



ZAYTOUN
FROM PALESTINE



ANNUAL REPORT 2020

FROM THE MANAGING DIRECTOR

If 2020 taught us one thing, it's to never again take anything for granted. Whether in the UK, where we all swiftly had to adapt to a transformed way of living and working; or in Palestine, where sustaining a farming livelihood under occupation is difficult at the best of times – COVID-19 magnified the challenges of daily life in ways we couldn't have fathomed.

In a year characterised by both personal loss alongside devastation to businesses in sectors including hospitality, tourism and the arts, the strong support of our community of customers and supporters really came to the fore. Both in terms of increased sales and the enthusiastic participation of so many in our series of live online events with Palestine, 2020 proved the value of ethical trade in the longevity of its connections forged through the years.



OVERCOMING CHALLENGES TOGETHER

We were concerned with how Palestine would cope with a pandemic, given the fragile economy, health infrastructure and a military occupation that affects every aspect of Palestinian life. Some of the smaller businesses here and in Palestine had to shut for a few months as they didn't have the resources or, in some cases, the space to put sufficient mitigation measures in place. Our friends in Palestine good-naturedly mused that lockdown was sadly not a foreign concept to them. Familiar as they are with restrictions to their freedom, especially the inability to travel, their resilience has been put to the test over decades.



We faced twin challenges in early 2020, as the unfortunate combination of COVID-19 and Brexit caused chaos, delays, added costs and a very overwhelmed haulage system. Despite that, our products made it to all the corners of the UK and Ireland.



We were lucky to be able to host a Fairtrade Fortnight tour right before travel between Palestine and the UK became impossible. The manager of the Palestine Fair Trade Association, Mohammed Ruzzi travelled with Taysir Arbasi, to speak to audiences in the UK and Ireland about the impact of Fairtrade and specifically how it supports farming communities to remain resilient to the challenges of climate change.



Like producers around the world, Palestinian farmers have been experiencing the growing impact of climate change on their yields – the summer of 2020 was an especially hot and dry season, affecting the olive harvest adversely. Luckily that wasn't all bad news for the Medjoul date sector which saw abundant yields and excellent fruit quality, highlighting the importance of export diversification for the Palestinian economy.

As much of their agriculture is rainfed, Palestinian farmers have mastered the art of adapting their regenerative practices over decades, relying heavily on rain and dew for water.

Our UK lockdown was announced just after we'd been reeling from an unprecedented export ban by the Israeli government on Palestinian agricultural produce. The ban was imposed at a critical time, coming at the peak of the agricultural export season. Though it was lifted after one month, it served as a stark reminder of the control exercised by the 53-year Israeli occupation over the Palestinian economy.

Our suppliers had emphasised their need for our support during such a difficult year, and much to all our delight, rather than just honouring our commitments to them, we managed to increase our purchases to £1.1 million, a 5% increase from 2019.



In a year where cooking and eating delicious food at home became a valued activity, our customers discovered new ways of enjoying our products. The launch of the Falastin cookbook, written by Palestinian chef Sami Tamimi with Tara Wigley, was a highlight for us and all the food lovers out there. What better way to comfort ourselves during lockdown than recreating exquisite Palestinian dishes at home?

Despite the substantial challenges, Zaytoun emerged from 2020 a stronger company, underpinned by sales that were up by 13% year on year and a net profit that significantly exceeded our forecast.

THE WIDER PICTURE

Interest in the extent to which companies are looking at their own role in reducing their carbon footprint is rightly growing. We work to use best practice, encouraging organic and Fairtrade certification wherever possible, and continually attempting to balance the needs of farmers and the restrictions faced by our suppliers with our responsibility to a shared planet. Our products from Palestine are typically shipped rather than flown, and we have decarbonised our shipping by entering into a partnership with Good Shipping.



We regularly review our packaging choices and are excited by increased engagement from Zero Waste shops. The Trees for Life programme (see overleaf) that we promote on behalf of the PFTA, is seeing phenomenal growth. In addition to offering long-term livelihood support, it's also an effective way of capturing carbon. There is, of course, still a lot more to do.



