Towards a Living Wage at Poinsettia Farms

Become Part of a Powerful X-Mas Story

Almost every poinsettia that adds to the beauty of our Christmas period starts out in Africa. What would it take to pay the workers at these farms, who are mostly women, a real ‘living wage’? The current reality is that market prices for young plants are simply too low for farms to afford significant wage improvement. But now a solution is sprouting up. It just takes a few extra cents per plant.

🔗 Raising Incomes: The Fairtrade Cents Pilot

In many developing countries, basic wages in agriculture are well below living wage levels. Workers earn too little to meet the costs of essential family needs, such as medical care or school fees for their children. The Fairtrade Premium, an extra sum of money paid on top of the selling price, is invested by workers in projects of their choice to benefit their communities. But more can be done to improve incomes.

The newly launched Fairtrade Cents Pilot in poinsettias aims to test the ground for substantial improvement of worker incomes by the introduction of a new mechanism.

🔍 How Does it Work?

WAGE BONUS X VOLUME = INCOME IMPACT

This is the pilot’s rationale. Substantial income leaps for poinsettia farm workers can be achieved by only a few cents extra per plant, provided the Fairtrade volume sold is big enough.

The Fairtrade Cents Bonus Fund

The importer pays a fixed Fairtrade Cents Bonus of 4.5 eurocents per cutting, on top of the regular Fairtrade Premium (0.5 cents for the poinsettias from Uganda). The Fairtrade Premium finances community projects decided on by a committee of workers, in accordance with the Fairtrade Standards. The bonus of 4.5 cents goes into a Fairtrade Cents Bonus Fund. The revenue is paid out to the workers directly and raises their income.

Scaling Volumes, at Competitive Consumer Prices

The few extra cents don’t pose a barrier to consumers. They will be pleased to contribute their tiny bit to a big change if they learn how easily they can do so.

Competitive market prices result when the companies along the supply chain pass Fairtrade poinsettias on with just the real extra costs of Fairtrade reflected in the prices. These extra costs consist of 5 cents for workers plus the other costs related to Fairtrade, mainly those of certification. The bigger the volumes traded, the more marginal those fixed costs of the Fairtrade system get.
The plants come with a strong message: **Buying Fairtrade poinsettias can drastically improve the incomes of African farm workers.**

How do you become part of this story?

A small bonus on the back of Fairtrade sales makes a huge difference for workers. That is, provided growers and retailers support the concept and participate in this pilot project. The pilot started on 1 November 2017 and ends on 1 January 2020. It includes two Christmas selling seasons: 2018 and 2019.

The companies that started this project hope for other companies to share their enthusiasm and respond to their proposal. Volumes will be decisive for success! What counts for the incomes of workers, are the Fairtrade volumes sold.

That’s why we make an appeal to you. Join in, and offer your customers poinsettias that cost just little more, but make a great change to people’s lives. **Consumers will appreciate the powerful story these plants have to tell.**

What are living wages?

A living wage allows workers to cover the essential needs of their family, with a little extra for ‘just in case’. Elements of a decent standard of living include nutritious food, water, decent housing, education, health care, transport and clothing. The legal minimum wage in many countries, if it exists at all, too often falls far short of this, leaving workers around the world mired in poverty. The widely accepted Anker methodology provides a uniform manner to calculate the applicable Living Wage benchmark for each (rural) region in the world.

The wage pilot and Fairtrade standards

The bonus fund is in addition to, not replacing, existing requirements of the Fairtrade Standards, which remain fully applicable. The Fairtrade Standards specify robust rules for the protection of human rights in the workplace, including the requirement to comply with Fairtrade’s Floricultural Floor Wage of 1.9 USD/day PPP in countries without legislated minimum wages. Incremental progress must be made, from minimally 85% compliance in April 2018, to 100% compliance by April 2019.

The Fairtrade Cents Pilot is part of the Program for Wage Improvement of Fairtrade International. More information on this program can be found in the sheet Fairtrade and Living Wages.

For further information, contact the current partners in this project:

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