

# AgroFair Sustainability Report 2018

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## About us

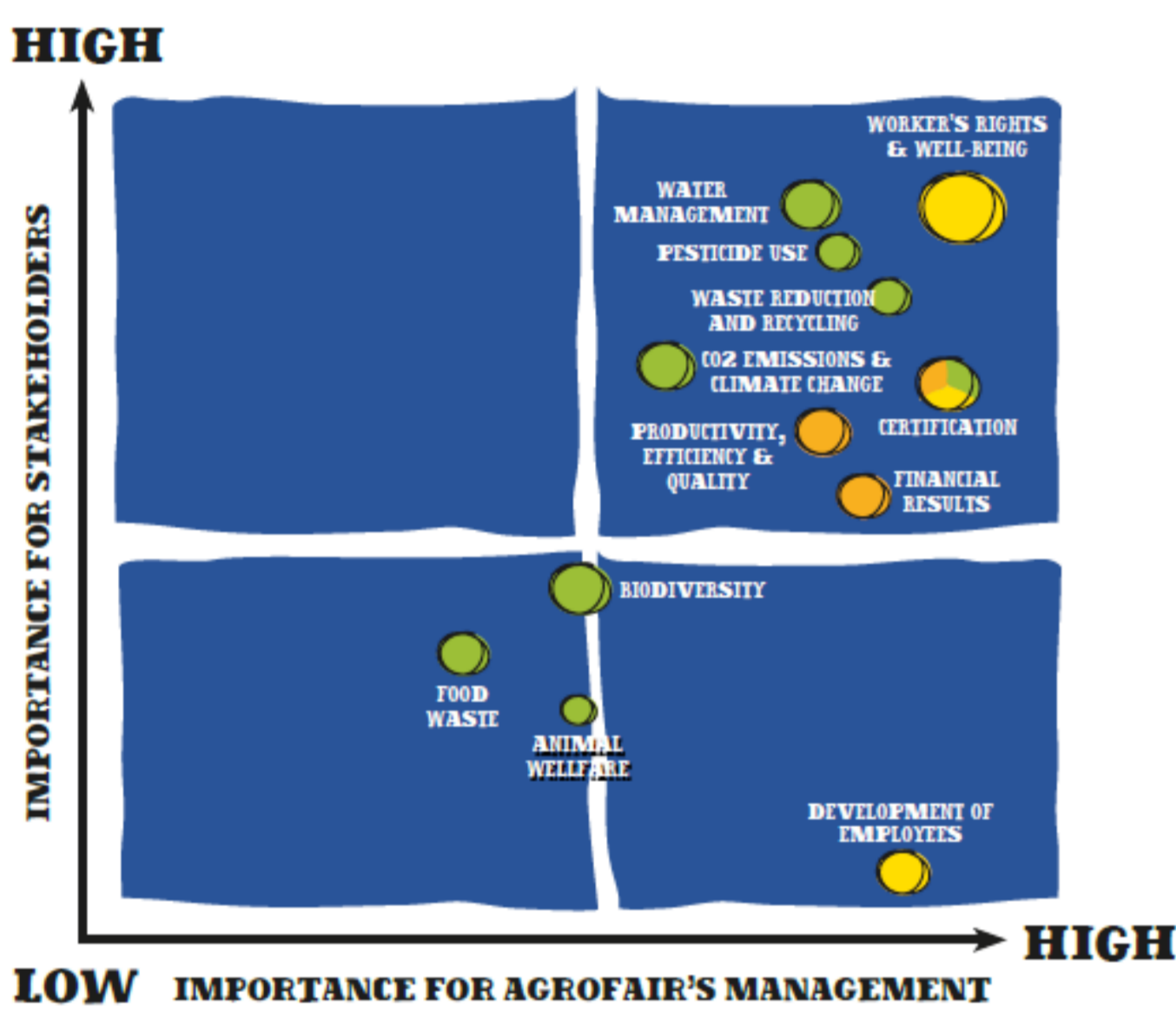
The company was founded in 1996 to launch the Oké banana featuring a minimum price for the product, a premium for social development and a standard for better occupational health and safety and reduced pesticide use.

