



Fair Trade USA Glossary

Fair Trade USA

Version 1.1.0

A. Purpose

This document provides definitions for the terminology used in the Fair Trade USA standards, compliance criteria, and associated documents.

B. Scope

Where applicable, these terms are binding.

Note that capitalization appears as it does within the Standards. Where there are terms that are specific to one of the Fair Trade USA Standards, such terms are denoted with brackets and the name of that Standard. For example, buffer zone is specific to agriculture activities, thus at the end of the definition it states [Pertains to APS]. Any writing in a light grey font refers to a term or definition that is from a previous Standard and will be phased out of Fair Trade USA terminology.

C. Quick Reference

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Use the hyperlinked alphabet to quickly find terms.



A

active ingredient

The chemical substance or component of a pesticide product that can kill, repel, attract, mitigate or otherwise control a pest (as opposed to “inert ingredients” such as water, solvents, emulsifiers, surfactants, clay and propellants). [Pertains to APS]

Agricultural Production Standard (APS)

Fair Trade USA Standard that applies to farming activities.

allegation

A claim or assertion made by any interested party or stakeholder, that a Fair Trade Certificate Holder, registered partner, or applicant, has violated the requirements of a Fair Trade Standard. Any third party, person, or entity with firsthand information about certified entities can file an allegation with Fair Trade USA.

Apparel and Home Goods (AHG)

Fair Trade USA product category which includes clothing, footwear, accessories, and home décor such as linens, rugs, and furniture. The Factory Standard and the Apparel and Home Goods Trade Standard apply to this category.

applicable law

Includes local, county, province, state, or national law and that law which has been integrated into or legally deemed to be superior to national law by a state's signing of an international treaty.

applicable worker

Workers that fall within the scope of the Fair Trade Certificate.

appeal

A request by a Certificate Holder, registered partner, or applicant for formal reconsideration of any decision made by the Conformity Assessment Body or Fair Trade USA related to the party's certification status or any issue relating to the certification mark.



Aquaculture

The farming and/or mariculture of aquatic organisms, including fish, mollusks, crustaceans and aquatic plants. Farming implies some form of intervention in the rearing process to enhance production, such as regular stocking, feeding, protection from predators, etc. Mariculture implies cultivation, management and harvesting of marine organisms in the sea, in specially constructed facilities such as cages, pens and long-lines. Farming and mariculture also imply individual or corporate ownership of the stock being cultivated. For statistical purposes, aquatic organisms which are harvested by an individual or corporate body which has owned them throughout their rearing period contribute to aquaculture, while aquatic organisms which are exploitable by the public as a common property resources, with or without appropriate licenses, are the harvest of fisheries. [Pertains to CFS]

audit

Systematic, documented process for verifying records, statements of fact, and/or other relevant information and assessing them objectively to determine the extent to which specified requirements in a standard are fulfilled.

audit, evaluation

The initial Fair Trade audit conducted by an auditor to determine baseline compliance with the Fair Trade USA standard, and to provide the basis for making the certification decision.

audit, follow-up

An audit following an evaluation audit or surveillance audit to evaluate the implementation and effectiveness of corrective actions.

audit, re-certification

The audit conducted by an auditor every three years to determine ongoing compliance with the Fair Trade USA standard and to provide the basis for maintaining continued certification status.

audit, surveillance

The audit of the Certificate Holder to ensure ongoing compliance to the applicable Fair Trade USA standard and compliance criteria, occurring in between the evaluation and re-certification audits and required to maintain certification.

audit, unannounced

An audit that occurs without advance notification in order to assess compliance between scheduled audits in a typical daily environment.



audit, semi-announced

An audit that occurs within an agreed upon time window, for example 15 or 30 days, in order to assess compliance between scheduled audits in a typical daily environment. [Pertains to Factory Standard]

audit report

A report prepared by the assigned auditor and provided to the audited entity following the audit. The audit report provides details of the audit findings, including non-compliances, which are listed in the entity's Corrective Action Plan.

auditor

An individual who is trained and qualified to conduct audits against the Fair Trade USA standards. This person is appointed by and acts on behalf of a Fair Trade USA approved Audit Body or Conformity Assessment Body.

B**Best Practice (BP) compliance criteria**

Optional and not required (immediately or in the future) compliance criteria in a Fair Trade USA standard. The associated criterion is an encouraged aspiration for the entity to meet over time. The phrase "best practice" may also refer to additional, recommended non-binding practices in the Intent and Clarification section of the standard document. [Pertains to APS]

broker

A party that acts as an agent for others, for instance in negotiating contracts, purchases, or sales, in return for a fee or commission. A broker does not take financial ownership of the product. [Pertains to Trade]

buffer zone

Small areas or strips of land in permanent vegetation, designed to be a barrier and/or intercept pollutants and manage other environmental concerns. Buffer zones include the regions near the border of an area which is protected or managed for conservation, transition zones between areas managed for different objectives or areas on the edge of protected areas that have land use controls and allow only activities compatible with protection of the core area. [Pertains to APS]

bycatch species (syns.: incidental catch, non-target catch/species)

Species caught incidental to the harvest of target species (i.e., primary and secondary species) and not retained (discarded). Includes mammals, seabirds, and reptiles, and all discarded species classified as Endangered, Threatened, or Protected (ETP). Bycatch species are usually returned to the sea dead or dying. Bycatch species are not eligible for Fair Trade certification. [Pertains to CFS]



C

captain

The licensed fisherman in command of the fishing vessel. The captain has the responsibility for the safety of the crew on board and the safe operation of the vessel. (From ILO C188 definition for 'skipper'.) [Pertains to CFS]

capture fishery (syn.: wild fishery)

