



Fair Trade USA

Independent Smallholders Standard

Version 1.1¹

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Introduction

Purpose

This document contains the requirements of the Fair Trade USA Independent Smallholders Standard Version 1.0 for participation of groups of Smallholders (small farms that are predominantly family-run) in Fair Trade certification through their partnership with a “Market Access Partner” (MAP).

Goal and Objective

Fair Trade USA developed the Independent Smallholders Standard (ISS) in order to provide access to the Fair Trade market for the many “independent” farmers that own small parcels of land but are not organized into cooperatives or associations. Fair Trade USA aims to bring our mission of empowerment, economic development, social responsibility and environmental stewardship to these smallholders, by helping them partner with a Fair Trade Certified Market Access Partner to commercialize their product. The standard is structured along the core Fair Trade USA principles of:

- **Empowerment:** Through the process of electing a Fair Trade Committee, developing a Fair Trade Plan and making choices on how to spend the Fair Trade Premium, this standard aims to enhance the capacity of individuals or groups to make choices and transform them into desired actions and outcomes. Through these actions, our vision is that smallholders are able to build individual and collective assets and effectively represent themselves in their negotiations with the Market Access Partner.
- **Economic Development:** The ISS aims to increase the income of smallholders by ensuring a transparent and stable trading relationship with the Market Access Partner and by requiring payment of Fair Trade Premium on every Fair Trade certified product sale. The standard establishes wage requirements for workers on the farms of participating smallholders and processing installations of the MAP, in order to increase their income.
- **Social Responsibility:** The standard protects the rights of children and young persons to an education and a safe and age-appropriate work place. Smallholders may choose to use Fair Trade Premiums to provide greater access to or improved quality of healthcare and education. For workers on the farms of smallholders or in processing installations of the MAP, health and safety measures are established in order to avoid work-related injuries.
- **Environmental Stewardship:** Independent smallholders are responsible for caring for the earth by limiting the use of agrochemicals and fertilizers, implementing biological pest management techniques and waste management procedures, and protecting soil, water and biodiversity. The Market Access Partner helps smallholders to increase their knowledge of environmentally sustainable production methods.

Structure of the Standard

The Fair Trade USA Independent Smallholders Standard takes a development approach in that it

differentiates between minimum criteria and progress criteria. Minimum criteria are assessed during the first certification audit and represent minimum practices in social empowerment, economic development, and environmental responsibility. These criteria are met prior to initial certification. Progress criteria are fulfilled after the first, third, or sixth year of certification and represent continuous development towards increased social empowerment and economic development as well as best practices in environmental responsibility. Details on which year requirements must be met are listed in the compliance criteria.

Implementation

In addition to this standard document, we have developed compliance criteria in conjunction with our certification body and technical expert, SCS Global Services (SCS). Certification decisions are made by the certifier, based on compliance with these criteria as established in onsite audits conducted by SCS or other certification bodies approved by Fair Trade USA.

Some criteria are identified as “major” requirements. Non-compliance with a Major requirement may result in a decision to suspend the certification contract until compliance has been ensured, or even deny certification in the program, depending on the severity and extent of the Non-Conformity.

Additional information on implementation, e.g. program prerequisites; a step-by-step description of the certification process; information on certification fees; and a procedure for complaints, appeals and disputes, can be found in the Fair Trade USA Certification Manual on the Fair Trade USA website.

Fair Trade certification requires supply chain traceability. In order to use the Fair Trade logo and claim, all entities involved in the production, processing, manufacturing, and handling of the product need to be certified by or registered with Fair Trade USA.

Standard Development and References

Fair Trade USA began researching the feasibility of certifying independent small coffee farmers that have formed partnerships with exporters or NGOs in 2010, and in 2011 developed and the Draft Independent Smallholders Standard v 1.0 based on consultation with experts and review of other standards.

In drafting the ISS, Fair Trade USA reviewed several standards and their compliance criteria, including FLO’s Small Producer Organization and Contract Production standards, Rainforest Alliance’s Group Certification standard, Utz Certified’s Multi-Site standard and IMO Fair for Life’s Criteria for Farmer Groups. Additionally, this standard follows the International Labour Organization (ILO) conventions, and requires legal compliance with national law and local legislation as a baseline. Relevant ILO conventions include:

29 - Forced Labor

87 - Freedom of association and protection of the right to organize

98 - Right to organize and collective bargaining

100 - Equal remuneration

105 - Abolition of forced labor

111 - Discrimination

- 138 - Minimum age
- 155 - Occupational Safety and Health Convention
- 158 - Termination of Employment Convention
- 169 - Indigenous & tribal peoples
- 182 - Worst forms of child labor

The Draft Fair Trade USA Independent Smallholders Standard Version 1.0 was available for public comment and stakeholder review throughout Q2 2012. Fair Trade USA actively reached out to Fair Trade producers, industry partners, NGOs and advocacy groups, in addition to forming stakeholder groups such as the Coffee Innovation Council. Fair Trade USA reviewed and incorporated this feedback into the standard, with the help of technical experts including board members and SCS. This feedback is public, and can be viewed online at [the Fair Trade USA Standards Website](#).

Certificates granted during the pilot project (2012 - 2013) are valid for three years, with renewal of the certificate occurring in the fourth year of the audit cycle. Certificates are effective from the date of the certification decision. Entities that were audited against the 1.0 Draft Version of the Standard will be audited against the final 1.0 Version of the Standard at the next annual audit.

Price and Premium Requirements

In addition to the requirements in this standard, minimum prices and premium will also be set by Fair Trade USA. Price and Premium requirements are part of the Fair Trade USA Trade Standard and are available at [the Fair Trade USA Standards Website](#).

Monitoring of Changes

Fair Trade USA is open to receive comments and feedback on the standard at anytime (standards@fairtradeusa.org). As recommended by ISEAL, Fair Trade USA will review the Independent Smallholder Standard regularly. Fair Trade USA reserves the right to change Fair Trade USA Independent Smallholder Standard after internal and public review of the Standards.

Translations

French, Spanish and Portuguese translations of this standard will be available in fall 2012. In case of any conflict or disagreement between the different versions of the standard, the English version prevails.

Terminology

For definitions of terms used in this and other Fair Trade USA Standards please see the Fair Trade USA Standards Glossary, available the Fair Trade USA Standards Website.

1.0 Structural Requirements (STR)

1.1 Certification (CT)

STR-CT 1

The Market Access Partner, the registered smallholders, and subcontracted entities facilitate both announced and/or unannounced Fair Trade audits carried out by Fair Trade USA approved certifiers and report to Fair Trade USA on its Fair Trade transactions (according to the frequency determined by Fair Trade USA: quarterly, bi-annually or monthly).

STR-CT 2

The Market Access Partner appoints a contact person for all certification matters. This person keeps the certification body updated with the list of registered smallholders and important information, such as all locations where Fair Trade product is handled.

1.2 Standard Scope (SSC)

STR-SSC 1

Corporate social responsibility and the empowerment of the registered smallholders is an integral part of the MAP's written mission or policy statement(s). The MAP can demonstrate its implementation with concrete evidence.

STR-SSC 2

If the MAP is an NGO with project-based funding, the MAP has a clear strategy to ensure continuity of the project once the funding has ended.

STR-SSC 3

If the Smallholder Organization wants to take on additional responsibilities for the production and commercialization of the product (i.e. compliance with requirements within this Standard, Internal Control System administration, product sales on behalf of their members) and wants to become certified against the Small Producer Organization Standard independent of the Market Access Partner, the Market Access Partner does not prevent this development.

