

TERMS OF REFERENCE

Study on marketing options for smallholder oranges for juice production/orange juice producing cooperatives in Brazil

CONTEXT AND BACKGROUND

Fairtrade is an alternative approach to conventional trade and is based on a partnership between producers and consumers. When farmers can sell on Fairtrade terms, it provides them with a better deal and improved terms of trade. Our mission is to connect disadvantaged producers and consumers, promote fairer trading conditions and empower producers to combat poverty, strengthen their position and take more control over their lives. Fairtrade's vision is a world in which all producers can enjoy secure and sustainable livelihoods, fulfil their potential and decide on their future.

Fairtrade has three main types of interventions:

1. A set of standards and tools include many environmental criteria which make up the 'rules' for (mostly) agricultural¹ production, biodiversity protection, fair trading practices, as well as organisational development as key to functional smallholder organisations.
2. Fairtrade engagement on the ground – e.g. producer extension services and capacity building, programs and projects (increasingly funded by third parties such as other supply chain actors, e.g. retail companies) – strengthens application of better natural resources' management, environmental-friendly agricultural practices, adaptation to climate change, and so on.
3. In addition to the Fairtrade standards and minimum prices (set for most Fairtrade products), farmer and worker organizations receive an additional sum of money called the Fairtrade Premium, which they can invest in economic, social or environmental projects based on democratic decisions of the members.
4. About 98 percent of tropical fruits are grown in developing countries, where Fairtrade traditionally supports small-scale farmers and plantation workers. Fairtrade certifies both fresh and dried fruit as well fruit for juices. Orange juice is the bestselling juice worldwide and approximately 80% of orange juice exports originate from Brazil. A few multinational juice corporations dominate the market, pressing prices under the production costs and forcing smallholder farmers to abandon the orange production. Fairtrade supports small-scale farmers to adopt more efficient cultivation methods, so that they can offset rising costs through

¹ With some exceptions such as Fairtrade gold, emission certificates, sports balls or textiles

sustainable productivity gains and support better working conditions and wages for orange plantation workers.

5. In recent years sales of Fairtrade oranges for juice production from smallholder cooperatives in Brazil have declined. In order to understand the underlying reasons for this decline, the aim of this study is to analyse general current markets trends and specific developments for Fairtrade oranges for juice production, to identify reasons for the recent sales decline under Fairtrade terms and to develop recommendations for an adapted marketing strategy. The results of this study will be used to better understand and improve upon (if necessary) the cooperatives and / or Fairtrade's operations.

1. GOALS

In line with the above, the goals of this study are:

- To identify reasons for the recent decline in sales of Fairtrade oranges for orange juice production from smallholder cooperatives in Brazil
- To analyse general current market trends and specific developments for Fairtrade oranges for juice production
- To recommend an adapted marketing strategy for Fairtrade oranges for juice production from smallholder cooperatives in Brazil

2. GUIDING QUESTIONS

The key guiding questions that the study and the cases should consider include the following:

- What are the reasons for the recent sales decline of Fairtrade oranges for juice production from smallholder cooperatives in Brazil?
- If the reasons have to do with "sustainable production" not being convincingly environmental friendly enough, would a switch to organic production be a potential solution?
- What are current trends and developments in the orange juice market in general and specifically the Fairtrade orange juice market?
- What is the potential on the local/regional market in Brazil / South America?
- What would an improved marketing strategy for smallholder cooperatives in Brazil to market their oranges/orange juice look like?

3. METHODOLOGY

Methodological procedure should be chosen by the researcher or research team, depending on specific conditions/requirements of a market study for Fairtrade orange juice in Brazil. A study concept should be presented and approved by Fairtrade, and close contact with Fairtrade about methodological topics should be maintained throughout implementation of the study.

It is however expected that this study includes up-to-date literature and recent market reports (AIJN, Euroonitor, Statista etc.) review and analysis and a data collection amongst a sufficiently large sample of key informants from the sector through interviews. There should be at least one interview conducted per market country, i.e. Great Britain, Germany, the Netherlands, Austria and Italy but also East European and Baltic countries. The researchers are expected to submit a realistic proposal how those key informants will be identified, contacted and encouraged to participate. This proposal is expected to include how the researchers' networks will support this.

4. GEOGRAPHIC SCOPE OF THE STUDY

The study should encompass the experiences of different cooperatives in different regions of Brazil, and should include market information from Europe, such as Great Britain, Germany, the Netherlands, Austria and Italy but also East European and Baltic countries and/or other possible countries for export as well as an analysis of the local/regional market potential.

