



MIGUEL TORRES

*Chile*

# MIGUEL TORRES CHILE

*Committed to fairer trade*

2020



# MIGUEL TORRES CHILE

*Committed to fairer trade*



## THE BEGINNING OF THE PROJECT

Since the company's beginnings in 1870, Familia Torres has combined tradition and innovation to become a world-renowned winery. This commitment to doing things well led us to explore different certification models in the area of social responsibility in Chile, particularly the Fair Trade model. The idea gained strength following the earthquake that struck Chile on February 27, 2010, when a large part of the farmers in the south of the country bore the brunt of this catastrophe.

From that point onwards, we have been working intensely to develop this project even more and in a better way. This rewarding process has enabled us to achieve Fair Trade certification under the Fair for Life model, which, broadly speaking, indicates that the winery has paid a fair value for the raw materials used, making it possible for the farmers to develop, especially smaller and disadvantaged farmers. Moreover, the model establishes that workers have been granted fair working conditions throughout the production chain, together with improving environmental protection policies across the entire process.

Over the years, we've become one of the symbols of Fair Trade in the world of wine. This recognition goes back to late 2010, when Miguel Torres Chile obtained the certification for our Santa Digna wines, the biggest line of wines at national and international level.



MIGUEL TORRES  
*Chile*

## LOCAL CONTEXT IN CHILE

In terms of the challenges of winemaking in Chile, the main problem today is the great gap that exists between large producers and small vine growers. These small vine growers are generally subject to the harshness of the climate and market prices that are dominated by big companies, with the upshot being that most years the small producers must sell their grapes at less than production cost. This means they cannot be socially responsible with their own workers or with the environment, generating debt and, in many cases, forcing them to sell their lands and/or switch crops. The entire vicious cycle only causes greater poverty and migration to cities, resulting in the loss of a rich social and cultural heritage.

We must be able to include these small producers under fair conditions so that they and their future generations can continue working the land with the pride of the countryside and optimal working conditions for their partners. Fair Trade is thus an excellent tool, as it helps even out the balance of trade and helps everyone in the production chain receive the compensation they deserve for their work.

From the point of view of the Fair Trade movement itself, one of the main challenges that have been experienced in these eight years of implementation, is that the concept of Fair Trade is not well developed in Chile, and so it is not really recognized by final consumers. This not only causes problems when it comes to describing the model to consumers but also when trying to explain it to producers at the time of inviting them to participate in this project. This has led Viña Miguel Torres Chile to become a founding partner and enthusiastic collaborator of the Asociación Chilena por el Comercio Justo (Chilean Association for Fair Trade). The association was founded in 2012 and is mainly aimed at carrying out actions to make the Fair Trade business model more visible in Chile, seeking to establish this category in the country.

## COMMITMENT TO THE FAIR FOR LIFE PROGRAM

The big advantage of the Fair for Life model is its flexibility while still taking into account the requirements of the principles established by international Fair Trade. Unlike other models, Fair for Life was historically born to bridge the gaps left by other models as a result of the rigidity of their structures, leaving a series of products outside of the certification merely because there was no developed standard.

This makes it a very attractive protocol from every perspective since economic sustainability is also a very important aspect.



## MAIN BENEFITS ACHIEVED

The main benefit is not only for the winery but for the entire production chain. This is achieved thanks to applying the model to a project that is iconic for us: Recovering traditional varieties. Our project began with the production of the Estelado Rosé sparkling wine, made using the País variety, the oldest and least appreciated variety present in Chile. This sparkling wine attained the award for the world's best sparkling wine made from non-traditional varieties at the prestigious Champagne & Sparkling Wine World Championships, in addition to a series of gold medals and other recognitions in several international competitions.

Moreover, the winery has done significant work to recover other traditional, nearly forgotten varieties in Chile, such as Carignan, Muscatel, and Cinsault, working in the majority of cases with small suppliers and rainfed sectors. The products associated with these kinds of projects are the above-mentioned Estelado in its white and rosé formats, in addition to the wines belonging to the new La Causa range.

Precisely one of the aims of La Causa is the joint work with small producers of these varieties – now known as heritage varieties – with a production model based on incorporating these grapes into the most modern winemaking processes. This means that the cultivation of ancestral varieties, which these small producers have been doing for years, is brought together with new winemaking techniques and Familia Torres' more than 100 years of experience in the wine industry, to get the best from these grapes overall.

Based on all of this, Fair-Trade-certified producers get a fair price for the raw material they sell to Miguel Torres Chile, allowing them to develop and grow. Furthermore, they receive a premium for every bottle of Santa Digna sold. Our partners decide in small committees how to best use these funds for social projects. To date, most of the measures taken have been related to educational support and health.

