

# Year plan 2022

connect, create, consolidate







Uncovering the value of  
transparent food chains



# We are ready for 2022!



- The year 2022 looks promising for Fairfood. In 2021 we learned that we have built a strong and resilient team. We are so happy to have welcomed a couple of great new colleagues!
- With our running programs such as RECLAIM Sustainability! and the Trace Innovation Pilots we enter our 2<sup>nd</sup> year. And even though we had to work from home, we made good progress. The relationship with Solidaridad is healthy.
- We are also proud of the progress we made in Indonesia with a good working farmer field app assuring the premium payment of farmers. And with the Living Income coffee project in Ethiopia where we will close the living income gap with the help of Trace. And with new projects in the pipeline (DreamFund!), we are sure to make our mark
- The most important thing for 2022 is to keep our eyes on the ball. We will **connect** with our partners and build strong relationships, we will **create** new propositions for more impact and growth, and we will **consolidate** our work to become more effective in the projects and programs, while further professionalizing our operations
- We are ready for 2022!

# Focus 2022: connect, create, consolidate

- With our work in 2022 we want to ensure agri-food companies benefit farmers and workers in their livelihoods with a better negotiation position and higher incomes
- In our projects and programs we offer innovative solutions that enable agri-food companies to improve their responsible business practices and enhance the economic prosperity of farmers and food workers in their value chain
- We believe in a technology and impact driven approach to accelerate the change towards fair and sustainable food systems