A fishery harvesting wild aquatic seafood. Does not include fish raised through aquaculture or mariculture processes or enhanced fisheries. [Pertains to CFS]

catch data (syn.: fishery-dependent data)

Data collected directly on a fish or fishery from fishermen and seafood dealers. Common methods include logbooks, trip tickets, port sampling, fishery observers, and phone surveys. (NOAA Fisheries Glossary). [Pertains to CFS]

Catch-Per-Unit-Effort (CPUE) (syn.: catch rate)

The quantity of fish caught (in number or in weight) with one standard unit of fishing effort. For example, the number of fish taken per 1,000 hooks per day, or weight of fish, in tons, taken per hour of trawling. CPUE is often considered an index of fish biomass (or abundance). Sometimes referred to as catch rate. CPUE may be used as a measure of economic efficiency of fishing as well as an index of fish abundance. (Blackhart et al., 2006) [Pertains to CFS]

Certificate (syn.: Certificate of Eligibility)

A generic expression used to include all means of communicating that a company, an entity, or a specific lot of product(s) has demonstrated fulfillment of specific requirements within the Fair Trade USA Standard.

Certificate Holder

The legal, certified entity holding the Fair Trade certificate. The Certificate Holder is responsible for ensuring compliance with the standards, and cannot be a person, but rather a company or legal entity.

certification (syn.: assurance, verification)

The audit and reporting process through which conformance with the Fair Trade USA standards and compliance criteria is determined.

certification cycle

The time frame from an initial certification to recertification, or from recertification to the next recertification. The Fair Trade USA certification cycle is three-years.



certification decision

The process of determining whether the Certificate Holder or applicant entity is in sufficient conformance with the relevant requirements of the Fair Trade USA standard to be awarded a certificate. This decision is made by a Conformity Assessment Body or qualified technical Fair Trade USA staff member based on a review of the audit report and all evidence submitted therein, including the Corrective Action Plan that resulted from any non-compliances issued.

child

Any person under the age of 15 years, unless the minimum age for work or mandatory schooling is stipulated as higher by local law, in which case the stipulated higher age applies in that locality.

closing meeting

A meeting at the end of the audit where the auditor(s) presents initial audit findings to the Certificate Holder.

Collective Bargaining Agreement (CBA)

A written agreement setting forth the terms and conditions of employment between an employer or group of employers and one or more worker entities.

co-management

A partnership arrangement in which government, the community of fishermen, external agents (non-governmental organizations, research institutions), and sometimes other fisheries and coastal resource stakeholders (boat owners, fish traders, credit agencies or money lenders, tourism industry, etc.) share the responsibility and authority for decision-making over the management of a fishery.

Co-management ideally results in power-sharing in the exercise of resource management between a government and a community or organization of stakeholders, and can offer benefits of “more appropriate, more efficient and more equitable management” than the conventional state-centered approach. (Berkes et al., 2001) [Pertains to CFS]

compliance criteria (CC)

Description of requirements in a standard that are binding, meaning that they are required either at a specific point in time, a specific year of certification or stated as a best practice. The entity undergoing certification will be expected to fulfill the compliance criteria and an auditor evaluates compliance with the time-relevant compliance criteria in order to determine whether or not a standard has been fulfilled.

complaint

A formal expression of dissatisfaction by any person or entity relating to the activities of Fair Trade USA or a 3rd party operating on behalf of Fair Trade USA, such as a Conformity Assessment Body's. A response to the complaint is expected.



composite products

Products that are manufactured (processed/semi-processed) and composed of more than one ingredient (e.g. chocolate bars, soluble cappuccino mix, vanilla soymilk, chai tea concentrate, etc.). One or more of the ingredients may not currently be Fair Trade Certified.

Conformity Assessment Body (CAB)

An accredited, third party entity responsible for providing independent and impartial auditing services to evaluate the compliance of the applicant or Certificate Holder with the relevant Fair Trade USA standards and compliance criteria. The Conformity Assessment Body makes the certification decision of the client and can issue a certificate if compliant.

consignment sales

An arrangement in which products are sold by an importer on behalf of the producer or exporter. The importer undertakes the task of selling the products and in return receives a percentage of the revenue from the sales. [Pertains to Trade]

contract

A binding agreement between two or more parties that is enforceable by law.

conventional product

A product that is not certified organic or Fair Trade and not approved for organic or Fair Trade sales in the country of sale. [Pertains to Trade]

Corrective Action Plan (CAP) (syn.: Performance Improvement Plan)

A plan prepared by the Certificate Holder and submitted to the Conformity Assessment Body or Fair Trade USA in response to non-compliance(s) issued by the auditor. The CAP describes corrective and preventive actions to be taken within an expected timeframe.

crew member

Individuals directly involved in catching seafood, or individuals who are not catching seafood, but participate in the general vessel operation (i.e., cooks, observers on board, engineers, etc.). Crew members work exclusively on board vessels, or on the shore fishing. They can be waged employees, or earning under payment-share based on the catch. [Pertains to CFS]

Critical criteria

Critical criteria are minimum requirements for certification under Fair Trade USA's Agriculture Production Standard (APS). The majority of Critical criteria must be met prior to the evaluation audit (Year 0). All remaining Critical criteria must be achieved within a specified timeframe, with full compliance to all Critical criteria required by Year 6 at the latest. Some Critical criteria must be met in a specified order in addition to a specified timeframe, before or after other related criterion have been implemented. See also compliance criteria, Progress criteria. [Pertains to APS]



cut-make-trim (CMT)

