



Guidance for Determining Scope Under the Capture Fisheries Standard

Fair Trade USA

Version 1.1.0

A. Introduction

The Fair Trade USA Capture Fisheries Standard (CFS) covers diverse groups of fishermen and processing facilities under one general set of requirements. The scope of a Certificate can cover a group of vessels/fishermen (i.e., Fishing Association/cooperative¹), multiple groups, and/or a processing facility buying from one or more groups of vessels.

Since the CFS can be applied to diverse entities, the scope of an individual Certificate can vary widely. Ensuring that scope requirements are followed is important to ensure that the proposed scope is eligible for certification and all applicable requirements are evaluated for compliance within each entity during the audit.

B. Purpose

This guidance document provides step-by-step assistance in determining the scope of a Certificate under the CFS. The full requirements for which sites must and can be included in the scope are described in a separate policy, “Requirements for Certificate Scope Under the Capture Fisheries Standard”, which can be downloaded from the Fair Trade USA [website](#). This guidance document further explains that policy, with greater detail and examples, and is intended to help users understand which entities and sites within a supply chain must or can be included in the Certificate and which requirements are applicable for each actor in the supply chain.

Scope is determined prior to conducting an audit, using information from the application, to ensure the proposed scope is eligible for certification and all applicable requirements are evaluated for compliance during the audit.

C. Scope and Applicability

This document applies to all entities certified against the Fair Trade USA Capture Fisheries Standard.

¹ Note that under the Fair Trade Seafood program, Registered Fishermen must be organized in Fishing Associations (FA) or cooperatives. For more information on whom to include in a Fishing Association, please read the *Definitions* section in the *Introduction* of the Capture Fisheries Standard, available on Fair Trade USA’s website.



D. Related Documents

- Capture Fisheries Standard, version 1.1.0
- Requirements for Certificate Scope Under the Capture Fisheries Standard

1. Certificate Holder Roles and Responsibilities

1.1. Identifying the Certificate Holder

The Certificate Holder holds the CFS Certificate on behalf of one or more entities in its supply chain. The simplest model is shown in Figure 1, with a single Fishing Association or cooperative (FA/cooperative) who holds the Certificate and catch and process their own product to be sold as Fair Trade (FT) seafood. Note that under the CFS, a Fishing Association or cooperative will be composed of Registered Fishermen², and when relevant, other members (see the Capture Fisheries Standard for a complete definition).

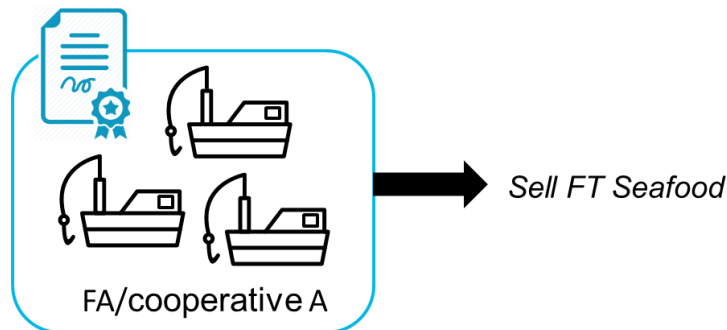


Figure 1

A more common supply chain structure is where a processing facility holds the Certificate and buys from one or more FA/cooperatives which are part of the Fair Trade program. In Figure 2, Processing Facility A is the Certificate Holder, and it buys and processes the seafood caught by FA/cooperatives, A, B and C. In this case, FA/cooperatives A, B and C, as well as Processing Facility A are all within the scope of the Certificate.

² Registered Fishermen are the fishermen in the Fair Trade Program who have joined a single, or multiple, Fair Trade Fishing Association(s) (FA). All captains or skippers of vessels fishing for Fair Trade seafood must be Registered Fishermen. Please refer to the *Definitions* section of the Introduction in the Capture Fisheries Standard for further information about who classifies as a Registered Fishermen.



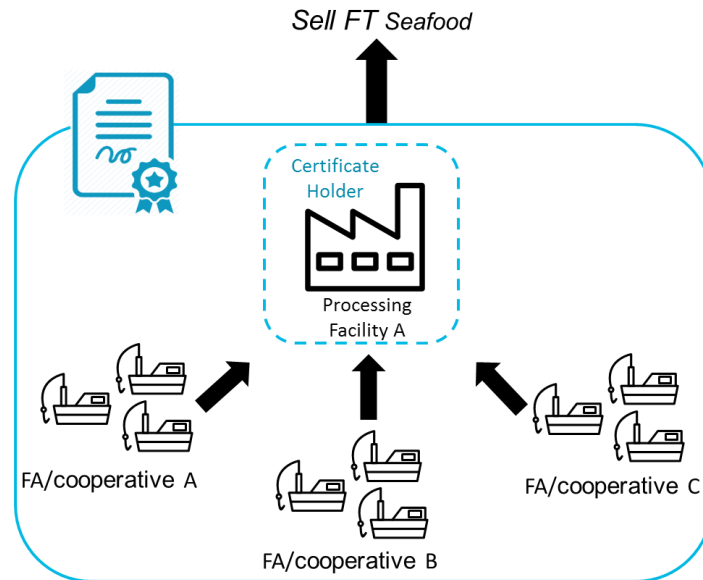


Figure 2

Processing Facility A can also sell Fair Trade seafood to another Certificate Holder. In the example in Figure 3, Processing Facilities A and B sell Fair Trade Seafood to Processing Facility C, which also buys certified seafood from fishermen directly. In this case there are three Certificates, each Certificate held by a different processing facility. Fishermen in FA/cooperative A or B fall within the scope of the Certificate held by Processing Facility A. Fishermen in FA/coops C and D will be under the Certificate held by processing facility B. Finally, FA/cooperative E will fall under the Certificate of processing Facility C (Figure 3).