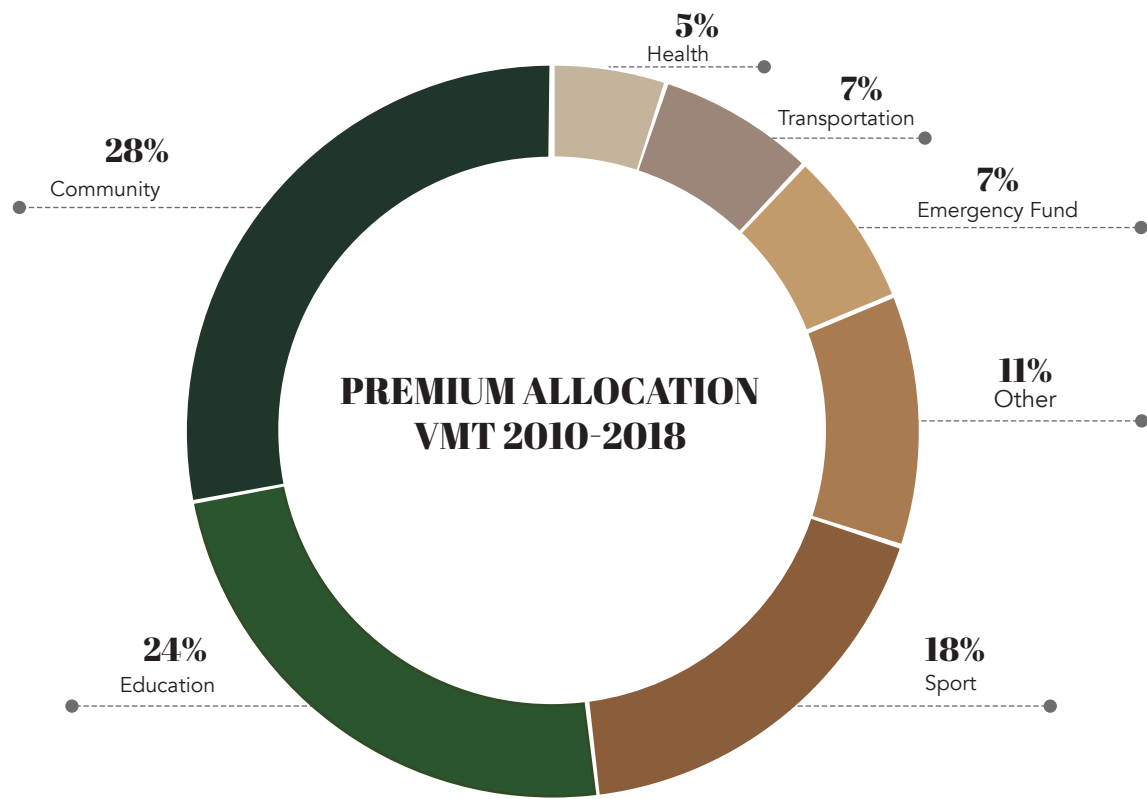
## Social investment through the Fair Trade premium

Since 2010, when we achieved our Fair Trade certification, Miguel Torres Chile has invested around one million dollars in premiums. These premiums have been used for projects that improve the quality of life of the community, whether internally, i.e. workers and their families, or externally, i.e. the communities that are near each point of operation.

We are therefore able to allocate these resources to different fields of action, corresponding in percentage terms to the following:







Education and Community are the segments that account for over 50% of the premium use.

## EXAMPLES OF PROJECTS

### ■ Contribution to the Cumpeo fire department

As has been the trend in recent years, a siren was provided to the Cumpeo fire department, which had a low-power siren that was not able to alert all of the volunteers, some of whom work in the aramo fields.

The volunteers asked us to thank the workers at Viña Miguel Torres for the assistance provided.



## ■ Improvement of the kitchen at the FAVACAP sports club

The FAVACAP sports club has been developing amateur sports for decades. Established in 1962, it has spent over half a century promoting sports in its community and currently comprises 70 members.

Part of its activities involve community work, so the club needed an area equipped for food preparation. Thus, with the provision of building materials plus volunteer work from the members themselves, a kitchen was successfully set up that is not only used by the club, but also by different organizations including the neighborhood council, senior citizens' club, and mothers' center. This space was also recently used to teach Spanish to a group of around 30 Haitians who have immigrated to our city looking to improve their quality of life.

The cooperative work undoubtedly enhances the value of these communities.