COVID-19 highlighted the endemic social, gender and racial inequalities prevalent in our societies. The Black Lives Matter movement brought a heightened awareness of the systemic oppression of black communities. We recognise that the global legacy of colonialism, slavery and oppression, against which the black community takes a courageous stand, impacts on the liberation of all marginalised peoples across the globe, including that of Palestinians. We value being an active part of the Fairtrade movement, which opposes these injustices in a systemic and sustained way.

A MISSION-LED BUSINESS

As our trade with Palestine grows, you can rest assured that we continue to do business differently always putting our mission ahead of profit. We always consider our impact in the following inter-related areas:

- Support long-term livelihoods through sustainable trading relations
- Contribute to the resilience of farming communities in Palestine
- Support land retention – land that isn't farmed is more likely to get confiscated
- Bolster food security and resilience to climate change
- Increase employment opportunities
- Promote Palestine as the cultural and culinary gem that it is

At the end of an unforgettable year, we at Zaytoun are deeply grateful that our team, loved ones and partners in Palestine are all healthy and safe. Despite being unable to travel to Palestine we still managed to reinvest some of our 2019 profits in supporting new supply chains. We don't have a new product to share with you yet, but we hope to do so in 2021!



We are pleased to announce the appointment of our new finance assistant (and first remote hire!) Omar Qasim. Please join us in warmly welcoming him.

Our thanks go to all the producers and suppliers who, despite the immense challenges brought on by the global pandemic, found a way to fulfil our orders and keep kitchen cupboards across the UK and Ireland well stocked with delicious Palestinian products.

We remain grateful to our customers, both existing and new. They not only stayed with us, but got behind our mission with renewed vigour. Their wholehearted engagement helped us maintain strong connections with Palestine and demonstrated solidarity with Palestinian farming communities struggling with an extra dose of isolation.

Manal Ramadan White
Managing Director

FARMING IN PALESTINE 2020

For farming communities in Palestine, 2020 brought a further intensification of the injustices and livelihood challenges with which they are all too familiar. Discrimination against these communities by the Israeli occupation has consequences in terms of their ability to adapt to increasing climate instability. A hostile international climate brought the looming threat of formal land annexation, and the reality of a wave of demolitions of infrastructure and homes.

CLIMATE CHANGE

Over the summer, a prolonged spell of unusually hot dry weather affected many crops, diminishing yields. Farmers are noticing sustained changes to the climate patterns they are accustomed to, with a shorter rainy season and hotter, drier summers.





Indigenous Palestinian agriculture is well adapted to the local landscape, with its traditional seasonal patterns and topography. Just 5.5%¹ of Palestine's West Bank is under irrigation, so rainfed crops predominate and crop varieties are traditionally adapted to local conditions. However, in a future of sustained extreme heat and drought, Israeli obstruction of access to traditional and new water resources leaves Palestinian farmers literally high and dry.

In addition, adaptation to new climatic conditions requires year-round access to land in order to water, prune and mulch crops that are heat-stressed. The growth of illegal Israeli settlements, the Separation Wall and their associated infrastructure is based on systematic land and water confiscation, and the barring of Palestinians from their ancestral lands – either completely or for much of the year. Research has shown that trees on land which is irregularly farmed are less productive.²

DEMOLITIONS

2020 marked a four-year high in Israeli demolitions of Palestinian property and displacements of people and livelihoods.³ Agricultural structures constituted 29% of total demolitions recorded in this year, at a time of climate stress when new and existing farming infrastructure is crucial to the capacity of farmers to store and distribute water. An increased use of military orders and other legislation prevented or limited people's ability to legally challenge the targeting of their homes and sources of livelihood in Israeli courts.