## Connect

- Build & Invest in partnerships & funds
- Become remote working heroes



## Create

- Develop new propositions
- Get ready for impact & growth



## Consolidate

- Deliver successful programs & projects
- Improve our tools and our operations

Focus  
points

Fair Data:  
develop clear  
proposition on  
Data use

Growth:  
roll-out our  
partnership &  
growth plan

Services:  
make clear  
decisions on  
our offering

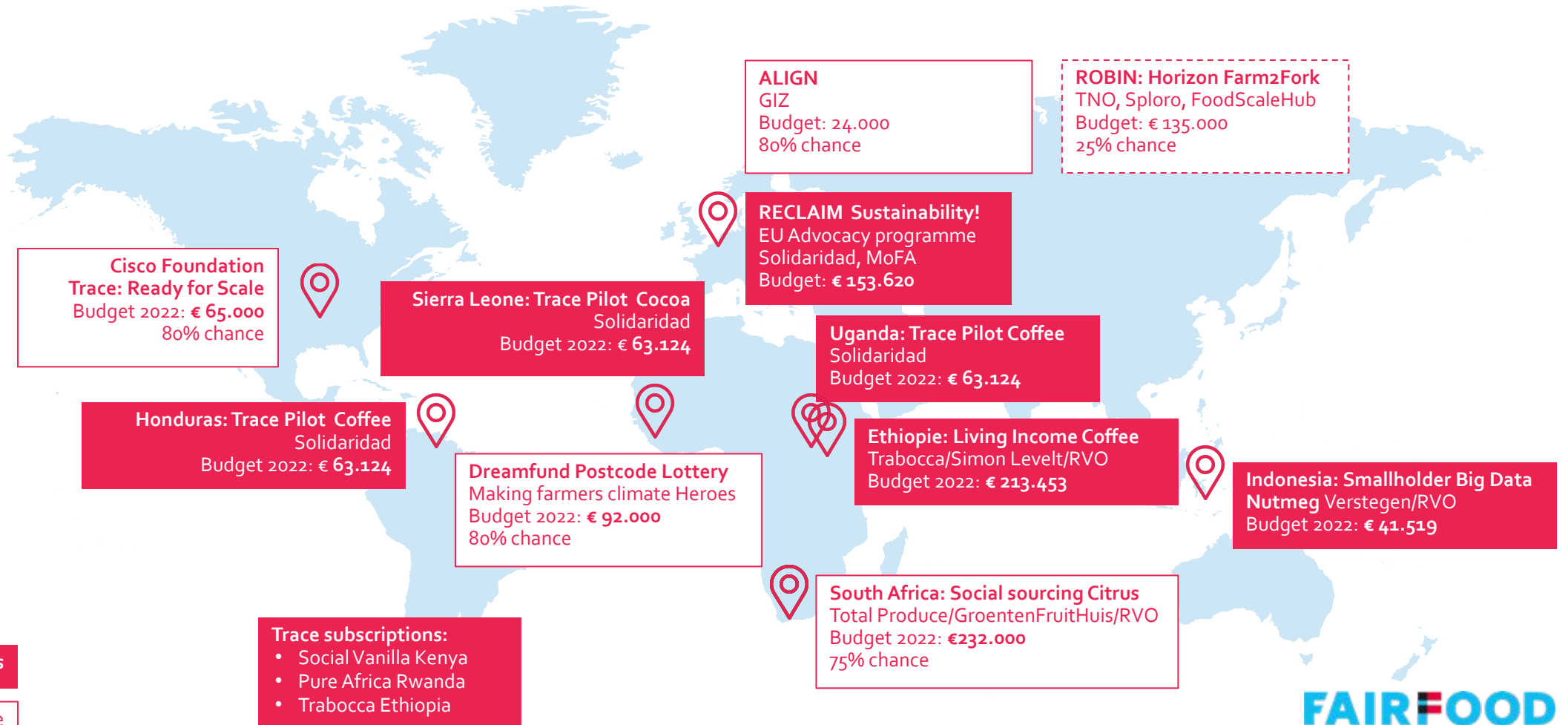
# Projects 2022

- RECLAIM Sustainability! EU
- RECLAIM Sustainability! Innovation Pilots
- Smallholder Big Data
- Closing the Living Income Gap
- ALIGN
- Pipeline projects





# Overview 2022



# Program Theory of Change

Fairfood is active in the pathways **ACCELERATE** and **ADVOCATE**



# RECLAIM Sustainability! 2022



We are active in two Pathways	
<b>Advocate</b>	<p><b>Advocate through inclusive dialogue to influence corporate policies on living income, traceability, and transparency</b></p> <ul style="list-style-type: none"> <li>• Work with Solidaridad Europe on their cross-commodity research into distribution of value, pricing, and barriers for transparency</li> <li>• Facilitate 3 Living Wage Lab Sessions</li> </ul>
<b>Accelerate</b>	<p><b>Accelerate disruptive innovations by engaging companies with our solutions</b></p> <ul style="list-style-type: none"> <li>• Share lessons from Trace Pilots</li> <li>• Grow the ALIGN platform &amp; publish new benchmarks</li> <li>• Participate in (D)ISCO, MVO Platform</li> <li>• Engage private sector with compelling content (blogs, webinars, articles etc...)</li> </ul>

Highlight activities in Cocoa, Coffee, Tea	
<b>2021</b>	<p>Baseline development, Gender Report, Annual Planning, 2025 Targets          Laying the administrative foundation</p>
<b>2022</b>	<p>3x Living Wage/Income Lab sessions</p> <p>Leading the way in cross-commodity dialogues with strategic partners</p>
	<p>Cross commodity research into distribution of value, pricing, and barriers for transparency</p> <p>Supportive yet important research role that will integrate RS! Pilot results to engage companies</p>
	<p>Communicate and share with the world our findings, activities and research</p> <p>Advocating our approach to RECLAIM Sustainability through various mediums and throughout the entire year</p>



# RECLAIM Sustainability!

## 2022 key actors



Who are the **key actors** to work with / influence / engage

	Coffee	Cocoa	Tea
Engage in partnerships	Coffee frontrunner companies, Consortium partners, GIZ	Cocoa frontrunner companies, Consortium partners, GIZ	tbd
Influence agenda	<ul style="list-style-type: none"> <li>• Coffee buying companies (ADCC, JDE, Nestlé, Olam, etc)</li> <li>• VSS (Rainforest, Fairtrade, etc)</li> <li>• Trade Unions</li> <li>• Industry platforms (Koffie &amp; Thee Nederland, FNLI, CBL)</li> <li>• MSI's (GCP, SCC, ICO, ECF, Future Coffee Collective)</li> <li>• Dutch Government, European Union</li> </ul>	<ul style="list-style-type: none"> <li>• Cocoa buying companies</li> <li>• VSS (Rainforest, Fairtrade, etc)</li> <li>• Trade Unions</li> <li>• Dutch initiative sustainable cocoa (DISCO)</li> <li>• Dutch Government, European Union</li> </ul>	tbd
Raise awareness	<ul style="list-style-type: none"> <li>• Brands, EU Governments</li> </ul>	<ul style="list-style-type: none"> <li>• Brands, EU Governments</li> </ul>	tbd
Collect evidence	<ul style="list-style-type: none"> <li>• MSI platforms (GLWC, LICOP, SFL)</li> <li>• Knowledge &amp; tech institutes (WUR, TNO, TU Delft, GSMA, True Price)</li> <li>• World Benchmarking Alliance</li> </ul>		



