



Nourishing the World with Healthy Food: **Vertical Integration for Organic Smallholder Farmers**

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Ginger grower in Peru
Photo credit: Fairtrasa

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CASE STUDY

Nourishing the World with Healthy Food:
Vertical Integration for Organic Smallholder Farmers

AT A GLANCE

Company	Fairtrasa International AG
Social theme(s)	Agriculture/Food Security/Rural Development
Geography	Latin America; Africa; Expanding to India and Asia; Import office in The Netherlands
Year founded	2005
Revenues	€40-50M million annually
Legal structure	For-profit organization
Clients	Fairtrasa distributes its produce to approximately 300 retailers and wholesalers across Europe
Business model	Fairtrasa sustains its operations by earning a commission on the purchase and sale of farmers' products
Product/services	Fairtrasa works directly with organic smallholder farmer cooperatives to export and distribute fresh produce to retailers and wholesalers, eliminating intermediaries to ensure that farmers are globally integrated and paid fair prices
Impact reach	~60K lives in marginalized rural communities, increasing incomes by 10-50% and empowering a workforce that is 41% female

Background

Smallholder farming **supports the livelihoods of approximately 1.5 billion people worldwide**; and comprises the vast majority (84%) of farms worldwide.² Smallholder farmers are **well-positioned to address climate change and biodiversity**, as they may use fewer natural resources, maintain better soil health, contribute to diverse ecosystems and grow healthier produce.

Yet, many **smallholder farmers and their families experience poverty and hunger**, despite their contribution to global food production. Smallholder farmers are often **excluded from the global market**, unable to obtain organic and fairtrade certifications and relying on intermediaries who extract significant margins. Smallholder farmers are also less likely to access training, farming inputs and financing to improve yields.

¹ <https://www.fao.org/family-farming/detail/en/c/273864/>

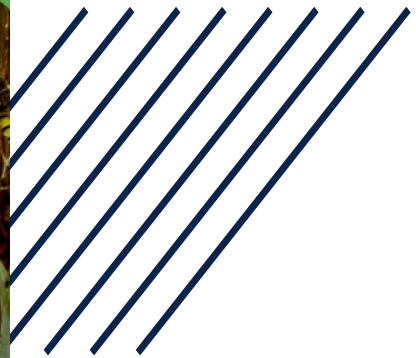
² <https://ourworldindata.org/smallholder-food-production>

About the Company

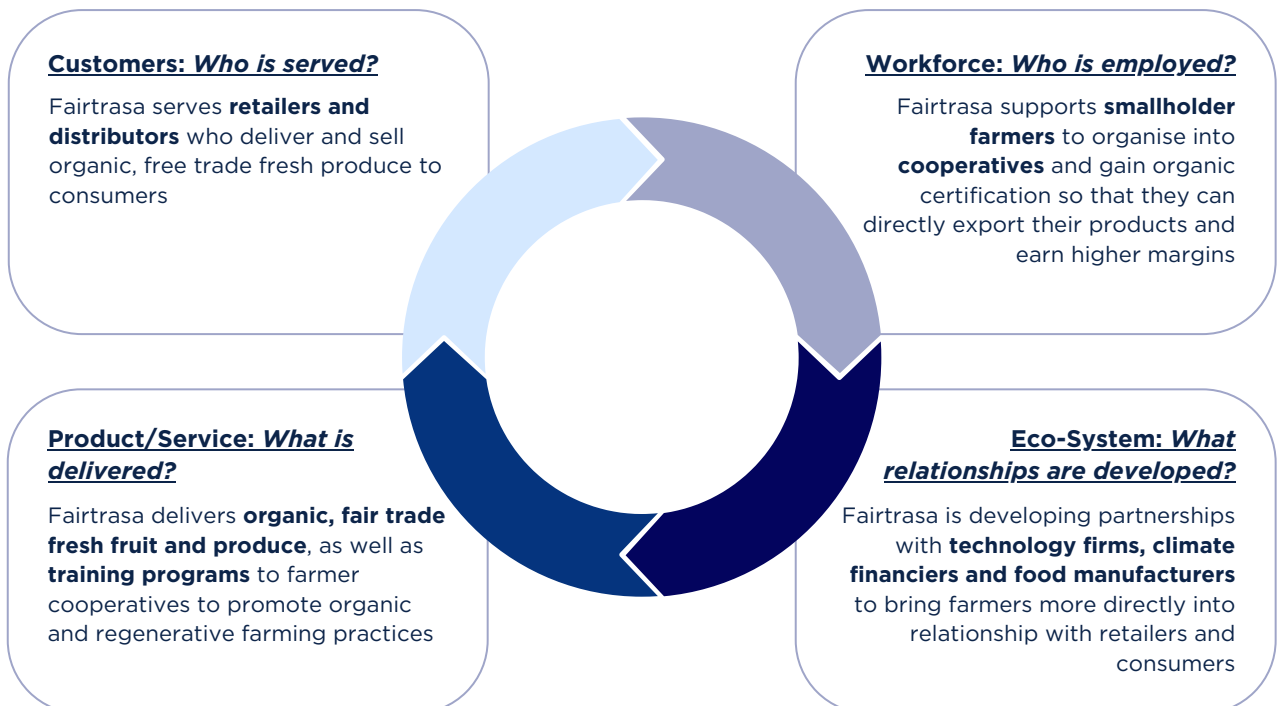
Fairtrasa was founded by **Patrick Struebi**, a former commodities executive who witnessed first-hand the impact of global trade on rural communities and the environment. In response, he began supporting groups of smallholder farmers in South America to organize into cooperatives, gain organic certification, and export directly to international distributors. Realising that significant margins were captured by distributors, Fairtrasa then opened import and sales offices in Europe to maximise profits to farmers and reinvest profits into social and environmental projects, becoming the first vertically integrated organic fresh fruit group in the world.