The labor-intensive process by which apparel is made from fabric. Fabric is first cut, then sewn (made), and then the finished products are embellished and trimmed. [Pertains to Factory]

D

decertification

The process in which a client's Fair Trade certificate is revoked by the Conformity Assessment Body or Fair Trade USA when outstanding non-compliances have not been satisfactorily addressed. As such, clients can no longer sell Fair Trade product as of the date of decertification, even to fulfill contracts that have already been signed. A decertified entity may voluntarily elect to reapply to the program and begin the certification process anew.

derelict fishing gear

Derelict fishing gear, sometimes referred to as "ghost gear," is any discarded, lost, or abandoned, fishing gear in the marine environment. This gear continues to fish and trap animals, entangle and potentially kill marine life, smother habitat, and act as a hazard to navigation. [Pertains to CFS]

E

effective management

Management or mitigation strategies are defined as "effective" if a) there is a strategy with clear management goals to ensure the stock productivity is maintained, b) the management goals are sufficient to maintain the structure and function of affected ecosystems in the long-term, c) there is a process for monitoring the implementation of the strategy, and d) there is scientific evidence that the management goals and strategy are being met. (MBA, 2016). [Pertains to CFS]

employer

Any individual or entity that controls and directs workers under an express or implied contract and is responsible for paying those workers' wages. This includes labor contractors.

empowerment

The process of enhancing the capacity of individuals or groups to make choices and to transform those choices into desired actions and outcomes. Central to this process are actions which build individual and collective assets and improve the efficiency and fairness of the organizational and institutional context which govern the use of these assets.



endangered, threatened, and protected (ETP) species

A species of animal or plant that is at risk of extinction. The categorization of a species can be found on a national endangered species list, the IUCN Red List, or CITES convention. In marine systems, species recognized by national legislation and/or binding international agreements to which the jurisdictions controlling the fishery under assessment are party. This include national endangered species lists unless it can be shown a particular stock of the listed species impacted by the fishery under assessment is not endangered or threatened. ETP species are not eligible for Fair Trade certification. [Pertains to APS, CFS]

enhanced fishery

A fishery where there is human intervention in the lifecycle of the aquatic species, including artificial spawning, habitat enhancement, and/or feeding of individuals prior to harvest. The interventions lead to an increase in total production of selected species, which would not exist through natural processes. Enhanced fisheries are openly accessed by the public as a common property resource. [Pertains to CFS]

exception (syn.: exemption)

A permission granted by Fair Trade USA or an authorized Conformity Assessment Body for a company to not comply fully with a particular Compliance criterion or requirement, within a defined scope.

exclusivity clause

A specification in a purchase contract that prevents the producer from selling to another buyer outside of the clause.

ex-vessel value (syns.: dockside value, landed value, gross landed value)

A measure of the monetary worth of commercial landings, usually calculated as the price per unit weight for the first sale of landed fish multiplied by the total weight landed. [Pertains to CFS]

Ex Works (EXW)

A reference to specified terms of delivery. Under these terms, the seller delivers their part of the contract when the goods are at the disposal of the buyer, either on the premises of the seller or another named place (factory, warehouse, etc.). Delivered goods are not cleared for export and are not loaded onto any collecting vehicle. In the context of the Capture Fisheries Standard, ex works price is equivalent to ex-vessel price.

F

Fair Trade Adjustment

The difference between the original price paid and the relevant Fair Trade Minimum Price or Relevant Market Price. This is applied in cases of retro-certification or consignment sales. [Pertains to Trade]



Fair Trade Committee (FTC)

The representative body comprised of democratically elected representatives of the recipients of the Fair Trade Premium (sometimes referred to as Premium Participants). The FTC is responsible for managing, investing, spending, and reporting on the Fair Trade Premium on behalf of and in consultation with the Premium Participants. See also Premium Participants and General Assembly.

Under the Capture Fisheries Standard, the FTC is also responsible for working with the Certificate Holder and Registered Fishermen to ensure the effective implementation of the Capture Fisheries Standard.

Fair Trade Conveyor

Any entity that receives the Fair Trade Price and/or Fair Trade Premium from a Fair Trade Payer and passes the price and/or Premium amount to the certified producer and/or Fair Trade Committee accordingly. [Pertains to Trade]

Fair Trade ID

A unique identification number assigned to the Certificate Holder by Fair Trade USA. The primary purpose of this number is for Fair Trade USA recordkeeping.

Fair Trade Minimum Price

The minimum price that must be paid by buyers to producers for a Fair Trade product, not including any additional Fair Trade Premium. Where applicable, the Fair Trade Minimum Price represents a formal safety net that protects the producers when the market price is below the Fair Trade Minimum Price. The price paid to a producer cannot be less than the Fair Trade Minimum Price or the Relevant Market Price, whichever is higher. Not every product has a Fair Trade Minimum Price. Fair Trade USA's Price and Premium Database specifies the Fair Trade Minimum Price for relevant products. See also Relevant Market Price.

Fair Trade Officer

Person responsible for the overall coordination of the Fair Trade program in the factory, the grievance and complaints processes, and for the dissemination of necessary communications. The Fair Trade Officer serves as a management representative on the FTC. [Pertains to Factory Standard].

Fair Trade Payer

The buyer responsible for paying the Fair Trade Premium and, where relevant, the Fair Trade Minimum Price, Relevant Market Price, or agreed commercial price. The Fair Trade Payer may be the exporter, importer, or brand depending on where the Fair Trade Price and Premium is set. [Pertains to Trade]



Fair Trade Premium (syns.: Community Development Premium, Premium)

A monetary amount paid to a group of workers, small producers and/or fishermen (the Fair Trade Premium Participants) above the cost of the Fair Trade product. Fair Trade Premium is paid per volume of product sold on Fair Trade terms and varies by product, quality and/or region of production. Depending upon the Standard and product, the use of the Fair Trade Premium is restricted to investment in the producers' business and livelihood, to the socio-economic development of the producers and/or workers and their community, and/or for environmental improvements. The use of the Fair Trade Premium is democratically decided by the producers, fishermen and/or workers, as specified in the relevant standard.