# RECLAIM Sustainability! Accelerate Innovations



We are running three Trace Innovation Pilots promoting the adoption of innovative technology for improved transparency and traceability by private sector and government

## Coffee - Honduras, Uganda Cocoa – Sierra Leone

2021  
Launch Pilots

- Baseline year for relationship building, testing, and learning
- Honduras and Sierra Leone are on track, Uganda project is being delayed

2022 Q1 - Q2  
Lessons Learned

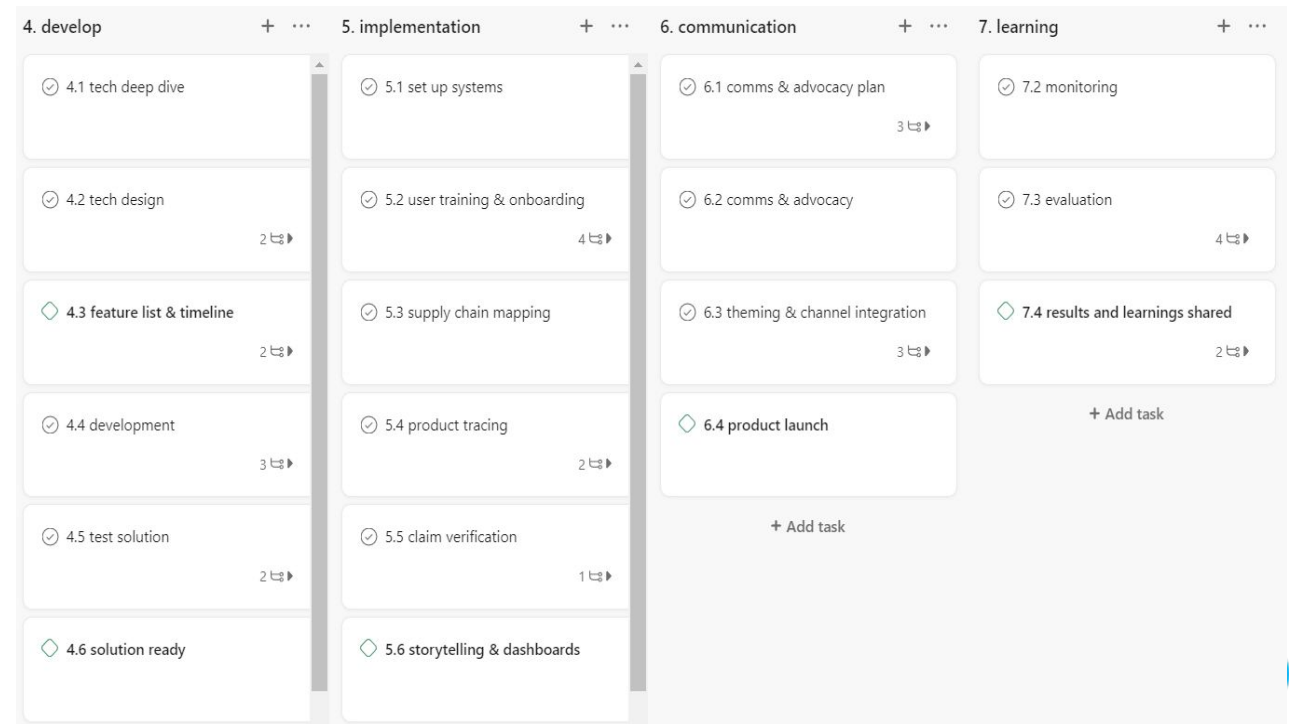
- Discuss, evaluate and aggregate lessons learned from the MVP/MVB

2022 Q2 – Q3  
Do More

- Build on the progress made in our first year and trace more cocoa from more farmers with more partners and if needed, use more tech

2022 Q4  
Adding Value

- Start getting money into the pockets of farmers and have companies pay for it





# Closing the Living Income gap in Coffee



Highlight activities in Coffee in Ethiopia	
<b>2021</b>	<b>Kick off Part A</b> Establish a good collaboration among all project partners and define clear roles and responsibilities. Start-up the research part of part A.
<b>2022</b>	<b>Complete Research</b> Work with KIT and GLWC to conduct income study and living income benchmarking Identification of adverse impacts in coffee production Ethiopia
	<b>Trace Suke Quto and Moredocofe Coffee</b> Tracing the two supply chains and make the physical journey of the coffee transparent and make the value distribution
	<b>Income Baseline</b> Use research findings to set income baseline and communicate findings Identification of living income gap of each farmer, set income baseline and share learnings
	<b>Draft Part B</b> Drafting of the project proposal for the project B phase, including monitoring and effect measurement