In Brazil, the four states of Paraná, São Paulo, Bahia and Rio Grande do Sul Fairtrade has 8 certified orange juice cooperatives with a total accumulated membership of ca. 600 farmer families as members.

Given the demand to conduct the study in a relatively short time frame and with a focus on the market situation, the expectation is that the researchers will use a desk-based approach. For this reason, no travel days or dislocation costs are foreseen. Candidates interested in conducting the study should present their methodology for receiving relevant information from the cooperatives and conducting the key informant interviews through virtual means.

5. SELECTION PROCESS

The project will be awarded to a researcher or research team meeting the following criteria:

- Fluency in Portuguese and English both written and spoken. Other European languages are an advantage.
- Experience in conducting market studies and analysing market research projects related to oranges for juice production and relevant networks in this sector

- Experience in evaluation techniques and data analysis methodologies relevant to this project (quantitative and qualitative analysis skills, etc.)
- Ability to present information concisely and clearly
- Demonstrable policy on research ethics, and a willingness to adhere to Fairtrade research and ethics policies
- Basic understanding of Fairtrade principles, key tools and approaches and Fairtrade structures
- Existing research experience, research networks, and partnerships in the orange sector in Europe and Brazil

6. TIMELINE AND DELIVERABLES

The expected project deliverables and the timeline for their submission to Fairtrade Germany will be:

Awarding of Contract	Timeline
Offers to be received by	24 th May 2023
Interviews with selected candidates and awarding of contract by	09 st June 2023
Deliverable	Timeline
1. Brief study concept, containing information about methodology, information analysis tools to be used and research ethics and protocol to be followed, to be agreed with Fairtrade Germany before carrying on with the research	23 th June 2023
2. Concept of a market study model, including an assessment of which data is already available to determine key indicators of the model, and a methodological proposal for retrieving the missing data and contacting the key informants and review of secondary information	23 rd July 2023
3. Data Collection and Interviews	End July till End of September 2023
4. Short intermediate report showing the progress on data collection	01 st September 2023
5. First summary of results to be used for ANUGA 2023	27 th September 2023
6. Detailed draft narrative report that represents the current general market trends and developments of the orange	By 30.10.2023

<p>juice market, as well as the reasons for the sales decline of Fairtrade oranges from smallholder cooperatives and recommendations for an improved marketing strategy. The report should contain a good balance of narrative explanation and data representation through clear graphs and tables. The report will follow a structure agreed between the researcher and Fairtrade such that it meets the objectives of the study.</p>	
<p>7. A PowerPoint presentation summarizing the main findings and key recommendations, and up to 3 presentations of the same in learning events to relevant Fairtrade stakeholders and research participants (these presentations will probably happen through virtual means)</p>	<p>By 15.11.2023</p>
<p>8. Final report and any raw data collected through the research process is handed over to Fairtrade Germany</p>	<p>By 30.11.2023</p>

7. WORKING LANGUAGE

The working language for this assignment is English for the report, and Brazilian Portuguese for some sources, interviews and learning event. Some deliverables (for example some of the raw data and interviews, Power point) may be presented in Brazilian Portuguese, in deliberation with Fairtrade Germany.

8. VISIBILITY

All outputs need to be approved by Fairtrade Germany before presenting them to external audiences, to ensure that they follow the visibility rules of CIR and potentially other institutions as the project donor, and of Fairtrade Germany as the commissioning partner of this study.

9. CONFIDENTIALITY AND OWNERSHIP

All information gathered and documents produced in the course of the assignment are the property of Fairtrade Germany. Consultants have to comply with confidentiality regulations and research ethics (see [Fairtrade-Research-Ethics-Policy_2020.pdf](#)).

10. PROCESS

Because the expected budget for the study lies below thresholds for a full tender under German / European legislation, the selection of a researcher or research team will be

based upon a price-quality comparison between candidates who are invited to present to Fairtrade Germany:

- A document or documents setting out the relevant information about the researcher or company requesting to conduct the study: official address, legal registration, tax number, bank account
- CV of main researcher
- A short concept (maximum 3 pages) representing their relevant experience and methodology for conducting this study.
- A simple budget, based on foreseen working days and fee per day. The budget, including a mandatory 19% VAT payable in Germany (as this is where Fairtrade Germany is headquartered) should remain below the maximum value of €50,000.

Commissioning party of this study is Fairtrade Deutschland e.V. based in Cologne, Germany. The contact person at Fairtrade for this study is Larissa Jung, Coordinator of International Project Partnerships.

The application documents for conducting the study should be sent before 24th of May 24:00 hours Central European Time to the e-mail address: Ljung@fairtrade-deutschland.de