



Fairtrade International

CHALLENGE AND OPPORTUNITY

Supplement to Annual Review 2010-11
2010 Financials and Global Sales Figures



FAIRTRADE

Retail Sales Around the World

Estimated Retail Sales by Country

2010 was another year of impressive growth for Fairtrade. Shoppers spent €4.36 billion on Fairtrade products, up by 27 percent on 2009. Sales more than tripled in the Czech Republic and South Africa. Consumers bought an impressive 40 percent more in Fairtrade's largest market, the United Kingdom.

Country	2009 (in €)	2010 (in €)	Growth Rate
AUS/NZ	28,733,986	125,940,187	258%*
Austria	72,000,000	87,000,000	21%
Belgium	56,431,496	60,243,537	7%
Canada	201,978,074	248,772,680	6%*
Czech Republic	556,540	2,704,370	386%**
Denmark	54,436,609	61,837,026	14%*
Estonia	295,045	606,247	105%
Finland	86,865,284	93,001,210	7%
FLO / Rest of World	18,099,255	39,443,874	118%
France	287,742,792	303,314,314	5%
Germany	267,473,584	340,000,000	27%
Ireland	118,574,416	138,000,000	16%
Italy	43,382,860	49,400,006	14%
Japan	11,283,451	14,434,289	14%*
Latvia	153,500	425,936	177%
Lithuania	315,380	751,776	138%
Luxembourg	5,327,122	6,200,000	16%
Netherlands	85,818,400	119,000,000	39%
Norway	34,689,522	43,756,694	16%*
South Africa	458,075	1,898,889	315%**
Spain	8,030,724	14,886,675	85%
Sweden	82,662,331	108,477,630	18%*
Switzerland	180,160,263	219,918,679	12%*
UK	946,540,300	1,343,956,837	40%*
USA	851,403,590	936,973,359	5%*
GRAND TOTAL	3,443,412,599	4,360,944,215	27%

* Growth rate is based on the percentage increase as reported in the local currency and not on the value converted into euros.

** These countries submitted their 2009 sales values in euros and their 2010 results in local currency. The growth rate was calculated by converting the 2010 value into euros.

Fairtrade International (FLO) calculates the total estimated retail sales value based on both out of home sales and retail sales since this more accurately reflects what consumers spend on Fairtrade products.

Out of home sales come from products consumed outside of the home; for example in cafés and restaurants. Retail sales come from consumer products bought in stores and supermarkets.

In 2010 the following countries calculated their out of home sales value using the average out of home retail price; for example, the average price of a cup of coffee at a café: Canada, Estonia, Finland, FLO, Germany, Ireland, Latvia, Lithuania, Spain and the USA.

The following countries calculated their out of home sales value using the average retail price for consumer products bought in stores and

supermarkets: Belgium, France, Italy, Japan, Sweden and Switzerland.

The rest of the countries do not separate out of home sales from retail sales. Out of home retail prices often have a higher value per volume sold than the retail sale price found on products in stores. Therefore, the countries that use the out of home retail price for their calculation may have relatively higher sales values.

Retail Sales Around the World

Estimated Sales in Volume per Product

Sales of sugar and cocoa grew strongly again in 2010, and wine sales almost tripled. Coffee, tea and cotton also grew modestly. Supply issues and crop diseases were among the reasons for declines in some products. We are working hard to address these challenges in 2011.

Product	Unit	Conventional %	Organic %	Total 2009	Total 2010	Growth Rate
Flowers and plants	1,000 stems	100%	0%	335,893	325,210	-3.18%
Bananas	MT	69%	31%	311,465	286,598	-7.98%
Sugar (cane sugar)	MT	88%	12%	89,628	126,810	41.49%
Coffee (roasted, instant)	MT	54%	46%	73,781	87,576	18.70%
Fruit juices	MT	98%	2%	45,582	25,112	-44.91%
Cotton	1,000 items	82%	18%	23,346	24,749	6.01%
Fresh fruit	MT	72%	28%	20,091	17,307	-13.86%
Cocoa (cocoa beans)	MT	83%	17%	13,898	35,179	153.12%
Wine	1,000 litres	55%	45%	11,908	32,527	173.15%
Tea	MT	85%	15%	11,524	12,356	7.22%
Rice	MT	65%	35%	5,052	5,036	-0.32%
Honey	MT	68%	32%	2,065	2,038	-1.31%
Nuts and oilseeds	MT	72%	28%	859	864	0.58%
Herbs and spices	MT	71%	29%	578	407	-29.62%
Quinoa	MT	6%	94%	556	1,288	131.60%
Dried fruit	MT	64%	36%	541	673	24.43%
Sports balls	1,000 items	100%	0%	118	281	138.22%

Note: As in previous years, these figures are calculated using estimated retail sales in consumer countries. Figures are estimates only.



