



Trade Standard Revision: FAQ

Fair Trade USA

Contents

1. PROJECT BACKGROUND	1
2. FREQUENTLY ASKED QUESTIONS	1
What is the Trade Standard? How is it different from other Fair Trade standards?	1
Who does the Trade Standard apply to?	2
How is it different than the FLO Trader Standard? How might this affect me if I am dual certified?.....	2
How does the revised Standard affect me if I am a licensed trader?	3
Does the Trade Standard affect me if I am a producer organization?	3
What is the project timeline?	3
How can my organization participate in the consultation?	3
Why should I provide feedback? How will my feedback be used?	4
How do I know what has been changed in the Draft Trade Standard?	4
How often is the Trade Standard revised?.....	4
What is the certification process for the Trade Standard? How is it enforced?.....	4
What is the transition process and how long do I have to comply with the new Trade Standard?	5
Where can I find more information about this project?	5
What if I still have questions about the revision or the Trade Standard?	5

1. Project Background

Fair Trade USA (FTUSA) has begun the process of revising our Trade Standard. Updating the Trade Standard will allow us to better enable sustainable livelihoods for producers and workers, create value for businesses, and ensure that the Standard fits with FTUSA's organizational strategies for impact and growth.

This project is being undertaken by FTUSA's Standards team, and will be carried out according to [FTUSA's Standards Development and Revision Procedure](#) and [ISEAL's Code of Good Practice for Setting Social and Environmental Standards](#).

2. Frequently Asked Questions

What is the Trade Standard? How is it different from other Fair Trade standards?

The Trade Standard defines the requirements for participation of traders in Fair Trade USA certification. It aims to ensure that the integrity of the product remains intact, from the farm, factory, or fishery to the consumer, and that the intended benefits, such as the Fair Trade Premium, reach producers. It applies to all traders who buy and sell Fair Trade products sourced from producers who are certified against Fair Trade USA and Fairtrade International production standards. The Trade Standard applies to all Fair Trade



products, including agricultural products, seafood, and apparel and home goods. Requirements specifically targeting seafood, and apparel and home goods are new to the Trade Standard.

In contrast, Fair Trade USA production standards, including the Agricultural Production Standard, Capture Fisheries Standards, and Factory Standard for Apparel and Home Goods, and Fairtrade International production standards, define requirements for producers to ensure products were grown, harvested, and made in compliance with socially responsible practices.

Who does the Trade Standard apply to?

The Trade Standard applies to all traders and brands globally who buy and sell Fair Trade Certified products. All entities, from the first buyer until the product is in final consumer facing packaging and Premium has been paid, must comply with the requirements of the Trade Standard. The first buyer is defined as the first entity buying from the last entity included under a producer certificate. The graphic below is a simplified representation of a possible Fair Trade supply chain, and illustrates the types of entities which are held to the Trade Standard. For more detailed information on who must comply with the requirements of the Trade Standard, review the *Requirements for Certificate Scope under the Trade Standard*.



How is it different than the FLO Trader Standard? How might this affect me if I am dual certified?

The intent and objectives of Fair Trade USA and FLO remain similar as we work towards a common goal of improving the lives of farmers and workers around the globe. Fair Trade USA will continue to accept traders who are certified against FLO's Trader Standard. These entities are not required to transition to the Trade Standard, and may continue with business as usual.



For entities which are dual certified against both the Fair Trade USA Trade Standard and FLO Trader Standard, our requirements remain aligned with those of FLO and we do not anticipate any conflicts between the two sets of requirements. They will have to transition to be in compliance with the new Trade Standard to maintain certification with Fair Trade USA (See more information on the [transition process here](#)).

How does the revised Standard affect me if I am a licensed trader?

For traders currently certified against Fair Trade USA's Trade Standard version 1.0.0 and Compliance Criteria 1.1.0, the Trade Standard 2.0.0 will replace these documents, and you will be expected to comply with the revised Standard once it is finalized. See more information on the [transition process here](#).

Does the Trade Standard affect me if I am a producer organization?

Producers and producer organizations who are who are certified against Fair Trade USA or Fairtrade International production standards are affected by the requirements of the Trade Standard because it defines trading practices that their buyers must comply with which benefit producers. The Standard includes requirements for economic development, such as timely payment of the correct Fair Trade Premium and support in accessing pre-finance, and fair trading practices, such as clear and transparent purchase agreements and terms of trade.

Note that if a Certificate Holder for a producer Certificate is also classified as a Fair Trade Payer, their Fair Trade Price and Premium payment activities must be covered by a Trade Certificate.