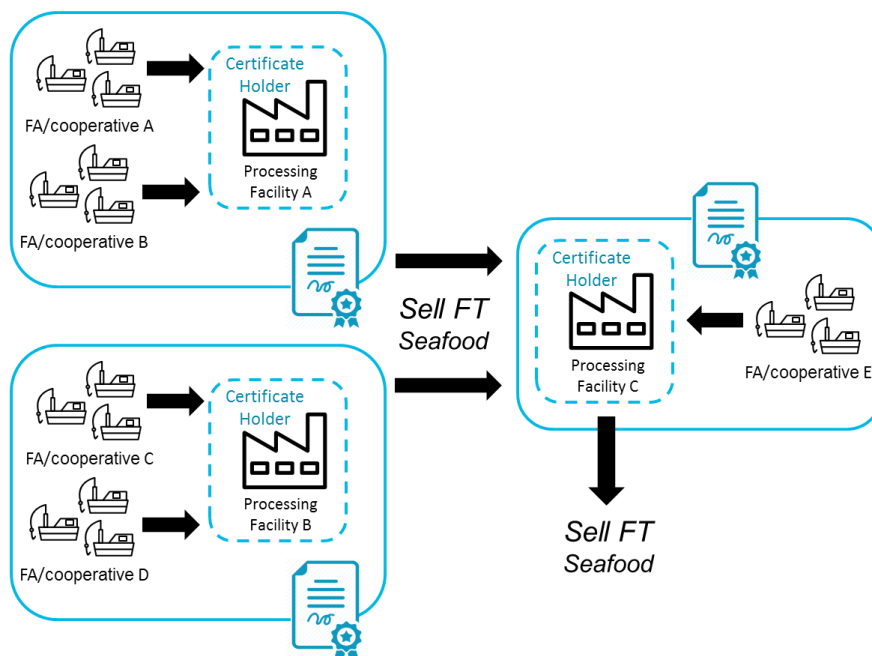


Figure 3



For cases where a Certificate Holder buys Fair Trade seafood from other Certificate Holders, there can be a combination of processing facilities and Registered Fishermen at different stages in the Fair Trade program. For instance, in the example portrayed in Figure 3, it could be possible for Processing Facility A to be at Year 1, while the other two processing facilities are at Year 4. As long as they are all compliant with their respective year of certification, they can buy and sell Fair Trade seafood from each other.

It is also possible for a Certificate Holder to only include some of their suppliers in the scope of their CFS Certificate. For example, Figure 4 shows an example where Processing Facility A (the Certificate Holder), buys and processes seafood from three FA/cooperatives. In this example, the Certificate Holder chose to exclude FA/cooperative C from the CFS Certificate or the FA/cooperative C declined to be part of the Fair Trade program. FA/cooperative C would be out of scope for the CFS Certificate, therefore the seafood they provide is not certified and cannot be sold under Fair Trade terms. This case may only happen if there is an adequate traceability system to ensure only products supplied by FA/cooperatives A and B are sold as Fair Trade. Processing Facility A must show they have separate processing lines for seafood coming from certified and non-certified fishermen, as well as transparency and traceability of the seafood sourced and sold as certified and non-certified.

Processing facility A could choose to sell all seafood as non-certified if they wished. However, if they wished to sell all their seafood as certified, they would have to expand the scope of the Certificate and include FA/cooperative C. If this was the case, they would need to enter the program at the same stage as the other FA/cooperatives already in scope of the CFS Certificate (i.e. FA/cooperatives A and B at Year 3, FA/cooperative C would need to start the program at Year 3 and comply with all the requirements).