Today, we sell bananas and other tropical fruit in many countries in Europe, Oceania, and Asia. About 50% of our bananas are also certified organic.

Our suppliers are based in Latin American countries. They are mostly cooperatives of small producers. Some are private plantations. The cooperatives own 35% of shares.



## Materiality matrix



## SDG panorama

### FAIRTRADE PREMIUM PROJECT: FOOTBALL SCHOOL

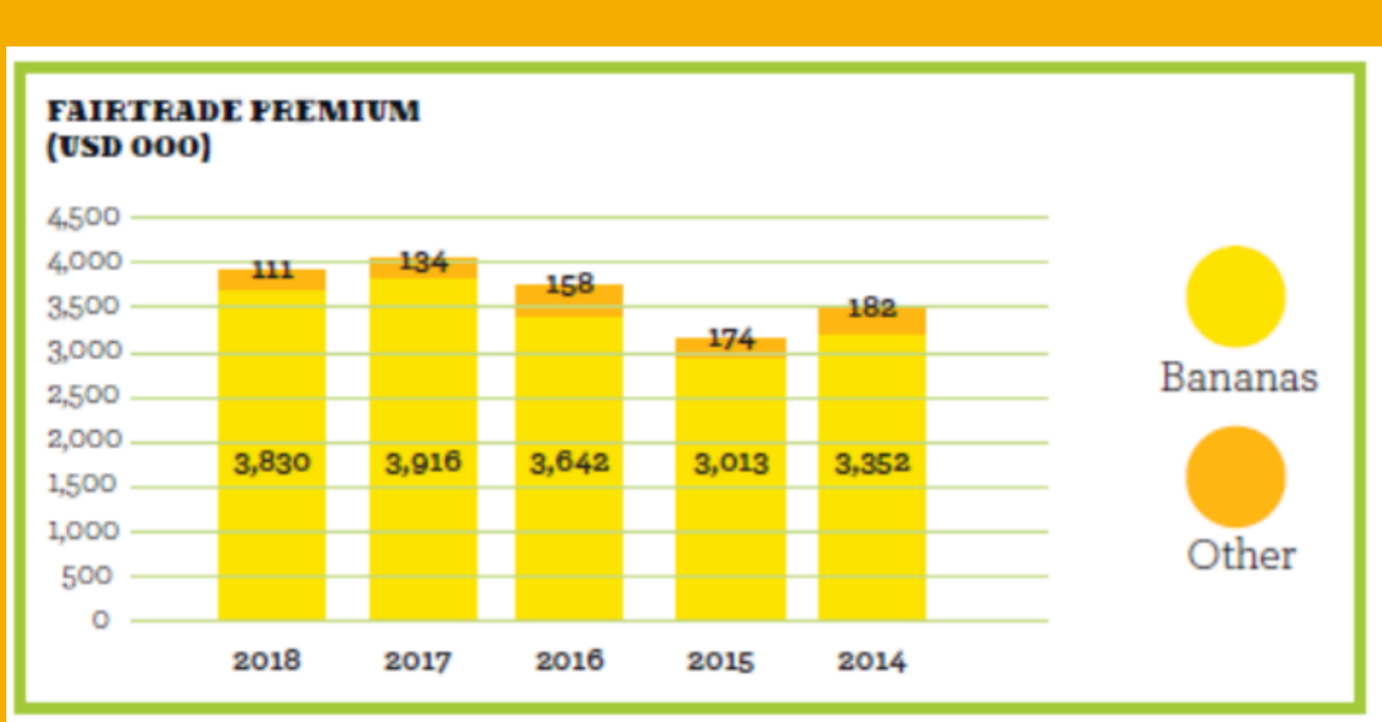
**ORGANISATION:** Association APBOSA - Peru  
**PROJECT:** The Premium Project offers consists of 3-hour period training by competent staff every week.  
**PURPOSE:**

- Healthy entertainment for children and adolescents.
- Preparation for participation in tournaments.
- Encouragement to become more physically active.