Fair Trade Premium Participants

The group of workers, small producers, and/or fishermen who are eligible to elect one or more Fair Trade Committees to manage the use of the Fair Trade Premium.

Fair Trade Premium Plan (syn.: Premium Plan, Fair Trade Premium Work Plan)

A written plan prepared by the Fair Trade Committee outlining the objectives, timelines, and activities for any Fair Trade Premium use. The Fair Trade Premium Plan contains a budget based on expected Fair Trade Premium income, and includes a prioritized and detailed list of projects and investment that address identified needs and a list of any other expenses for which Premium will be used. The Fair Trade Premium Plan is approved by the majority of Premium Participants at the General Assembly.

finished product

A certified product that has completed all manufacturing and processing and is ready to be sold or distributed to the end-user in the retail sector or the restaurant/food service sector.

fish

A collective term that includes any species or sub-species of aquatic (marine, freshwater and estuarine) animal or plant. Does not include mammals, seabirds, or reptiles. [Pertains to CFS]

Fish Aggregating Device (FAD)

A permanent, semi-permanent, or temporary structure or device made from any material used to lure fish. [Pertains to CFS]

fisherman

A person (male or female) who catches or collects seafood. Does not include seafood processors or traders. Fishermen include the boat captain, and may be waged individuals or earning money based on a share of the catch ("payment share"). [Pertains to CFS]



fishery (syn.: capture fishery)

A unit determined by an authority or other entity that is engaged in harvesting fish. Typically, the unit is defined in terms of some or all of the following: people involved, species or type of fish, area of water or seabed, method of fishing, class of boats and purpose of the activities. (FAO, n.d.) [Pertains to CFS]

Fishery Improvement Project (FIP)

A multi-stakeholder effort to address environmental challenges in a fishery. A Fishery Improvement Project can be Basic or Comprehensive as defined in the Guidelines for Supporting Fishery Improvement Projects, written by the Conservation Alliance for Seafood Solutions. Fair Trade USA will recognize a FIP plan as an equal to the Fishery Management Plan required in the CFS, so long as it meets the requirements of the CFS. [Pertains to CFS]

Fishery Management Plan (FMP)

A document prepared for the management of a fishery. It includes a strategy outlining the progress required over time to successfully achieve the adequate management of the stock. The plan may include fishery and ecosystem data to be collected, analyses to be made, actions needed for enforcement and compliance with the FMP, management measures, parties and individuals responsible for the implementation of the FMP. The FMP does not need to be a stand-alone document, it can be part of a larger management framework (e.g. governmental initiatives, regional management plans, FIPs, etc.). [Pertains to CFS]

fishing

Any activity, other than scientific research, that involves the catching, extracting, taking, or harvesting of seafood; or any attempt to do so (Blackhart et al., 2006). The activity can be carried out in any marine ecosystem. [Pertains to CFS]

Fishing Association (FA)

A democratically-run organization who represents the views of Registered Fishermen on any matters affecting their fishing activity, including the requirements of the CFS, laws, and regulations controlling the fishery, and fishery-related infrastructure. Through the FA, members coordinate their responsibilities regarding resource management, vessel safety and trade relationships with buyers. The FA may include other members besides the Registered Fishermen. For example, captains of tender vessels or transfer vessels transporting fish to and from landing sites who work with Fair Trade fishermen, and are based in the same community. It may also be appropriate to include spouses of the members, fishery scientists, and staff from local non-profit organizations in the FA, either formally or informally. [Pertains to CFS]

fishing effort (syn.: effort)

The amount of fishing gear of a specific type used on the fishing grounds over a given unit of time (for example, hours trawled per day, number of hooks set per day, or number of hauls of a beach seine per day) (Blackhart et al., 2006). [Pertains to CFS]



fishing vessel (syn.: Vessel)

Any ship, boat or other craft that is equipped and used to carry out any fishing activity, or in support of such activity (FAO), irrespective of the form of ownership. Examples of activities supporting the fishing activity include, but are not limited to, storage, refrigeration, transportation, and processing. [Pertains to CFS]

Fixed-term contract worker

Worker hired for a specific duration of longer than nine months as agreed and specified in the employment contract. Fixed-term contract workers receive all benefits of permanent workers but their employment may be terminated or renewed at the end of the contract. [Pertains to Factory Standard]

Free on Board (FOB)

When a seller delivers goods past the ship's rail at the named port of shipment. From that point forward, the buyer must bear all costs and risks of loss or damage to the goods. Under FOB terms, the seller is required to clear the goods for export.

G**General Assembly (GA)**

A meeting of all Fair Trade Premium Participants (i.e. the farmers, fishermen, and/or workers who are eligible to vote on Premium spending). The General Assembly is a forum for decision-making on Fair Trade Premium spending or other matters related to the Fair Trade Committee and the Fair Trade Premium Plan.

genetic modification (GM) (syn.: genetic engineering)

A term referring to the modification of plants, animals, or microorganisms using modern biotechnology such as gene splicing, gene modification, recombinant DNA technology, or transgenic technology. It allows selected individual genes to be transferred from one organism into another, also between nonrelated species. Such methods do not include the use of traditional breeding, conjugation, fermentation, hybridization, in vitro fertilization, or tissue culture. [Pertains to APS]

grievance

An issue raised by a worker through an internal channel at their place of employment, e.g. through a suggestion box, verbally, or in writing to a supervisor, Human Resources department, a union, or a worker representative.



