: **Maximising Impact through Collaboration of sustainability Standards in the Sugarcane Sector.**

This project presented an opportunity to test collaboration between Bonsucro and Fairtrade in regions where both certifications are present.

The project included:

- Standards' benchmarking to compare the three Fairtrade standards with the Bonsucro Production and Chain of Custody standards.
- After Bonsucro's publication of Smallholder Standards - Benchmarking of Bonsucro's Smallholder Standard vs Fairtrade SPO standard and development of a recognition model.
- Two joint origin meetings with the sector and supply chain partners to test the different strengths of the standards and how potential gaps can be overcome and to test a joint Value Proposition for Fairtrade/Bonsucro sugar.

The project came to an end with a standards benchmark of Fairtrade's new SPO Standards versus the Bonsucro standards. These final standards and assurance benchmark aimed at providing the basis for a discussion between Bonsucro and FLOCERT to identify options that facilitate the Bonsucro certification on top of the Fairtrade certification for smallholder organizations (if there is a wish or need to become Bonsucro certified). The outcome of these conversations should lead to reduced audit burdens and costs for the smallholders concerned. You can click the button below to download the presentation summarizing the project and the detailed benchmark.

Both organizations also released a joint statement about the conclusion of the project. You can read the joint statement by clicking on the button 'Bonsucro Bulletin' below. Danielle Morley, CEO of Bonsucro, stated:

"Partnership is an important philosophy for Bonsucro. We believe that great change happens through partnerships with exceptional organisations like Fairtrade. Collaborating with Fairtrade has been a valuable experience for Bonsucro. By visiting Fairtrade certified farms, we have seen the positive impact that implementing sustainability standards over the long term can have for smallholder farmers."

Fairtrade and Bonsucro Standards Benchmark Project

Bonsucro Bulletin

Potential Product Advisory Meeting (PAC)

There is an intention to hold a meeting in October this year. Due to the Coronavirus breakout, there is a need to monitor government decisions here and abroad and come back to you at a later stage.

Interesting Newsletters from partners in the Fairtrade system

We want to share with you the latest Sugar Newsletter published by the CLAC as well as the South African Network (SAN) latest monthly bulletin. In both these publications, you will find relevant information related to Fairtrade sugar supply chains.

CLAC Sugar Newsletter 2019

CLAC Sugar Newsletter 2020

SAN Monthly Bulletin February 2020

We are also sharing a link to a recent news article about the "International Guide to Fair Trade Labels" a report published by Fair World Project. In the report, Fairtrade International "earned top marks in 31 out of 45 categories – more than any other global label."

[Click here to read the article](#)

6. COVID-19 UPDATE

Latest updates on impacts of COVID-19

All three Fairtrade Producer Networks continue their support to Fairtrade certified producer organizations virtually. Beyond the Fairtrade support, they also check in with farmers and workers to ensure they follow the recommendations of their governments, the industry and the World Health Organization (WHO).

Below a summary of the main impacts of COVID-19 on Fairtrade sugar in the different regions where we operate: Asia-Pacific, Latin America/Caribbean and Africa/Indian Ocean. These updates have been compiled with information received from our Producer Networks and other stakeholders (status end of March/beginning of April):

- Sugar harvests start and end at different times. In some countries of Central America & Caribbean, the harvest had been completed almost with the start of the coronavirus.
- In Belize the harvest usually lasts until around June. Sugar has been classified as an essential industry. Safety measures were put in place and the crop continues in a regular fashion. Support from the government and the industry is rendered.
- The harvest & crushing in India had been completed, but because of the lockdown the sugar is said to be stocked before exports continue.
- In the Philippines, where non centrifugal Muscovado is produced, Altertrade informed the milling company is closed until mid April, identifying support measures for the people concerned.

- In other parts of the world, the harvest will only start at a later stage.
- In Malawi Fairtrade certified SPOs supported by Agricane are preparing to prevent and limit the impacts of the coronavirus with measures specific to the region and producers. Severe floods in 2019 destroyed and damaged homes of farmers and workers. With Fairtrade funds they want to rebuild houses (to ensure social distancing is kept), as well as ensuring food security programs.
- FSI – Fairtrade Sourcing Ingredient Programs: The current projects will potentially be delayed because meetings and trainings within the countries cannot continue as foreseen. Virtual support is rendered by the PNs. Additional and new projects will be discussed and prepared to be implemented as soon as the situation in each country allows.
- Regarding Fairtrade audits, please click the button below to read and download FLOCERT's response to the COVID crisis.

FLOCERT's Response to the COVID-19 Crisis