**BENEFICIARIES:** 90 children

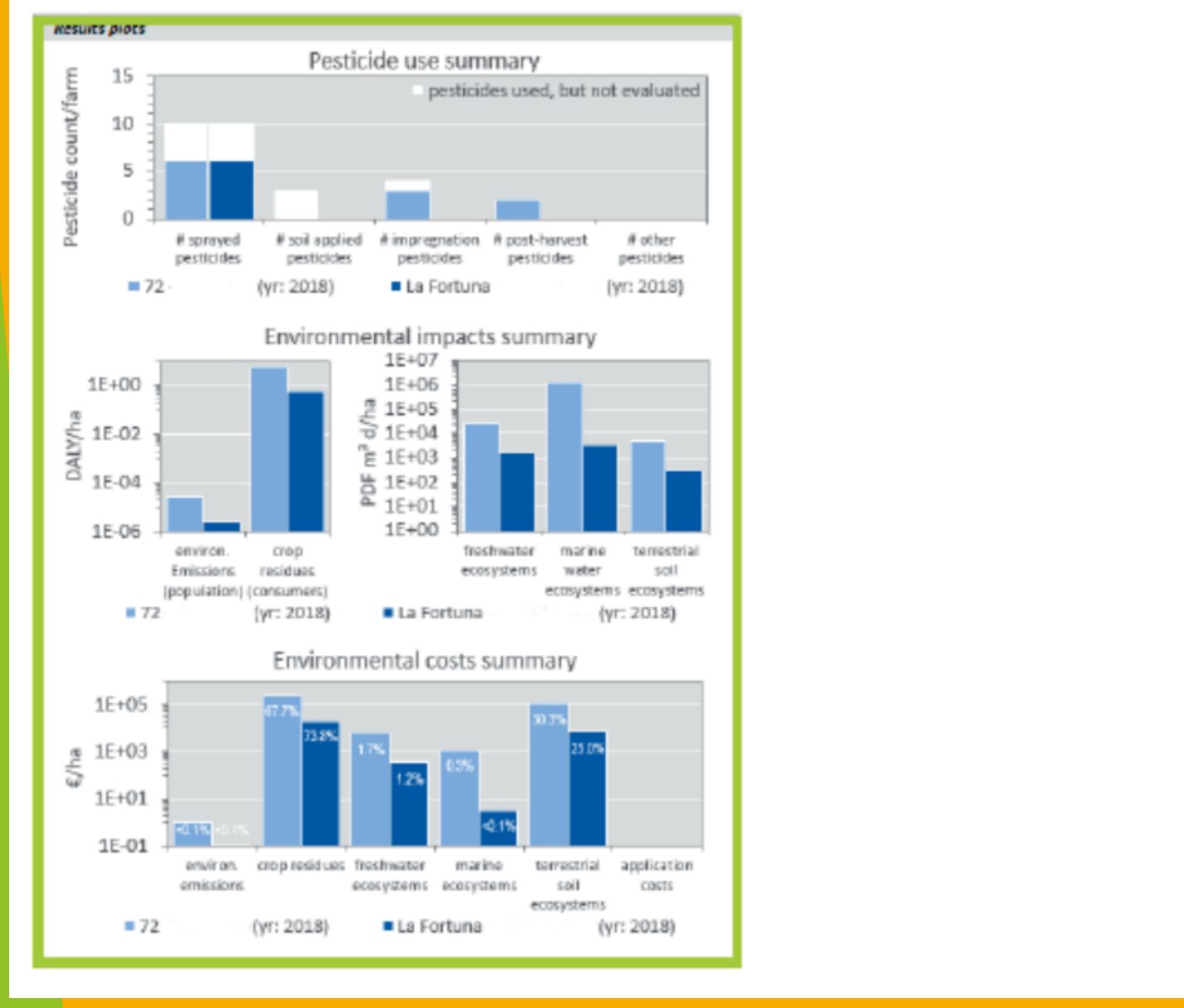