## ■ Installation for workshops at Hogar María Ester

At the start of November, kitchen equipment was delivered to Hogar María Ester in the municipality of Sagrada Familia. Hogar María Ester is a non-profit organization that provides spaces for inclusion and accommodation for disabled and disadvantaged children, young people, and adults. The contribution made by the winery's workers' committee included an industrial oven, industrial kneading machine, and two trundle beds.

We hope this contribution helps improve the quality of life of the residents of this shelter and at the same time lightens the load for the staff, who strive every day to provide the best care for the children and young people at the residence.





### ■ Pediatric neurological chair for Sofía

The projects voted on included providing a pediatric neurological chair for Sofía Canales, a four-year-old girl who suffers from hydrocephalus, a condition in which an accumulation of cerebrospinal fluid occurs within the brain. Sofía's mother thanks the workers at Miguel Torres who make this kind of contribution that will undoubtedly improve Sofía's quality of life.



### ■ Provision of a room for the School Integration Program, Potrero Grande rural school

Last month saw the conclusion of the room project for the School Integration Program for students with special educational needs at the Potrero Grande school. This project will significantly help the school's pupils by providing the necessary amenities for care by professionals such as psychologists, physical therapists, speech therapists, special education teachers, etc. The container room is 3 meters wide by 8 meters long and has light, a floating floor, and air conditioning.

The principal, teachers, and students expressed their thanks for this project that will surely benefit the entire student community, which previously did not have a space where students could receive these kinds of care and therapies.



### ■ Sports contribution

The committee made a contribution to the Los de Siempre sports club in the Los Niches sector of the municipality of Curicó, as well as to our winery's Carlos Toledo sports club. The contribution to both clubs consists in providing a full set of jerseys, for the 8-12-year-old youth series in the case of the Los Niches club, and for the adult team in the case of Carlos Toledo.



## ■ Contribution to the 6th Fire Company of Curicó

Our Miguel Torres committee provided the 6th Fire Company of Curicó with special suits for firefighting. These will be used by youths who are being taught about and made aware of what it means to have the responsibility of being a firefighter.

We hope that several of these young people continue in future to have the desire to volunteer for this prestigious institution.



## ■ Contribution for Huguito

Huguito is an eight-year-old boy who suffers from Angelman syndrome, a genetic disorder that causes delays in psychomotor development, epilepsy, reduced or no language ability, little communicative responsiveness, low motor coordination, balance and movement problems. The ideas voted on included providing diapers for Huguito. This has already been done and we hope it will be of help to him and his family.





# TESTIMONIES FROM PRODUCERS OF ESPERANZA DE LA COSTA VINEYARDS



The Viñedos Esperanza de la Costa Association is currently made up of 18 small grape producers. Most of them have one or one-and-a-half hectares of vineyards, except for Pedro Albornoz, who has around seven. The varieties they work with are 60% País and 40% other grapevines, such as Sauvignon Blanc, Merlot, Carménère, Syrah, Cabernet Sauvignon, and Malbec, distributed among municipalities in the province of Curicó (Sagrada Familia and Hualañé), as well as in Curepto in the province of Talca. **“That’s why the idea is to join together so that between all of us we can make more kilos to sell since individually it becomes very difficult,”** says Héctor Garrido, one of the associates.

The association was legally established as a corporation on November 5, 2009. “From there, we began selling the

grapes quickly. I remember that at the beginning we didn’t know what to do because no one wanted to buy grapes from us; we were facing discrimination everywhere because we were small, and there were a lot of us, too. So, we got in touch with Ingrid and she sent an e-mail to all the wineries in Chile that were working with Fair Trade. That’s how that same year we came across the Miguel Torres winery, who were also looking for producers. They arrived at that time with a price for País grapes that was amazing for us, almost one thousand % the same as was being paid for premium wine varieties. That made us recover our vineyards, which were ‘on the ground,’ as they say; in other words, in ruins,” affirms Secundina Vásquez, president of the Esperanza de la Costa Vineyard Association.

Now, all the associates have their installations and vineyards in order, thanks to the learning opportunities they started to get through different training activities resulting from the productive partnership between Miguel Torres Chile, the National Institute for Agricultural Development (INDAP), and the farmers. “It’s been wonderful because it’s generated lots of benefits for us; we’ve applied for schemes to get our wineries, machinery to manage the crops, in addition to being able to access all the possible certifications, apart from the ones that regulate us as Fair Trade and as organic vineyards,” says Vásquez.

It should be noted that the certification granted by the entities to award their “Fair Trade” seal or certificates (Fairtrade, Fair for Life, or Guaranteed Fair Trade) entails the fulfillment of 10 basic principles required by the World Fair Trade Organization (WFTO). These conditions include fair trading practices, paying a fair price, ensuring no child labor and forced labor, creating good working conditions, and respecting the environment. In Chile, more than 20 organizations and stores are certified under this system, an alternative transactional model that is based on a relationship between both producers and merchants as well as between enterprises and consumers.