Banana grower in Peru
Photo credit: Fairtrasa



Sources of Impact



Innovation Activities

Fairtrasa engages in several activities that drive innovation, both in the communities they serve as well as the larger eco-system:

INNOVATION ACTIVITIES



- Training and support for farmers:** Fairtrasa develops programs that organise farmers into cooperatives and connect them with the latest technologies, practices and certifications for organic, regenerative farming
- Supply chain efficiencies:** Fairtrasa continuously works to eliminate middlemen and integrate smallholder farmer cooperatives directly into the global food supply chain
- Technology for trust-building:** Fairtrasa is building partnerships with technology partners to link data and stories from smallholder farmers to manufacturers and consumers for transparency and ethical supply chains

Key Innovation Challenges & Learnings

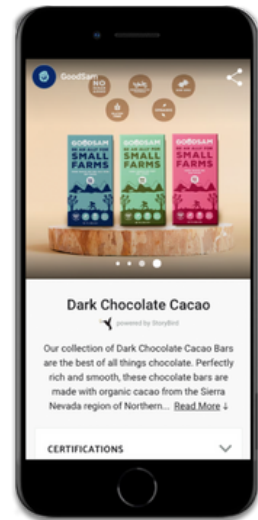
Fairtrasa aims to simplify the complex global food system, eliminating inefficiencies that prevent smallholder farmers from creating sustainable livelihoods through organic, regenerative farming. In this pursuit, Fairtrasa has encountered challenges and learnings:

- **Growing the capacity of farmer cooperatives:** Founder Patrick Struebi describes the challenges that smallholder farmers face, and how Fairtrasa overcomes these challenges: *“The problem is that farmers are living in isolation, detached from global markets. Many are doing what their fathers and forefathers have been doing. We developed a three tier model for organizing cooperatives: the first year is basic, cooperative business training. The second is where they have a product and receive their first certification. And the third level is where they actually become independent agripreneurs.”*
- **Harnessing partnerships to support smallholder farmers:** Working with Producers Trust, Fairtrasa is building partnerships that engage smallholder farmers in regenerative ag transition across the value chain. Saideep Raj, CIO of Producers Trust (profiled below), says: *“Many downstream supply chain partners don’t have the trust established or the capability to reach the farmers themselves. Fairtrasa is harnessing multilateral partnerships to orchestrate market demand, financing and other resources to provide farmer-centric support. This provides farmers with a real value proposition to enable greater wellbeing, make money in a fair way, and at the same time to drive regenerative change.”*

Featured Partnership: Producers Trust

Fairtrasa is working with Producers Trust to deploy technology and partnering solutions that enable farmer cooperatives to link directly with diverse supply chain stakeholders including consumer packaged goods (CPG) companies, private/public financing, extension services, etc.

By harnessing new farmer-centric partnerships, CPG companies are able to develop more effective holistic transition programs ensuring ethical supply chains and delivering on Net Zero commitments. At the same time, these linkages allow farmers' stories to come to life, that provide transparency to consumers.



Producers Trust Storybird platform links farmers with consumers
Graphic credit: Fairtrasa