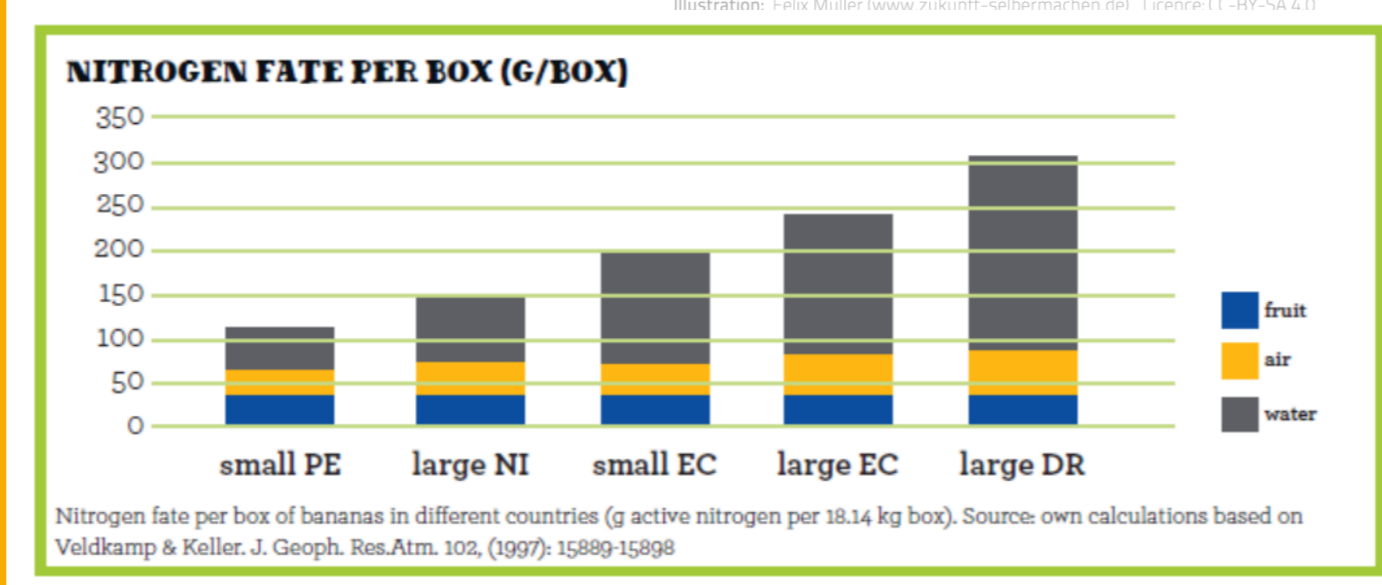
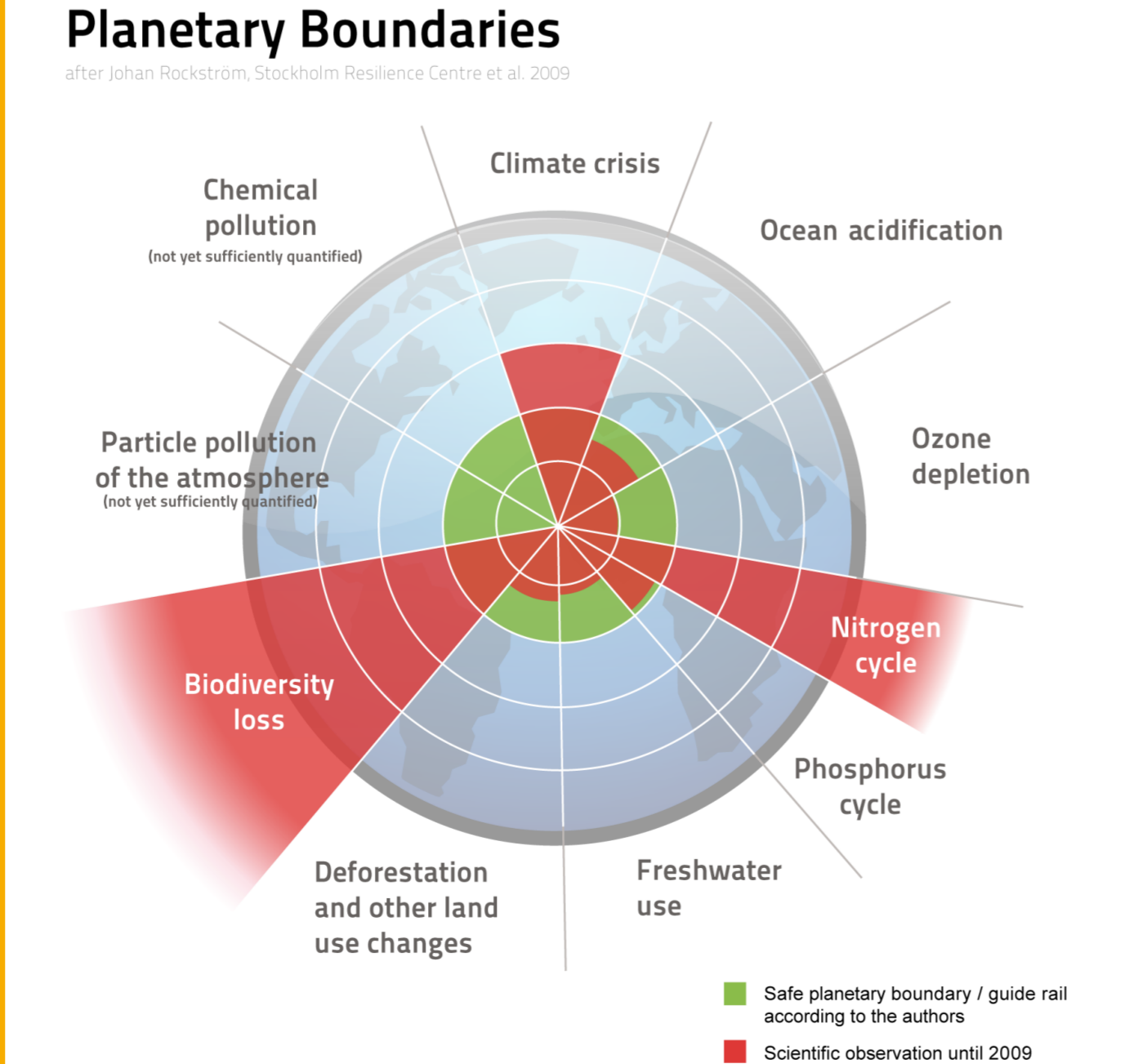
### FAIRTRADE PREMIUM PROJECT: NEW MEDICAL CENTER FOR MEMBERS AND STAFF OF ASSOCIATION OF EL GUABO

