



Trade Standard FAQ

Fair Trade USA

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1. 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 and Fair Trade Minimum Price, reach producers. It applies to all traders who buy and sell Fair Trade Certified 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.

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 Certificate Holder. 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 separate document, *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.

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 Trade Standard 2.0.0 to maintain certification with Fair Trade USA (See more information on the [transition process here](#)).



How does the revised Trade Standard 2.0.0 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 as of January 1, 2020. See more information on the transition process below.

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

The new Trade Standard 2.0.0 has been published on May 22, 2019 and will become effective on January 1, 2020. Traders certified against the former version of the Trade Standard will be required to switch to version 2.0.0 by January 2020. Fair Trade USA understands that transition time is needed to comply with certain requirements in the revised Standard, and that different types of traders will need appropriate transition policies. Please see the Transition Policy available on the Trade Standard webpage (available on the dropdown menu [here](#)) for detail on the transition policy for various types of traders.

Does the Trade Standard affect me if I am a producer organization? Does it affect producers Fair Trade USA-certified producers differently than it affects FLO-certified producers?

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. Producers certified against Fair Trade USA producer standards and Fairtrade International producer standards are affected by the Trade Standard in the same way. 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. Producers should be aware of their rights under the Trade Standard, and a *Producer 101: Rights Under the Trade Standard* document is in development.

However, the scope of the Trade Standard does not include producers. Producers are covered by Fair Trade USA's producer standards, such as the Capture Fisheries Standard, the Agricultural Production Standard, and the Factory Standard for Apparel and Home Goods (or, for those certified by FLO, Fairtrade International producer standards).

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.

My company purchases fair trade product from another fair trade certification, such as Fair for Life or Equal Exchange. Am I eligible to become certified with Fair Trade USA under the Trade Standard?

As of now, Fair Trade USA only accepts products sourced from entities certified against either Fair Trade USA or Fairtrade International standards.



How do I know my role in the supply chain according to Fair Trade USA? The Trade Standard “Applicability” column uses terms I am not familiar with and I am not sure which criteria would apply to me.

When you sign a licensing agreement with Fair Trade USA, the Certification team will let you know how you are classified and which criteria apply to you; for example, you might be considered a Price and/or Premium Payer, a Conveyor, and/or a First buyer. The Trade Standard also defines the different supply chain roles under the Applicability section in the Introduction.

The Trade Standard outlines some criteria as “Core”. What does this mean?

Some compliance criteria are classified as Core. These relate to fundamental Fair Trade USA values and principles, and non-conformities with any individual Core requirement are considered especially severe. Compliance with ‘Core’ criteria is critical to maintain an active certification status with Fair Trade USA. Any non-compliance found against Core criteria may result in immediate suspension of the Licensee. The Licensee is responsible for ensuring compliance with the Trade Standard by all entities included in the scope of the Certificate.

There are some other terms used in the Trade Standard that I am not familiar with. Where can I go to understand Fair Trade USA terminology?

Please consult the Fair Trade USA Glossary (which can be found on [this](#) webpage) to define any unfamiliar terms used in the Trade Standard.

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 assessment and on-site audits to evaluate and minimize risk to the integrity of the Fair Trade Certified seal and remediate non-compliance.

Where can I find information regarding the appropriate Premium I need to pay and the price requirements?

[This document](#), available on our website, outlines the price and Premium that must be paid to be in compliance with the Trade Standard.



How did Fair Trade USA develop the Trade Standard 2.0.0?

We began the revision process to update the 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 ran from September through December 2018, is one of the primary ways in which Fair Trade USA remains transparent and accessible to all stakeholders. All feedback received was considered in detail during the revision and finalization of the Trade Standard in the first half of 2019.

How often is the Trade Standard revised?

The 2019 revision was undertaken 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. The next revision is slated for 2024. Our publicly available [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 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.