STR-SSC 4

Before the MAP registers smallholders for participation in the Fair Trade Certification, the MAP confirms with the smallholders that they are not members of an existing Fair Trade certified Small Producer Organization.

STR-SSC 5

The registered smallholders have basic knowledge of the Fair Trade concept and have indicated their commitment to participating in Fair Trade and to cooperating with the Market Access Partner to form a Smallholder Organization over time.

STR-SSC 6

At least half of the registered smallholders are small producers as defined in the Fair Trade USA Standards Glossary.

1.3 Monitoring Systems

STR-MS 1

The Market Access Partner identifies requirements at risk of non-compliance within the following sections of this Standard: Conditions of Employment, Social Responsibility, and Environmental Stewardship. These requirements are identified in a written risk assessment. The MAP regularly updates the risk assessment, at minimum the risk assessment is updated every three years.

STR-MS 2

An Internal Control System (ICS) has been designed and implemented. The ICS monitors the implementation of practices mandated by the following sections of this Standard: Conditions of Employment, Social Responsibility and Environmental Stewardship.

2.0 Empowerment (EM)

2.1 Development and Management of the Fair Trade Plan (DM)

EM-DM 1

The Market Access Partner has appointed a Fair Trade Officer responsible for all measures directed at social empowerment and economic development of the registered smallholders, as well as the implementation of trainings and activities required by Fair Trade Standards and the necessary communication between all parties.

EM-DM 2

The Market Access Partner has conducted or financed a written needs assessment using producer surveys/input as the primary data, and identifying the social, economic and environmental development needs of the registered smallholders, workers, community and environment, as expressed by those smallholders. The needs assessment analyzes how Fair Trade may help to address those needs.

EM-DM 3

The Market Access Partner and the Fair Trade Committee together develop a written Fair Trade Plan, based on the needs assessment, with the objective of meeting the needs of the registered smallholders, workers, community and/or environment.

EM-DM 4

The Fair Trade Plan includes activities, objectives, timelines, and budget, as well as training and capacity-building measures for the registered smallholders to take on responsibility for premium receipt and accounting. All of the registered smallholders are able to make suggestions.

EM-DM 5

The Fair Trade Plan is approved by the General Assembly before it is implemented and is updated annually. There is documentation tracking the progress of the Fair Trade Plan that is updated annually.

EM-DM 6

The Smallholder Organization takes over responsibility for the Fair Trade Plan progress reports.

EM-DM 7

The Market Access Partner supports the Fair Trade Committee and registered smallholders in implementation of the Fair Trade Plan. If the timelines and objectives in the Fair Trade Plan are not met, the Market Access Partner is responsible for contracting a third party to support the Fair Trade Committee.

EM-DM 8

The Market Access Partner, in collaboration with the Fair Trade Committee, creates an accounting system that accurately tracks the expenses and budget in the Fair Trade Plan, and identifies the distribution of Fair Trade Premiums in a transparent manner.

EM-DM 9

The Market Access Partner provides training to the Fair Trade Committee on the management of the Fair Trade Premium accounting system.

EM-DM 10

The Smallholder Organization takes on responsibility for maintaining the accounting system that accurately tracks the expenses and budget in the Fair Trade Plan, and identifies the distribution of Fair Trade Premiums in a transparent manner.

EM-DM 11

Where there are workers employed by the registered smallholders, the Fair Trade Plan includes at least one project or activity intended to benefit workers.

2.2 Inclusive Participation, Transparency and Financial Accountability (PTA)

EM-PTA 1

The registered smallholders establish one or several Fair Trade Committee(s) prior to initial certification in order to make democratic and transparent decisions about Fair Trade issues including use of the Fair Trade Premium.

EM-PTA 2

The Fair Trade Committee is chosen in free, fair and transparent elections. The composition of the Fair Trade Committee reflects the composition of the registered smallholders.

EM-PTA 3

The Fair Trade Committee is allowed to make decisions on use of the Fair Trade Premium in an independent manner. The Market Access Partner commits to this in writing.

EM-PTA 4

Before communal capital and assets are acquired with Premium money, or Year 6 at the latest: the Fair Trade Committee forms one or more Smallholder Organizations in order to ensure farmer ownership of the premium, and farmer control through democratic and transparent decision-making about the use of the Fair Trade Premium.

EM-PTA 5

All major decisions of the Smallholder Organization(s) are discussed and approved by the General Assembly according to a free, fair and transparent voting procedure.

EM-PTA 6

Smallholder Organizations are represented by a leadership team (i.e. board of directors), which is chosen in free, fair and transparent elections.

EM-PTA 7

The Market Access Partner keeps a record of the registered smallholders, and has written rules that determine who can participate in the program.

EM-PTA 8

The Smallholder Organization keeps a record of its members, and has written rules that determine who can become a member.

EM-PTA 9

There is an established communication and feedback system in place between the Market Access Partner, the Fair Trade Committee/Smallholder Organization, and the registered smallholders. The communication system should include information on:

- Fair Trade sales
- Fair Trade Premium
- Issues and concerns of the registered smallholders

EM-PTA 10

The Fair Trade Committee, with the support of the Market Access Partner, organizes a General Assembly at least once a year.

EM-PTA 11

The Smallholder Organization holds a General Assembly at least once per year.

EM-PTA 12

Where a significant number of permanent workers are employed on the farms of the registered smallholders, workers are invited to the General Assembly in order to observe and participate in the discussion of topics that relate to them.

EM-PTA 13

The minutes of the Fair Trade Committee meetings clearly record all decisions made, as well as the consultation with registered smallholders that took place prior to decision-making. The minutes of the meeting are signed by all members of the Fair Trade Committee.

EM-PTA 14

The minutes of the General Assembly clearly record all decisions made. The minutes are signed by the members of Fair Trade Committee/leadership team of the Smallholder Organization and at least one of the registered smallholders. There is a list of participants in the General Assembly included in the minutes.

EM-PTA 15

Where the Fair Trade Committee/Smallholder Organization has any annual reports, budgets and accounts outside of premium account and Fair Trade Plan and progress measurement, these are presented to the General Assembly of the Fair Trade Committee/ Smallholder Organization for approval.

EM-PTA 16

Within the General Assembly of the Smallholder Organization, at least one person or committee is responsible for managing the administration and book keeping.

EM-PTA 17

Plans and reports are accessible to registered smallholders.

EM-PTA 18

All records, books, and documentation are accessible to members of the Smallholder Organization(s).

EM-PTA 19

Until the Fair Trade Committee is able to open its own bank account and manage the Fair Trade Premium in a democratic and transparent manner:

- The Fair Trade Committee appoints a trustee (the Market Access Partner, a bank, credit union or NGO) of the Fair Trade Premium funds.
- The trustee sets up a separate bank account so that it can receive the Fair Trade Premium on behalf of the registered smallholders.
- At least one member of the Fair Trade Committee is a joint signatory of the Fair Trade Premium account.

EM-PTA 20

Handling of the Fair Trade Premium is audited annually by an external organization.

EM-PTA 21

The MAP, in collaboration with the Fair Trade Committee, develops a Premium Use Report annually. This report, as well as audited accounts of Fair Trade Premium use, are provided to the Fair Trade Committee and registered smallholders annually or upon request at any time.

EM-PTA 22

Regular administrative and organizational capacity-building trainings are carried out with the Fair Trade Committee representatives. This ensures that they are able to take over management of the Fair Trade Premium in a democratic and transparent manner.

EM-PTA 23

The Smallholder Organization has a bank account with more than one signatory.

EM-PTA 24

The Market Access Partner/Smallholder Organization takes measures to improve the registered smallholders' understanding of annual reports and accounts, and to increase knowledge of financial management, pricing and international market mechanisms.