# Smallholder Big Data Traceable Nutmeg

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Highlight activities in Indonesia	
<b>2021</b>	Pilot testing, data collection, upstream development <i>Supply chain analysis, partner engagement, system development, local support</i>
<b>2022</b>	Rolling-out to ~500 farmers, tracing, downstream development <i>B2B/B2C engagement, nutmeg narrative, company/consumer interfacing</i>
	Communication, evaluation <i>External and internal knowledge sharing.</i>
	Strategy, scaling to other supply chains...? <i>Long term partnership, use of platform without major investments?</i>



# Develop & grow ALIGN

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Highlight activities in Coffee in Ethiopia	
2021	<p><b>Funding and ALIGN growth</b></p> <ul style="list-style-type: none"> <li>• External consultant activities</li> <li>• ALIGN partnership agreement</li> <li>• Partners coordination</li> <li>• Virtual workshop (May) + Bi-monthly updates</li> </ul> <p><b>Content</b></p> <ul style="list-style-type: none"> <li>• Country profiles = 42</li> </ul> <p><b>Outreach</b></p> <ul style="list-style-type: none"> <li>• Bi-monthly newsletters = x5</li> <li>• Social media posts (highest traffic via LinkedIn)</li> <li>• SEO activities</li> </ul>
2022	<p>Maintenance activities</p> <p>Business development Strategic partnerships (SFL, co-funding LICoP)</p> <p>Outreach activities Search Engine Optimization, sharing value added content, introduction to key networks</p> <p>GIZ grant agreement User base growth New feature: benchmark interest form</p>





# Promising projects in the pipeline



## Cisco Foundation

Trace: Ready for Scale  
Budget 2022: € 65.000  
80% chance

- With this product grant we can significantly improve the 1st mile connectivity and adoption of the existing Trace platform, and make the solution open source.
- We want to enable 20 new partners to adopt the solution and perform responsible business practices in their respective Agri-Food value chains, contributing to the enhancement of the economic prosperity of an estimated 0.2M farmers across 10 countries.

## Dreamfund Postcode Lottery

Making farmers climate Heroes  
Budget 2022: € 92.000  
80% chance

- With this Dreamfund project we will expand our work from social justice to climate justice.
- Making a business case for carbon insetting: with two thirds of emissions happening at farm level, food companies can't reach environmental targets without insetting.
- Our role in the consortium with Solidaridad, Cool Farm Alliance and Rabobank is to make a marketable claim from the offsetted carbon. Making smallholder coffee farmers in Uganda climate heroes!

## FVO South Africa: Social Sourcing Citrus

Total Produce/SRCC/GroentenFruitHuis  
Budget 2022: €232.000  
75% chance

- The project will focus on field-to-fork traceability and redistribution of margins (and other funds) directly back to origin for local community development.
- In this project, TP BV (importer), SRCC (supplier) and Fairfood work together to strengthen the inclusion and improve living conditions of farm- and factory workers, through (1) improved transparency, (2) representation of workers and their communities, (3) funding of basic services and economic opportunities in local communities and (4) awareness of economic opportunities throughout the value chain.

## ROBIN: Horizon Farm2Fork

TNO and 12 partners  
Budget: € 135.000  
25% chance

- ROBIN: ROadmap for BlockchaIN research in the European agrifood sector
- Fairfood is one of 12 partners to "grow and nurture a network of Lighthouse Living Labs that catalyzes the potential of blockchain technologies and dedicated tools to secure the sustainability of agrifood supply chains.
- We are responsible for the multistakeholder Living Lab #5: Allowing farmers to sell commodities at fair prices and lowering transaction fees supporting smaller farmers to enter the market



# Our focus points





# Investing in our propositions



## SERVICE PROPOSITION

- We will develop a clear service proposition towards companies
- A proposition built around our tools (Trace, Align) and expertise (LW/LI, fair share, data)
- Questions to answer: we can help with data collection, should we calculate LW/LI gaps? Risk analysis for companies?

## GROWTH PROPOSITION

- We have a new partnership and growth plan
- Focusing on grants and bigger projects and programs
- Sharply defining our Markets, Customers, Geographies and Solution
- Making clear choices in our Go to Market approach and organisation (e.g. hourly rates)
- Questions to answer: do we focus on Africa, do we want to expand with local teams, Make, Buy or Ally?

