



FAIRTRADE LABELLING ORGANIZATIONS INTERNATIONAL

FAIRTRADE STANDARDS

FOR

Tea

FOR

Small Producers' Organizations

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Superseded previous versions:

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Period for stakeholders' comments and enquiries on this new version:

Not applicable

Contact for comments:

standards@fairtrade.net

For further information and standards downloads:

www.fairtrade.net/standards.html

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PART A Generic Fairtrade Standards for Small Producers' Organizations
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Refer to the generic standard for Small Producers' Organizations as a separate document as updated by FLO on its website. Note that the following parts B and C are only applicable in connection with the generic standard.

PART B Product Specific Standards for Tea	3
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The product specific standards for tea apply to the following types of tea:

- Tea and instant tea from the *Camellia* plant
- Rooibos

For Herbal teas (Camomile, Mint, Hibiscus), please refer to the Herbs and Spices standard.

1	Social Development	3
2	Economic Development	3
3	Environmental Development	3

PART C Trade Standards for Tea	4
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PART B Product Specific Standards for Tea

The product specific standards for tea apply to the following types of tea:

- Tea and instant tea from the *Camellia* plant
- Rooibos

1 Social Development

There are no additional social standards specific to tea producers.

2 Economic Development

There are no additional economic standards specific to tea producers.

3 Environmental Development

There are no additional environmental standards specific to tea producers.

PART C Trade Standards for Tea

1. Product Description

The product specific standards for tea apply to the following types of tea:

- Tea and instant tea from the *Camellia* plant
- Rooibos

2. Scope

These standards cover the purchase and sale of the above products.

For the sections under certification and traceability (only), the standards also cover any processed products and derivatives.

For tea from the *Camellia* plant from India, the geographical regions are defined as follows:

- ‘**North India**’ refers to teas grown in Assam, West Bengal, Tripura, Bihar, Uttaranchal, Himachal Pradesh, Manipur, Sikkim, Arunachal Pradesh, Nagaland, Meghalaya, Mizoram, Orissa states, with the exception of Darjeeling teas.
- ‘**South India**’ refers to teas grown in Kerala, Tamil Nadu and Karnataka states, with the exception of Nilgiri teas.
- ‘**Nilgiri**’ refers to teas of that name, grown in the Nilgiris mountains of Kerala and Tamil Nadu at altitudes broadly ranging between 1000-2500m.

3. Certification

There are no additional requirements.

4. Traceability

There are no additional requirements. All applicable requirements regarding traceability and mass balance are included in the Generic Trade Standards (GTS).

5. Contracts

There are no additional requirements.

6. Sustaining Trade

6.1 Sourcing plans

Sourcing plans must cover a quarterly period. Sourcing plans must be renewed a minimum of two weeks before they expire.

For tea from the *Camellia* plant:

Where Fairtrade tea is sold through auctions, such sales shall be subject to conditions supporting greater transparency, better communication and faster payment of the Fairtrade Premium and Fairtrade Minimum Price where this applies.

This will be achieved through the application of the following conditions:

- The buyer communicates to the producer their intention to buy at auction using a Quarterly Sourcing Plan.
- Within one week of the auction the buyer reports comprehensive information relating to the sale to the producer, including an indication of all outstanding Fairtrade-related payments.
- All outstanding Fairtrade-related payments must be made on a regular quarterly basis.

Purchases of tea shall be declared Fairtrade at the time of purchase, or by exception may be Retro-certified (as per 6.2).

6.2 Retro-certification

For tea and instant tea from the *Camellia* plant:

Retro-certification occurs when a buyer buys tea from a Fairtrade certified producer under ordinary conditions (non-Fairtrade) and at a later stage, converts it into a Fairtrade certified product.

Buyers up to date with their Flow of Goods reports, may retro-certify provided that Retro-certification transactions fall within the agreed limits below, the transaction is properly documented (see 6.2.2), and FT premiums and any FT price adjustments are made in full on due date.

Prior to commencing initial Retro-Certification, buyers must inform the Certifying body of the intent to do so. Abuse or misuse of Retro-certification will likely result in buyers losing permission to retro-certify.