Fairtrade International's Financials

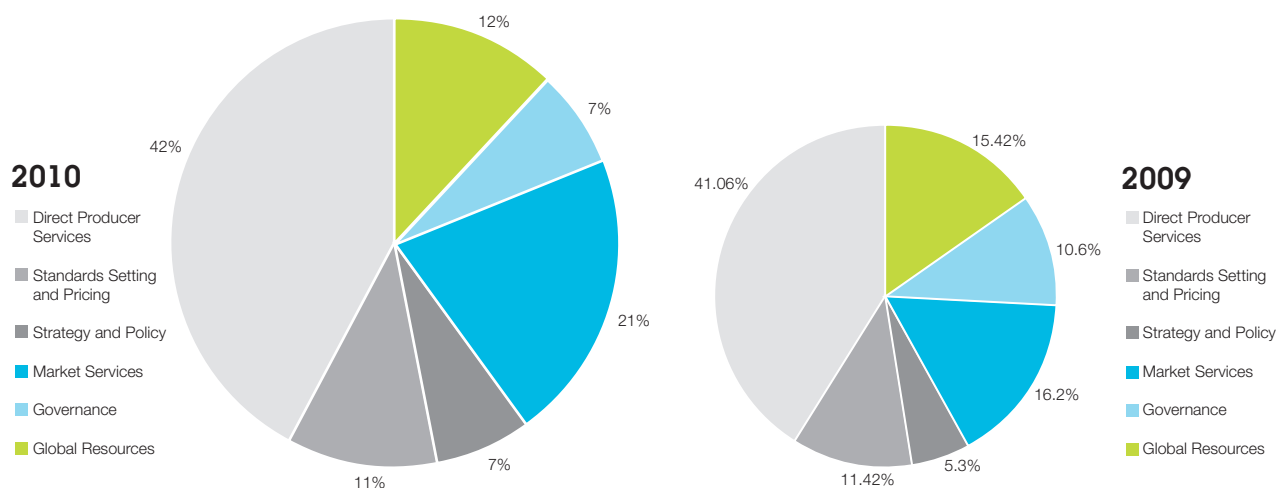
Statement of Accounts

The summarized key financial figures outlined below have been extracted from internal management reports and from the audited financial statements 2010. The latter, as in previous years, received an unqualified opinion (Deloitte). Fairtrade International's accounting practices comply with generally accepted accounting practices and relevant German legislation (KStG and HGB).

INCOME STATEMENT 2010

	2010 (€'000)	2009 (€'000)
INCOME		
Membership fees.....	6,460	4,859
Grants – restricted	1,884	3,612
Grants – unrestricted.....	4,935	2,358
Interest & other income.....	492	386
TOTAL INCOME	13,771	11,215
TOTAL EXPENDITURE	12,973	10,664
Change in reserves	798	551
SURPLUS	0	0

BREAKDOWN OF EXPENDITURE



Membership fees: As a membership association, Fairtrade International receives membership fees from the national labelling initiatives. The membership fee is unrestricted funding and is calculated as a percentage of the licence fee income of the labelling initiative.

Grants: An amount of €1.9 million is restricted funding; these funds can only be used for specific purposes indicated by the funding partner. The remaining €4.9 million is unrestricted funding.

Expenditures: Governance & Global Resources activities include coordination of a global multistakeholder governance system, and services for our members, for existing and potential funding partners, and for other stakeholders.

Change in reserves comprises: Net decrease of Producer Certification Fund of €139,000 (being annual contributions of €100,000 less payments of €239,000 from the fund to producer organizations). Net increase in other reserves of €937,000 according to § 58 No. 7a of the German General Tax Code (AO). This largely relates to an increased investment in FLO-CERT GmbH - see balance sheet notes.



BALANCE SHEET DECEMBER 2010 (€'000)

	31.12.10	31.12.09		31.12.10	31.12.09
FIXED ASSETS	1,137	186	EQUITY	1,864	1,066
Intangible fixed assets	32	12	Restricted & designated reserves	110	249
Tangible fixed assets	136	145	General reserve	1,754	817
Financial assets	969	29	DEFERRED INCOME	1,778	611
CURRENT ASSETS	3,729	2,587	PROVISIONS	402	317
Outstanding accounts			LIABILITIES	822	779
for services	1,937	878	For supplies & services	666	655
Other assets	187	830	Other liabilities and accruals	156	124
Liquid funds	1,605	879			
	4,866	2,773		4,866	2,773

Tangible fixed assets relates to office equipment.

Financial assets relates to an investment in the capital reserves of a subsidiary company, FLO-CERT GmbH.

Outstanding accounts for services comprises outstanding membership fees.

Other assets relates to activities and expenses made in 2010 which are still to be reimbursed by funding partners, as well as activities, accruals and costs related to 2011 already paid in 2010.

Restricted & designated reserves comprise the Producer Certification Fund (€110,000) through which, under specified criteria, certification costs can be subsidized in part for producers.

The **general reserve** was introduced in 2009 and represents accumulated unrestricted surpluses.

Deferred income consists of grants from funding partners for 2011, already received in 2010.

Provisions are for possible and foreseeable costs that have not materialized by the year-end.



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