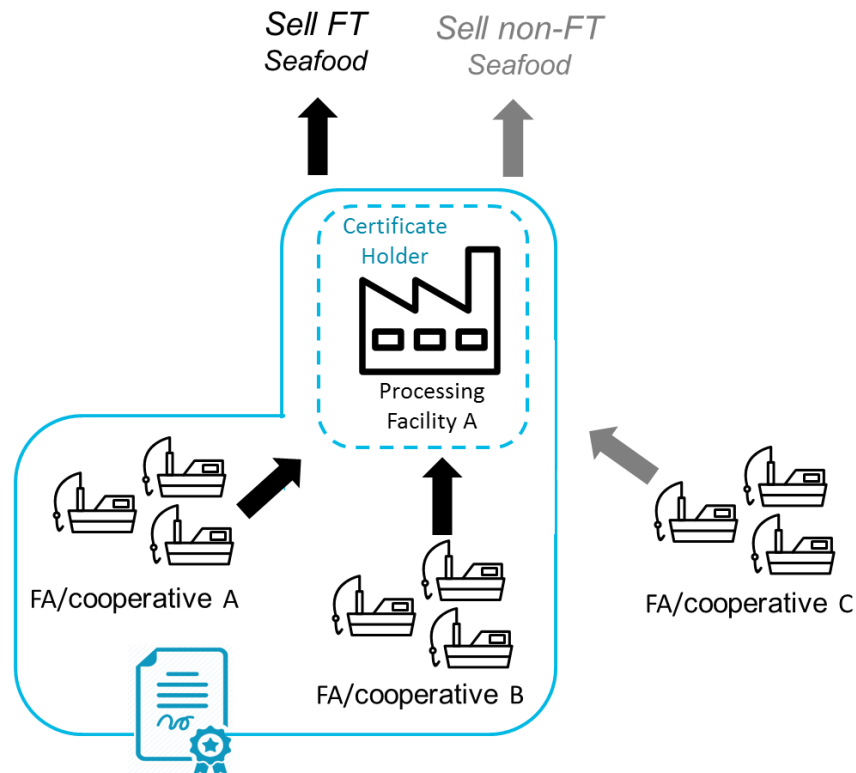


Figure 4

A processing facility can sell both Fair Trade and non-Fair Trade certified seafood. This is also a possibility for the FA/cooperatives. Figure 5 shows the example of a CH selling Fair Trade seafood to another CH. However, FA/cooperative A, which is in the scope of the Certificate held by Processing Facility A, is also selling seafood under non-Fair Trade terms to a second facility, Processing Facility B. It is worth noting that even though FA/cooperative A is under the scope of the CFS Certificate, it is not individually certified (they are not a CFS Certificate Holder), so any product they sell to other buyers (for instance Processing Facility B in Figure 5) is not Fair Trade Certified. In this scenario, processing Facility A is only buying seafood from FA/cooperatives within the scope of its certificate, therefore it can sell all its seafood under Fair Trade terms. Processing Facility B is not certified, and so cannot purchase or sell any seafood under Fair Trade terms.

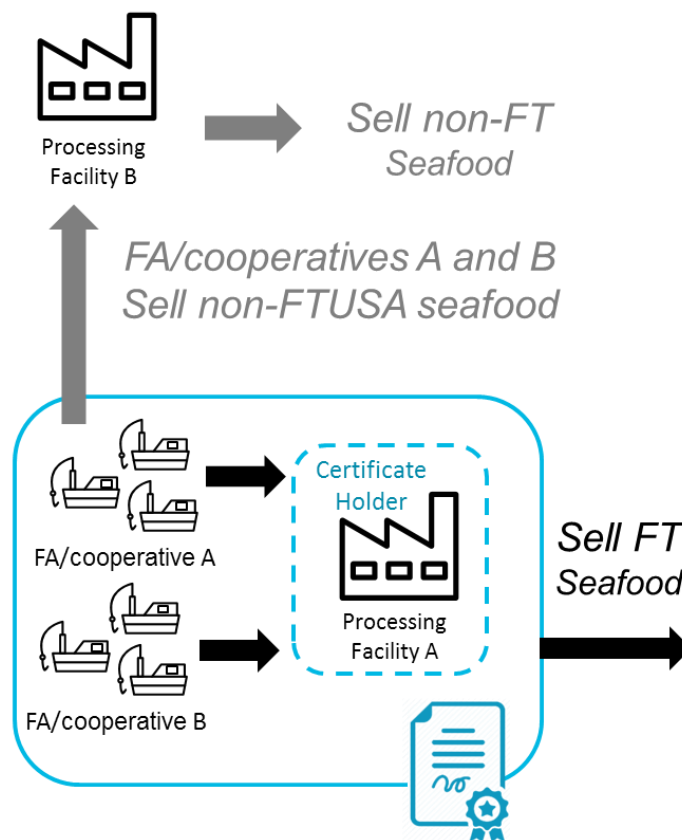


Figure 5

1.2. Certificate Holder Restrictions and Responsibilities

Generally, the Certificate Holder is an actor in the supply chain that buys and sells Fair Trade seafood and is located in the same country where the product is landed. It can be a FA/cooperative, a processing facility that buys raw or partially processed product from one or more FA/cooperatives, or an exporter or importer that buys fully or partially processed seafood from processing facilities and/or FA/cooperatives. In some circumstances the Certificate Holder may be an entity not directly involved in the supply chain, such as a non-governmental organization (NGO), but this is not recommended and requires additional discussion with Fair Trade USA.

The Certificate Holder must either: a) be in the same country where the Fair Trade seafood is landed; b) have a local majority-owned subsidiary which is responsible for implementing the Internal Management System (IMS); or, c) have sufficient locally-based staff or have contracted a local support organization as an implementation partner to manage some or all of the IMS.

2. Identifying Products Eligible for Certification

2.1. Products in Scope of the Certificate

2.1.1. Any marine and diadromous³ species or sub-species of bony fish are in the scope of the Certificate and can be certified under the Capture Fisheries Standard.

