Allowance for the Use of Mass Balance

Fair Trade USA
Version 1.0.0

Purpose

Fair Trade USA’s Trade Standard outlines rules for the traceability of products and ingredients traded as Fair Trade Certified™. Most Fair Trade Certified product must maintain physical product traceability and be clearly identifiable from non-Fair Trade Certified product at all times. Some products are allowed to use a mass balance system, which allows mixing of Fair Trade Certified and non-Fair Trade Certified product or ingredients at any stage in the supply chain, provided that the overall quantities of the Fair Trade Certified product are controlled. This allows for the sale of Fair Trade Certified ingredients and products in supply chains where maintaining physical product traceability is unfeasible due to the nature of product processing systems.

This policy lists the ingredients and products allowed to use mass balance. Any supply chain using mass balance must comply with the Mass Balance requirements defined in Fair Trade USA’s Trade Standard under Sub-module 3.4 as well as claim and labeling requirements outlined in the Fair Trade Certified Seal & Language Use Guide.

For Licensees with questions on this policy or who want to receive approval to use mass balance, please contact your Fair Trade USA account manager.

This policy becomes effective May 2019.

Scope and Applicability

The requirements outlined in this document apply to Licensees under Fair Trade USA’s Trade Standard wishing to use mass balance.

Related Documents

- Fair Trade USA’s Trade Standard
- Fair Trade Certified Seal & Language Use Guide
1. Introduction: Why Mass Balance

For some products and ingredients, it has been determined that always requiring physical traceability would be against the interests of farmers and workers, as the requirements of physical traceability would likely exclude most producers from participating in Fair Trade certification and its associated benefits. In these supply chains, a majority of product passes through large-scale processing facilities. Running separate processing batches in such facilities is generally economically unfeasible due to the small volumes of Fair Trade Certified ingredients and/or the time sensitivity of the processing. Furthermore, producers are typically not able to make demands of processors to run separate batches, and they often have limited access to alternative processing facilities.

For example, the vast majority of the world’s cocoa is processed by a small number of large-scale international traders. These traders handle thousands of metric tons of cocoa beans – some Fair Trade Certified and some not – every day. Processing often runs without interruption. Unless 100% of cocoa processing becomes Fair Trade Certified or production is halted, physical traceability of the ingredient cannot be guaranteed.

In sugar supply chains, small producers must deliver their cane to a mill for processing within a very short time frame of harvest as they are paid based on the sucrose concentration of their cane, which declines with every passing hour. With low global sugar prices, even the most efficient mills need to run at maximum capacity during harvest season to make a profit. For a mill to run both Fair Trade Certified and non-Fair Trade Certified cane in separate batches, the mill would need to stop production and clean the machinery for hours. Additionally, farmers often do not have access to multiple mills to choose from to process their cane. Notably in Belize, one country of origin for Fair Trade Certified sugar, there is only one mill to service the entire country. Even where alternatives exist, additional travel time can severely impact the price farmers receive.

Mass balance has been developed as an alternative form of traceability to ensure the integrity of the Fair Trade Certified seal and claim while supporting a greater number of producers in benefiting from the Fair Trade USA program.

2. Allowance for the Use of Mass Balance

2.1. Products allowed to use mass balance

2.1.1. Based on research and multi-stakeholder consultation, the following products and ingredients are approved by Fair Trade USA to use mass balance:

- Cocoa
- Sugar
- Tea (Camellia sinensis)
- Fruit juice

2.1.2. In rare, extreme cases, Fair Trade USA may approve an exceptional use of mass balance. Such allowances are only granted on a limited basis, and there must be clear justification that the exception will support farmers and workers. Please contact your Fair Trade USA account manager for more information on this process.
2.2. Products allowed to use group mass balance

2.2.1. Generally, for mass balanced products, all sourced ingredients must be delivered to and processed by the same site; this is known as single site mass balance. Some products may use group mass balance, which is when Fair Trade Certified inputs and outputs are delivered to, processed by, and sold from multiple sites under one company. The company will be audited on the total amount of the Fair Trade Certified ingredients or product bought and sold from all of the included sites, instead of each individual site.

2.2.2. The use of group mass balance is contingent upon approval from Fair Trade USA. The use of group mass balance may be used with the following ingredients:

- Cocoa
- Sugar

2.3. Fair Trade USA approval

2.3.1. All traders wishing to use single site or group mass balance must inform and receive approval from Fair Trade USA in order to do so.

2.3.2. Full requirements for the use of mass balance are outlined in Fair Trade USA’s Trade Standard.

3. Limitations of Mass Balance

While Fair Trade USA allows the use of mass balance in select supply chains in order to enable greater access to Fair Trade markets for farming communities around the globe, traders and brands should be aware of the limitations inherent in mass balance.

3.1. Any purchase of products or ingredients from a supplier that has used mass balance will result in Fair Trade Certified farmers receiving Fair Trade Premium and Minimum Price payments in accordance with our standards. However, it is possible that the specific product or ingredient purchased might not physically contain Fair Trade Certified ingredients.

3.2. This means that when labeling such products for final consumer sale, the words “made with” or “contains” may not be used on the package to ensure transparency for consumers. Other language indicating that the product supports the Fair Trade USA program may be used. Consult our Fair Trade Certified Seal & Language Use Guide for details on claim and labeling requirements.