3.0 Economic Development (ED)

3.1 Fair Trade Price (FTP)

ED-FTP 1

The registered smallholders are paid the Fair Trade Minimum Price, if it exists, for the product contracted. Where no Fair Trade Minimum Price exists, or where the relevant market price is higher, the registered smallholders are paid the relevant market price.

ED-FTP 2

New Fair Trade prices apply from the date of their announcement. However, existing contracts must be honored at the existing price already agreed on.

ED-FTP 3

If the registered smallholders are charged for inputs or services, they are only charged a normal market price. These prices are declared in a transparent manner.

3.2 Fair Trade Premium (PFT)

ED-PFT 1

The correct amount of Fair Trade Premium is paid to the Fair Trade Committee or Smallholder Organization once it is established.

3.3 Conditions of Employment (CE)

(This section is applicable to all workers employed by the Market Access Partner and by the registered smallholders. Note: some exemptions are included for smallholders and operations that do not employ a significant number of workers. The certification body will define what constitutes a significant number of workers depending on various factors)

ED-CE 1

Conditions of employment, and in particular salaries, are in line with or exceeding sector regulations, Collective Bargaining Agreements (CBA's) which are in place for an employer, the regional average and legal minimum wages for similar occupations. The employer specifies wages for all functions.

ED-CE 2

Payments are made to workers directly and on time, according to an appropriate payment schedule that is monthly or bi-weekly. The payment schedule has been communicated to workers. In-kind payments are not allowed, except in regions where they are legally permissible.

ED-CE 3

The employer complies with local law regarding the provision of health insurance and social security benefits, including pension and disability insurance, maternity leave and vacation time to workers. In cases where permanent workers are not entitled to health insurance benefits, the employer provides the equivalent benefits in the form of Private Health Insurance or comparable health services.

ED-CE 4

Where an elected workers' organization exists, the organization has negotiated the conditions of work with the employer. Workers have the right to choose their representatives to take part in any negotiations, without external interference.

ED-CE 5

Where a significant number of workers are employed, all permanent workers have a legally binding written contract of employment with a job description, signed by the worker and employer.

ED-CE 6

All positions that are of a regular nature are staffed with permanent workers, and legal obligations are not avoided through the excessive use of time-limited employment contracts.

ED-CE 7

The employer and worker representatives meet to discuss how they can improve wages and productivity in mutually beneficial ways, including generating ideas for how to move towards "living wages" over time.

4.0 Social Responsibility (SR)

4.1 Non-Discrimination (ND)

(This section is applicable to registered smallholders and to workers employed by the Market Access Partner and by the registered smallholders)

SR-ND 1

There is no discrimination against registered smallholders or potential new program participants, particularly on the basis of race, color, sex, gender, sexual orientation, disability, marital status, family obligations, age, religion, political opinion, language, property, nationality, ethnicity or social origin, or any other condition that could give rise to discrimination in relation to: participation, rules for program participation, voting rights, the right to be elected, access to markets, access to training, technical support or any other benefits that the program offers.

There is no discrimination against workers, particularly on the basis of race, color, sex, gender, sexual orientation, disability, marital status, family obligations, age, religion, political opinion, membership of unions or other workers' representative bodies, national extraction or social origin, or any other condition that could give rise to discrimination in: recruitment, promotion, access to training, remuneration, allocation of work, termination of employment, retirement or other activities.

SR-ND 2

The Market Access Partner identifies registered smallholders who come from disadvantaged/minority groups according to, for example - gender, age, income, or land area.

SR-ND 3

The Market Access Partner has developed a program to improve the social and economic position of registered smallholders who come from disadvantaged/minority groups.

SR-ND 4

The Market Access Partner, or employer, and the registered smallholders do not engage in, support or tolerate the use of corporal punishment, mental or physical coercion, or verbal abuse, or any other form of harassment.

SR-ND 5

The Market Access Partner, or employer, does not engage in, support, or tolerate behavior, including gestures, language, and physical contact, that is sexually intimidating, abusive or exploitative.

4.2 Freedom from Forced Labor and Human Trafficking (FL)

(This section is applicable to all workers employed by the Market Access Partner and by the registered smallholders)

SR-FL 1

Forced labor, including bonded or involuntary prison labor and human trafficking, does not occur.

SR-FL 2

A worker's employment is not conditional on the employment of their spouse. Spouses are not required to work.

4.3 Protection of Children and Young Persons (PC)

(This section is applicable to all workers employed by the Market Access Partner and by the registered smallholders)

SR-PC 1

Children below the age of 15 (or below the working age defined by national law, if higher) are not employed.

SR-PC 2

The children of registered smallholders below the age of 15 (or below the working age defined by national law, if higher) may work on their relatives' farms provided that:

- The work does not jeopardize schooling and is within reasonable time limits after school or during holidays
- The work does not jeopardize the child's social, moral or physical development and does not constitute a hazard to the child's health.
- Their relatives provide supervision and guidance.

SR-PC 3

The minimum age of admission to any type of work, which by its nature or the circumstances under which it is carried out is likely to jeopardize the health, safety, or morals of young people, is 18 years (or the age of legal adulthood as defined by national law, if higher).

4.4 Freedom of Association (FA)

(This section is applicable to all workers employed by the Market Access Partner. Registered smallholders who are structurally dependent on hired labor and who employ a significant workforce must comply with all of these criteria, while smallholders and operations that do not employ a significant number of workers are exempt from the FA criteria. The certification body will define what constitutes a significant number of workers depending on various factors)

SR-FA 1

The employer recognizes in writing and in practice the right of all workers to establish and join workers' organizations of their own choosing, and to collectively negotiate their working conditions.

SR-FA 2

The employer does not interfere with the right to freedom of association by attempting to influence or obstruct workers' organizations.

SR-FA 3

Neither workers nor their representatives are discriminated against or suffer other repercussions because of freely exercising their right to organize or because of their membership or participation in legal activities in their workers' organization.

SR-FA 4

The employer ensures that all workers are provided with information from an independent source on their right to freedom of association and the options available for workers organizations.

4.5 Occupational Health and Safety (OH)

(This section is applicable to all workers employed by the Market Access Partner and by the registered smallholders. Note: some exemptions are included for smallholders and operations that do not employ a significant number of workers. The certification body will define what constitutes a significant number of workers depending on various factors).

SR-OH 1

Work processes, workplaces, machinery and equipment on the production site as well as worker transportation are as safe as possible and any inherent risk to health is minimized by adequate control.

SR-OH 2

A Health and Safety (HS) policy is in place and covers all of the items mentioned above.

SR-OH 3

The following persons are not allowed to be engaged in any potentially hazardous work: persons younger than 18 years, pregnant or nursing women, persons with incapacitating mental conditions, persons with chronic, hepatic or renal diseases, and persons with respiratory diseases.

SR-OH 4

The Employer ensures alternative work for employees in the case that a change of work is necessary to comply with requirement SR-OH 3.

SR-OH 5

The employer provides, or pays compensation for, adequate emergency first aid equipment and appropriately trained first aid staff to meet all reasonably foreseeable emergency first aid situations. The employer provides medical care for all workplace injuries and illnesses and pays for recovery to any work-related illnesses or injuries.

SR-OH 6

All workers must have access to potable water and clean sanitary facilities.

SR-OH 7

A worker (Health and Safety Officer) is nominated to be in charge of occupational health and safety matters.

SR-OH 8

Workers engaged in any potentially hazardous work are adequately trained and informed of the specific risks to mental, reproductive and/or neurological health.

SR-OH 9

Workers handling hazardous chemicals are provided with adequate personal protective equipment of good quality and in good condition at the employer's expense. Workers must always use such equipment and never take it to their homes.