## FAIR DATA PROPOSITION

- Data governance is very important and very complex
- Fairfood needs time to develop a joint (data) proposition.
- We consider the following aspects:
  1. data principles (fairdata)
  2. legal framework
  3. technical options
  4. practicalities
  5. Financial
  6. proposition

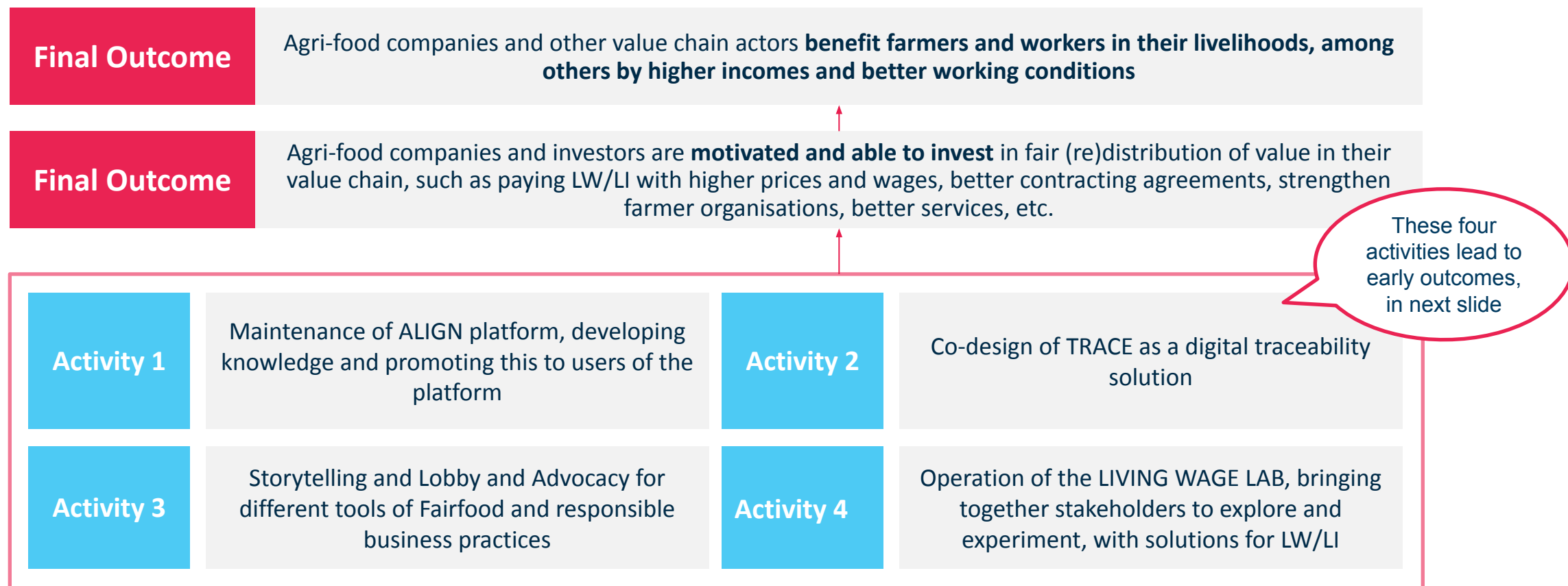


# Our Impact





# Our Theory of Change contributes to: **More responsible business practices in agri-food supply chains enhancing economic prosperity for farmers and workers\***



# We expect to create added value for agri-food companies and farmers based on our four key activities

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Early Outcome 1	Agri-food companies have <b>more knowledge and awareness</b> on LW/LI issues and risks and tools and approaches to improve towards LW/LI			
Early Outcome 2	Agri-food companies have more <b>insight</b> in the supply chain			
Early Outcome 3	<b>Data is fairly distributed</b> , there is more <b>transparency</b> on transactions for all TRACE users			
Early Outcome 4	All supply chain actors (also consumers) can <b>verify</b> product claims			
Early Outcome 5	Farmers are more <b>included</b> in and connected to their supply chain			
Core Outcome 1	Agri-food companies experience an <b>added value</b>			
	Knowledge and insight in supply chain issues and risks	Traceability of the products back to the farmer / workers	Communication and branding of responsible production, i.e. higher sales	Connection and sharing knowledge with farmers
Core Outcome 2	Farmers experience an <b>added value</b>			
	More knowledge of and interaction with the supply chain, giving more negotiation power and room for sharing needs	More strategic business planning based on data and market knowledge	Better access to finance	Farmer data is monetized



