1. Introduction and Purpose

Fair Trade empowers farmers, fishermen, and workers to enhance the value of their work in ways that improve lives and protect the environment. Rather than creating dependency on aid, it harnesses the power of markets to help producers, businesses, and consumers alike to invest in a better future.

Fair Trade USA (FTUSA) and partnering Conformity Assessment Bodies audit and certify supply chains to help ensure that farmers, fishermen, and workers are paid fair prices and wages, work in safe conditions, protect the environment, and earn community development funds to improve their lives.

The Fair Trade USA Trade Standard defines the requirements for traders to participate in Fair Trade certification. Traders are processors and exporters in the country of origin, as well as importers, distributors, and manufacturers further along the supply chain. This document summarizes the objectives, project activities, and decision-making process for revision of the Trade Standard. The project 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. Scope

Fair Trade USA’s Trade Standard covers the supply chain partners that engage in trading Fair Trade Certified™ products sourced from producers and producer organizations certified against all Fair Trade USA and other approved production standards. The Trade Standard applies to all supply chain partners globally, and all Fair Trade products, including agricultural products, seafood, and apparel and home goods.

This project will not directly affect our production standards and policies, including the Agricultural Production Standard, Capture Fisheries Standard, and Factory Standard for Apparel and Home Goods, or labeling, pricing, and Premium policies. The Fair Trade Minimum Price and Premium values and usage rules will not be reviewed as part of the Trade Standard revision process.

3. Background and Intended Outcomes

The Trade Standard focuses on the traders’ roles in supporting the economic development of Fair Trade producers and their workers, and via traceability requirements, assures buyers and consumers that the Fair Trade Certified products they buy were grown, harvested, manufactured, and traded in ways that improve lives and protect the environment. We believe that updating our Trade Standard will allow FTUSA to better enable sustainable livelihoods for producers and workers while creating value for businesses and ensuring that the Standard fits with our organizational strategies for impact and growth.
Fair Trade USA’s Trade Standard was last updated in 2012 and is due a revision to ensure consistency and clarity of the Fair Trade program across our product categories. As part of this revision, we will be harmonizing core trade requirements across Fair Trade USA’s three main product groups (agricultural products, seafood, and apparel and home goods) and customizing guidance and/or special requirements by product or category to respond to specified needs. This will result in one Trade Standard that addresses specific needs of each category and is applicable to traders of all Fair Trade Certified products, regardless of product category and supply chain. We will also add intent and clarification to each Compliance Criteria to improve clarity of requirements, and to be consistent with our other Standards.

Traders certified under Fair Trade USA Standards will transition to being certified against the revised Trade Standard after it is finalized. Appropriate timelines for transition will be determined during the Standard revision.

We anticipate that Fair Trade USA will continue to recognize and accept trade certificates from other select organizations that we consider to be equivalent, for example those certified by FLO-Cert against the Fairtrade International Trader Standard.

4. Project Activities

We have begun the process of updating our existing Trade Standards and aim to publish the revised Standard in mid-2019. Outlined below are key activities over the project's lifecycle.

<table>
<thead>
<tr>
<th>Step</th>
<th>Timeline</th>
<th>Description</th>
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<tbody>
<tr>
<td>Initiate Standard Review Process</td>
<td>through Q1 2018</td>
<td>Review learnings from monitoring and evaluation of certified traders, and conduct a detailed internal review of Fair Trade USA’s current trade standards, identify strategic questions, and develop a framework of the new Trade Standard for discussion.</td>
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<tr>
<td>Development of First Public Draft</td>
<td>Q1 – Q3 2018</td>
<td>The Standards team develops an initial draft of the updated Trade Standard. A limited set of external stakeholders are consulted as thought partners on a range of strategic questions identified during the initial standard review process. Learnings from internal stakeholder consultations and this private consultation feedback are used to develop a draft Trade Standard for public consultation to guide further strategic questions. The public draft of the Trade Standard is approved by Fair Trade USA's Vice President of Certification, Standards, and Impact.</td>
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<tr>
<td>Public Consultation</td>
<td>Q3 2018</td>
<td>The draft Trade Standard is published for public consultation in the third quarter of 2018. This public consultation is part of Fair Trade USA's commitment to integrate stakeholder input and to follow the consultation processes laid out in the ISEAL Code of Good Practice for Setting Environmental and Social Standards. During the Public Consultation phase, all stakeholders have an opportunity to participate and provide feedback on the Trade</td>
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5. Decision-making Process

The Fair Trade USA Board of Directors will have authority to approve all final Standards content.

6. How to Get Involved

All stakeholders will have the opportunity to comment on the draft Trade Standard during the public comment period. In the meantime, external inquiries should be directed to the general Standards email address (standards@fairtradeusa.org).