



Rooted in Time
& Tradition



ZAYTOUN
FROM PALESTINE

ANNUAL REPORT 2019

FROM THE MANAGING DIRECTOR



Thanks to your continued passion for supporting Palestinian producers, we've achieved a record turnover of £1.48m. We purchased over £1m worth of products from Palestine, generating a profit of £50K, which we will reinvest into furthering Zaytoun's mission - to sustainably support the largest number of Palestinian producers through ethical trade.

ZAYTOUN TURNS 15

It's been 15 years since the founding of Zaytoun, a company that has grown from humble roots using the power of good food and the appeal of social justice to tell a compelling story that has found resonance with so many. New businesses spring up all the time, but only one out of four make it to their 15th year.

Our deepest gratitude goes out to our partners in Palestine: the farmers, producers and suppliers who continue to give us foods of exceptional quality despite enormous challenges.

We marked this anniversary by showcasing the most popular of our Palestinian best-sellers.



Our tree planting and olive oil gift tube provided the opportunity to plant a tree on someone's behalf while giving the recipient a delicious product to enjoy. This gift was so successful, it sold out within a few months.

A beautiful new presentation box celebrated the most premium Palestinian Medjoul dates: these extra large gourmet dates are our fudgiest yet.



Khader Khader from Nus Ijbeil is celebrating 10 years of Fairtrade in Palestine.

“Thanks to Fairtrade, I could invest in land and now I make my living from agriculture.”

Richard Friend resigned from our board in January. With his expertise in quality assurance and Fairtrade supply chains, he made a valuable contribution to our meetings for which we are immensely grateful. In the summer, we were delighted to appoint Susan Ralphs as our new chair and Rebecca Rowland and Peter Jones as non-executive directors to our board. They bring a wealth of experience with them and a renewed boost to our governance.

Our 15th year in business coincided with the 10th anniversary of the awarding of Fairtrade certification for our olive oil - the first oil in the world to bear that mark. For Fairtrade Fortnight we invited Khader Khader to the UK. He was one of the earliest adopters of the Fairtrade producer movement in Palestine, and one of the youngest farming members of the Palestine Fair Trade Association. He was able to reflect on his journey from being a labourer in a settlement where he was unable to see family for months on end, to becoming a full-time producer and earning a sustainable living from farming his land. There were many highlights in his two-week tour which included a visit to the far-flung Orkney Isles and a visit with Joudie Kalla, a prominent London-based Palestinian chef and cookbook author.

The autumn brought us happy news of bountiful Medjoul date and olive harvests, and we ended the year by visiting growers, farmers and suppliers to celebrate with them.

2019 also marked my tenth year at Zaytoun. I was hired just as the fledgling company was about to move out of the living rooms of the founders into its first office space. From day one, I knew that this was it - there was nothing else I wanted to do more than to contribute to making this company a more sustainable business.

Little did I know back then that less than five years later, the person interviewing me, the wonderful Heather Masoud, would ask me to take on the role of

Managing Director of the company she had helped co-found. Zaytoun's founders have rare qualities that have made the company what it is today: their vision, tenacity, hopeful outlook, and above all their exceptional ability to inspire and collaborate has pioneered a company that survived and thrived against all odds, broke down barriers and connected many people across continents.

Becoming a sustainable ethical company means not only being relentless about a mission, but also building a robust, commercially viable business that can attract and retain talent. Our small team is passionate, driven and collaborative, always punching above their weight. I'm proud to say that Zaytoun is a great place to work.

People gravitate to Zaytoun for a multitude of reasons: the pleasure of good food; faith put into practice; the fair trade principles at the company's core. The satisfaction in knowing that small acts collectively make a difference to the lives of ordinary people living under an illegal occupation, is making a difference to people's lives right here in the UK too.

Working for Zaytoun has added a lot of meaning to my life, helping me form a connection with a place that had felt mythical to me. It's the birthplace of my father that I never imagined I would see, experience or get to know. From not knowing a soul there, now, with every visit it increasingly feels like coming home. Zaytoun has made Palestine real for me. For that, I am deeply grateful.

Thank you for your invaluable support throughout our journey. We look forward to our next fifteen years together.