5.0 Environmental Stewardship (ES)

5.1 Monitoring Systems (MS)

ES-MS 1

The Market Access Partner provides training to its members on the criteria regarding Environmental Stewardship and safe chemical use.

ES-MS 2

The Market Access Partner appoints at least one person to lead the operational steps required to comply with the Environmental Stewardship requirements within this standard.

5.2 Integrated Pest Management (IPM)

ES-IPM 1

The Market Access Partner provides training to the registered smallholders on the subject of integrated pest management, including:

- Monitoring pests and diseases.
- Alternative ways to control pests and diseases.
- Preventive measures against pests and diseases.
- Measures to prevent pests and diseases from building up resistance to agrochemicals.

ES-IPM 2

Registered smallholders are able to demonstrate that agrochemicals are applied based on knowledge of pests and diseases.

5.3 Agrochemicals (AC)

ES-AC 1

The Market Access Partner compiles a list of the agrochemicals that are used for agricultural production included in the Fair Trade certificate. The list is updated at a minimum every 3 years, and indicates which of those materials are in the Fair Trade USA Prohibited Materials List (PML) part 1 (Red List), and part 2 (Amber List).

ES-AC 2

Materials on the Fair Trade USA PML part 1 (Red List) are not used on Fair Trade crops. Prohibited materials are clearly marked “not for use on Fair Trade crops”.

ES-AC 3

The Market Access Partner maintains a safe central storage area for agrochemicals. The safe storage area must:

- Be locked and accessible only to trained and authorized personnel.
- Be ventilated to avoid a concentration of toxic vapors.
- Have equipment, such as absorbent materials, to handle accidents and spills.
- Not contain food.
- Have clearly labeled containers that indicate contents, warnings, and intended uses.
- Contain information regarding the safe handling of hazardous materials (Material Safety Data Sheets).

ES-AC 4

Pesticide containers and other hazardous chemical containers are not reused to store or transport food or water.

ES-AC 5

The Market Access Partner provides training to registered smallholders and workers who handle agrochemicals on the risks of handling these materials and on how to handle them properly. The training should address the following subjects, as appropriate:

- How to store hazardous chemicals safely, ensuring that they cannot be reached by children.
- How to understand the product label and other safety instructions for use made available by the manufacturer.
- Container labels should indicate contents, warnings, and intended uses.
- How to handle accidents and spills when preparing and applying chemicals.
- How to handle and safely dispose of empty containers, including the practices of triple rinsing and puncturing containers.
- Intervals of time when people are not allowed to enter a sprayed area or field without any personal protection equipment.

ES-AC 6

The Market Access Partner implements measures to ensure that all people, including registered smallholders and workers, wear appropriate personal protective equipment (PPE) when handling agrochemicals.

ES-AC 7

The Market Access Partner raises awareness among all members and workers of the hazards and risks related to agrochemicals, even if they are not directly handling these materials.

ES-AC 8

Agrochemicals are applied at an appropriate distance from areas of ongoing human activity (e.g. housing, canteens, offices, or warehouses). An appropriate buffer zone is maintained around these areas unless there is a barrier that effectively reduces agrochemical drift.

ES-AC 9

Air spraying of agrochemicals does not occur around areas of ongoing human activity, or above and around water sources. If spraying is outsourced to subcontractors, the Market Access Partner and its members ensure that this requirement is met.

ES-AC 10

Registered smallholders store agrochemicals safely, ensuring that they cannot be reached by children.

ES-AC 11

Registered smallholders clearly label all agrochemicals.

ES-AC 12

The registered smallholders have equipment to handle accidents and spills in the areas where they prepare or mix agrochemicals, so that these substances do not seep into soil or water. Members plan spraying in such a way as to have no or very little spray solution left upon completion.

ES-AC 13

Empty agrochemical containers are triple rinsed, punctured and safely stored. All equipment that has been in contact with hazardous materials is cleaned and stored safely.

ES-AC 14

The Market Access Partner trains all registered smallholders who use herbicides on minimizing the amount they use by promoting other weed prevention and control strategies.

5.4 Handling Fertilizers (HF)

ES-HF 1

Training is provided to registered smallholders on the appropriate use of fertilizers. This training is documented, and includes:

- Measures to ensure that fertilizers (organic and inorganic) are applied in amounts that respond to the nutrient need of the crop.
- Measures to safely store fertilizers separately from agrochemicals in a way that minimizes risks of polluting water.

5.5 Waste Management (WM)

ES-WM 1

Hazardous waste is handled safely as per applicable laws and regulations.

ES-WM 2

The Market Access Partner raises awareness among the registered smallholders about safely re-using and recycling organic and non-organic waste

5.6 Soil and Water (SW)

ES-SW 1

The Market Access Partner identifies land at risk of soil erosion and land that is already eroded in fields where the registered smallholders plant Fair Trade crops.

ES-SW 2

The Market Access Partner provides training on practices that reduce and/or prevent soil erosion to members situated in areas where soil erosion or risk thereof has been identified.

ES-SW 3

The Market Access Partner reports on practices implemented to improve soil fertility and support soil rebuilding and registered smallholders receive training on practices to improve soil fertility and rebuild soil.

ES-SW 4

The Market Access Partner lists all sources of water used for irrigating and processing Fair Trade crops.

ES-SW 5

The Market Access Partner provides training to the registered smallholders on measures to use water efficiently and on how to handle waste water. This training should address the following subjects, as appropriate:

- Providing maintenance to the water distribution system, adopting (as applicable): methods to re-circulate, reuse and/or recycle water.
- Waste water, the related health risks, and methods for treating waste water.
- Efficient irrigation methods

ES-SW 6

Waste water from central processing facilities is handled in a manner that does not have a negative impact on water quality, soil fertility or food safety.

5.7 Genetically Modified Organisms (GM)

ES-GMO 1

The Fair Trade crop grown by the Market Access Partner and the registered smallholders is not genetically modified.

5.8 Biodiversity (BD)

ES-BD 1

The Market Access Partner and the registered smallholders avoid negative impacts on protected areas and areas with high conservation value, within or outside the farm or production areas.

ES-BD 2

The Market Access Partner and the registered smallholders implement activities to protect and enhance biodiversity. The Market Access Partner reports on these activities.

ES-BD 3

The Market Access Partner and the registered smallholders maintain buffer zones around bodies of water and watershed recharge areas, and between production and areas of high conservation value.

ES-BD 4

If the registered smallholders carry out wild harvesting of Fair Trade products from uncultivated areas, they assure the sustainability and survivability of the collected species in its native habitat.

ES-BD 5

The Market Access Partner raises awareness among the registered smallholders to prevent hunting and collecting of rare or endangered species, and the introduction of alien invasive species.

5.9 Energy and Greenhouse Gas Emissions (GHG)

ES-GHG 1

In central processing facilities, the Market Access Partner keeps records of energy consumption, takes measures to consume energy efficiently, and uses renewable energy where possible.

ES-GHG 2

The Market Access Partner reports on practices that the registered smallholders carry out to reduce GHG emissions and increase carbon sequestration.

6.0 Trade Requirements (TR)

6.1 Basic Requirements (BR)

TR-BR 1

The Market Access Partner reports to Fair Trade USA on its Fair Trade transactions (according to the frequency determined by Fair Trade USA: quarterly, bi-annually or monthly).

6.2 Product Sourcing (PS)

TR-PS 1

When producers first become certified through the Market Access Partner, the Market Access Partner can sell the product that it has in stock as Fair Trade, but product that was produced more than one year before initial certification may not be sold as Fair Trade.