6.2.1 Retro-certification limits (Volume and timing)

For CTC African teas, buyers may Retro-certify up to 30% of volume purchased on the original invoice from a given Fairtrade certified producer. Teas may be retrospectively declared as Fairtrade up to 3 months after the month of the original purchase invoice.

For Orthodox and non African CTC teas, buyers may Retro-certify up to 100% of volume purchased on the original invoice from a given Fairtrade certified producer. Teas may be retrospectively declared as Fairtrade up to 6 months after the month of original purchase invoice.

The certified producer must be notified and approve Retro transactions via a "Retro Advice Note".

6.2.2 Retro Advice Note

The Retro Advice Note includes a copy of the original invoice; producer and buyer identification; the volume of tea being retro-certified; the Fairtrade Premium amount due; the Fairtrade price adjustment (where applicable if original price paid is below applicable Fairtrade Minimum Price) and a justification for retro-certifying.

Each Retro Advice Note between two operators must be consecutively numbered, using Trader name and ID /Producer Name and ID/ Year/ transaction number (Smith824/TeaProducer9851/10/001, Smith824/TeaProducer9851/10/002, etc). This code must also be quoted on all documents and Bank Transfers related to the specific retro transaction.

Tea cannot be sold or packed as Fairtrade before the producer has given written agreement/ approval of the Retro Advice Note. The date the producer confirms acceptance by signing the Retro Advice Note becomes the 'declaration' date on which the retro-certified volume becomes Fairtrade. Due payment of the Fairtrade premium and any price adjustment are as per the tea standard. If the original invoice price for the Tea was below the applicable FT minimum price for that country/region then the difference must also be paid along with the due FT premium.

A copy of the Signed Retro Advice Note and original invoice must be sent by the Trader to a FLO email account, retro.tea@fairtrade.net within 5 working days of the declaration date.

7. Pre-finance

On request from the producer, the Fairtrade payer must make up to 60% of the value of the contract available as pre-finance to the producer at any time after signing the contract. The pre-finance must be made available at least six weeks prior to shipment.

8. Pricing

8.1 Fairtrade Minimum Prices

8.1.1 Tea from the *Camellia* plant:

Fairtrade Minimum Prices and Fairtrade Premium levels for Fairtrade products are published separately to the product standards.

Conventional and organic teas from the *Camellia* plant made using the CTC production method and “fannings” and “dust” teas made using the orthodox production method have Fairtrade Minimum Prices.

The Fairtrade Minimum price for organic teas is obtained by adding an organic differential on top of the Fairtrade Minimum price for the conventional quality at a rate of USD 0.2 per Kg.

For conventional and organic teas from the *Camellia* plant made using the orthodox production method (except fannings and dust), a Fairtrade Minimum Price does not apply. The paid price is a negotiated price between the seller and the buyer. On top of the negotiated price the Fairtrade Premium must be paid.

8.1.2 Instant tea processed from made tea from Fairtrade certified producers

Fairtrade Instant Tea has no Fairtrade Minimum Price; it receives the negotiated commercial price. Conventional instant tea receives a Fairtrade Premium of 15% of the commercial price. Organic instant tea receives a Fairtrade Premium of 10% of the commercial price. The beneficiaries of the Instant tea Fairtrade premium are the made tea certified producers.

Invoice documents must clearly indicate ‘Instant Tea’/‘Organic Instant Tea’ as applicable on sales invoices and detail the Commercial price and the Fairtrade premium as separate items for the purpose of clarity and transparency.

8.2 Payment terms

Payment shall be net cash against a full set of documents on first presentation. The documents to be presented will be those stipulated in the contract and customary in the tea trade.

8.2.1 Late payment

For contracts involving Fairtrade payers and producers, , payment must be made according to the Generic Trade Standards (GTS) timelines. Upon producer agreement, payment of the Fairtrade Premium can be made by the end of the following month after receipt of the invoice or confirmation of Retro Advice Note (see section 6.2.2)

For contracts involving Fairtrade payers, producers and conveyors, conveyors must pay producers no later than 15 days after receipt of the payment from the Fairtrade payer.

9. Other product requirements

There are no additional requirements.