Manal Ramadan White

FROM THE FOUNDERS

It's said that every idea has its moment. That certainly seemed true in 2004, the year Zaytoun was launched in the shadow of drastic Israeli restrictions on Palestinian rights to travel, trade and access their lands and livelihoods.

We bought 200 bottles of olive oil on our return from Palestine. Our initial invitation was for friends and family to buy a case of this oil, yet the idea spread like wildfire among Palestinian solidarity networks. It brought home to us the need felt by so many to do something tangible to support Palestinians, something that both supported their existing activism and reached beyond it. To buy a case of olive oil was a form of activism that could create immediate change. A simple purchase forged a direct connection to Palestinian farming communities that not only supported their livelihoods but carried a message in a bottle – the story of the people of Palestine, their love for their lands and the rich heritage they carry and are happy to share with us. Reading back over articles written about Zaytoun in its early days, we are struck by how little has changed at the heart of the

company. The mission that drove us then is the same as the one that drives us now – to support the livelihood of Palestinian producers via ethical trade rather than aid.

We are still nourished by the energy, passion and commitment of people around the country who not only buy our products but organise events to host Palestinian producers, distribute Zaytoun products among their communities and support our growth with loans.

We are still bowled over by the tastes and flavour of Palestinian food, and the expertise of the farming communities who, year after year, share their harvests with us. Their love of good food, and the way it has of bringing people together, inspires and delights us as much as ever.

Of course, Zaytoun is not the same company as it was fifteen,

or even two years ago. Although we focussed only on olive oil in the beginning, we now sell several products grown by different farming communities in Palestine. These products are now widely available from high street shops – from delicatessens to Fairtrade stores and wholefood retailers. We no longer drive around the country in rented vans to deliver these products ourselves (though we had a lot of fun doing so!), instead benefitting from a network of wholesalers.

Our team has grown from our original four to nine people (6 FTE positions), each one bringing a unique mix of expertise, skills and dedication to support our mission. We are also grateful to be supported by board members who bring a wealth of commercial experience along with backgrounds in social enterprise, Fairtrade and Palestine solidarity.

Simply put, Zaytoun may have grown a lot, but our passion for Palestine – for her people, her land, her food and farming heritage – remains as bright as ever. We have so many people to thank for the enduring success of the company we started fifteen years ago, and we hope you'll be part of our story in the next fifteen years. We have so much still to do together!

**Heather Masoud,
Cathi Pawson and
Atif Choudhury**



Zaytoun's founders on a trip to Palestine, 2005



FROM THE BOARD CHAIR

I'm delighted to have become chair of Zaytoun in 2019. The company is unique in supporting Palestinian people by creating a market for their goods, celebrating their rich culinary heritage whilst highlighting the injustice suffered by many. I attended an event to celebrate Fairtrade Fortnight in February 2019 and got a real feel for what Zaytoun is doing, including its close links with the producers.



Photography by Vivien Sansour

2019 was a positive year for the company as it included the celebration of our 15th birthday – which is a real achievement for any small company. It's a testament to the quality of our products and enormous commitment and support in Palestine and the UK. Over the year we expanded our product range and plan to continue to increase the range of products we sell. One of our most successful products was a gift box of oil, plus an olive tree planted in Palestine. A creative idea that linked the products with the importance of olive trees to Palestine, both past and present.

I have been incredibly impressed with the team, and their enthusiasm for the Zaytoun and all it stands for – my thanks to them and to my colleagues on the board for all for their hard work and dedication.

Susan Ralphs

FARMING IN PALESTINE 2019

2019 brought familiar challenges to Palestinian farming communities. In the face of continuing land theft, settlement growth and increased settler violence toward farming communities, our mission to support these communities feels as urgent now as ever.

ECONOMY

At 1.15%, economic growth in 2019 was slower in the West Bank than at any point since 2012, while Gaza's growth was virtually zero. Unemployment grew from 31% in 2018 to 33% in 2019. With a continuous loss of land and water to the occupation, agriculture's share of GDP remained low at around 4% .

Palestine Central Bureau of Statistics data indicates that 55% of West Bank land classified as of high or medium agricultural value is lost to settlements, the separation wall, and transport infrastructure from which Palestinians are barred. Most of the valuable land is in Area C, which covers 60 per cent of the area of the West Bank and remains under occupation by Israel and inaccessible to Palestinian producers.