6.3 Physical Product Traceability (PT)

TR-PT 1

Only products sourced from registered smallholders are sold as Fair Trade. *Voluntary for Market Access Partners processing cocoa, tea, sugar, and fruit juice:* products that were produced by registered smallholders are transported, stored, processed/manufactured and delivered separately from non-Fair Trade products.

TR-PT 2

Voluntary for Market Access Partners processing cocoa, tea, sugar, and fruit juice:

Fair Trade products are marked clearly so that they can be identified as Fair Trade certified at all stages (i.e. storage, transport, processing, packaging, labeling, handling and sale).

TR-PT 3

Only applicable to Market Access Partners processing cocoa, tea, sugar, and fruit juice:

Market Access Partners that process cocoa, cane sugar, juice or tea are not required to fulfill physical traceability requirements in the processing facility, but the volumes sold as Fair Trade are equivalent to the volumes produced by registered smallholders (taking into account processing yields and losses).

Market Access Partners processing cocoa, cane sugar, juice or tea and selling to operators that have a physical traceability system in place must physically separate the product during processing.

Market Access Partners processing cocoa, cane sugar, juice or tea and selling to operators that do not have a physical traceability system in place may mix Fair Trade input and non-Fair Trade input at the processing level. However, the following requirements must be met:

- The products have been produced by, and sourced from, registered smallholders before the sale of the Fair Trade product.
- The product from registered smallholders is delivered and processed in the same site where the Fair Trade product is processed.
- The product from registered smallholders is of the same type and quality as the input used to process the Fair Trade product.

TR-PT 4

Applicable to bananas only: the traceability system on each box indicates the packing station, date of packing and the identification of the individual registered smallholder.

6.4 Traceability through documentation (TD)

TR-TD 1

The Market Access Partner puts in writing the product flow from the registered smallholders to itself.

TR-TD 2

The Market Access Partner keeps records of products sourced from the registered smallholders as part of the Fair Trade Plan. Records indicate the name of the individual producer, date of purchase, product name, volume and the price received by the member. Records include the

signature of the registered smallholder, verifying accuracy, and the registered smallholders receive a copy of the record.

TR-TD 3

The Market Access Partner supports the Smallholder Organization in creating and maintaining a record-keeping system.

TR-TD 4

When the Market Access Partner sells a Fair Trade product, it indicates clearly in the sales documents (e.g. invoices, contracts, bill of lading, and delivery notes) that the product is Fair Trade Certified.

TR-TD 5

The Market Access Partner keeps records of all Fair Trade sales. These records include:

- The volume sold.
- The name of the buyer.
- The date of the transaction.
- A reference to Fair Trade (i.e. Fair Trade USA, FLO-CERT, the Fairtrade International ID number).
- A reference to purchase documentation that allows the certification body to link these records with the corresponding sales documentation.

TR-TD 6

If Fair Trade products are processed, there are records that specify the amount of product before and after processing.

6.5 Agreements (AG)

TR-AG 1

The Market Access Partner signs registration agreements with each individual registered producer. The registration agreement includes:

- Information about the roles and responsibilities of the Fair Trade Committee/Smallholder Organization.
- An overview of the requirements of Fair Trade production that the Market Access Partner is responsible for.
- Terms of trade (including Fair Trade price and premium).
- Where Fair Trade minimum prices are set at the FOB level, payment terms for initial purchase and Fair Trade adjustment, including deductions to be made from the Fair Trade minimum price.
- Payment information.
- Terms of delivery.
- Documentation.
- Reference to sourcing plans.

- A description of all inputs and services provided, and indication of any deductions that may be relevant as a result of the provision of these inputs and services.
- A mechanism to resolve conflicts.
- Production requirements (e.g. meeting environmental requirements of this standard).

TR-AG 2

The registration agreement is written in a language that the registered smallholders understand.

TR-AG 3

The Market Access Partner ensures that the registered smallholders know and understand the terms of the registration agreement and the Fair Trade conditions.

TR-AG 4

The registration agreement between the Market Access Partner and the registered smallholders does not restrict any registered producer from selling to other buyers. The purchase of certified products is not dependent on the purchase of non-certified products.

TR-AG 5

The Market Access Partner writes a sourcing plan summarizing expectations regarding volumes to be sourced in the next 6 to 12 months, and shares this with the Fair Trade Committee/Smallholder Organization.

TR-AG 6

Where legally permissible, the Smallholder Organization and the Market Access Partner negotiate an agreement on terms of trade for the duration of one harvest period on behalf of all registered smallholders. This agreement on terms of trade defines:

- Agreed minimum volume to be purchased under Fair Trade conditions.
- Quality and delivery of the product by the registered smallholders,
- Fair Trade minimum price and how the price will be determined (payment terms), the Fair Trade Premium, and the party responsible for paying the Fair Trade price and premium to the producers.

TR-AG 7

When the Market Access Partner provides credit or pre-finance, the interest rate and conditions attached to the offer are agreed upon in advance with the registered smallholders. In cases where an interest rate is charged, it is not higher than the cost of borrowing.

TR-AG 8

All elements of contracts with Fair Trade buyers are fulfilled at the conditions agreed in the contract, unless changes to the contract are mutually agreed upon between the Market Access

Partner and its buyer in writing. This holds true, even if Fair trade International or Fair Trade USA publishes new Fair Trade Prices.

6.6 Contract Suspension (CS)

TR-CS 1

When a producer or buyer is suspended: within 6 months, the contracts that have already been signed are fulfilled, and new contracts are only signed with the organization's existing trade partners (commercial transactions that have taken place in the previous 12 months).

6.7 Decertification (DC)

TR-DC 1

If the Market Access Partner is decertified, it must stop selling Fair Trade products from the date of decertification, even if it has signed Fair Trade contracts that are yet to be fulfilled.

TR-DC 2

The Market Access Partner may not sell Fair Trade Certified products to decertified operators from the date of decertification. Contracts that have not yet been shipped shall not be classified as Fair Trade contracts.

6.8 Use of Fair Trade Trademark (FTT)

TR-FTT 1

Finished products: Only licensed partners of Fair Trade USA may use the Fair Trade Certified certification mark on finished products. Organizations that are certified to sell Fair Trade Certified products may use the Fair Trade Certified certification mark in promotional materials (such as brochures, websites or wholesale packaging). See the [Fair Trade USA Label Use Guide](#) for more detailed information.

Annex 1: Fair Trade USA Prohibited Materials List ²

The Fair Trade USA Prohibited Materials List is divided into two parts: the Red List and the Amber List.

Red List

The Red List includes materials that must not be used by producers while handling Fair Trade products. ‘Handling’ means all activities that producers are involved in, such as production, post-harvest treatment, processing, storage and transportation.

Amber List

The Amber List includes materials that are currently being evaluated by Fair Trade USA, and may soon be included in the Red List. Materials on the Amber List may still be used on Fair Trade crops, but producers must report their use for monitoring purposes. Monitoring will last until June 2015, by which date a revision of the Red and Amber lists will be made. Producers should be aware that these materials may eventually be prohibited and are encouraged to abandon their use. However, any materials added to the Red list from the Amber list in June 2015 will have a minimum phase-out period of two years, with exact timelines dependent on the findings of the research.

