



ZAYTOUN

FROM PALESTINE



ANNUAL REPORT 2021

Khitam Ismael Ya'qoub planting trees in her village, Deir Ballout. Photograph by Alaa Badarneh.

FROM THE MANAGING DIRECTOR

After 2020 saw the worst pandemic in living memory, we could all be forgiven for thinking that normal service would resume in 2021. But in a year when our government couldn't decide if we should 'stay home to save lives' or 'eat out to help out', certainty was often in short supply.

In contrast, our customers never wavered in their consistent message: They wanted to reach out in steadfast, resounding solidarity with producers in Palestine.

They were unshakeable in their commitment to (and support for) Zaytoun. And no matter what crises the future may bring, we take inspiration from the resilience of the communities from whom we source, and we move forward with the confidence that we can overcome challenges together.

2021 IN PALESTINE

2021 was a year of incredible difficulty for Palestinians, whether in Gaza, the West Bank, Jerusalem, or for those exiled and living overseas. In far too many instances, Palestinian lives, livelihoods and homes were taken away – from the violent dispossession of Palestinian families evicted from their home and lands, through to the uprooting of thousands of Palestinian olive trees, and the horrific impact of Israeli airstrikes on Gaza.

But the response to these crimes was no less significant. 2021 saw an unprecedented coming-together of activism and support across diverse Palestinian communities in a campaign dubbed the '**Unity Intifada**'. Meanwhile, newly published reports and statements from B'Tselem, Amnesty and Human Rights Watch all clearly named the situation in Palestine as 'apartheid'.

As we watched the escalation of violence in Palestine and sought ways to support the communities we know and love, the importance of Zaytoun truly came into focus. It is not simply a story of what we buy, but the narratives to which we listen. We're proud to have shared Palestinian voices through our social media, on public Zoom calls, and in our regular newsletters. Through endeavours like these, our commitment to Palestine will endure.

2021 IN THE UK

The year at home was a rollercoaster ride from start to finish, with alternating cycles of lockdown followed by a loosening of restrictions. Working from home presented challenges to us all, but throughout, our team demonstrated their resilience, commitment to our mission, and good humour – which always helps. By sharing our range of Palestinian products, our team responded to the needs of both producers and customers, while caring for our impact on the planet. 2021 was a reminder that we are united by an unyielding passion for what we do.

Of course, for all the home comforts, we missed the aroma of the olive press and the potent peppery flavour of freshly pressed olive oil. So we brought these flavours to the UK instead!

Early in January, we launched an unfiltered version of our organic and Fairtrade olive oil; this was snapped up by our wonderfully receptive customers and we sold out within a few months. In the autumn, the rave reviews were vindicated when the Guild of Fine Foods awarded it a **Great Taste Star**, bringing our total of GTA products to five and helping us achieve the status of **Great Taste Producer**.

On the high street and online, customers continued to choose Palestinian. And we were delighted to receive a resounding popular vote for our olive oil in the **Soil Association's BOOM awards**.

Beyond the products we sell, we continued to expand our reach last year, growing our online presence and reaching new audiences via Zoom, social media and our monthly newsletter. It was rewarding to see an upswell of support for the content we share on our channels.

In a similar vein, we broadened our horizons by beginning work on branding and sourcing products for our new skincare range ahead of a 2022 launch. We're always looking to innovate and grow our range along with our impact.

Additionally, we accepted an invitation in November to participate in a **UNDP mission** to create a more resilient and inclusive Palestinian economy. This work lives right at the heart of our broader purpose.

Lockdown saw a growing interest in home cooking, and thanks to an increased collective appetite for delicious ingredients, our 17th year in business saw us cross a milestone as we turned over £2m for the first time.

CLIMATE CHANGE CONVERSATIONS

With **COP26** taking place in Glasgow, we continued to focus on climate change and how it impairs the ability of Palestinian farming communities to adapt. Moreover, poverty adversely impacts the capacity of smallholder farmers in the global south to adapt to climate change. For Palestinian farmers, the loss of land and water resources to illegal settlements and military zones further reduces their potential to mitigate the effects of climate change.