2.1.2. Enhanced fisheries⁴ can be certified as long as:

- *The fishery is supported by the wild environment:* At least one point of the production depends on capturing the marine species from the wild. This could be any stage of the life cycle (eggs, larvae, juveniles or adults), and it refers only to marine ecosystems.
- *Species are native:* The species originate from the geographic region where the fishery is being enhanced.
- *Rebuilding the population does not depend on artificial stocking:* the population would continue to rebuild itself even in the absence of artificial restocking. This means that in the absence of human interference, the population has not reached a point of no return.
- *Production of fish does not depend on added food supply at the later life stages:* The production system does not need an augmentation of food supply to feed and maintain the adult animals. Sea-ranching is not allowed.
- *Medicines are not provided on a regular basis:* During the captive phase of production, there is no routinely require disease prevention involving chemicals or compounds with medicinal prophylactic properties.
- *Habitat modifications are reversible:* Any changes to the natural habitat are reversible and do not cause any harm to the ecosystem's structure and function.

2.2. Products *not* in scope of the Certificate

2.2.1. The following fisheries and species are *not* in scope of the Certificate:

- Endangered, threatened or protected (ETP), plants, mammals, seabirds, amphibians, reptiles or aquaculture products.
- Freshwater species.

³ A diadromous species refers to all fish species which migrate between salt water and fresh water environments for spawning purposes.

⁴ Characteristics to define *enhanced fisheries* were taken from "MSC Fisheries Certification Requirements and Guidance", version 2.0, October 2014. pg. 25.



3. Identifying Sites and Activities to Include in the Scope of the Certificate

A Fair Trade CFS Certificate is held by a company, FA/cooperative. However, not all of the Certificate Holder's sites, nor all its suppliers, must be included in the scope of the Certificate. This section explains which sites and activities must be included in the scope of the Certificate and be in full compliance with the CFS for certification to be granted.

Sites which are not in the scope of the CFS Certificate must follow the "Considerations for Sites Not Included Under the Scope of the Certificate" described under Section 5 of this document.

3.1. Defining a Site

We define *site* as any natural grouping of vessels, landing areas, or processing facility buildings with a common workforce who might cross paths during the day even if they do not work together. It includes, for example, a complex of buildings with a common entrance, even if some areas do not handle or process Fair Trade seafood. This means that all the landing areas, processing facilities, etc. in the same site must be compliant with the full CFS even if they are not processing Fair Trade seafood. The intent here is that workers sharing working spaces, living spaces, eating areas, or rest areas have similar working conditions, even if not all are handling Fair Trade seafood.

All sites included in the scope of the Certificate must comply with the full CFS requirements at all times, even when not harvesting or processing Fair Trade seafood. For instance, a CFS-certified processing plant, processing both Fair Trade and non-Fair Trade seafood, must follow the full CFS at all times, even when not processing Fair Trade seafood.

Housing provided to any crew member or worker by the site's management is considered part of a site, even if it is located elsewhere, and must be included in the scope of the Certificate and audit.

3.2. Determining Which Sites and Activities Must Be Included in the Certificate

3.2.1. Fishing

All vessels fishing for Fair Trade seafood must always be included in the scope of the Certificate and audit, even if all crew members are contracted labor force. Thus, if the Certificate Holder is a processing facility, buying product from a FA/cooperative, all Registered Fishermen part of the FA/cooperative, as well as any crew member or worker working for them, must be included in the scope of the Certificate.

3.2.2. Processing, Packing, Sorting for Quality, and Product Transformation

The first processing facility prior to export where Fair Trade seafood is processed must always be included in the scope of the Certificate. If processing, packing, sorting for quality, or product transformation are done on a site managed by the Certificate Holder, even if done by a contracted entity on-site, they must be included in the scope of the Certificate. Similarly, if these activities occur on the site of an intermediary who



purchases product from a FA/cooperative and then sells it to the Certificate Holder, these sites and activities must be included in the scope of the Certificate.

If the FA/cooperative is the Certificate Holder and does not own or manage the site of first processing, then it is not included in the scope of the Certificate. In this case, the first processing facility must comply with Fair Trade USA's Trade Standard.

In cases where processing, packing, sorting for quality, or product transformation are subcontracted off-site to a third party, but the Certificate Holder or other entity included in the scope of the Certificate retains ownership of the product, the activity does not need to be included in the scope of the Certificate but must follow the "Considerations for Sites Not Included Under the Scope of the Certificate" described under Section 5 of this document.

For any processing facility processing Fair Trade and non-Fair Trade seafood, all workers and activities in the facility are included in the scope of the Certificate. For instance, a processing facility might have two production lines, one to pack Fair Trade seafood for export and one to pack non-Fair Trade seafood for domestic sales. The working conditions of the workers on both lines must be compliant with the CFS at all times. In another example, an in-scope facility processing both Fair Trade and non-Fair Trade seafood must follow the full CFS at all times, even when not processing Fair Trade seafood.

EXAMPLE

The following example illustrates a case in which a FA/cooperative catches, lands and processes seafood, and sells to a processing facility owned by a separate entity, Processing Facility A. There are two options for setting up this Certificate, shown in Figures 6 and 7.

Option 1: The FA/cooperative is the Certificate Holder (Figure 6). All Registered Fishermen who are part of the FA/cooperative, as well as any crew member and or worker hired by them must always be included in the scope of the Certificate. This will hold true while they are performing work at landing sites and on vessels included in the scope of the Certificate, even while handling non-Fair Trade seafood.