Structure of the Red and Amber List

The lists contain the following information:

Substance: specifies the name of the material

Reference list: shows in 7 columns the international list or regulation that mentions the material. The reference lists are:

POP: The Stockholm Convention on Persistent Organic Pollutants

PIC: The Rotterdam Convention on the Prior Information Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade

PAN 12: Pesticide Action Network’s “dirty dozen” list (currently 18 pesticides)

WHO 1a and 1b: World Health Organization Acute toxicity classification 1a and 1b

EU: Banned or severely restricted in the European Union according to PAN List of Lists

US: Banned or severely restricted pesticide EPA according to PAN List of Lists

Specific regulations in the Red List

These provide information for specific use of materials and include:

- Extension possible and required prior to use: The material must not be used unless an extension is granted by the certification body. The possible product scope and timeline for derogations is indicated.
- Prohibition only for specified crops and use: The material may not be used on certain crops, or for certain purposes.
- Prohibition introduced with current revision: The material was previously allowed, but is now prohibited. The certification body will define a transition period for certified producers to eliminate this material or may grant an extension upon request, as applicable.

² Version FTUSA_PML_EN_060114

Part 1: Red List of prohibited materials

Substance	Reference list							Specific regulations
	POP	PIC	PAN 12	WHO 1a	WHO 1b	EU	US	
1,2 dibromethane (ethylene dibromide) (EDB)		X	X			X	X	
1,2-dichloroethane (ethylene dichloride)		X				X	X	
2,4,5-T (2,4,5-trichlorophenoxyacetic acid) and its salts and esters (dioxin contamination)		X	X			X	X	
3-Chloro-1,2-propanediol (Alpha-chlorohydrin)					X			
acrolein					X			
aldicarb			X	X		X		
aldrin	X	X	X			X	X	
allyl alcohol					X			
alpha HCH (alpha-hexachlorocyclohexane)	X							
amoxicillin								Prohibited in bananas post harvest
asbestos (such as crocidolite, actinolite, anthophyllite, amosite and tremolite)		X						
azinphos-ethyl					X	X		
azinphos-methyl	X				X	X		FTUSA will consider phase-out plans submitted before June 1st, 2015 for citrus and deciduous crops.
beta – cyfluthrin					X			Prohibited since 2011. FTUSA will consider phase-out plans submitted before June 1st, 2015
beta HCH (beta-hexachlorocyclohexane)	X							
binapacryl		X				X	X	
blasticidin (blasticidin-S)					X			
brodifacoum				X				
bromadiolone				X				

Substance	Reference list							Specific regulations
	POP	PIC	PAN 12	WHO 1a	WHO 1b	EU	US	
bromethalin				X				
butocarboxim					X			
butoxycarboxim					X			
cadusafos (ebufos)					X	X		FTUSA will consider phase-out plans that are submitted before June 1 st , 2015 for citrus and deciduous crops and for flowers and plants.
calcium arsenate					X		X	
calcium cyanide				X				
captafol		X		X				
carbofuran					X	X	X	FTUSA will consider phase-out plans that are submitted before June 1 st , 2015 for flowers and plants.
chlordane	X	X	X			X	X	
chlordecone (kepone)	X					X	X	
chlordimeform		X	X			X	X	
chlorethoxyfos				X				
chlorfenvinphos					X	X		
chlormephos				X		X		
chlorobenzilate		X				X	X	
chlorophacinone				X				
copper acetoarsenite (Paris Green)					X			
coumaphos					X			
coumatetralyl					X			FTUSA will consider phase-out plans that are submitted before June 1st, 2015

Substance	Reference list							Specific Regulations
	POP	PIC	PAN12	WHO 1a	WHO 1b	EU	US	
DBCP dibromocloropropane			X					
cyfluthrin					X			Prohibited since 2011 FTUSA will consider phase-out plans that are submitted before June 1st, 2015
DDT (Dichlorodiphenyl-dichloroethylene)	X	X	X			X	X	
demeton-S-methyl					X			
dichlorvos					X	X		FTUSA will consider phase-out plans that are submitted before June 1 st , 2015 for citrus and deciduous crops
dicrotophos					X			
dieldrin	X	X	X			X	X	
difenacoum				X				
difethialone				X				
dinoseb, its acetate and dinoseb salts		X				X		
dinoterb					X	X		
diphacinone				X				
disulfoton				X				
DNOC (dinitro-ortho-cresol) and its salts (ammonium, potassium, sodium)		X				X	X	

Substance	Reference list							Specific Regulations
	POP	PIC	PAN12	WHO 1a	WHO 1b	EU	US	
Dustable powder formulations containing a combination of: - benomyl at or above 7%, - carbofuran at or above 10%, - thiram at or above 5% (PIC: 15%)		X				X		
edifenphos (EDDP)					X			
endosulfan	X					X		
endrin	X		X			X	X	Prohibited since 2011
EPN				X			X	
ethiofencarb					X			
ethoprophos (ethoprop)				X				Allowed in bananas and pineapple under exceptional circumstances. For other products, FTUSA will consider phase-out plans that are submitted before June 1st, 2015.
ethylene oxide (oxirane)		X				X	X	FTUSA will consider phase-out plans that are submitted before June 1st, 2015
famphur					X			
fenamiphos					X			FTUSA will consider phase-out plans that are submitted before June 1 st 2015
flocoumafen				X				
flucythrinate					X			
fluoroacetamide		X			X	X	X	
formaldehyde								Prohibited in flowers and plants
formetanate					X			
furathiocarb					X	X		

Substance	Reference list							Specific Regulations
	POP	PIC	PAN12	WHO 1a	WHO 1b	EU	US	
HCH mixed isomers (containing less than 99.0% of the gamma isomer)		X				X		
heptachlor	X	X	X			X	X	
heptenophos					X			
hexachlorobenzene (HCB) (benzene hexachloride)	X	X		X		X	X	
hexachlorocyclohexane HCH/BCH - (mixed isomers)	X		X					
isoxathion					X	X		
lead arsenate					X		X	
lindane (gamma-HCH)	X	X	X					
mecarbam					X			
mercury chloride		X		X		X		
Mercury compounds (including mercuric oxide, mercurous chloride (calomel), phenylmercury acetate (PMA), phenylmercuric oleate (PMO) other inorganic mercury compounds: alkyl mercury, alkyloxyalkyl and aryl mercury compounds)		X				X		
mercury oxide		X			X	X		
methamidophos		X			X	X	X	

Substance	Reference list							Specific Regulations
	POP	PIC	PAN12	WHO 1a	WHO 1b	EU	US	
methidathion					X	X		FTUSA will consider phase-out plans that are submitted before June 1 st , 2015 for citrus and deciduous crops
methiocarb (mercaptodimethur)					X			FTUSA will consider phase-out plans that are submitted before June 1st, 2015
methomyl					X			FTUSA will consider phase-out plans that are submitted before June 1st, 2015
methyl parathion (parathion methyl)		X	X	X		X	X	
mevinphos				X			X	
mirex	X					X	X	
monocrotophos		X			X	X		
nicotine					X			
omethoate					X	X		
oxamyl					X			Allowed in bananas under exceptional circumstances. For other products, FTUSA will consider phase-out plans that are submitted before June 1 st , 2015.
oxydemeton-methyl					X	X		
paraquat (all forms)			X					
parathion		X	X	X		X	X	
pentachlorobenzene	X							Prohibited since 2011
pentachlorophenol (PCP), its salts and esters		X	X		X	X	X	
phenylmercury acetate (PMA)				X				