WATER

Control by Israel of 80% of Palestinian water sources forces Palestinians to buy 22 per cent of its water needs from the national water company of Israel.⁴ With over 60% of Palestine's West Bank in Area C (under full Israeli administrative control) Palestinians are barred from either building water cisterns to capture spring rainfall or to dig new wells and boreholes. Israeli soldiers regularly destroy small-scale, traditional water collection systems, consolidating water dependence on the occupying power.

Palestinian human rights group Al Haq⁵ described the water sector in Palestine and Israel as characterised by Israeli overexploitation of shared water resources, an exhaustion of long-term storage and deterioration of water quality. Israeli settlers in the West Bank consume approximately six times the amount of water used by the Palestinian population living in the same territory.

SETTLEMENT EXPANSION AND ANNEXATION

In January 2020, U.S. President Donald Trump announced a Middle East plan under which Israel would annex about a third of the West Bank, including all its settlements. Although Israel fell short of implementing de jure annexation of the settlements, it continued with the de facto annexation through ever-expanding settlement growth. With the prospect of a Biden win in the run-up to the American elections, Israel commenced a building spree which saw settlement growth reach a record high. According to Peace Now's settlement report⁶, there were 1785 tenders and 12159 plans for construction in 2020.

The construction of nearly 5000 new homes in settlements was approved in the autumn of 2020, an action which the UN special rapporteur for the situation of human rights in the Palestinian Territory, Michael Lynk, named in November as "a grave breach of international law."⁷ The majority of these were located in settlements that would probably be evacuated in the (unlikely) event of a peace agreement, including militant communities like Yitzhar and Eli, which are geographically positioned to disrupt the contiguity of any future Palestinian state.

The creation of Israeli outposts (agricultural settlements) continued, with 11 being established in 2020, in addition to the advancement of plans to retroactively authorize four outposts as 'neighbourhoods' of existing settlements. This was the continuation of an upward trend in outpost establishment since the election of Trump in the US. The outposts are situated deep within Palestinian territory, and many take over large areas for pasturing and cultivation, while their inhabitants actively work to remove Palestinian shepherds and farmers from the vicinity.⁸

The Israeli government has been investing heavily in recent years⁹ in upgrading roads system for settlers in the West Bank. This road network will allow for explosive settlement growth in the coming decades, whilst barring Palestinians from even more areas of land and further destroying the contiguity of the West Bank. 2020 marked the beginning of many of those projects on the ground, while plans for additional roads were prepared and promoted.¹⁰

¹https://www.arij.org/files/admin/1994-1_Dry_Land_Farming_in_Palestine.pdf

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

³<https://www.ochaopt.org/content/west-bank-demolitions-and-displacement-december-2020>

⁴https://unctad.org/system/files/official-document/tdb67_d5_en.pdf

⁵https://www.alhaq.org/cache/uploads/download/alhaq_files/publications/Water-For-One-People-Only.pdf

⁶<https://peacenow.org.il/en/settlement-construction-report-2020>

⁷<https://daysofpalestine.ps/post/15323/UN-expert-calls-for-accountability-as-Israel-records-highest-rate-of-illegal-settlement-approvals>

⁸<https://peacenow.org.il/en/return-of-the-outpost-method>

⁹<https://www.breakingthesilence.org.il/inside/wp-content/uploads/2020/12/Highway-to-Annexation-Final.pdf>

¹⁰<https://peacenow.org.il/en/the-roads-boom-in-2020>



OUR 2020 HIGHLIGHTS

In a 'normal' year, the team would have made several visits to producers and suppliers in Palestine, and of course supporting tours and trips for our customers at harvest time. The COVID19 pandemic ruled this out, but we found a silver lining to the cloud in the popularity of our online events. Our highlights centred around the incredible community of customers and suppliers who remain at the very heart of what we do, year after year.



ONLINE WITH ZAYTOUN

We shared news from Palestine’s groves and fields via a series of live online events over the harvest season and in the run-up to Christmas. In this way we were able to bring hundreds of our customers along on digital visits where they could hear direct from Palestine’s farmers and food producers.