What is the project timeline?

We began the revision process to update our Trade Standard in late 2017. We developed a Draft Trade Standard based off a review of learnings from the field and interviews with a selection of brands, trading partners, producers, and experts from across different product categories and supply chains. This Draft Trade Standard was published on September 10 for public comment. The open public comment period, which runs from September 10 through November 16, 2018, is one of the primary ways in which FTUSA remains transparent and accessible to all stakeholders. All feedback received will be considered in detail during the revision and finalization of the Trade Standard in late 2018. We anticipate the finalized Trade Standard to be made available in early to mid-2019. For more details on the work plan, please review the *Trade Project Plan*.

How can my organization participate in the consultation?

During the public consultation period, all stakeholders have an opportunity to participate and provide feedback on the Trade Standard. The Draft Standard and other associated documents are available on the [revision page](#) in English, Spanish and Portuguese. We encourage you to review and provide feedback on the consultation questions which are integrated into the draft Standard and highlighted in our public comment form. Share your feedback with us through our public comment form, available on the revision page.



Why should I provide feedback? How will my feedback be used?

We consider the Draft Trade Standard to be a true working draft. Feedback received during this public consultation period will be reviewed and used to refine the draft. Your contribution is very valuable in creating a meaningful Trade Standard that will enable improvements to the livelihoods of farmers and workers around the globe and create value for businesses. We rely on stakeholder feedback to help improve the effectiveness and practical implementation of requirements, ensuring that the standard is fit for purpose. A summary of all feedback received, and Fair Trade USA's response, will be published along with the final Trade Standard.

How do I know what has been changed in the Draft Trade Standard?

Overall, edits to the Trade Standard focused on clarification of language and structure to improve effectiveness of current intent. Requirements have been re-ordered and are now structured like our other Standards with Objective, Compliance Criteria, and Intent and Clarification all part of one document.

As part of the public consultation, the Draft Trade Standard includes an additional column labeled "*Summary of Changes*". This section includes a brief description of the changes that have been made from the Compliance Criteria for the Trade Standard Compliance Criteria version 1.1.0 to the Draft Trade Standard version 2.0.0. This is to help stakeholders understand where changes were made and why.

In addition, each compliance criterion and objective includes the prior reference number in brackets (e.g. [TR-CT 1.2]), to easily identify how the standard has been restructured, and which criteria have been modified.

How often is the Trade Standard revised?

Fair Trade USA's Trade Standard was last updated in 2012 and is due for a revision to ensure consistency and clarity of the Fair Trade program across our product categories. The Standard will be revised within five years of publication, in accordance with best practices in standard-setting. Our publicly available [Standard Development and Revision Procedure](#) outlines the process we use to write and revise all our Standards.

What is the certification process for the Trade Standard? How is it enforced?

The Trade Standard defines the requirements for the participation of traders that buy and sell Fair Trade Certified products. The Fair Trade certification model is designed to ensure honest and transparent trade practices at every level of the supply chain – all parties along the supply chain are registered and audited. This includes processors and exporters in the country of production as well as importers, distributors, manufacturers, and brands worldwide.

The Certification staff at Fair Trade USA, working with third-party Conformity Assessment Bodies, assess compliance with Trade Standard requirements through transaction reporting, desk review and on-site audits to evaluate and minimize risk to the integrity of the Fair Trade Certified seal and remediate non-compliance. Certificate Holders under the Trade Standard receive an audit every year as part of regular compliance surveillance and certification renewal.



What is the transition process and how long do I have to comply with the new Trade Standard?

The final Trade Standard will be published in early to mid-2019, with the exact dates to be determined based on the extent and content of feedback received during the public consultation. After the Trade Standard version 2.0.0 is finalized, traders certified against the current version of the Trade Standard will be required to switch to version 2.0.0 within a designated timeframe. Fair Trade USA understands that transition time is needed to comply with requirements that are new or more rigorous in the revised Standard. Any non-conformities that result from new or more rigorous criteria will be managed through the Corrective Action Process in a manner that ensures a reasonable time for transition to the new requirements. A policy statement on transitioning between Standards is under development and will be released when the Trade Standard 2.0.0 is finalized

Where can I find more information about this project?

More details on the revision project, process, and timeline can be found in the *Trade Project Plan*, available on the [revision page](#). In addition, our [Standard Development and Revision Procedure](#) outlines the process we use to write and revise all our standards.

What if I still have questions about the revision or the Trade Standard?

If you have any further questions about the revision process or the Trade Standard, please reach out to the Fair Trade USA Standards team at standards@fairtradeusa.org.