In this case, the FA/cooperative sells Fair Trade seafood to independent Processing Facility A. Therefore, processing Facility A, as well as all its workers, will not be included in the scope of the Certificate, but will need to comply with Fair Trade USA's Trade Standard. In this example, the FA/cooperative is responsible for making sure that everyone in scope is compliant with the full CFS. If they wish, the Certificate Holder can include Processing Facility A in the scope of the Certificate. However, they would be in charge of making sure Processing Facility A is in full compliance with the CFS at all times.



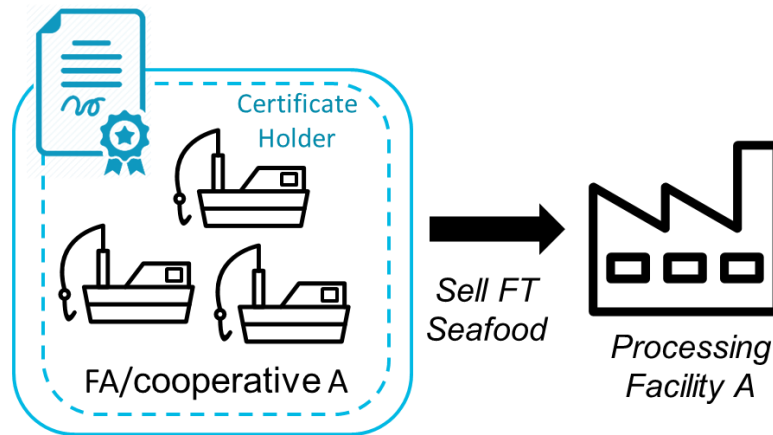


Figure 6

Option 2: Processing Facility A is the Certificate Holder (Figure 7). In this scenario, the scope would be wider. The FA/cooperative selling Fair Trade seafood to Processing Facility A, as well as all the Facility itself and all its workers, will be under the scope of the Certificate. Here, Processing Facility A, being the Certificate Holder, is responsible for making sure that everyone in scope is compliant with the full CFS at all times.

Sites where processing and packing activities occur after Processing Facility A would not need to meet the CFS requirements unless the Certificate Holder decides to include those sites. However, any entity buying or selling Fair Trade seafood after the Certificate Holder must have to comply with Fair Trade USA's Trade Standard.

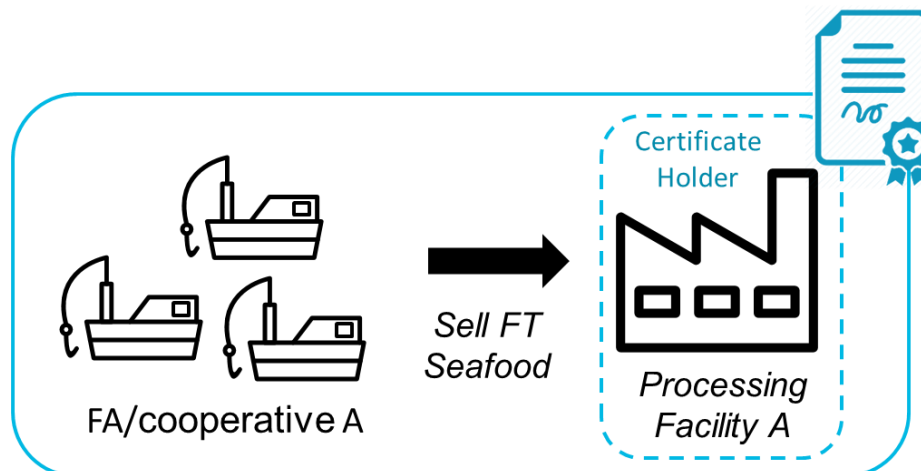


Figure 7

3.2.3. Storage and Transport of Product

Other sites *on land* where Fair Trade seafood is only being stored or transported do not need to be included in the scope of the Certificate, although the Certificate Holder may choose to do so. If not included, these sites must follow the “Considerations for Sites Not Included Under the Scope of the Certificate” described under Section 5 of this document.



4. Determining Activities and Individuals in Scope at Covered Sites

For any vessel and site in the scope of the Certificate, all on-vessel and on-site regular work, Registered Fishermen, crew members, and workers in the production chain are included in the scope of the Certificate. This applies equally to permanent and temporary individuals, individuals employed directly by Registered Fishermen, and those employed through a labor contractor.

Regular work includes any service related to fishing and processing, even if it is not for a Fair Trade product. This includes, but is not limited to, all fishing and regular maintenance/cleaning of fishing gear, vessels, equipment, landing sites, or processing facilities. Short-term non-production projects, such as special construction, are not considered *regular work*.

Note that any family members performing work for and with Registered Fishermen, even if unpaid, would be included in the scope of the Certificate and their working conditions would need to comply with the requirements of the CFS.

It is important to note that not all workers in the scope of the Certificate will necessarily be included in the group of Fair Trade Premium Participants, who are responsible for electing the Fair Trade Committee and decide on the use of the Fair Trade Premium. See the section on “Using the Capture Fisheries Standard” in the Introduction of the Capture Fisheries Standard, for more information on the definition of Fair Trade Premium Participants.