Substance	Reference list							Specific Regulations
	POP	PIC	PAN12	WHO 1a	WHO 1b	EU	US	
phorate				X				
phosphamidon (fosfamidon)		X		X		X	X	
phostebupirim (tebupirimfos)				X				
polybrominated biphenyl mixture (PBB)		X						
polychlorinated biphenyls PCB (except mono-and dichlorinated) (Aroclor)	X	X						
polychlorinated terphenyls (PCT)		X						
propetamphos					X			
Sewage sludge (human, untreated)								
sodium arsenite					X		X	
sodium cyanide					X			
sodium fluoroacetate (1080)				X				
strychnine					X	X		
sulfotep				X				
tebupirimifos (phostebupirim)				X				
tefluthrin					X			
terbufos				X		X		Allowed in bananas under exceptional circumstances
tetraethyl lead		X						
tetramethyl lead		X						
thallium sulphate					X	X	X	
thiofanox					X			
thiometon					X			
toxaphene (camphechlor)	X	X	X			X	X	

Substance	Reference list							Specific Regulations
	POP	PIC	PAN 12	WHO 1a	WHO 1b	EU	US	
Triazophos					X	X		
tris (2,3-dibromopropyl) phosphate		X						
vamidothion					X	X		
warfarin (coumaphene)					X			
zeta-cypermethrin					X			
zinc phosphide					X			

Part 2: Amber List or monitored materials

Substance	Reference List						
	POP	PIC	PAN 12	WHO 1a	WHO 1b	EU	US
2,3,4,5-bis(2-butylene) tetrahydro-2-furaldehyde [repellent-11]							X
2,4,5-TCP (potassium 2,4,5-trichlorophenate)							X
acephate						X	
alachlor						X	
amitraz						X	
arsenic compounds (EPA: arsenic trioxide: calcium, copper, lead and sodium arsenate sodium arsenite)						X	
atrazine						X	
bromoxynil							X
bromoxynil butyrate							X
butylate							X
cadmium and its compounds							X
carbaryl						X	
carbon tetrachloride							X
carbosulfan						X	
chloranil							X

Substance	Reference List						
	POP	PIC	PAN 12	WHO 1a	WHO 1b	EU	US
chlorfenapyr						X	
chloromethoxypropyl-mercuric-acetate (CPMA)							X
chlozolate						X	
copper arsenate							X
cyhalothrin (but not lambda isomers of cyhalothrin)						X	
daminozide (alar)							X
DDD (dichlororodiphenyl-dichloroethan) [TDE]							X
di (phenylmercury) dodeceny succinate (PMDS)							X
dicofol						X	
dicofol containing less than 78% p,p - Dicofol or >1 g/kg of DDT and DDT related compounds						X	
dimethenamid						X	
ethyl hexylene glycol							X
fenthion						X	
fentin acetate						X	
fentin hydroxide						X	
fenvalerate						X	
ferbam						X	
haloxyfop-R (haloxyfop-P-methyl-ester)						X	
leptophos							X
malathion						X	
maleic hydrazide and its salts, other than choline, potassium and sodium salts ; choline, potassium and sodium salts; maleic hydrazide containing more than 1 mg/kg of free hydrazine expressed on the basis of the acid equivalent						X	

Substance	Reference List						
	POP	PIC	PAN 12	WHO 1a	WHO 1b	EU	US
monolinuron						X	
monuron						X	
nitrofen (TOK)						X	X
nonylphenol ethoxylates						X	
OMPA (octamethylpyrophosphoramidate)							X
permethrin						X	
phosalone						X	
propham						X	
pyrazophos						X	
pyriminil (vacor)							X
quintozene						X	
safrole							X
silvex							X
Simazine						X	
technazene						X	
terpene polychlorinates (strobane)							X
thiodicarb						X	
triazamate							
trichlorfon						X	
triorganostannic compounds (tributyltin compounds)						X	
vinyl chloride							X
zineb						X	

Annex 2: Special Price and Premium Terms³

Special Price and Premium Terms

This annex contains Special Price Terms as well as information on Relevant Market Prices. Products with Special Price Terms are identified by an asterisk (*) in the “Special Price Terms” column in the [Price and Premium Database](#). The Special Price Terms are divided by standard category.

Factory Standard

I. Special Price and Premium Terms

Product Category	Product	Special Price Terms
Apparel and Home Goods	Factory	The Fair Trade Premium is a minimum of 1% and maximum of 10% of the FOB value of the order, depending on the wage level assessed in the factory. If the wages assessed meet the living wage benchmark, the Fair Trade Premium is 1%. If the wages assessed are closer to the living wage benchmark than to the minimum wage, the Fair Trade Premium is 5%. If the wages assessed are closer to the minimum wage than to the living wage, the Fair Trade Premium is 10%.

Agricultural Standards

I. Special Price and Premium Terms

Product Category	Product	Special Price Terms
Seed Cotton	Seed Cotton	No additional Fair Trade Premium applies for secondary products (and their derivatives) that have been derived from the processing of Fair Trade seed cotton, if the seed cotton has been sold as Fair Trade and the corresponding Fair Trade price adjustment (if applicable) and Fair Trade Premium have been paid.
Coffee	Arabica Coffee, Robusta Coffee	This only applies to coffee sold by Small Producer Organizations or Market Access Partners/Smallholders certified against the Independent Smallholders Standard: at minimum 25% of all Fair Trade Premium received (or at minimum \$.05 USD per lb of coffee sold on Fair Trade terms) is invested in projects or activities intended to increase the productivity and/or quality of the coffee cultivation by the smallholders. This is documented as a part of the Fair Trade Plan.
Grains	Quinoa	At minimum, 30% of all Fair Trade Premium received is invested in projects or activities intended to increase environmental sustainability of the quinoa cultivation. This is documented as a part of the Fair Trade Plan.

³ Version FTUSA_SpecialPriceTerms_EN_102413

Note: Prior to October 2013, this information was stored in a separate document. The special price and premium terms have not changed.

<p>Produce</p>	<p>Banana</p>	<p>The Ex Works-level is defined as the location of the producer where palletization is executed and bananas are not cleared for export and not loaded in any collecting vehicle. At Ex Works-level, prices include labor costs for packing (including palletization) only to prepare the bananas for loading on the collecting vehicle (truck or container). Ex Works prices do not include any kind of packing material.</p> <p>At FOB level, prices include the costs for the following packing material:</p> <ul style="list-style-type: none"> - standard carton box, - one plastic per carton box (banovac or polypack), - pallet, - edge corners, - strips, - up to 3 labels per banana hand <p>The costs for these standard packing and palletization materials are covered by the exporter. However, the service related to packing (labor costs) of above defined standard packing material is included in the Ex Works prices and provided by the producer. Neither the Ex Works nor the FOB prices include costs for additional or special packing materials such as “clusterbags” or “parafilm” and related services. Costs for those packing materials and any associated labor must be paid on top of the Fair Trade Minimum Prices to producers at Ex Works or FOB level and be defined in the contract. Fair Trade Minimum Prices in any case refer to 18.14 kg of ripened fruit. If boxes with different weight are used, Fair Trade Minimum Prices and Fair Trade Premiums are calculated pro rata.</p>
	<p>Mango</p>	<p>All countries:</p> <p>The Fair Trade Minimum Price set at Farm Gate level includes the following costs: One-off set-up costs amortized, field preparation, field work, harvest, packing and organizational costs.</p> <p>Please note that for <i>mangoes from Haiti</i>, the Fair Trade Minimum Price set at Farm-gate level covers the following costs: cost of the fruit, profit to producer, cost of harvesting, initial washing, packing into plastic crates for transport to the exporter, administration costs and profit to the association. The exporter covers transportation to the packing house, hot water treatment, stickers, cardboard boxes, packing into cardboard boxes, palletization and export costs. Please note that for <i>mangoes from Western Africa and from Ghana</i>, the level Ex Works means “at the door of the cooperative”. The Fair Trade Minimum Price set at Ex works covers the following costs: Establishment costs, production costs, harvest costs (including mango box), the expenses for grouping mango cases at the cooperative and organization costs. The Fair Trade Minimum Price excludes costs of transport from the cooperative to the packing and packaging station.</p>
	<p>Pineapple</p>	<p>The Ex Works level for pineapple means “at the exit of the pack house”. In other words, the pineapples are stored, cleaned, packed and refrigerated. They are in pallets, ready to be lifted in the container and to go to the harbor to be exported. The FOB level includes the lifting to the container, the transport to the harbor, customs’ costs, export administrative costs, unloading at the port and margin to the exporter. In short, the FOB price is when the container is along ship and ready to be lifted in the ship.</p> <p>For pineapple for processing, Ex Works is the place where the seller places the good at the disposal of the next buyer. This is at the gate of the producer’s organization. This is valid for a hired labor organization as well as for a cooperative. The FOB level includes the same costs component as the FOB for fresh pineapple for export. In case that the shift of responsibility between the seller and the buyer does not match the Ex Works or the FOB level, the incurred</p>

