The potential of the Fairtrade Cents Pilot is illustrated at the Wagagai farm in Uganda. Wagagai grows poinsettias and other cuttings. It makes a wide range of social services available for its workers. But for CEO Olav Boenders, it does not stop there. His dream is to pay all his 2,100 workers living wages. A dream he shares with his business partner, the breeding company Selecta One. They came up with a wonderful idea to make it happen. Their idea had a close match to a wage improvement pilot as foreseen by Fairtrade International and a partnership was born!

**THE FAIRTRADE CENTS BONUS FUND**

In 2017, the certified farm Wagagai in Uganda sold almost 900,000 poinsettias as Fairtrade. The Trader Standard requires the importer, Selecta One in this case, to pay the Fairtrade Premium for each cutting. This premium, paid on top of the selling price, is meant for community projects agreed on by a committee of workers.

Selecta One took an important step. It decided to raise their Fairtrade premium payment (and to absorb the other costs that trading Fairtrade brings along). The premium that Selecta now pays, amounts to 5 eurocents per plant.

A split was then made. 0,5 cents stays to the disposal of the Fairtrade Premium Committee for collective investment, in accordance with the standard. The other 4,5 cents flow as a bonus directly into the so-called Fairtrade Cents Bonus Fund, dedicated to income increase. The fund is governed by representatives from the Trade Union, the Fairtrade Premium Committee, Fairtrade Africa, Selecta One and Wagagai. The financial transactions are audited by FLO Cert.

**THE PREMIUM THAT SELECTA NOW PAYS, AMOUNTS TO**

5 EUROCENTS PER PLANT

**OLAV’S DREAM IS TO PAY ALL HIS WORKERS LIVING WAGES**
The first results from 2017 are already visible. The 900,000 poinsettia cuttings sold in this year’s Fairtrade market generated € 40,500 for the Fairtrade Cents Bonus Fund. This amount added € 29 to the income of the 1,400 workers in the lowest pay scales. That gets close to one extra month of salary (€ 35).

It is a good start. But much more is needed. Current estimates are that a true living wage in Uganda would lie between € 120-150 per month. 2018 is the first pilot year of market promotion and the sales target for Wagagai is set at 5 million Fairtrade poinsettia cuttings. This volume would generate about five monthly salaries on top of the regular wage of the Wagagai workers – a substantial improvement of their income, which the workers of Wagagai will heartily welcome.

Still, our joint ambition goes beyond that. To deal the winning blow to poor wages and the poverty they cause, Fairtrade should be the rule in the market and not the exception. At present Wagagai sells less than 2% of its 55 million annual poinsettia cuttings as Fairtrade. One hardly needs a calculator to see what great income leaps could be made if a quickly increasing share of that total volume is sold as Fairtrade, generating its contribution to the Fairtrade Cents Bonus Fund.

In parallel, the means of the Fairtrade Premium Committee would also grow proportionally. The community projects these funds enable, give people access to essential social services. Now more than ever: as Fairtrade sales grow, so will the benefits to workers and their communities.

<table>
<thead>
<tr>
<th>Poinsettias Sold as Fairtrade (#)</th>
<th>Value in Fairtrade Cents Bonus Fund (€)</th>
<th>Extra Income per Worker (€)</th>
</tr>
</thead>
<tbody>
<tr>
<td>50,000,000</td>
<td>2,250,000</td>
<td>1,607</td>
</tr>
<tr>
<td>25,000,000</td>
<td>1,125,000</td>
<td>804</td>
</tr>
<tr>
<td>5,000,000</td>
<td>225,000</td>
<td>161</td>
</tr>
<tr>
<td>900,000</td>
<td>40,500</td>
<td>29</td>
</tr>
</tbody>
</table>

- 4,5 eurocent per cutting to Fairtrade Cents Bonus Fund
- Here calculating with 1,400 workers
- Total poinsettia production at Wagagai = 55 million cuttings