



# INCREASING CONNECTIVITY AT THE FIRST MILE

# FAIRFOOD

Fairfood offers innovative solutions that enable agri-food companies to adopt responsible business practices. A new partnership grant from the **Cisco Foundation** allows us to further sharpen our tools, as we steadily move towards our goal of enhancing the economic prosperity of farmers and food workers.

## EVALUATING THE FIRST STAGE OF A FAIRFOOD X CISCO PARTNERSHIP



### INCLUSION AS A PREMISE: KEEPING FARMERS IN THE INNOVATION LOOP

With support from Cisco, Fairfood took another step towards better connecting farmers within agri-food value chains. Through a new **Trace field application** and supporting **Fairfood Farmer Cards**, smallholders who don't have access to a phone or the Internet can now verify transactions and payments they receive on the Trace platform.

‘Farmers want to have their photos taken when they are registering to Trace, even though this is optional. They are proud and happy to be included in the storyline of these products.’

~ **Leidy Egibrin**  
Nutmeg supplier Supervisor, in Sulawesi, Indonesia.



### SOME NUMBERS FOR CONTEXT:

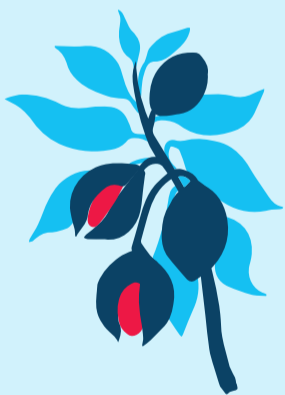
- Fairfood is now active in **17 countries**, including Honduras, Ethiopia, Sierra Leone, Uganda, South Africa and Kenya
- We are working on making **27 commodities** more fair, including cocoa, coffee, nutmeg, vanilla, tea, and citrus
- **6 new strategic partners** and **6 new value chain partners** were added to the Trace platform in the first quarter of 2022
- **1,994 new farmers** were added to the Trace platform in the first quarter of 2022
- We started the deployment of a new **mobile field app** and **Fairfood Farmer Cards** in our partnerships



Despite some initial resistance and the need to build trust when introducing a new solution - especially since a large share of farmers is older and not familiar with digital technologies - the use of the **Fairfood Farmer Cards** keeps increasing. Local partners report a healthy dose of pride among farmers for having the card and participating in the pilot.

### LOOKING BACK AT OUR 1ST PILOT PROJECT IN INDONESIA

The first stage of the **Cisco x Fairfood** partnership was about developing, field-testing and deploying this new Trace field application and the Fairfood Farmer Cards. Using near-field communication, or NFC technology, these cards enable transactions to be registered in Trace's blockchain system with no extra burden for the farmers.



400 nutmeg farmers in Indonesia supplying our corporate partner Versteegen Spices & Sauces are the first to test this low-tech solution that enables anyone to verify whether farmers are actually being paid and - specific to this project - are receiving premium payments for delivering quality products. What really gets our juices flowing is the fact that the farmers are being compensated for sharing their data. We like to call this a **data premium** - data as a new source of income.

The Indonesian farmers were the first to receive this **data premium** for effectively collaborating with companies up the value chain in sharing the story behind their products.



### WHY A DATA PREMIUM?

Proving the claims a company makes about their sustainable food products, and the storytelling opportunities, can add value to a product. We feel farmers should benefit from that. One of the most important components of farmer inclusion missing today is financial inclusion. The data premium made available by our corporate partners comes as an incentive for farmers in helping them assess their chains, as well as a way to better distribute value along the chain.



‘Orchestrating this project from so many miles away, during a pandemic and in a country already confronted with so many challenges, we were prepared for all kinds of surprises and challenges. But collectors handled the new mobile app very well, and we witnessed high card-usage at farm-level from day 1. It really confirms the potential of scaling up this solution and applying this innovation to all our partnerships.’

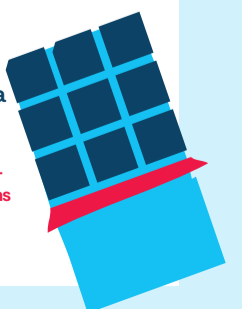
~ **Derek Hardwick**  
Product Owner Trace at Fairfood.



### WHAT ELSE KEPT US BUSY SINCE NOVEMBER 2021:

- **Open Source:** Fairfood worked closely with an external consultant to further develop the open-source strategy
- We designed and started to develop **Application Programming Interfaces (APIs)**
- We upgraded our **Theory of Change** and finalised a new organisational KPI framework
- We published 9 articles and organised 1 #TraceTalk webinar on the topics of transparency, traceability, living wage and living income
- We organised 1 Living Wage & Income Lab\* session, with speakers from **Tony's Chocolonely, Eosta, Fairtrade International** and **Oxfam**
- ↳ Over 150 people from 20 countries tuned in, including Chile, the Netherlands, Belgium, Uganda, Kenya and The United States

\*Our Living Wage & Income Lab brings together stakeholders from the agri-food sector to co-work on solutions to close the income gap for farmers and workers.



### GET THE INITIAL RESULTS

- The pilot left 97 Indonesian farmers with a total of 1,377.90 euros of extra income (premium payments) so far
- With almost **400 cards** already being issued, we expect to see many more farmers benefiting from this extra value soon