We wanted to hear directly from farmers about the climate challenges they face, so we hosted live calls in which farmers spoke about the effect of intense and prolonged heat on yields, but also about the role of fair trade in boosting their resilience. And in terms of our own impact, we continued to look at how we can do business in a more climate-friendly way. For example, we entered into a collaboration with **Good Shipping** where we pre-purchase our carbon offset volumes for the next year.

In a fast-changing world, we are grateful for the steadfastness of both our customers and the producers with whom we work. The value of ethical trade has proved itself time and again – even in uncertain times – and although we aren't short of challenges, we know we have an inbuilt resilience and a strong foundation from which to grow in years to come.

OUR MISSION IS FAR FROM OVER

As we look back on 2021, we're proud of everything we accomplished as a company. From launching new products to partnering with incredible organisations, it was truly a landmark year for Zaytoun. As ever, we want to thank everyone who's supported our work – you continue to make a powerful contribution towards a better world and a fairer future for Palestine.



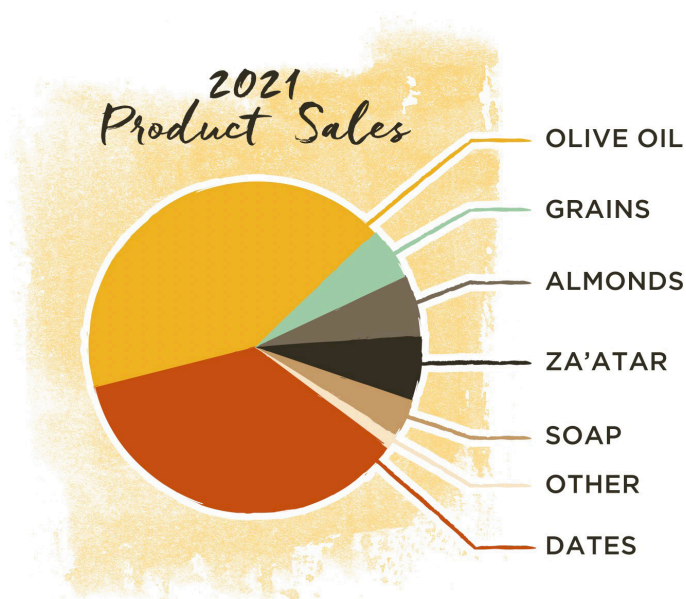
IMPACT REPORT

As a company with a purpose beyond profit, we evaluate our impact in the following inter-related areas.

- Support of long-term livelihoods through sustainable trading relations
- Contribution to the resilience of farming communities in Palestine
- Support of land retention – land that isn't farmed is more likely to get confiscated
- Bolstering of food security and resilience to climate change
- Increase in employment opportunities for Palestinian communities
- Promotion of the culinary and cultural heritage of Palestine

Simply put, long-term livelihoods are supported through the sustained growth of fair trade markets. Throughout our history as a company, we have sought to identify new markets for Palestinian products, and new ways to support more producers. We have ensured those products for which there is a Fairtrade certification are bought on Fairtrade terms, and have made our own fair trade agreements when buying others. Diversification of products supports families to sustain an income, even through unpredictable harvests impacted by climate change.

In 2021 we continued to sustain high sales for our range of eight products, and began work to bring two new lines to market. Of our eight existing products, the flagships in terms of sales are olive oil and Medjoul dates. Each product brings revenue to the farming family that creates it. But beyond that, sales of their produce mean that farming their lands is economically feasible. This in turn means that they can more easily retain their lands in the face of the threat of confiscation by the Israeli military forces, or theft by settlers.

