Fair Trade Coconut 101

Use these facts to educate about the need for Fair Trade coconut

Fast Facts

- Coconut is used in a wide variety of products, from food and beverage to personal care and home goods.
- Coconut trees take roughly 10 years to start producing fruit, and can then continue producing for about 80 years.
- A healthy tree can produce 50 coconuts or more annually. The average bottle of coconut water contains just over 4.5 coconuts.
- In 2017, coconut water was a $300 million industry and is anticipated to grow to an $8.3 billion industry by 2023.
- 90 percent of global coconut supply comes from Asia. The world’s major producers of coconut are Indonesia at 30 percent, the Philippines at 23 percent, and India at 19 percent.

The Need for Fair Trade Coconut

- Current demand for coconut was not anticipated in the past decade, so additional coconut trees were not planted. Newly planted trees take 15-20 years to reach peak production, so there is a scarcity of product and pressure on farmers.
- Coconut farmers struggle with low yields due to aging trees.
- Frequent typhoons pose a serious threat to coconut yields, destroying trees and requiring farmers to restart the decade long agricultural cycle.
- In the Philippines, the world’s second largest producer of coconut, an estimated 41-60 percent of coconut farmers live on less than $2 a day

Conventional Coconut

- Because coconut farmers typically work on family-farms or are self-employed, they are often operating outside the government benefits system and don’t have access to insurance.
- Many coconut companies contract only with big plantations to reduce cost. This results in smaller farmers working through middlemen to compete. In Asia, middlemen are often paid 25-50 percent more per coconut than what is paid to farmers.
- Independent, small-scale coconut farmers lack bargaining power, and many are dependent on traders for important services like transportation and credit.

Fair Trade Coconut

- With additional income from Fair Trade, coconut farmers can invest in renewing crops, planting new trees to increase production. Farmers also have access to microloans to help diversify incomes.
- Fair Trade standards require farmers to employ sustainable waste and water management practices to support healthy crops and protect the local environment.
- Fair Trade premiums have been used to invest in life insurance for farmers and their families. In the event of death, the member’s family receives approximately $200 to support funeral costs and avoid debt.
- Since 2013, Fair Trade has delivered $1.7 million of impact to coconut farming communities. This has resulted in greater income sustainability, stronger environmental practices, educational scholarships for farmers and their families, and other community development initiatives.