

Term	Abbreviation	Definition
Fair Trade system		
Fair Trade	FT	The term Fair Trade defines a trading partnership, based on dialogue, transparency and respect, that seeks greater equity in international trade. It contributes to sustainable development by offering better trading conditions to, and securing the rights of, marginalized producers and workers – especially in developing countries.
Fair Trade organization	FTO	A Fair Trade organization , also called an alternative trade organization (ATO), has Fair Trade as part of its mission and at the core of its objectives and activities. Fair Trade organizations follow the Fair Trade principles . They are actively engaged in supporting producers, trading, raising awareness of Fair Trade issues and advocating the integration of Fair Trade principles into all international trade practices. Examples of alternative trade organizations are Asha Handicrafts Association (India), Undugu Fair Trade Limited (Kenya), Level Ground Trading Ltd (North America and Pacific Rim), CIAP-Intercrafts Peru SAC, Pachacuti, Oxfam and Traidcraft (Europe).
Fair Trade principles	FT principles	The Fair Trade principles (five principles) were developed by FLO and WFTO (2008) as a common understanding of the basic principles of fair trading. They are defined within the 'Charter of Fair Trade Principles' and are approved by the Board of FLO and the General Assembly of WFTO. To find out more visit www.fairtrade.net/our_partners_0.html or www.wfto.com .
Fairtrade	no abbreviation	Fairtrade refers to all or any part of the activities of FLO eV , FLO-CERT , Fairtrade producer networks , Fairtrade labelling initiatives and Fairtrade marketing organizations . Fairtrade is used to denote the product certification system operated by Fairtrade International (FLO) .
Fair Trade movement		The Fair Trade movement is the combined efforts of Fair Trade organizations , campaigners and businesses to promote and activate the Fair Trade principles of empowering producers, making trade more fair, and sustainable livelihoods.
Fairtrade organizations		Fairtrade organizations refer to FLO eV , FLO-CERT , Fairtrade producer networks , labelling initiatives , associate members and Fairtrade marketing organizations that comprise and support the Fairtrade system.
monitoring and evaluation	M&E	Together, monitoring and evaluation provide the knowledge for effective programme management and reporting, including accountability and responsibility. M&E uses sets of tools to assess projects, taking into account the project's relevance, effectiveness, efficiency, impact and sustainability.
Sustainable Fair Trade Management System	SFTMS	The Sustainable Fair Trade Management System is a certification system for Fair Trade organizations , currently under development by WFTO . It is based on 10 Fair Trade principles , and will result in the creation of a label for food and non-food products. To find out more visit www.wfto.com .
WFTO monitoring system		The WFTO monitoring system is based on biennial self-assessments, peer reviews and external verification. It gives the WFTO member insight into its level of compliance with the WFTO Fair Trade principles and its development over the years. The system invites WFTO members to take measures to improve their level of compliance and gives information to WFTO global and regional offices on services to develop to support members in their efforts to improve.
World Fair Trade Organization	WFTO	The World Fair Trade Organization is a global network of Fair Trade organizations and WFTO associates representing the supply chain from producer to retailer.

Term	Abbreviation	Definition
Fair Trade stakeholders		
Fair Trade Advocacy Office		The Fair Trade Advocacy Office in Brussels is a joint initiative of FLO and WFTO Europe. Its role is to coordinate advocacy (public support for a course of action or way of doing things) and campaigns to improve the livelihoods of marginalised producers and workers , especially in developing countries.
Fair Trade support organizations		Fair Trade support organizations are legal entities whose primary mission is to promote Fair Trade through the provision of technical, financial and business advisory or other services to Fair Trade producers and/or Fair Trade organizations .
Fairtrade International / Fairtrade Labelling Organizations International eV	FLO	Fairtrade International (FLO) is a multi-stakeholder, non-profit organization focusing on the empowerment of producers and workers in developing countries through trade. FLO provides leadership, tools and services needed to connect producers and consumers, promote fairer trading conditions and work towards sustainable livelihoods. Fairtrade Labelling Organizations International eV is the legally registered name for 'Fairtrade International'.
Fairtrade marketing organization	FMO	A Fairtrade marketing organization is a national or regional organization normally created in a country where there is no labelling initiative . They are responsible for promoting awareness and support of the Fairtrade system and Fairtrade products within their country or region. They are similar to labelling initiatives, but are not full members of Fairtrade International . In countries or regions covered by Fairtrade marketing organizations, FLO licenses companies directly to use the FAIRTRADE Certification Mark . Fairtrade marketing organizations handle the use of the Mark for third parties (journalists, campaigners, etc.) in their country or region.
Fairtrade stakeholder		In the context of Fairtrade , the term stakeholders refers to all those actively involved in the Fairtrade system. This includes, but is not limited to, producers, traders, labelling initiatives , Fairtrade marketing organizations , producer networks , FLO-CERT and FLO itself.