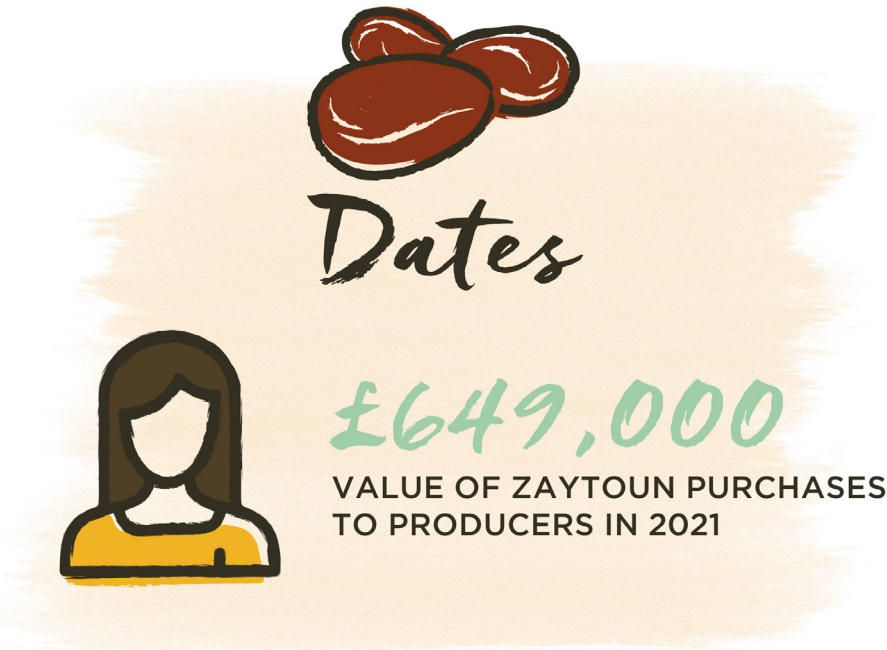


MEDJOUL DATES

Our award-winning Medjoul dates are grown in the Jordan Valley, an area once known as Palestine’s breadbasket. Now, with more than 85% of its land designated as Area C, the Jordan Valley epitomises the struggle of farming communities to hold on to their land and livelihoods.¹

Of the 42 water wells controlled by the Israeli water company Mekorot, 34 are located in the Jordan Valley, and 2021 saw a systemic campaign of destruction and confiscation of water infrastructure here. New deep settler wells are often dug close to traditional springs and wells belonging to Palestinian communities.² These wells, and settler over-extraction of groundwater, mean that those traditional water sources dry up, and the water table is becoming more saline. This directly impacts farming livelihoods, making additional irrigation impossible. Livestock and crops go thirsty as the heatwaves intensify.

Date palm cultivation is economically and socially important for Jordan Valley farmers. The palms tolerate a relatively high degree of salinity in the groundwater. Finding a sustainable market for those dates means farmers can hold on to their lands more easily. Job opportunities are created that offer work in a safe, regulated environment – an alternative to work in illegal Israeli settlements that is usually insecure, unregulated and poorly paid.



¹ https://www.btselem.org/jordan_valley
² <https://www.aljazeera.com/news/2021/7/15/water-war-palestinians-demand-more-water-access-from-israel>

OLIVE OIL

Olive oil continues to be our best-selling product, and it's where Zaytoun began, with the sale of just a few boxes of oil. These days we're delighted that our purchases support the livelihoods of 1700 families. These families tend trees, press oil, pack and prepare our bottles ready for their journey to Britain. The value of trade with farmers lies not just in the financial support for their livelihoods, though the importance of this is significant to the rural communities who produce our oil. It also lies in the affirmation of the link of those communities to their land, and to their trees. To put it in farmer Awad Melhim's words,



“

“The olive tree is like a child, I tend its growth as I would tend my children. I witness it growing as if it were my son or daughter growing up and beginning to sustain me.”

”

TREES FOR LIFE

The Trees for Life programme, which provides saplings to Palestinian farmers, keeps growing year on year. In 2021, the distribution of 43,000 olive tree saplings started on December 21st. These were planted by 680 farming families on about 2,500 dunums (250 hectares) of land, in 39 villages in Palestine's West Bank.

The programme is run by the Palestine Fair Trade Association (PFTA), with whom we have been working for 16 years to support farmers to market their produce, as well as to strengthen the resilience of farming families. The tree planting programme has contributed significantly to income generation, food security and also in preserving farming and food production traditions.

Earlier this year, Mokhlis Abu Arrah planted 200 saplings sponsored by the Trees for Life programme. The first harvests from those trees will arrive two years after planting, with a full harvest due in five years. For Mokhlis, the income generated from farming has meant that he could leave his work as a farm labourer on Israeli citrus plantations, and make a living from his own land. He told us,

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“The saplings I received through Trees for Life mean so much more than simply an additional income, they mean hope for the future. I will continue to plant trees until the end of my days.”