H

habitat

The environment in which a marine species lives, including everything that surrounds and affects any stage of its life: e.g., water quality; bottom; vegetation; associated species (including food supplies) (FAO, n.d.). [Pertains to CFS]

hazardous material (syn.: hazardous chemical, hazardous pesticide)

A substance posing a substantial risk to human health or the environment if not properly managed, treated, stored, or disposed. This includes, but is not limited to, any chemical which is labeled as “danger” or signaled with a skull and crossbones or the color red.

Health & Safety Officer (H&S Officer)

The individual responsible for occupational health and safety matters and the health and safety management system. [Pertains to Factory]

homeworker

An individual contracted to work offsite, in their home, a residential building, or site within their community, often on a per-order basis. The product is then delivered to or picked up by the contracting company. [Pertains to Factory Standard]

human trafficking

The recruitment, transport, transfer, harboring or receipt of a person by such means as threat or use of force or other forms of coercion, abduction, fraud or deception for the purpose of exploitation.

I

Illegal, Unreported, and Unregulated Fishing (IUU)

All fishing that 1) breaks local, national, or international laws, 2) is under-reported, misreported, or not reported where reporting is legally required, and/or 3) is considered illegal but occurs outside the reach of fisheries laws and regulations such as on the high seas. [Pertains to CFS]

income sustainability

Income consistently at a level where households can fulfill basic needs and which is resilient to external stresses and shocks in the market and environment.

indicator

A qualitative or quantitative metric Fair Trade USA uses to measure achievement or progress towards intended Impact outcomes.



incoterms

Internationally recognized trade terms defined by the International Chamber of Commerce (ICC) that are commonly used in contracts for the selling of goods. Incoterms provide details surrounding the transfer of goods from a seller to a buyer and outline who is responsible for each of the costs that are involved in this process. Fair Trade Prices and Premiums are always set at a specified incoterm level.

ingredient

Any substance, including an additive, used in the manufacture or preparation of a food and present in the final product, although possibly in a modified form. [Pertains to Trade]

Integrated Pest Management (IPM)

A science-based, decision making process that identifies and reduces risks from pests and pest management related strategies. IPM coordinates the use of pest biology, environmental information, and available technology to prevent unacceptable levels of pest damage by the most economical means, while posing the least possible risk to people, property, resources, and the environment. [Pertains to APS]

Internal Management System (IMS) (syn.: Management System, Internal Control System)

A monitoring and control mechanism, such as a documented set of policies and processes, that the Certificate Holder implements to ensure compliance with the relevant Fair Trade USA standard. The IMS is focused on identifying risks, monitoring the risks identified and taking measures to address areas where there are challenges and opportunities related to compliance with the Fair Trade requirements.

L**Label and Language Use Guide (LLUG)**

Guidelines for use of the Fair Trade Certified™ label artwork and language by authorized licensees in connection with Fair Trade Certified products, including on product labels, packaging and point-of-sale materials.

labor contractor

A person, corporation, or agency who, for a fee, employs workers to perform work for or under the direction of a third party. They are responsible for paying those workers' wages, and may also recruit, supervise, provide board, lodging, or transportation for those workers. See also recruiter.

letter of intent (LOI)

A letter provided by Fair Trade Buyers or Fair Trade Payers to Fair Trade Certified producers. It contains a summary of the potential quantities likely to be purchased during the year or season, as well as quality, payment, and delivery terms. [Pertains to Trade]



licensed partner (syn.: licensee)

A company licensed by Fair Trade USA to use the Fair Trade Certified™ label artwork, label language, and certification mark.

limit reference point

Indicates the limit beyond which the state of a fishery and/or a resource is not considered desirable or sustainable. Fishery development should be stopped before reaching it. If a limit reference point is inadvertently reached, management actions should severely curtail or stop fishery development, as appropriate, and corrective action should be taken. Stock rebuilding programs should consider the limit reference point as a very minimum rebuilding target to be reached before the rebuilding measures are relaxed or the fishery is re-opened. (FAO, n.d.) [Pertains to CFS]

living wage

The remuneration received for a standard (48 hour) work week, by a worker in a particular place sufficient to afford a decent standard of living for the worker and her or his family. Elements of a decent standard of living include food, water, housing, education, health care, transport, clothing, and other essential needs including provision for unexpected events.

M**Major Criteria**

Criteria identified as “Major” represent the core Fair Trade values and principles. Non-compliances with any subset of requirements 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-compliance. Non-compliances with any individual major requirement are considered to be especially severe. [Pertains to Factory, CFS]

management unit

A single site or group of multiple sites, such as farms and facilities, that are owned, managed, or operated by the same individual, company, or organization.