**ORGANISATION:** Association El Guabo - Ecuador  
**PURPOSE:** The construction of a care center in the facilities of the Association, with adequate and comfortable infrastructure for patients and new technological equipment. With this center, El Guabo guarantees the health and well-being of the partners, employees and the community.  
**PROJECT:** Medical attention in the care center is free of charge for members and staff of the Association. Other people will be treated in the same way, but at a minimum cost. All medical consultations are carried out by professionals, hired by El Guabo. The new El Guabo Medical Center is opened during office hours. Besides the new equipment and good infrastructure, the center can also dispense medications to patients, delivered free of charge. The investment made in the construction of the Medical Dispensary was \$ 40,000.



### DONKEY SEE, DONKEY DO

The Coobana cooperative in Panama sets an example to be followed for the fair treatment of animals. The donkeys that are used for plantation labour are well-cared for: they get sufficient food, water and shelter; routine medical check-ups are on the menu and the donkeys are given enough free time and days off work. Before starting their tasks, they get a bath – and they love it!



<b>1 NO POVERTY</b>	Côte d'Ivoire in West-Africa is by far the poorest of our sourcing countries: more than 4 in 10 people live in poverty. Here, Fairtrade can be most effective in fighting poverty. In Latin America, The Dominican Republic and Nicaragua are the poorest. Panama is formally a high income country, but income inequality is large, and rural poverty can be deep.	Fairtrade helps combating poverty by setting minimum price levels per country. This allows farms to respect the national labour laws and pay the official minimum wages. That is often not sufficient to eradicate poverty. That is why AgroFair and Fairtrade are engaged in increasing the salaries to Living Wages.
<b>2 ZERO HUNGER</b>	Undernourishment is seen most in Côte d'Ivoire, Nicaragua and the Dominican Republic. Strikingly, in many of our countries stunting (low height-for-age) is a considerable problem! This is often related to micronutrient deficiencies, especially lack of vitamin A. At the same time, obesity is a big concern in all countries, with Costa Rica and the Dominican Republic in the red.	Many of our producers provide food baskets to the families of farmers and workers; as well as to poor and elderly people in the community
<b>3 GOOD HEALTH AND WELL-BEING</b>	Costa Rica shows an urgent need for better health service for mothers, children and the general public. All countries, but most especially The Dominican Republic, Nicaragua and Panama, need improved (young) mother-and-child care services and information programs. The cost of healthcare, even if available, can be high: many people are not covered by health care insurance. Tuberculosis is a concern in Côte d'Ivoire and Peru.	Fairtrade premiums can play an important role in making health care more accessible: the El Guabo Small Farmer Association in Ecuador have spent their Fairtrade premium on a medical clinic and pharmacy open to both its members and the local community.
<b>4 QUALITY EDUCATION</b>	Together, education and basic healthcare are extremely important factors in establishing a decent livelihood and sustainable development. Many problems are solved by better education. This is especially true for girls, who often have access to fewer opportunities. Most children attend primary school, but many do not complete a lower secondary school level. Ecuador is doing well in this respect. As farming becomes ever more knowledge-intensive, education is increasingly important for our farmers.	Our producer organizations sponsor local primary schools and their students with school materials like books and pencils. Members often receive support to pay their children's school fees. Some organizations offer adult education and training courses in general subjects like computer skills.
<b>5 GENDER EQUALITY</b>	On the whole, schooling for women and girls is on the rise! In some countries, like Côte d'Ivoire, this subject needs a lot more attention. Peru and Ecuador could also do better. Female participation in paid labour is quite advanced in some countries, in others there is room for improvement. Equal pay for equal work remains an important issue.	All our producers have policies in place to improve female labour participation and equal pay. Many have women in leadership positions.
<b>6 CLEAN WATER AND SANITATION</b>	Clean drinking water is not a given for everybody. In Africa this is a big issue. Basic sanitation, in connection to health, is an important focus point at all. Most countries have a reasonable water infrastructure. Wise use of ground water needs special attention, especially when used for large-scale irrigation. The scarce ground resources of many countries are further depleted in this way by the importing countries.	AgroFair has helped its farmers in Ecuador to reduce the volume of irrigation from water wells. We have calculated water footprints, started a project for recycling washing water in pack houses, and our producer in Costa Rica has pioneered a "dry" banana packing system. We report on specific water use per country in this report.