”



48,048

TOTAL TREES PLANTED
IN 2021 SEASON

41,738

TREES SPONSORED BY
ZAYTOUN CUSTOMERS

Trees for Life

293,133

TOTAL TREES PLANTED
SINCE THE PROGRAMME
BEGAN IN 2006

142,009

TREES SPONSORED BY
ZAYTOUN CUSTOMERS
SINCE 2006



FARMING IN PALESTINE 2021

Sadly in 2021, Palestinian farming communities experienced an escalation in violence and destruction at the hands of illegal Israeli settlers and the Israeli army. Farmers in villages such as Beita and Burin, communities with whom we have longstanding relationships, saw their olive trees uprooted, vegetable crops burnt and wheat fields caught in the midst of ongoing conflict.

We heard from farmer Khitam Ismael Ya'qoub (pictured below), resident of the West Bank village of Deir Ballout, who witnessed the Israeli army uproot 750 of her productive trees. These were amongst 3,400 olive, fig and almond trees belonging to Deir Ballout residents, who committed to replanting them all. Within a couple of months 2,000 new saplings had been provided by the Trees for Life programme, which we and our customers support.

The northern province of Jenin, home to Canaan Palestine who supplies so many of our products, did not escape the violence. Israeli forces killed and wounded and arrested several residents in Jenin city, and farmers' fields of ripe wheat caught fire in the midst of the conflict.

Beita is a village whose farmers grow the olives that produce some of the oil we buy. Nestled by a mountain named Jabal Sabih, this community witnessed an illegal Jewish settlement, Givat Eviatar, being built on top of that mountain under Israeli army protection. As olive harvest season approached, residents and landowners collectively set out for the peak of the mountain to pick their crops, in the face of the Israeli army presence. By the time of the harvest season, seven Palestinian protestors had already been shot dead by the army, and hundreds more wounded.

Local farmer Aisha Khader, 62, told Al Jazeera about what the trees on the mountain represented to her and her family.

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“We cannot give up any of these trees. They are like our souls and more,” said Khader. “The Palestinian farmer cannot live without his oil. We depend on olive oil in all aspects of our lives.”

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CLIMATE CHANGE IMPACTS HARVESTS

2021 saw COP26 taking place in Glasgow, with an outpouring of protest and demands for urgent action to protect communities around the globe from the impacts of climate change.

Palestinians' capacity to adapt to the growing impacts of climate change is severely limited by the restrictions of the occupation. Resources that we take for granted, such as access to mains and even rainwater for supplemental irrigation, freedom to tend lands where crops need management to mitigate unseasonal drought, rains or high winds, these liberties and capacities are denied to Palestinian farming communities.

This year, producers in Palestine found their yields lower, again due to unpredictable weather patterns.

Mohammed Hamada, an olive producer from the Jenin area, explained:

“

“This year we experienced the worst effects from climate change. The yield looked very good just before summer but then the heatwave caused trees to drop a high percentage of fruits. It was really shocking to us, as it happened so quickly. This grove of 40 trees would usually produce 120 litres of olive oil, but this year I will be happy if it amounts to 70-80 litres.”

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The wide fluctuation in springtime temperatures meant the almond blossoms, though plentiful thanks to a warm March, fell from the trees before pollination. The health and productivity of the almond trees was also affected by the absence of the usual cold period earlier in the season.

For the organic almond cooperatives of Ti'innk, Taybeh and Yamun, these unseasonal weather patterns, combined with a devastating almond wasp infestation, resulted in a much lower yield than usual. The Fairtrade, non-organic cooperatives such as Aqaba, Sir and Tubas were also affected but not to such an extent.

One producer, Elayyan Abu Arra (pictured here), who grows almonds in Aqaba explained he harvested around 2 tonnes of almonds this year, down from a usual yield of 7-8 tonnes.



SUPPORTING CREATIVE RESPONSES

In the situation they find themselves in, with impeded access to their own natural resources, Palestinians have been turning to traditional farming practices that can underpin their resilience.

Rain-fed agriculture, which is locally named 'Ba'ali' after the Canaanite god of rain Ba'al, has always dominated farming in Palestine. It bestows distinct qualities on the produce, including its unique taste.