Market Access Partner (MAP)

...see *'Certificate Holder'*

mass balance

A traceability system in which certified and non-certified product is mixed, and volumes are controlled such that certified volumes sold are equivalent to certified volumes entering the operation.



maturity (syn.: mature)

Refers to the ability, on average, of fish of a given age or size to reproduce. Maturity information, in the form of percent mature by age or size, is often used to compute spawning potential. (Blackhart et al., 2006). [Pertains to CFS]

Maximum Sustainable Yield (MSY)

The highest theoretical equilibrium yield that can be continuously taken (on average) from a stock under existing (average) environmental conditions without affecting significantly the reproduction process (FAO, 2014). [Pertains to CFS]

migrant worker

A temporary worker whose permanent home is not within daily traveling distance to the site of employment. A migrant worker can be a domestic (e.g. temporarily living far from his or her permanent home, but in the same country) or international.

mother vessel

See “transfer vessel.” [Pertains to CFS]

multiple ingredient product (syn.: multi-ingredient product)

A finished product composed of more than one ingredient. [Pertains to Trade, Label and Language Use Guide]

N**Needs Assessment**

A systematic query, facilitated by the Fair Trade Certificate Holder, Fair Trade Committee and/or Fair Trade applicant identifying the social, economic, and environmental development needs of the small producers, fishermen, and/or workers included in the scope of the certificate, and their families and communities. The Needs Assessment is used to inform the prioritization of Premium spending to address identified needs. The Needs Assessment may be carried out in a variety of ways including surveys, interviews, or meetings with Premium Participants. The Needs Assessment must include a diverse and representative sample of Premium Participants.

non-compliance (NC) (syn.: non-conformity (NC))

Audit finding(s) that an entity is not meeting one or more requirements of the Fair Trade USA standard and compliance criteria. NCs must be addressed with a Corrective Action Plan and corrected within a timeframe specified by the Conformity Assessment Body or Fair Trade USA.



non-target species

Species for which the gear is not specifically set, although they may have immediate commercial value and be a desirable component of the catch. [Pertains to CFS]



organic product

A product that is certified organic and approved for organic sales in the country of sale (e.g. in the United States: USDA's National Organic Program).

organic differential (syn.: organic premium)

The additional price buyers are required to pay for organic Fair Trade Certified coffee. This is in addition to the Coffee Market or Fair Trade Minimum price (whichever is higher) and the Fair Trade Premium.

outright priced contract (syn.: spot contract)

A contract in which the delivery price is fixed at the time of signing the contract. [Pertains to Trade]

overfished

A stock that has been exploited beyond an explicit limit beyond which its abundance is considered too low to ensure safe reproduction. In many fisheries the term is used when biomass has been estimated to be below a limit biological reference point that is used as the signpost defining an overfished condition. When overfished, a stock will require a change in the management practices in order to achieve an appropriate level and rate of rebuilding. Even after a change in management has taken place, the stock may remain overfished (i.e., with a biomass well below the agreed limit) for some time even though fishing pressure might be reduced or suppressed. (Blackhart et al., 2006). [Pertains to CFS]

overfishing

A generic term used to refer to the state of a stock subject to a level of fishing effort or fishing mortality such that a reduction of effort would, in the medium term, lead to an increase in the total catch. Often referred to as overexploitation, it results from a combination of growth overfishing and recruitment overfishing and occurs often together with ecosystem overfishing and economic overfishing. For long-lived species, overfishing (i.e., using excessive effort) starts well before the stock becomes overfished (FAO, n.d.). [Pertains to CFS]



P

payment-share

A system in which payment to fishermen is based on an allotment of proceeds from the catch. The allotment might vary depending on the role of the fisherman in the boat, as well as which party provided inputs such as food, fuel, and ice. Payment share differs from both wage systems and piece-rate systems. Payment-share is prohibited for workers:

- Under wage systems, workers are paid a fixed hourly or daily rate which is decided before the work starts. Workers sometimes also earn a productivity bonus on top of their wages.
- Under a piece-rate system, workers are paid according to how much volume they produce, for instance how many kilos of fish they process. The rate per volume is decided before the work starts.
- Under payment-share, fishermen agree beforehand on what share of the proceeds they will receive. The exact amount is not known beforehand because fishermen do not yet know how much they will catch, or what the market price will be. [Pertains to CFS]

payment terms

The conditions under which a sale is made. Payment terms specify the date of payment and form in which payment will be made (e.g. check, bank transfer). Where applicable, they also include any secondary payment adjustments, such as adjustments calculated for Fair Trade products with minimum prices.

permanent worker

Worker employed on an ongoing, year-round basis.

Under the Apparel and Home Goods Standard, a permanent worker is entitled to benefits.

Personal Protective Equipment (PPE)

Items worn to minimize exposure to workplace injuries and illnesses that may result from contact with chemical, radiological, physical, electrical, mechanical, or other workplace hazards. It includes any item a Registered Fishermen, crew member, or worker needs to wear for their own protection. PPE may include but is not limited to clothing, footwear, eye protection, ear protection, gloves, masks, and personal flotation devices.



pesticide

Insecticides, fungicides, herbicides, disinfectants, and other substance or mixture of substances intended for preventing, destroying, or controlling any pest, including unwanted species of plants or animals causing harm during or otherwise interfering with the production, processing, storage, transport, or marketing of food or agricultural commodities. The term includes substances intended to be used as a plant growth regulator, defoliant, desiccant, or agent for thinning fruit or preventing the premature fall of fruit, and substances applied to crops either before or after harvest to protect the commodity from deterioration during storage and transport. Pesticides may be synthetic or naturally occurring, and includes those approved for use in organic agriculture. [Pertains to APS]

piece rate

Productivity-based payment system where workers are paid a fixed price per unit of production and/or per action performed (such as in processing). This type of work is often referred to as piece work.