FLO-CERT GmbH	FLO-CERT	FLO-CERT GmbH is the independent Fairtrade certification body offering Fairtrade certification services to clients in more than 70 countries. FLO-CERT, a private limited company, evaluates Fairtrade certification applications, verifies compliance with the Fairtrade Standards during audits , and decides whether Fairtrade certification can be granted or not. Certificates are issued as proof of successful Fairtrade certification, and as authorization to trade Fairtrade products. FLO-CERT holds an ISO65 accreditation and follows best practice in all of its certification operations.
labelling initiative	LI	A labelling initiative is a full member of FLO as defined by the FLO constitution. The LI is responsible for licensing, marketing, business development and awareness raising in a defined geographical area. An LI has the right to sub-license the FAIRTRADE Certification Mark to licensees and third parties within their area. Some LIs are responsible for trade audits in their territories.
Liaison Officer	LO	Liaison Officers are consultants that assist FLO Fairtrade producers and applicants in understanding and meeting certification requirements, and are involved in supporting producers in capacity building and gaining market access. Liaison Officers are based in the Fairtrade producing countries and also forward product and regional information to FLO, helping the organization to anticipate demand and the needs of producers.
producer networks	PN	A producer network is a regional network of producers and/or regional associations who work together for their common interest. The focus of those efforts may vary depending on the context. In Fairtrade the promotion of dialogue and collaboration is a key objective, and the producer networks represent their members on the FLO Board . Networks include AFN for the African region, CLAC for the Latin American and Caribbean region and NAP for the Asian region. They now exist as 'CAN', a cluster of Fairtrade producer networks (CLAC-AFN-NAP). In WFTO , producer networks collaborate on technical issues such as cultivation techniques and marketing. They work locally, or nationally in countries with similar production systems.
Producer Services and Relations (Unit)	PSR	The Producer Services and Relations Unit at FLO advises producers on compliance with Fairtrade Standards and assists in market access and capacity building. PSR is supported by Liaison Officers who work in the producing countries and also provide training in local languages. The unit was formerly known as the Producer Business Unit (PBU).
WFTO applicant		A WFTO applicant is an organization or individual that has formally submitted their application for WFTO membership or to be a WFTO associate .
WFTO associates		WFTO associates fall into three categories: associate organizations, who support or campaign for more just trading conditions; individual associates, who are active Fair Trade supporters within their fields of expertise; and honorary members, who have special skills in trade, social science, culture or human rights, or who have contributed to the growth of Fair Trade, gaining international recognition.
WFTO global conference		A WFTO global conference is a global networking event for debates, discussions, seminars and Fair Trade fairs. The conference takes place every two years in odd-numbered years (2011, 2013, etc.).
WFTO provisional membership		WFTO provisional membership is the status of organizations who have been approved for provisional membership, but who have not yet gone through the monitoring process that would give them registered membership . Provisional members have limited rights.
WFTO regional conference		The WFTO regional conference is a regional WFTO networking event. The conference takes place every two years in even-numbered years (2010, 2012, etc.). At these events, WFTO members in each of these regions meet to discuss and vote on issues of special relevance to them.
WFTO regional networks		The WFTO regional networks are the regional 'chapters' (organizations) of WFTO . They are WFTO Asia for Asia, WFTO Latin America for Latin America, WFTO Europe for Europe, Cooperation for Fair Trade in Africa for Africa, and WFTO Pacific for North America and the Pacific Rim.
WFTO registered membership		WFTO registered membership is the status of organizations that have successfully undergone the WFTO monitoring process. Registered members have full membership rights.

Term	Abbreviation	Definition
Fair Trade/Fairtrade operators		
1st-grade organization		1st-grade (producer) organization describes a small producer organization whose legal members are exclusively individual small farmers.
2nd-grade organization		2nd-grade (producer) organization describes a small producer organization whose legal members are exclusively 1st-grade organization affiliates.
3rd-grade organization		3rd-grade (producer) organization describes a small producer organization whose legal members are exclusively 2nd-grade organization affiliates.
contract production	CP	The term contract production has a different meaning within WFTO and Fairtrade . It is therefore important to distinguish the meaning in relation to its context. In Fairtrade contract production is a production set-up (regulated by Fairtrade Standards) which involves small producers who don't have a formal structure, or who are organized into structures without legal status. These can join Fairtrade if they partner with an intermediary organization such as an exporter , processor, private enterprise or non-governmental organization (NGO) (see promoting body) to which they contract for the production and sale of a product. The intermediary organization contributes to the producer's social and economic development with the aim of helping them become autonomous and, over time, comply with the Fairtrade Generic Standards for small producer organizations. In contrast to the above, WFTO uses the term contract production to refer to a production set-up where producers have an agreement with a buyer, sometimes before harvesting and most often before starting cultivation. Defined conditions might concern prepayments, delivery inputs by the buyer, cultivation methods, etc.
Fair Trade producer/Fairtrade producer		A Fair Trade producer is a producer organization complying with WFTO Fair Trade standards, or a producer/producer organization that is a member of WFTO . A Fairtrade producer describes a producer set-up located in a producing country as classified by FLO that has obtained product certification as per the relevant Fairtrade Standards .