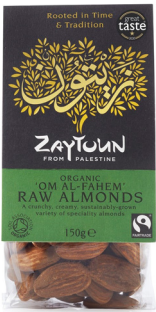


GROWING OUR RANGE

New product development was delayed by our inability to visit Palestine due to the pandemic, nevertheless we diversified our range by launching a series of Collection Bundles, containing either products alone or with each of the 3 Palestinian cookbooks we offer.

AWARD-WINNING PRODUCTS

Our speciality almonds were awarded a Great Taste Award star by the Guild of Fine Foods. These nuts, unique in the British market, are a regional variety named ‘Om Al-Fahem’ from trees that are predominantly rain-fed rather than irrigated.



FAIRTRADE FORTNIGHT

We welcomed the manager of the Palestine Fair Trade Association, Mohammed Ruzzi, along with our Advocacy and Liaison officer in Palestine, Taysir Arbasi. Together they travelled around the UK as well as to Dublin, to speak about how Fairtrade supports farming communities to remain resilient to the challenges of climate change and the occupation. Events included Fairtrade suppers, presentations, film showings and community farm visits.



64,000

TREES PLANTED THROUGH
THE TREES FOR LIFE SCHEME
IN 2020



16,733

SPONSORED BY
ZAYTOUN CUSTOMERS

TREES FOR LIFE

For the tenth year running, Zaytoun customers broke the annual record for sponsorship of new olive and almond saplings through the Palestine Fair Trade Association's 'Trees for Life' programme. 16,733 trees were planted as a result of Zaytoun sponsorship in January 2020, of a total of 64,000 trees.

SUMMARY FINANCIAL HIGHLIGHTS

FOR THE YEAR ENDING 31ST DECEMBER 2020

PROFIT AND LOSS ACCOUNT

	2020	2019
Turnover	1,664,032	1,477,507
Cost of Sales	(1,219,282)	(1,089,585)
Gross Profit	444,750	387,922
Other Income	14,473	10,671
Administrative Expenses	(342,064)	(320,696)
Operating Profit	117,159	77,897
Interest Received and Paid	(13,262)	(16,282)
Profit Before Tax	103,897	61,615
Tax Paid	(20,779)	(11,539)
Profit for the Year	83,118	50,076

BALANCE SHEET

	2020	2019
Fixed Assets		
Tangible Assets	16,606	882
Investments		
Total Fixed Assets	16,606	882
Current Assets		
Stock	295,017	247,056
Debtors	204,238	230,843
Cash Bank and in Hand	368,269	182,401
Total Current Assets	867,524	660,300
Creditors Falling Due Within One Year	(336,314)	(225,866)
Net Current Assets	531,210	434,434
Total Assets Less Current Liabilities	547,816	435,316
Creditors Falling After More than One Year	(181,174)	(172,568)
NET ASSETS	366,642	262,748
CAPITAL AND RESERVES		
Called up Share Capital	9	9
Profit and Loss Account	345,854	262,739
Shareholders' Funds	345,863	262,748

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.

BOARD OF DIRECTORS

Atif Choudhury
Cathi Pawson
Heather Masoud
Manal Ramadan White
Mazen Arafat Nomura
Peter Jones
Rebecca Rowland
Susan Ralphs
Taysir Arbasi

ZAYTOUN TEAM MEMBERS

Bridget Cowan
Communications Manager

Heather Masoud
Co-founder and Operations Director

Mahsheed Langeroodi
Finance Manager

Manal Ramadan White
Managing Director

Omar Qasim
Finance Assistant

Wesam Tahboub
Customer Relations and Office Manager

BANK

Triodos Bank
Deanery Road

Rooted in Time
& Tradition



Zaytoun
1 Gough Square, London EC4A 3DE
0207 832 1351
www.zaytoun.uk
contact@zaytoun.uk

 @ZaytounUK

 @Zaytoun_CIC

 @Zaytoun_CIC

Registered in England and Wales as a Community Interest Company no. 5078436
Designed by PMI Creative