# Our impact targets 2022

KPIs are based on the team input at the Fairfood Heydays. The impact targets will be leading in the personal purpose plans

<b>IMPACT</b>	Have farmers benefit from transparent supply chains in spices, citrus, coffee and cocoa	<ul style="list-style-type: none"> <li>Active farmer accounts on Trace: 10.000</li> <li>Spices farmer with proven higher income: ~1000</li> <li>Coffee farmers with proven higher income: ~300</li> <li>Finetune &amp; operationalise impact monitoring framework</li> </ul>
<b>PRODUCTS</b>	Invest in backend and frontend of TRACE and ALIGN and grow # of users and companies working with us	<ul style="list-style-type: none"> <li>Partners using Trace: 79</li> <li>Users of ALIGN: 400</li> <li>The Trace farmer app is operational at scale: yes</li> <li>Open Source: yes</li> </ul>
<b>SERVICES</b>	Develop proven services that shares added value with farmers and workers	<ul style="list-style-type: none"> <li>Product &amp; service strategy published</li> <li>Process in place offering core claims and new claims</li> <li>MVP Customer Trace Journey for companies developed</li> </ul>
<b>ADVOCACY / RESEARCH</b>	Develop knowledge (fair value, LW/LI, data, transparency) & move the sector (insights, lobby, MSP)	<ul style="list-style-type: none"> <li>Use cases shared on impact on farmers using Trace: 13</li> <li>Active MSP participation in DISCO &amp; MVO Platform</li> <li>Living Wage Lab sessions organised: 3</li> </ul>
<b>PROJECTS</b>	Prove the business case for farmers/workers value from transparent supply chains	<ul style="list-style-type: none"> <li>Proven business case Trace</li> <li>Projects are on track and objectives achieved</li> <li>Impact plan is published and rolled out</li> </ul>
<b>GROWTH</b>	Grow in projects, partners and funds	<ul style="list-style-type: none"> <li>100% of € 1,6 mln realised for 2022</li> <li>70% of € 1,8 mln realised for 2023</li> <li>Project control and planning in place: yes</li> </ul>
<b>TEAM</b>	Build a strong and healthy team, promoting personal development and wellbeing	<ul style="list-style-type: none"> <li>Human resources management improved</li> <li>Employee wellbeing and remote working improved</li> <li>Number and quality of team building events improved</li> </ul>