Precautionary Approach to Fisheries (PAF) Set of cost-effective measures and actions needed to implement the Precautionary principle. It involves taking account of the uncertainties in fisheries systems and the need to take action with incomplete knowledge. It requires, inter alia: (i) consideration of the needs of future generations and avoidance of changes that are not potentially reversible; (ii) prior identification of undesirable outcomes and of measures that will avoid them or correct them promptly; (iii) that any necessary corrective measures are initiated without delay, and that they should achieve their purpose promptly, on a timescale not exceeding two or three decades; (iv) that where the likely impact of resource use is uncertain, priority should be given to conserving the productive capacity of the resource; (v) that harvesting and processing capacity should be commensurate with estimated sustainable levels of resource, and that increases in capacity should be further contained when resource productivity is highly uncertain; (vi) all fishing activities must have prior management authorization and be subject to periodic review; (viii) an established legal and institutional framework for fishery management, within which management plans that implement the above points are instituted for each fishery, and (ix) appropriate placement of the burden of proof by adhering to the requirements above (FAO, 1996, para 6). [Pertains to CFS]

pre-finance

The provision of funding against Fair Trade contracts, to help cover production costs in advance of delivery or receipt of the product.

Premium Participants

The group of small producers, fishermen, workers, and/or cooperative members who are eligible to elect one or more Fair Trade Committees to manage the use of the Fair Trade Premium. Premium Participants and their families are the primary, direct beneficiaries of the Fair Trade Premium. The people included in this group vary according to the type of setup and size of the entity.



price to be fixed contract

A contract for future delivery of product in which the selling price is not determined at the time of signing, but at a future date. [Pertains to Trade]

Primary Species

Any non-bycatch, retained species proposed in the scope of application for certification. Primary species may not be classified as Endangered, Threatened, or Protected.

processing

In the context of seafood, the receiving, preparation and alteration of seafood, including, but not limited to, cleaning, packing, repacking, cooking, canning, salting, smoking, drying or freezing. [Pertains to CFS]

producer

A generic term referring to a person or entity harvesting, cultivating, or manufacturing products which are subsequently traded, either before or after processing.

Productivity and Susceptibility Analysis (PSA)

An approach to assess the risk of overfishing for any species based on predetermined attributes, even in data-poor situations. The Fair Trade USA PSA incorporates (1) a “Productivity Attributes and Scores” table from the Monterey Bay Aquarium’s Seafood Watch Criteria for Fisheries, Criterion 1, Factor 1.1 (Version F3.2 December 9, 2016, p. 9.), and (2) a “Susceptibility Attributes and Scores” table from Marine Stewardship Council’s Certification Requirements and Guidance, Annex PF: Risk-Based Framework (Version 2.0 October 2014, p. 81). [Pertains to CFS]

Progress criteria

Progress criteria describe continuous improvement requirements that must be met over time, with all requirements needing to be met by Year Six. Each Progress criterion is worth a specified number of Progress Points, valued at 1, 3, or 5. To be certified under Fair Trade USA’s Agriculture Production Standard (APS), a Certificate Holder must earn a minimum number of Progress Points, which increases over time. See also Critical criteria and compliance criteria. [Pertains to APS]

Prohibited and Restricted Pesticides List (PRPL)

Rules which control the application of hazardous pesticides on Fair Trade Certified crops. It includes the Red List of prohibited active ingredients which may never be applied to Fair Trade Certified crops, and the Yellow List of restricted active ingredients which may be used only when additional risk mitigation practices outlined in the PRPL are followed. [Pertains to APS]



protected area

A clearly defined geographical space that is recognized, dedicated, and managed through legal or other effective means to achieve the long-term conservation of nature with associated ecosystem services and cultural values. Protected areas can be designated by government, international agreement, or be privately created. Such areas include national parks, forest reserves, and marine reserves. [Pertains to APS, CFS]

recruiter (syn.: labor broker)

An individual who plays a role in job placement and acts as a facilitator between the workers and the eventual employers. Recruiters may be directly employed or be an intermediary or third party such as a labor broker or recruitment agency.

Registered sites:

Total list of Small, Mid-sized and/or Large sites, farms or facilities, that are under the scope of the certificate. All registered sites have been identified by the CAB in advance, and are verified during the onsite audit. [Pertains to APS]

Registered Small Producers:

Total list of small producers identified by the CAB that is under the scope of the certificate. Small producer refers to the manager on a Small Farm who is a Premium Participant. [Pertains to APS]

Relevant Market Price

The price set by relevant market organizations (LIFFE/ICE) for coffee and cocoa. See Fair Trade USA's Special Price and Premium Terms for details.

Restricted Materials List

A list of substances that may not be used in the manufacturing of Fair Trade products. [Pertains to Factory]

retained species

Species within the catch that are not discarded, usually due to their commercial value or management regulations. [Pertains to CFS]

retro-certification (syn.: retroactive certification)

A business transaction in which a Fair Trade Payer purchases product from a Fair Trade Certified producer or exporter under non-Fair Trade conditions and at a later date converts it into a Fair Trade product. To do so, the Payer must pay the Fair Trade Premium and any necessary Fair Trade Adjustment and provide evidence to Fair Trade USA that the correct payments were made. In limited cases, with prior approval from Fair Trade USA, Fair Trade Payers may consistently use retro-certification for Fair Trade transactions. This is referred to as systemic retro-certification.



risk assessment

A component of risk management which comprises all processes concerned with identification, estimation, qualitative and quantitative evaluation of risks in order to develop and implement risk reduction strategies. In the context of the Fair Trade USA standards, risk assessment identifies areas of risk of non-conformity with standard that deserve particular focus in the Internal Management System. See also Internal Management System. [Pertains to APS, CFS]

seafood

A collective term that includes any species or sub-species of marine animal or plant used for human consumption. [Pertains to CFS]

secondary product

A product that comes out of a production process in addition to the main product. A secondary product can be directly consumed, used as an input in another production process, disposed of, or recycled. A secondary product can be a by-product, a co-product, or a residue. [Pertains to Special Price and Premium Terms]

secondary species

Any non-bycatch, retained species not proposed in the scope of application for certification. Includes species used as bait in the fishery, whether they were caught by the fishermen or purchased elsewhere, and all non-primary, retained species, including species classified as Endangered, Threatened, or Protected (when required to be retained). [Pertains to CFS]

seller

The operator that sells a certified product. [Pertains to Trade]

significant number of crew members or workers

In the context of the Capture Fisheries Standards, on vessels or at shore, 'significant number' means greater than five new crew members at any given time. At processing facilities, 'significant number' means greater than five permanent workers or 20 total workers at any given time. [Pertains to CFS]

site

A natural grouping of one or more buildings, farms, landing areas, or processing facilities with a common workforce which might work at different places on different tasks, or where workers and/or fishermen might cross paths during the day, even if they do not work together. It includes, for instance, a compound of buildings with a common entrance.