With Israeli extraction of 85% of the annual yield of groundwater aquifers in the West Bank, just 15% of the water available to Palestinians must cover both domestic and agricultural purposes. Israel even controls the collection of rainwater throughout most of the West Bank and rainwater harvesting cisterns owned by Palestinian communities are often destroyed by the Israeli army.² The tradition of rainfed agriculture supports farming communities to survive even under the harsh restrictions of the occupation.³

The Palestine Fair Trade Association has been supporting Palestinian producers to adopt regenerative farming practices. These include intercropping and zero tillage to enhance fertility and reduce moisture loss from the soil during times of intense heat. This work is in line with COP26 goals, to support vulnerable communities to adapt to the effects of climate change.

Canaan Palestine held their first ever wheat festival for the community that supplies us with freekeh and maftoul. The festival celebrated landrace varieties and their place in supporting sustainability through their evolution of characteristics that are well adapted to the land and climatic conditions of Palestine. Growing these varieties calls upon the depth of inherited local knowledge and expertise in preparation of the land each year.

But regenerative farming practices are not a quick fix, and take time to build up – it's an investment in livelihoods and food security that will slowly pay back.

As a buyer, we are committed to sustainable trading relationships with the communities that supply us. As such, we support Palestinian creative responses to the hardships of climate change and decades of military occupation. The adoption of regenerative farming practices, and planting landrace crops that withstand arid conditions are part of that response. These strategies are an investment in the future of sustainable Palestinian agriculture and 'sumud' – that famed steadfastness of Palestinian communities.

In support of that investment and steadfastness, we make advance payments on an annual volume of olive oil, dates and almonds at harvest season. This offers not only financial security but solidarity with producers faced with the uncertainty of climate change. Now more than ever, the long-term nature of Fairtrade relationships between producer and buyer is important. When times are tough and harvests poor, certified Fairtrade and other fairly traded agreements support producers to continue to earn a sustainable livelihood.

¹ <https://www.aljazeera.com/news/2021/10/11/beita-residents-reach-lands-for-first-time-since-settler-takeover?fbclid=IwAR0NeFgzI2ELrCxXUqk3XP45pz3BHiQgA0qnfyntBj8bxfCPQIiHaw5d-Y>

² <https://www.amnesty.org/en/latest/campaigns/2017/11/the-occupation-of-water/>

³ Tesdell, Othman and Alkhoury (2019) Rainfed agroecosystem resilience in the Palestinian West Bank, 1918-2017



HIGHLIGHTS

NEW INITIATIVES

In February we brought in the first ever batch of raw, unfiltered olive oil. Presented in an eye-catching swing-top bottle, this new oil was quick to sell out, adding an aspect of diversity to our oil sales.

In spring we also launched a new website. Designed to reflect our evolving online presence, with an attractive layout and content that is as dynamic as our work, the site tells our story and allows for easily updated content such as blogs, recipes, and campaign resources.



AWARDS

Our new unfiltered oil won a Great Taste Award, bringing our total number of GTA-winning products to five. This earned us a Great Taste Producer award.

The Great Taste Award judges, who are some of the UK's most discerning palates, said:



“This olive oil has a delicate nose with hints of grass. On tasting, it is incredibly creamy with delicate olive notes but no bitterness. The pepper finally arrives on the finish after swallowing. A very interesting olive oil indeed.”