4.1. Subcontractors and Labor Contractors

A *subcontractor* is an individual or company that is wholly separate from the Certificate Holder, and any other FA/cooperative, or individual included in the scope of the Certificate, which provides services *off-site* to process, pack, or transform Fair Trade seafood without taking legal ownership of it. Subcontracted work always occurs *off-site*, and the subcontractor does not need to be included in the CFS Certificate, however they must follow the requirements in Section 5 of this document.

A *labor contractor* is an entity hired to perform services *on a vessel and/or at a site included in the scope of the Certificate*, or provide *work force (i.e., crew members or workers)*. For instance, if a FA/cooperative hire a company to provide crew members or workers, the hired labor is in scope. As stated above, any regular work on a vessel and site in the scope of the Certificate is included in the scope of the CFS requirements, even if undertaken by a contractor. Any labor contractor in the scope of the Certificate will need to make its accounts available to the auditor to check compliance with the CFS.

5. Considerations for Sites Not Included Under the Scope of the Certificate

For any sites where Fair Trade product is stored, transported, packed, processed, sorted for quality, or otherwise handled that are not included in the scope of the Certificate, the Certificate Holder must have a contract with the entities. The contract ensures that traceability requirements are followed, that the entity meets the ILO Core Conventions, and that Fair Trade USA and/or an approved Conformity Assessment



Body may enter the site to audit these contract requirements at any given time. These requirements are explained in CFS STR – CH 1.1 and Section 5 of the policy document on “Requirements for Certificate Scope Under the Capture Fisheries Standard.”

6. Examples of Different Certificate Options in One Supply Chain

This section uses a fishery supply chain with various levels of processing to illustrate several different options for setting up a CFS Certificate (Figures 8 – 11). In this example, individual FA/cooperatives transport and sell seafood to independent Processing Facilities A and B, who then sell processed seafood to Processing Facility C, which continues with the transformation process. Processing Facility C subcontracts independent entities to transport the processed seafood from Facilities A and B to their facility. The FA/cooperatives, as well as Processing Facilities A and B are in the same country, whereas Processing Facility C is in a different country. The following diagram illustrates how this supply chain is laid out.

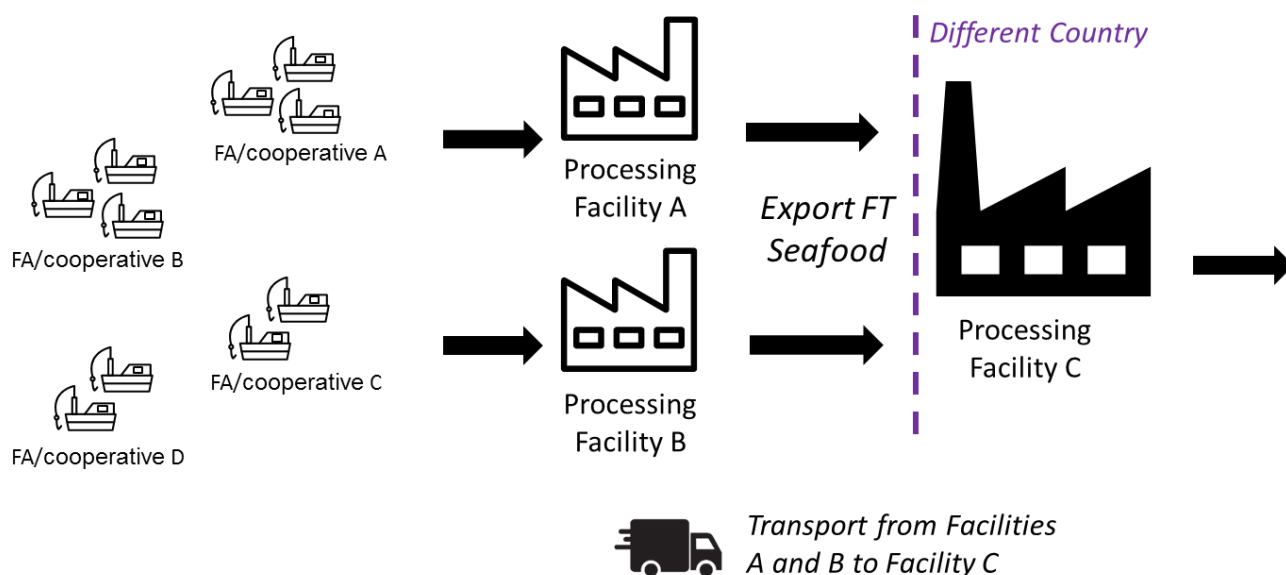


Figure 8

There are several options when determining the Certificate Holder. Note that in all the options described below, Facility C subcontracts separate entities to transport the seafood. These subcontracted transporters do not take legal ownership of the product; therefore, they are not included in the scope of the Certificate. They must, however, comply with the rules for entities not included in the scope of the Certificate, outlined under Section 5 of this document.