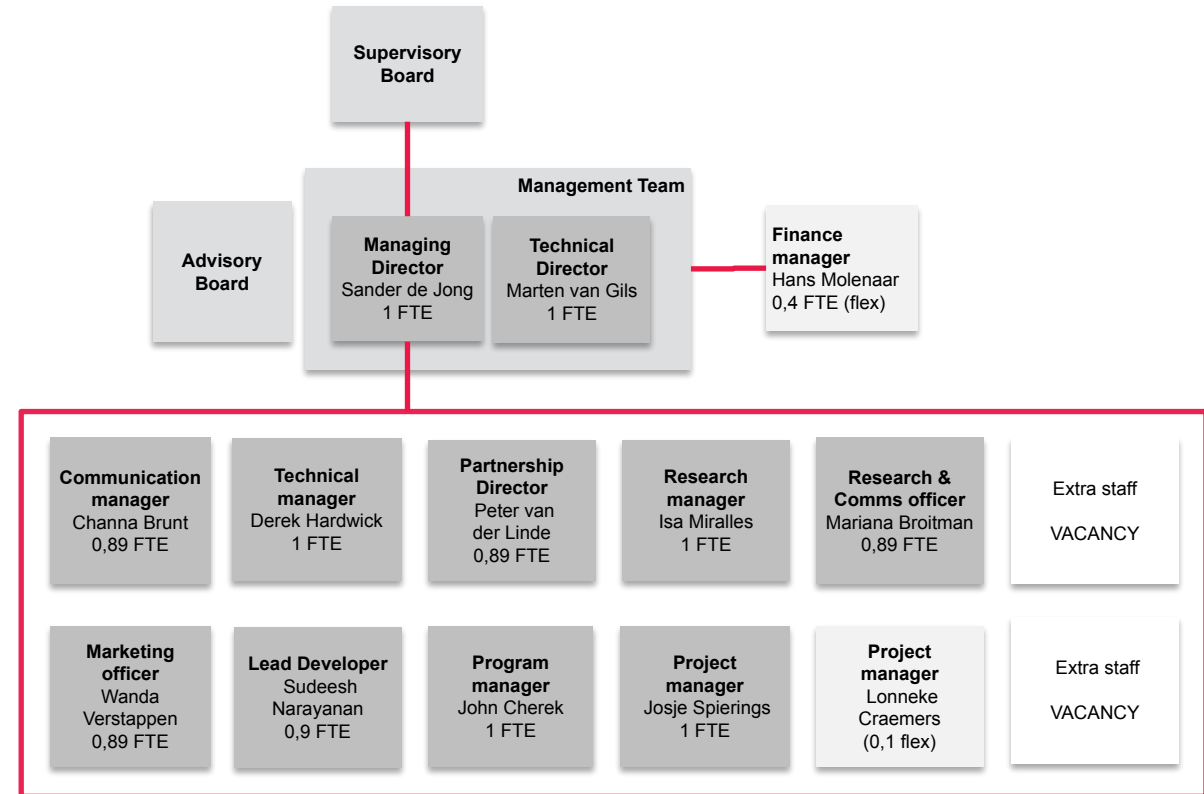


# Organisation & budget



# The team grows to 10,65 FTE

- In 2022 we will grow our team to 10,65 FTE of which 0,1 in flex
- If big projects in the pipeline also fall, we invest in two extra junior staff members of 1,78 FTE
- We will constantly work with 2 to 4 interns / volunteers to assist with marcom and research
- During the year we will assess whether we will need to take extra from the reserve in order to invest in growth
- We will reorganise the Advisory Board with new more tech focused team members