Social Engagement Team (SET)

A group of selected worker representatives who help to ensure awareness and effectiveness of grievance procedures, suggestions systems, and other tools in order to facilitate transparency and communication between workers and management. [Pertains to APS]

Spawning Potential Ratio (SPR)

The number of eggs that could be produced by an average recruit in a fished stock divided by the number of eggs that could be produced by an average recruit in an unfished stock. SPR can also be expressed as the spawning stock biomass per recruit (SSBR) of a fished stock divided by the SSBR of the stock before it was fished. (Blackhart et al., 2006). [Pertains to CFS]

stock

The living resources in the community or population from which catches are taken in a fishery. Use of the term fish stock usually implies that the particular population is more or less isolated from other populations of the same species and hence self-sustaining (a biologically distinct unit). (FAO, n.d.). [Pertains to CFS]

stock assessment

The process of collecting and analyzing biological and statistical information to determine the changes in the abundance of fishery stocks in response to fishing, and, to the extent possible, to predict future trends of stock abundance. Stock assessments are based on resource surveys; knowledge of the habitat requirements, life history, and behavior of the species; the use of environmental indices to determine impacts on stocks; and catch statistics. Stock assessments are used as a basis to assess and specify the present and probable future condition of a fishery. (FAO, n.d.). [Pertains to CFS]

subcontractor

An individual or company that is not managed nor subject to a controlling interest by the Certificate Holder which does not take legal ownership of the Fair Trade product but provides services to process, pack or transform the product.

suspension

A certification status during which sales and purchases of Fair Trade products by an entity are restricted. The rules to be followed during suspension are laid out in the Fair Trade standards for each type of entity. This can occur only after an entity has been initially certified.



T

target reference point

Corresponds to a state of a fishery and/or a resource which is considered desirable and sustainable. Management action, whether during a fishery development or a stock rebuilding program should aim at bringing and maintaining the fishery system at this level. In most cases a target reference point will be expressed in a desired level of output for the fishery (e.g., in terms of catch) or of fishing effort or capacity and will be reflected as an explicit management objective for the fishery. (FAO, n.d.). [Pertains to CFS]

target species

Those species primarily sought by the fishermen in a particular fishery. The subject of directed fishing effort in a fishery. (Blackhart et al., 2006). [Pertains to CFS]

temporary authorization to trade

A written confirmation, issued by a Fair Trade USA or an approved Conformity Assessment Body, which temporarily authorizes an entity to trade a product under Fair Trade certification terms. Authorization is granted following an evaluation confirming that systems are in place to ensure the integrity of Fair Trade product(s) handled by the entity.

temporary worker (syn.: seasonal worker)

Workers employed for limited periods related to fluctuations in demand for labor at different times of the year.

Under the Factory Standard for Apparel and Home Goods, a temporary worker is hired for pre-determined and agreed limited periods of no longer than 9 months related to fluctuations in demand for labor at different times of the year. Benefits may be provided but are not always the same as benefits of permanent workers or those on fixed term contracts.

Total Allowable Catch (TAC)

The total catch allowed to be taken from a resource in a specified period (usually a year), as defined in the management plan. The TAC may be allocated to the stakeholders in the form of quotas as specific quantities or proportions. (FAO, n.d.). [Pertains to CFS]

traceability

The ability to trace the history, application and/or location of a product, which ensures products originate from a certified source. Physical traceability is a system whereby Fair Trade products are marked and kept separate from non-Fair Trade products at each stage of production and processing to ensure traceability.



Trainee

Worker hired under a probationary term or apprenticeship scheme to undergo training for a specific job. A status of trainee may or may not include benefits or piece rate (minimum wage shall be met) and shall be no longer than 3 months, during which ongoing training and transparent evaluation of skills with hiring decision will occur. [Pertains to Factory Standard]

transfer vessel

A vessel which is not used for commercial fishing activities but which is used to support such activities through storage of seafood and/or for transportation of seafood and/or fishermen among vessels, landing sites and/or processing or packing facilities. It includes mother vessels and freezer vessels. [Pertains to CFS]

transformed product

A product that was altered or changed by a processor or manufacturer.

U

unfinished product

A licensed product within the scope of the Fair Trade certificate that is not ready to be consumed or used.

W

wild harvesting

Collection of plants, plant materials, or seafood from uncultivated areas. [Pertains to APS and CFS]

worker

The general term designating personnel working in or for entities included in the scope of the certificate, regardless of whether they are temporary or permanent, work full-time or part-time, or hired directly or indirectly via a labor contractor. It excludes middle and senior management, and normally only includes personnel who are eligible to join unions. In the context of the Capture Fisheries Standard, workers are those individuals working on land at processing facilities and/or landing sites; they are always waged.

Y

Young worker

An individual over the age of legal employment but below the age of 18 (or below the age of legal adulthood, if that is above 18).



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