<b>7 AFFORDABLE AND CLEAN ENERGY</b>	Our panorama shows that energy is the biggest issue in Côte d'Ivoire, but problems in this field also occur in Nicaragua and Peru.	In Panama, our producer has started a cook stove project, resulting in a far more efficient use of firewood for cooking. The use of solar panels is increasing in our sourcing countries. Our producer Varcli in Costa Rica powers its packing station entirely on solar energy.
<b>8 DECENT WORK AND ECONOMIC GROWTH</b>	Everybody needs employment to earn a living. The official unemployment figures in our sourcing countries differ greatly: in some they are favourable, in some they are quite high. Apart from the official numbers, there may be substantial levels of hidden unemployment. Shockingly, modern slavery occurs in all countries, including developed nations. Several exploitative practices come to light, most notably in Côte d'Ivoire and the Dominican Republic. In both countries, they are related to labour migration.	The Fairtrade and Rainforest Alliance standards, as well as the ILO conventions that these standards are based on, strictly prohibit slavery. Regular audits by independent auditors and by our own team make sure that these standards are adhered to. Special attention is given to rights and living conditions of migrant workers.
<b>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</b>	Access to internet was selected as an important indicator on this subject, as the flow of information and money becomes ever more dependent on the Internet and mobile telephony. The Internet is a gateway to news, (business) information and education. Smartphones can make a real difference for small farmers, offering access to several services such as apps for traceability, diagnoses of plant diseases and money transfers. Some countries clearly show a more developed infrastructure and mobile phone coverage than others.	Not all farmers have access to the Internet and (smart) mobile phones. Some of our growers use SMS broadcasting to send harvesting orders to their farmers. Whatsapp-communication groups play an important role in coordination of our local and overseas teams. Teaching people how to use computers is among our favourite Fairtrade premium projects!
<b>10 REDUCED INEQUALITIES</b>	Even though a country may be labelled Upper Middle Income or High Income, the distribution of income may be skewed. This turns out to be the case in all our producing countries. The results are disturbing: the higher the income score, the higher the inequality. Panama and Colombia take the prize for the least equal income distribution.	AgroFair sets limits to inequalities in pay, allowing the top salary to be no more than about five times the lowest salary. Most of our producers have similar structures. Introducing a Living Wage will help reduce inequalities!
<b>11 SUSTAINABLE CITIES AND COMMUNITIES</b>	The world population is growing, and the fastest growth is recorded in megacities. There is a tendency to leave rural areas and settle in urban centres. In order to remain liveable these centres need affordable public transport, waste collection and clean drinking water for everybody. Rural communities feed the cities. They need to remain liveable, too. Cote d'Ivoire, Nicaragua and Peru show the most urgent needs on this subject.	In the areas where we operate in Peru, public waste collection does not exist. In order to raise awareness among the farmers, AgroFair has ordered a waste plastic recycling machine that will turn discarded banana plastic into corner boards, used for pallets The Fairtrade premium is used locally to connect rural families to a drinking water system.
<b>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</b>	Developed countries have a high imported Sulphur dioxide (SO <sub>2</sub> ) and nitrogen footprint. The Netherlands and Switzerland import too much of both. SO <sub>2</sub> causes acid rain and smog. It is also a major cause of death in exposed populations in ports and industrial areas. The main source of SO <sub>2</sub> is heavy fuel oil, used in ship transport. Active nitrogen causes loss of biodiversity by acid rain and eutrophication. According to some scientists, it is one of the planetary boundaries that has been irreversibly exceeded.	From 2020, all ships carrying our goods will be required to use low-sulphur fuel oil. The nitrogen footprint also point out to us that we have to be more conscious of the amount of synthetic fertilizer per kg of bananas that we use. Our organic banana farms do not use synthetic sources of nitrogen. The Demeter and BioSuisse certified bananas have limits on the use of nitrogen per hectare.