SETTLER VIOLENCE

Volunteers on the Protective Presence team, supported by Zaytoun, were attacked as they supported Palestinian farmers from Burin to harvest their olives. The attack, by stone-throwing residents from nearby Yltzhar settlement, resulted in injuries among the team. The attackers went on to burn down over 60 Palestinian olive trees.

Across Palestine in 2019, the rate of such attacks by settlers rose by 16 % compared with 2018 and by more than 100% compared with 2017. During the 2019 olive season (September–November), 60 attacks were recorded in connection with over 2,700 trees and approximately 160 tons of produce.

By 2019, over 1 million of Palestine's productive trees had been destroyed by the occupation since 2000.



Photography by Fiona Dunlop

SETTLEMENT GROWTH

By the end of 2018, there were 150 settlements and 128 outposts in the West Bank which, according to UN Security Council resolutions 2334 and 476, constitute flagrant violations under international law. The occupying Power approved the construction of 8,457 new housing units and the establishment of 13 new outposts in 2019. Construction began on 1,917 new housing units in 2019 and 11 new outposts were established throughout the West Bank, all styled as farms. The farms allow settlers to take over large areas of land for pasture and agricultural cultivation with only a small group of people who maintain the farm and ensure control of land.

In September 2019, Israeli PM Netanyahu presented an annexation blueprint map for 22.3% of the West Bank in the Jordan Valley, with 30 settlements and 18 illegal outposts. Whether or not this formal annexation comes to pass, Palestinians' ongoing access to their lands and livelihoods is again challenged by increased uncertainty.



Photography Al Jazeera

¹ <https://www.worldbank.org/en/country/westbankandgaza/publication/economic-update-april-2020>

² https://unctad.org/system/files/official-document/tdb67_d5_en.pdf

³ <http://www.pcbs.gov.ps/post.aspx?lang=en&ItemID=3700>

SUMMARY FINANCIAL HIGHLIGHTS

For the year ending 31st December 2019

PROFIT AND LOSS ACCOUNT

	2019	2018
Turnover	1,477,507	1,405,602
Cost of Sales	(1,089,585)	(1,043,370)
Gross Profit	387,922	362,232
Other Income	10,671	9,071
Administrative Expenses	(320,696)	(291,738)
Operating Profit	77,897	79,565
Interest Received and Paid	(16,282)	(6,653)
Profit Before Tax	61,615	72,912
Tax Paid	(11,539)	(13,915)
Profit for the Year	50,076	58,997

BALANCE SHEET

	2019	2018
Fixed Assets		
Tangible Assets	882	-
Investments		
Total Fixed Assets	882	-
Current Assets		
Stock	247,056	181,519
Debtors	230,843	231,137
Cash Bank and in Hand	182,401	179,986
Total Current Assets	660,300	592,642
Creditors Falling Due Within One Year	(225,866)	(206,559)
Net Current Assets	434,434	386,083
Total Assets Less Current Liabilities	435,316	386,083
Creditors Falling After More than One Year	(172,568)	(173,411)
NET ASSETS	262,748	212,672
CAPITAL AND RESERVES		
Called up Share Capital	9	9
Profit and Loss Account	262,739	212,663
Shareholders' Funds	262,748	212,672

Zaytoun is a Community Interest Company, a social enterprise founded to support Palestinian farmers through fair trade. 100% of our profits are reinvested into furthering this mission.

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BOARD OF DIRECTORS

NON-EXECUTIVE DIRECTORS

Atif Choudhury

Co-founder

Cathi Pawson

Co-founder

Mazen Arafat Nomura

Peter Jones

Rebecca Rowlands

Susan Ralphs

EXECUTIVE DIRECTORS

Taysir Arbasi

Advocacy and Liaison in Palestine

Heather Masoud

Co-founder and Operations Manager

Manal Ramadan White

Managing Director

ZAYTOUN TEAM MEMBERS

Bridget Cowan

Communications Manager

Mahsheed Langeroodi

Finance Manager

Wesam Tahboub

Customer Relations and Office Manager

BANK

Triodos Bank

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