

## **FAIRTRADE PARTNERSHIPS SECURE MORE THAN €15 MILLION IN COVID-19 RELIEF AND RECOVERY FUNDING FOR PRODUCERS**

**Government agencies and commercial organizations recognize Fairtrade as a trusted partner to provide direct support to producers on the frontline of the pandemic.**

With the next wave already in sight, the COVID-19 pandemic continues to have severe effects on farmers, workers and communities in the world's poorest countries. Public health security remains at risk and economic losses are mounting, as producer networks across the Fairtrade system are reporting cancellations of orders, increasing prices, dropping demand and disruptions in supply chains due to restrictions on movement and transportation. The mobilization of the additional Fairtrade Recovery and Resilience funds comes as producers and communities are faced with balancing crucial public safety measures with maintaining jobs and business continuity.

**“If we don't act now and act quickly, the crisis can turn back progress that has been very hard to achieve. Having this financial support is going to make a huge difference in what we can do to help producers recover from this crisis, build economic resilience into their businesses and assist their communities – especially where it's needed most.”**

*Mary Kinyua, Fairtrade International Board Chair,*

### **Responding to the needs of farming communities impacted by COVID-19**

To address the urgent and long-term priorities of producers, organizations including:

- German Federal Ministry for Economic Cooperation and Development (BMZ) in cooperation with the German Society for International Cooperation (GIZ);
- Swiss State Secretariat for Economic Affairs (SECO);
- British Foreign Commonwealth & Development Office (FCDO);
- impact investor Incofin IM; and others

have partnered with Fairtrade International, national Fairtrade organizations, and Fairtrade Producer Networks to pledge more than €15 million to Fairtrade's Producer Relief and Resilience Funds. The two funding mechanisms were launched in May as an immediate response with an [initial investment of €3.1 million](#) from the Fairtrade system.

The overall goal of the funding is to mitigate the impact of COVID-19 on the health, well-being and economic sustainability of Fairtrade producers and their communities.

*According to Dr. Gerd Müller, Federal Minister for BMZ,-* **“COVID-19 makes it clear how closely connected we are in the world and how vulnerable we are. The poorest people in developing and emerging countries need our solidarity - especially in times of crisis. I am grateful that, together with our long-standing partners in fair trade, we have succeeded in providing rapid support to small farmers who produce sustainably.”**

The critical role of producers in the pandemic should be recognized by us all. Small-holder farms are responsible for nearly 35 percent of the world's total food production. Yet, these same small-scale farmers are being massively impacted by COVID-19. Small scale coffee producers in Indonesia are reporting a 70 to 90 percent drop in sales contracts compared to last year. The tea harvest in India was at its peak when the pandemic hit earlier this year. Global cotton sales are expected to drop by 22 percent this year, according to the U.N Conference of Trade and Development. The World Food Program reports that 16 million people in Latin America are at risk of not having enough food to survive due to the economic crisis, the hurricane season, and the COVID-19 pandemic. This list is far from complete when it comes to understanding the impact the pandemic is having on the most vulnerable people in the world's supply chains as well as on global trade.

[Watch the Producer Networks Video](#)

The €15 million in funding is slated to cover a period of two years and will go towards a range of short-term relief and long-term recovery measures across Asia, Africa, Latin America and the Caribbean. It will help small-scale producers initiate and carry out programs to prevent the spread of COVID-19, ensure food security, secure and increase incomes by diversifying crops and markets, address human rights risks in supply chains and improve digital technologies as the foundations for recovery and future business resilience. More than 1700 producer organizations, representing over 1.8 million farmers and workers, are part of the Fairtrade system worldwide.

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**“SECO is a proud and longstanding partner of the Fairtrade system,” says *Monica Rubiolo, Head of Trade Promotion at the Bern-based Secretariat for Economic Affairs in Switzerland.* “With our contribution to the fund, SECO is helping to save lives and livelihoods of those mostly affected by the pandemic. We want to demonstrate our commitment in these very difficult times which are particularly challenging for producers, small holders and value chain workers around the world.”**

**“Of course, the overall amount of the funds secured is absolutely tremendous,” adds *Dario Soto Abril, CEO of Fairtrade International,* “but as we move through this pandemic it’s becoming more clear that commitment, collaboration and partnerships are critical to maximizing impact against poverty, and achieving sustainable incomes for farmers. These partnerships are a tribute to that effort. What’s more, it points to Fairtrade as the partner of choice when it comes to investing in positive impact for producers.”**

For more information, please contact [press@fairtrade.net](mailto:press@fairtrade.net)