<b>13 CLIMATE ACTION</b>	The rise in temperature affects the whole planet, causing sea levels to rise and leading to more tropical storms and natural disasters. It affects agriculture because of less predictable temperatures and rainfall and leads to increased pressure of disease-causing pathogens. As is so often the case, the poorest people are the most vulnerable to these effects. Most of our producing countries are affected, with the Dominican Republic, Nicaragua and Peru being hit hardest by climate related disasters.	Peru and Ecuador: the El Niño phenomenon affects the banana production with more frequent cold spells and periods of torrential rains, carrying with them major damage, loss of production and occasionally even the loss of human life. The Dominican Republic reports extreme drought, affecting its banana production.
<b>14 LIFE BELOW WATER</b>	The oceans are also important sources of food, CO <sub>2</sub> sinks, and rich ecosystems. They are threatened by overfishing, pollution and microplastics. To us, they also an important parts of our supply chain, as the ships that carry our bananas and other fruits sail on them. The Ocean Health Index shows how countries score on a few ocean themes, such as clean water, pollution control, biodiversity and coastal protection, to mention but a few. Costa Rica is the only country in our group that has a passing score. In all countries there is work to do.	AgroFair is working on diminishing ocean pollution by reducing plastic waste and pesticide residues. We are opening a waste plastic collection and recycling plant in Peru. Our pesticide footprint helps us to evaluate the effect of pesticides and replace them with gentler ones. We conducted a study of chemical pollution in the San San Pond Sak river delta in Panama.
<b>15 LIFE ON LAND</b>	The protection of biodiversity and wildland ecosystems is of the greatest importance for a healthy and balanced ecology. Many species are threatened with extinction and large areas of forest and wild land are sacrificed to agriculture, timber and mineral exploitation each year. Unfortunately, traditional monoculture banana production is also to blame. Many farms are planted on what used to be primary tropical forest. Many species are endangered because they find no food in monoculture cropping systems. Deforestation continues to be a major threat especially in Cote d'Ivoire.	AgroFair only sells ecologically certified produce: Rainforest Alliance, organic and Fairtrade. AgroFair encourages all its producers to have swathes of wild land in and around farms. This enhances the natural defenses against plant diseases and pests by housing natural pest enemies, improves the soil structure and water absorption capacity. We have much BioSuisse certified land, where at least 7% of the area is set aside for plants biodiversity, such as leguminous trees.
<b>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</b>	This important Goal is not directly related to our supply chain, but shows how poverty, environmental degradation and poor governance can make work difficult. Such circumstances foster armed conflicts and public insecurity. Many countries suffer from high corruption, which could be a sign of weak governance structures. Violence is often drug-related. Tropical produce supply chains are vulnerable to being abused for drug trafficking. In some places child labour is rife: a sign that local institutions to protect children are failing. This problem presents itself especially in Côte d'Ivoire, the Dominican Republic and Nicaragua.	For corruption, AgroFair carries a zero-tolerance policy. We have the Authorized Economic Operator Security licence from the Dutch Customs. Our producers receive training and workshops on corruption prevention and good governance. We do not want to see a single underage child at labour. It is strictly prohibited and continuously monitored by the Fairtrade standard and our own sourcing auditors.
<b>17 PARTNERSHIPS FOR THE GOALS</b>	The wider knowledge, funds and experience are spread, the better chances are that the SDG goals may one day be met. Among the many objectives of this endeavour is for governments of developing countries to raise their domestic taxes to lay a financial foundation for public services. Other targets are to promote the sharing of knowledge, to further technical cooperation, to build human capacity and to develop progress measurement.	We stay away from tax evasion constructions and pay our taxes mostly in the Netherlands. Any knowledge that we have gained in working with small producers and international fair value chains is shared freely by our AgroFair Projects department. We have sponsored research of Wageningen University to combat Fusarium Wilt in bananas, and are partners of ProMusa, the scientific banana network, and Colecap, the association for development of ACP horticultural trade.