*Héctor Garrido “The good point the younger Miguel Torres had at that time was to try to help the small farmers and also to save the País grape”*

The small wine growers of the Esperanza de la Costa Association obtained resources to fund their certifications through this productive partnership, which focuses on three areas: enterprise, government, and farmer. There is mutual support between all, directly benefiting the small producers.

Héctor Garrido, responsible for the environment area, explains that **“by working with Miguel Torres, we’ve become aware of how important the topic of organic is for Europe;** we’ve even seen that they are even stricter than here in Chile, because the main condition is that the production is in fact environmentally friendly. Not invasive, but instead inclusive with all the flora and fauna found in the fields in addition to the vineyards. It’s also worth pointing out that Fair Trade is a very comprehensive system, since it puts a lot of focus on the social part, and that’s why we have an entire support network that directly benefits the producers, especially the most disadvantaged in the association”, he notes.

Associates have a very small percentage deducted for taking part, and this amount is used to pay a contribution to obtain the organic certification and some taxes. Everything goes toward the association being able to continue operating as a corporation; for now, they do not have profits to pay remunerations, although there is a minimal amount to cover some representations in activities.

For the Estelado Rose sparkling wine, the grapes had to be almost green in order to be able to preserve the acidity. That wine received great recognition as the world’s best sparkling wine in

non-traditional varieties at the International Wine Challenge, something that fills us with pride since it was made with the grapes from our field. **The good point the younger Miguel Torres had at that time was to try to help the small farmers and also to save the País grape**, which is more or less the mother variety in Chile, when practically nothing was being done with it, and he had the initiative to create this project together with us, not only to create a sparkling wine, but to value the variety and raise its status,” points out Garrido.



MIGUEL TORRES  
Chile





*Pedro Albornoz, producer País grape, Cauquenes.*

"From almost no one being aware of us, thanks to Miguel Torres Chile they started to come, and foreigners started to come to see what we were doing. They came telling us that they had seen videos, but when they were there and saw us their expectations were exceeded. Some had harvested just when we were sowing. **Here, the customers come and they see us just as we are,**" adds the producer from Hualañé.

Harvest is done totally by hand and is the responsibility of each producer, although they help one another to do this work, meeting deadlines, following

processes, and fulfilling all the specifications indicated by the requesting winery. Small wine growers are also responsible for transportation, as the purchase of the grapes includes bringing the fruit into the winery or delivery.

For the 2019 season, this association of farmers brought together 280,000 kilograms of grapes, 100,000 of which were just País variety; it was a successful year for them. However, for the 2020 harvest, they are forecasting a very low yield due to the frosts that affected the central area of Chile in early October 2019, where many of them lost all of their produce. For this and other reasons, they are looking to legally establish themselves in a new form: Cooperativa

Viñedos Esperanza de la Costa, as a cooperative instead of a corporation. "The idea is that when any producer has a difficult year, this cooperative can help them. We have more chances of applying for projects this way explains Garrido.

They recently applied for Juntos, a two-year non-repayable subsidy from Sercotec, a private-law corporation attached to Chile's Ministry of Economy, Development, and Tourism dedicated to helping micro and small enterprises and entrepreneurs. This subsidy will assist the farmers financially to buy basic machinery and infrastructure that will house their production.







**"We're like a big family, we know everyone's strengths and weaknesses. There's the mutual affection to continue working together,"** says Secundina Vasquez.

Their dream is to make an organic wine, with quality grapes, from the coast of Curicó that is certified Fair Trade and from small producers in the area. For that reason, in 2020 they are planning to apply for an investment scheme supported by the INDAP to buy steel vats and another scheme that will be supported by the Chilean Product Development Corporation (CORFO) and will allow them to fund the rest of the infrastructure needed to make their own wines, on a small scale, but with superior quality. "This will all be done with advice from Miguel Torres Chile, particularly with the technical assistance its team can provide us, especially when it is time to make the wine, to find out what kind of grape quality we have and when would be best for us to make the wine," notes Garrido.

**"We're like a big family, we know everyone's strengths and weaknesses. There's the mutual affection to continue working together,"** says Vásquez. Meanwhile, Pedro Albornoz is grateful for the management because "it's taught us to get to know one another. The people who represent us take the first steps and then we follow them, and thanks to that we've learned a lot. And we trust them because up to now everything has turned out well, even helping us to achieve things we had little hope of achieving. They've opened little doors for us and they encourage us so we keep moving forward," he concludes.







MIGUEL TORRES

*Chile*