Option 1: FA/cooperative as the Certificate Holder (Figure 9). As shown in the diagram below, the FA/cooperatives work together and one of the FA/cooperatives (FA/cooperative A) holds the Certificate covering all of them. Each FA/cooperative would be included in the scope of the Certificate, as would all crew members and workers hired by the Registered Fishermen performing fishing, landing, or processing work. If Processing Facilities A and B are *not* owned or managed by the FA/cooperatives holding the Certificate, then both facilities would be out of scope of the Certificate. In this scenario, Processing Facilities, A, B and C would be traders buying from a CFS Certificate Holder, therefore, they would need to be in compliance with Fair Trade USA's Trade Standard.

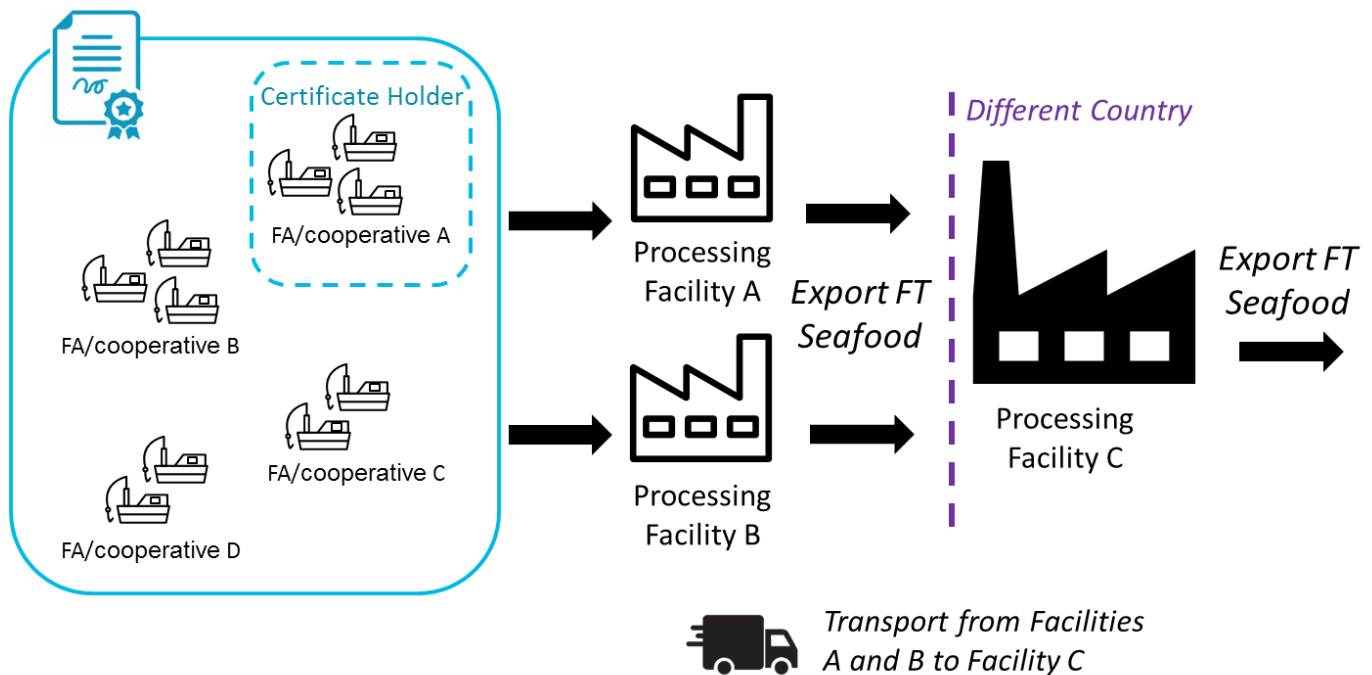


Figure 9

Option 2: First Processing Facility as the Certificate Holder (Figure 10). Facilities A and B could get certified individually and each be a Certificate Holder, especially if they buy from different groups of fishermen. In this case Facilities A and B would be included in the scope of each CFS Certificate. Each FA/cooperative, crew members and workers hired by Registered Fishermen, as well as workers in Processing Facilities A and B, would be included in the scope of the respective Certificate. In this example, Processing Facility C would need to be in compliance with Fair Trade USA's Trade Standard.

Note that in this scenario, the FA/cooperatives included under each Certificate would only be able to sell seafood under Fair Trade terms to the processing facility under whose Certificate they are included.