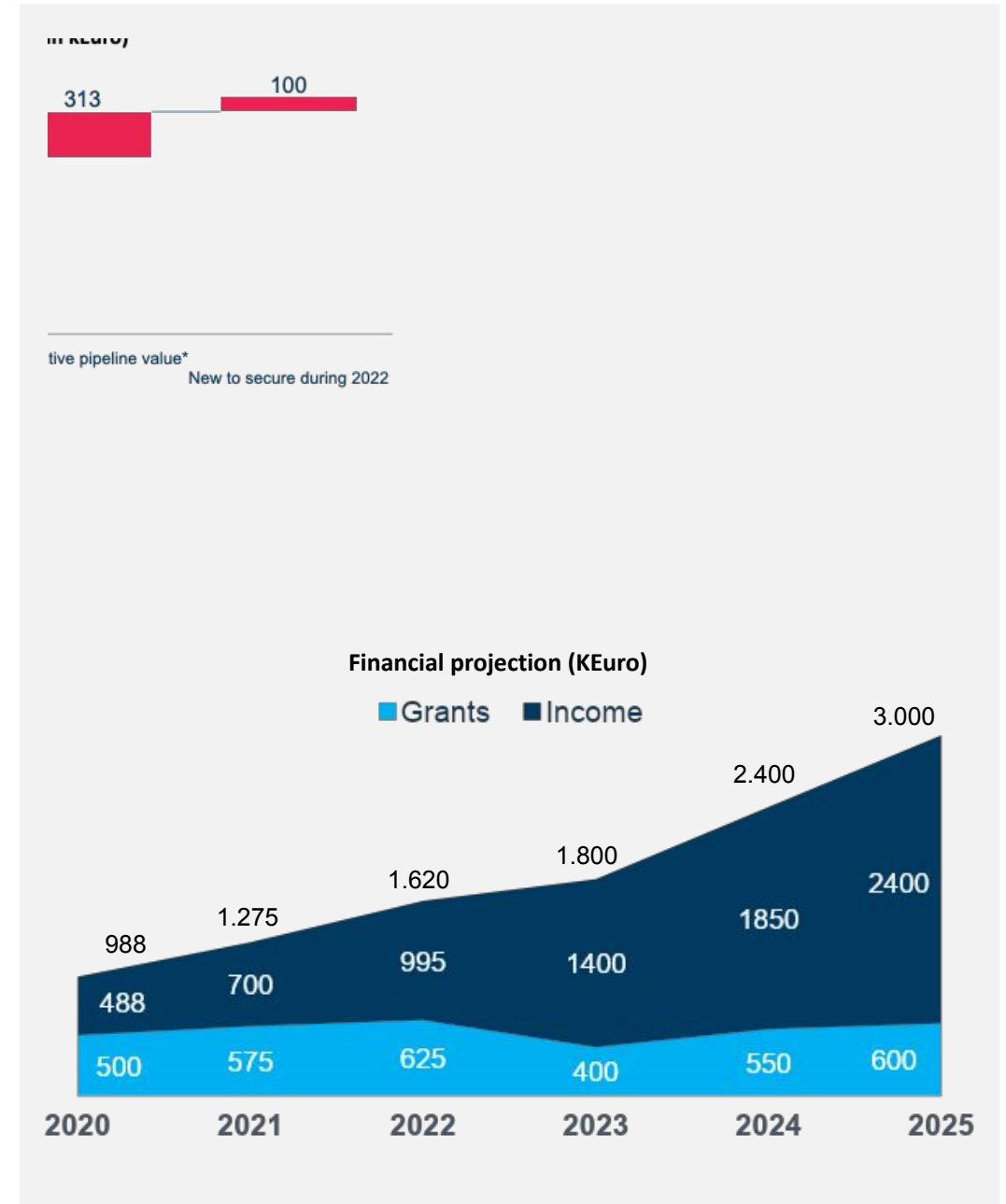
# Our income grows to €1,6 mln

- The budget for 2022 is based on more than 1.6 million in income. A growth of € 361,000 (29%) compared to the 2021 realisation
- The budget shows a positive result of € 89.840. At 31 December 2021, the expected reserve amounts to **€574,791**
- For 2023 we will possibly have a little negative EBITA, because of the possible loss of the NPL grant. But we have enough reserve to get us through the year

TOTALS	Budget 2021	Budget 2022
	revised May 2021	
	Total Year	
<b>INCOME</b>		
Projects Businesses	€ 457.576	€ 548.916
Projects NGO's	€ 273.878	€ 425.604
Projects governments	€ 41.250	€ 19.352
Grants	€ 575.000	€ 627.087
Others	€ -	
Total income	€ 1.347.704	€ 1.620.959
<b>COSTS</b>		
<b>Personnel</b>		
Salaries staff	€ 604.359	€ 860.305
Freelancers	€ 69.629	€ 13.000
Other Employee expenses	€ 32.154	€ 43.754
<b>Promotion costs</b>		
Communications and promotion	€ 59.000	€ 60.000
Google advertisementes	€ 75.000	€ 75.000
<b>Development costs</b>		
Development costs	€ 35.000	€ 35.000
<b>Project costs</b>		
Project platform costs	€ 186.345	€ 156.945
Other project costs	€ 66.375	€ 141.664
<b>Overhead</b>		
Housing	€ 28.500	€ 33.500
Office	€ 9.000	€ 13.500
Organisation	€ 74.750	€ 85.700
<b>Unforeseen</b>		
Unforeseen	€ 10.000	€ 10.000
	€ 1.250.112	€ 1.528.369
<b>Operational Result</b>	€ 97.592	€ 92.590
Financial income and expenses	0	€ -2.750
<b>Result</b>	€ 97.592	€ 89.840

# Most of 2022 budget is secured

- 73% of the budget for 2022 is secured, the pipeline is promising. If the big leads will fall we are 100% sure to close our budget for 2022
- Our focus is on consolidating: executing the programs and partnerships as a basis for growth
- Our business development is focused on setting up larger tracks towards 2023 (NPL, Cisco II, Programs) without direct pressure on 2022
- The biggest risk for the budget is that the Citrus project does not fall (175k 2022). Delays in the startup of programs is a second risk
- But in general we can say that our financial prospect for 2022 is stable and promising. With a strong basis for growth





# Getting ready for Strategy 2025!



- 2022 we will develop a new multi-year strategy. We see that our Strategy 2020-2023 is becoming outdated. There are new themes and propositions that prove to be more promising: Uncovering the value of transparent, good food!
- We see a lot of potential for our solutions approach where we provide a combination of tools such as Trace, with supporting expert (consultancy) services. We are also learning that a so-called 'platform approach for Trace is not the way forward.
- New topics such as *fair data*, *fair share* and services such as *enabling direct farmer payments* will be part of that new strategy
- We propose a series of interviews and workshops together with the team, Supervisory Board and Advisory Board
- By the end of 2022 we will ask the Supervisory Board for approval of the Strategy 2025

A man wearing a blue long-sleeved shirt, a straw hat, and camouflage pants is carrying a large, heavy cardboard box. He is in a field of green leafy vegetables. In the background, another person is visible, also working in the field. The scene is outdoors with natural lighting.

# Thank you!



**FAIR:FOOD**