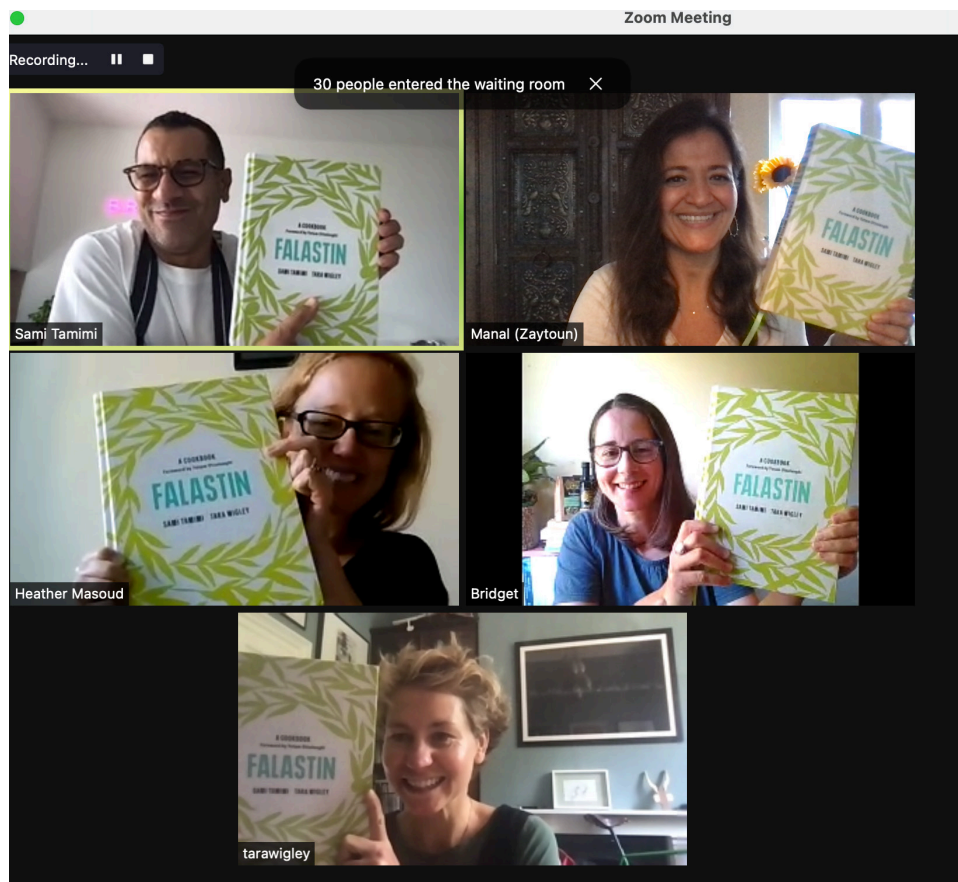


Later in the year, our organic olive oil was voted the Nation's Favourite Organic Product in the BOOM awards hosted by the Soil Association.

Both awards reflect Palestinian producers' tireless dedication to their craft, honed over generations of living on the lands they love.

ONLINE WITH ZAYTOUN

Building on the success of our 2020 series of online events, we hosted several Zoom calls with producers, cookbook authors and activists throughout the year. Each event was an opportunity to hear a different perspective on the rich culture that is Palestine, with all its challenges. In a year marred by violence and continuing dispossession affecting Palestinian communities, these calls felt important in the way they maintained a deepening connection between our customers and those communities. Reflecting on a renewed unity in Palestinian resistance which crossed the lines of geography and citizenship, we took to social media to share a selection of Palestinian voices we followed online - podcasts, social media and news sites.



IN THE MEDIA

We received increased media attention as result of the escalation of violence in Palestine. Manal Ramadan was interviewed for an episode of BBC's 'Business Daily' programme, exploring the potential, and the reality of business life in Gaza.

SUMMARY FINANCIAL HIGHLIGHTS

FOR THE YEAR ENDING 31ST DECEMBER 2021

PROFIT AND LOSS ACCOUNT

	2021	2020
Turnover	2,028,731	1,664,033
Cost of Sales	(1,487,363)	(1,224,674)
Gross Profit	541,368	439,359
Other Income	10,756	19,388
Administrative Expenses	(347,531)	(343,230)
Operating Profit	204,592	115,517
Interest Received and Paid	(4,477)	(14,464)
Profit Before Tax	200,115	101,053
Tax Paid	(39,093)	(16,213)
Profit for the Year	161,022	84,840

BALANCE SHEET

	2021	2020
Fixed Assets		
Tangible Assets	10,972	16,606
Investments		
Total Fixed Assets	10,972	16,606
Current Assets		
Stock	547,132	295,015
Debtors	247,649	207,608
Cash Bank and in Hand	243,154	368,269
Total Current Assets	1,037,935	870,892
Creditors Falling Due Within One Year	(363,826)	(358,736)
Net Current Assets	674,109	512,156
Total Assets Less Current Liabilities	685,081	528,762
Creditors Falling After More than One Year	(176,471)	(181,174)
NET ASSETS	508,610	347,588
CAPITAL AND RESERVES		
Called up Share Capital	9	9
Profit and Loss Account	508,601	347,579
Shareholders' Funds	508,610	347,588

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 Oasim
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