		costs or services need to be deducted (or added) from the Ex Works or FOB minimum prices.																																																		
Nuts	Brazil Nuts	The Fair Trade Minimum Prices for Brazil nuts set at the “Ex Works without selection and packing – at the processing plant” level cover the following costs: one-off set-up costs amortized, field work, harvest, transport to the processing plant, shelling, and organizational costs.																																																		
Tea	Camellia Tea sourced from farms certified against the Farm Workers Standard	<p>Sustainability Margin</p> <p>This only applies to farms certified against the Farm Workers Standard: For conventional teas from the Camellia plant made using the CTC production method, and for conventional “fannings” and “dust” made using the orthodox production method only, 20% of the Premium is to be deducted from the Fair Trade Premium and paid to the estate. This amount is called the sustainability margin. The estate must use it to support improvements in working conditions as part of ongoing certification and compliance with Fair Trade Standards. Where applicable, split payment between the Fair Trade Premium paid to the Fair Trade Committee (80%) and to the estate (20%) needs to be clearly documented, for example by two separate bank payments, or by invoicing the sustainability margin with the price of goods.</p> <p>Instant Tea has a split Premium (20% of the Fair Trade Premium is paid to the estate and 80% to the Fair Trade Committee) if the instant tea is derived from conventional made tea using the CTC production method, and from conventional “fannings” and “dust” made tea using the orthodox production method.</p>																																																		
Herbs & Spices	Rooibos	<p>There are two different pricing scenarios for Rooibos producers – Smallholder Organizations receive a higher price and a lower premium, farms certified against the Farm Workers Standard receive a lower price and higher premium:</p> <p>Pricing for Rooibos sold by SPO’s in South Africa:</p> <table border="1"> <thead> <tr> <th>Quality</th> <th>Currency / Quantity x Unit</th> <th>Inco Term Level</th> <th>Fair Trade Minimum Price</th> <th>Fair Trade Premium</th> </tr> </thead> <tbody> <tr> <td>Organic</td> <td>ZAR / 1 kg</td> <td>FOB</td> <td>30,00</td> <td>5,00</td> </tr> <tr> <td>Conventional</td> <td>ZAR / 1 kg</td> <td>FOB</td> <td>25,00</td> <td>5,00</td> </tr> <tr> <td>Organic</td> <td>ZAR / 1 kg</td> <td>EXW</td> <td>25,00</td> <td>5,00</td> </tr> <tr> <td>Conventional</td> <td>ZAR / 1 kg</td> <td>EXW</td> <td>20,00</td> <td>5,00</td> </tr> </tbody> </table> <p>Pricing for Rooibos sold by Estates in South Africa:</p> <table border="1"> <thead> <tr> <th>Quality</th> <th>Currency / Quantity x Unit</th> <th>Inco Term Level</th> <th>Fair Trade Minimum Price</th> <th>Fair Trade Premium</th> </tr> </thead> <tbody> <tr> <td>Organic</td> <td>ZAR / 1 kg</td> <td>FOB</td> <td>23,00</td> <td>12,00</td> </tr> <tr> <td>Conventional</td> <td>ZAR / 1 kg</td> <td>FOB</td> <td>18,00</td> <td>12,00</td> </tr> <tr> <td>Organic</td> <td>ZAR / 1 kg</td> <td>EXW</td> <td>18,00</td> <td>12,00</td> </tr> <tr> <td>Conventional</td> <td>ZAR / 1 kg</td> <td>EXW</td> <td>13,00</td> <td>12,00</td> </tr> </tbody> </table>	Quality	Currency / Quantity x Unit	Inco Term Level	Fair Trade Minimum Price	Fair Trade Premium	Organic	ZAR / 1 kg	FOB	30,00	5,00	Conventional	ZAR / 1 kg	FOB	25,00	5,00	Organic	ZAR / 1 kg	EXW	25,00	5,00	Conventional	ZAR / 1 kg	EXW	20,00	5,00	Quality	Currency / Quantity x Unit	Inco Term Level	Fair Trade Minimum Price	Fair Trade Premium	Organic	ZAR / 1 kg	FOB	23,00	12,00	Conventional	ZAR / 1 kg	FOB	18,00	12,00	Organic	ZAR / 1 kg	EXW	18,00	12,00	Conventional	ZAR / 1 kg	EXW	13,00	12,00
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II. Relevant Market Price

Cocoa	Cocoa	<p>The relevant cocoa market price is based on the Liffe Administration and Management (‘Liffe’) Cocoa Futures Contract or on the Intercontinental Exchange Futures US (‘ICE’) Cocoa Futures Contract.</p> <p>Cocoa semi-processed products purchased from certified producers: The seller</p>
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		<p>(i.e. producer) and buyer negotiate the price of the semi-processed product. This negotiated price is based on, at least, the cocoa beans reference values of USD 1750/MT (for conventional) and USD 2050/MT (for organic) at producers' level plus all relevant processing costs. The Minimum Price is calculated using the average processing yield calculated by the producer. Only if this information is not available to the producer do the processing yields from beans in the below apply.</p> <table border="1"> <thead> <tr> <th></th> <th>Processing yield from beans</th> <th>Fair Trade Premium</th> </tr> </thead> <tbody> <tr> <td>Beans</td> <td>-</td> <td><i>USD 200/MT</i></td> </tr> <tr> <td>Liquor</td> <td><i>0.8</i></td> <td><i>USD 250/MT</i></td> </tr> <tr> <td>Butter</td> <td><i>0.376</i></td> <td><i>USD 530/MT</i></td> </tr> <tr> <td>Powder</td> <td><i>0.424</i></td> <td><i>USD 470/MT</i></td> </tr> <tr> <td>Butter and Powder</td> <td><i>(0.8)</i></td> <td><i>USD 250/MT</i></td> </tr> </tbody> </table>		Processing yield from beans	Fair Trade Premium	Beans	-	<i>USD 200/MT</i>	Liquor	<i>0.8</i>	<i>USD 250/MT</i>	Butter	<i>0.376</i>	<i>USD 530/MT</i>	Powder	<i>0.424</i>	<i>USD 470/MT</i>	Butter and Powder	<i>(0.8)</i>	<i>USD 250/MT</i>
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Coffee	Arabica Coffee	For Arabica coffees the relevant market price is based on the New York Board of Trade "C" contract (NYBOT/ICE). The relevant market price shall be established in USD-cents per pound, plus or minus the prevailing differential for the relevant quality, basis FOB origin, net shipped weight.																		
	Robusta Coffee	For Robusta coffees the relevant market price is based on the London "EURONEXT LIFFE" contract. The relevant market price is established in US-dollars per metric ton, plus or minus the prevailing differential for the relevant quality, basis FOB origin, net shipped weight.																		