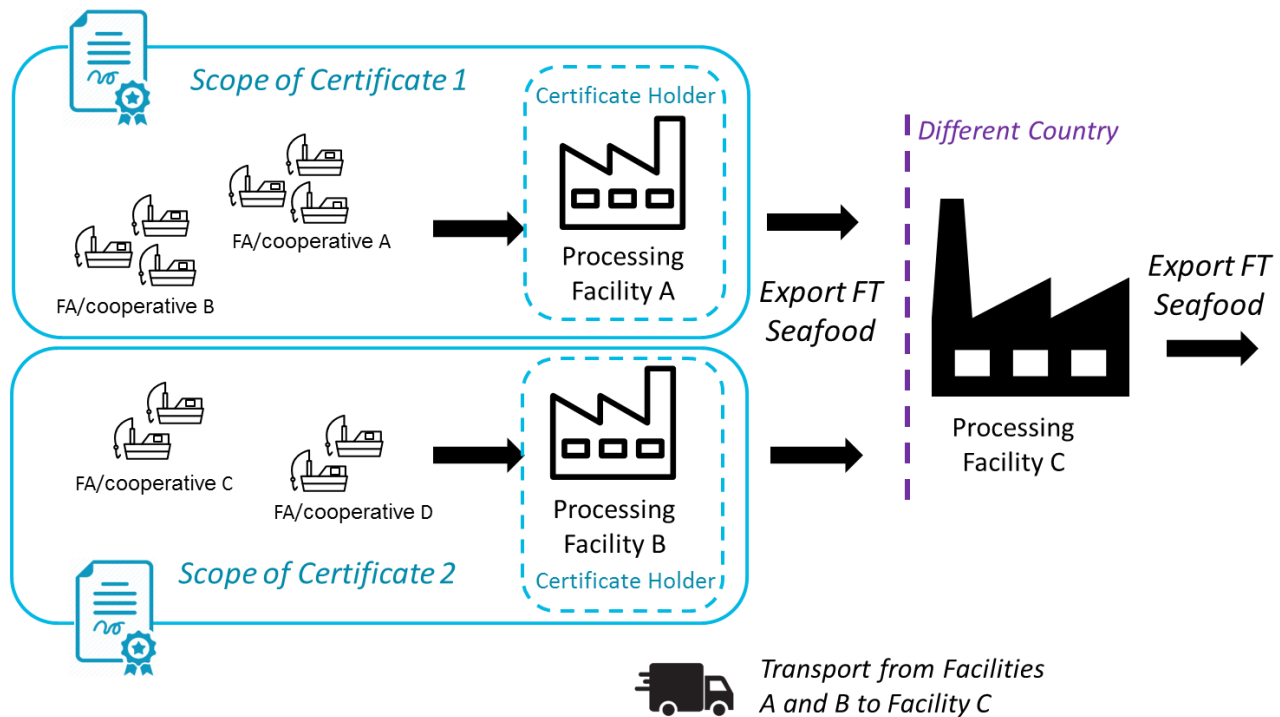


Figure 10

Option 3: Second Processing Facility as the Certificate Holder (Figure 11). Processing Facility C could be the Certificate Holder, and all the FA/cooperatives, their crew members and workers hired by Registered Fishermen, as well as Processing Facilities A, B and C with all of their workers would be included in the scope of the CFS Certificate. Note that in this scenario, the FA/cooperatives, and Facilities A and B may only sell product under Fair Trade terms to Facility C, which is their Certificate Holder. Processing Facility C must oversee that all sites and individuals in the scope of the Certificate are in compliance with the CFS at all times.

As previously mentioned, Processing Facility C is in a different country than the other Processing Facilities and the FA/cooperatives. This is possible, so long as the Certificate Holder has enough support and employees to implement the Fair Trade program in the country where the seafood is landed and first processed.

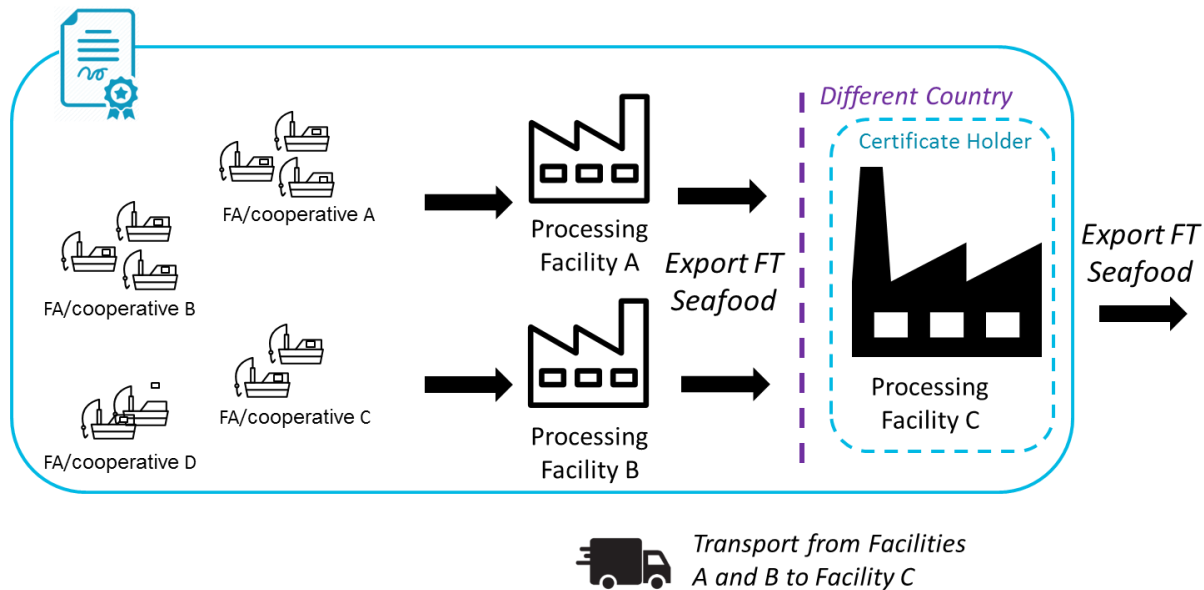


Figure 11