

The Fairtrade Effect

How Fairtrade contributes to better farmer incomes as the foundation of sustainable livelihoods

Fairtrade can generate a **measurable ripple effect** across farming communities.

In a **review of 122 studies from 2021-2024**, economic benefits for farmers – and the further benefits for communities and livelihoods – are some of the best documented effects of Fairtrade. There are many factors that affect just how much benefit farmers get from Fairtrade, but the pathways are clear.



Learn more by reading the **full study** by scanning the QR code or visit fairtr.de/evidencemap2025



1. Mauthofer T. and Santos M., 2022. Assessing the Impact of Fairtrade on Poverty Reduction and

2. Economic Resilience through Rural Development. Mainlevel Consulting AG. Z. Berihun T and Gutema P, 2025. The economic impact of sustainability standards on smallholder coffee producers: Evidence from Ethiopia. Sustainable Production and Consumption, Vol 55, 268-284.



What does that look like in practice?

Meet Linner Ruto

Linner Ruto is a tea farmer and member of Ainamoi cooperative, part of the Fintea Growers Co-operative Union Limited in Kenya. Fairtrade trainings, access to finance and other support has meant that Linner could diversify her income, educate her children and help others in her community.

It started with training and access to finance...

Linner participated in trainings with Fairtrade Africa on financial management, leadership, and income diversification. She received funds to buy a calf and diversify into dairy production, as part of a Fairtrade-funded programme called Gender Action Learning and Tea.

...that enabled diversification and income stability...

Linner continued to expand, now with two cows and a goat, as well as beehives for honey production, fruit trees, and chickens. She is less reliant on volatile tea prices for her income, and can save more – thanks to her financial management skills as well as a village savings and loan association set up through the programme.

...that transformed household prospects over time...

Linner also learned about climate change thanks to Fairtrade. She now generates biogas from her own cowshed which she uses instead of wood for her cooking and her house uses solar energy. She has been able to educate her children – with one graduating from Harvard University. Her savings even enabled her to buy a car and learn to drive – as she says, "something which was not in my dream" before.

...that leads to wider community benefit.

Linner shares her knowledge with other farmers. She wants more women to benefit from access to land, financing, and knowledge, so they can contribute more within their families and communities. The cooperative supports community initiatives with their Fairtrade Premium funds, including financial support for orphaned children.

What else research tells us about economic benefits...

- The economic benefits of Fairtrade are dependent on several factors, including being able to sell on Fairtrade terms.
- Studies show that **workers on large-scale farms can benefit from Fairtrade Premium funds**, but that **progress to improve workers' wages has been limited**, often by wage agreements in countries of origin. We have introduced **floor wage levels and living wage reference prices**, and are continuing to explore other ways to make more progress for all workers.



“Learning financial management helped me a lot. We were also taught about diversification and that is when I started dairy farming.”

Linner Ruto,
Member of Ainamoi Cooperative