Fairtrade Officer		All operators must designate one key contact person, a Fairtrade Officer , within their organization. The Fairtrade Officer will be the main point of contact for certification and audit issues. They will be responsible for ensuring the operator's compliance with all certification requirements and for keeping the certification body updated with contact details and other relevant information.
Fairtrade payer		Fairtrade payers are the buyers responsible for paying the Fairtrade Minimum Price or agreed commercial price and/or the Fairtrade Premium . Buyers must check their status as Fairtrade payer with the Fairtrade certifier.
Fairtrade trader		A Fairtrade trader describes an operator that buys, sells and/or manufactures/processes and that has obtained product certification as per the relevant Fairtrade Standards .
hired labour	HL	The term hired labour is used to describe workers .
hired labour set-up		The term hired labour set-ups describes producing companies that are not membership-based (farms, plantations, factories, manufacturing industries, etc) and where the main share of the work is carried out by hired labour .
joint body	JB	A joint body is the body within a hired labour set-up that consists of democratically elected worker representatives and company delegates. It is mainly responsible for the management of the Fairtrade Premium .
mixed structure		The term mixed structure describes a small producer organization whose legal members are a mixture of at least two different organizational set-ups. This means that the group of legal members may be composed of individual small producers , 1st-grade affiliates or 2nd-grade affiliates. Mixed-structure producer organizations are only accepted for certification when the statutes allow such a structure, and the rights of each member are clearly defined in the statutes.
multi estate	ME	Companies that structurally depend on hired labour and are composed of more than one plantation with independent administration are called multi estates . A central management body is responsible for the labour conditions of the workers on all of the plantations.
plantations		A plantation is an agricultural company that structurally depends on hired labour . It is a single estate that might comprise of single or multiple production sites, but only one central management and administration body.
producer executive body	PEB	A producer executive body , in the context of contract production , comprises elected representatives of the individual contracted producers. The PEB is the intermediary between the individual producers and the promoting body . It also represents the producers' interests and ensures that the Fairtrade Premium is handled properly.
promoting body	PB	A promoting body is defined in the Fairtrade Generic Standards for contract production , and describes a legal entity, either trade or non-trade, forming a partnership with the producers it contracts and supports. In the case of certification on the contract production standard, the promoting body is the holder of the certificate.
small producer organization/small-scale producer organization	SPO	The term small producer organization or small-scale producer organization describes legally registered groups and, in WFTO , other less formally organized structures whose members are primarily small producers/small-scale producers able to engage in commercial activities.
small producers/small-scale producers	SP	A small producer or small-scale producer is a producer who is not structurally dependent on permanent hired labour and who manages their production activity mainly with a family workforce. Most working time is spent on agricultural/artisanal activities on their own farms or in their own homes with this revenue representing the major part of their total income.
workers		The term workers usually describes field workers, artisans or other workers including migrant, temporary, seasonal, sub-contracted and permanent workers, and all other hired labour personnel. The term, however, is limited to personnel who are entitled to join unions and therefore normally excludes middle and senior management.

Term	Abbreviation	Definition
Licensing / labelling terms		
Fair Trade label/Fairtrade label		A Fair Trade label means any recognized Fair Trade product or organizational certification label referring to the relevant Fair Trade standard. A Fairtrade label means any product certification label owned by FLO eV that is used to denote compliance with the Fairtrade Standards . This may include the label owned by FLO member Trans Fair USA.
Fairtrade Brand Mark		The Fairtrade Brand Mark is a registered trademark owned by FLO and sub-licensed to labelling initiatives (LIs). It is for use only in corporate applications by Fairtrade International member organizations and in approved campaign applications.
FAIRTRADE Certification Mark		The FAIRTRADE Certification Mark ('FAIRTRADE Mark' or 'Mark') is a registered trademark owned by FLO and sub-licensed to labelling initiatives (LIs). The FAIRTRADE Mark is only for use on consumer retail products that have met the Fairtrade Standards , and for the promotion of such products by licensees , certified operators and third parties.
licensee		A licensee is a company licensed by a labelling initiative or FLO to use the FAIRTRADE Certification Mark .
licensing body		A licensing body is the organization that draws up and signs a licence contract with a licensee . In countries where a labelling initiative (LI) is located, the LI serves as the licensing body. In non-LI countries and in countries where there is a Fairtrade marketing organization , Fairtrade Labelling Organizations International eV (FLO) serves as the licensing body.
WFTO logo/WFTO mark		The WFTO logo/WFTO mark is an organizational logo/mark for registered WFTO members who have successfully gone through the WFTO monitoring system . The WFTO logo/mark is not a product label.
Standard-setting terms		
child labour		Fairtrade defines child labour as all work performed by children under the age of 18. Fairtrade differentiates between the employment of children below the age of 15 by the producer and members of producer organizations, and children helping out on family farms. Children sometimes carry out small tasks which could be beneficial to their development, such as learning a skill, having a responsibility, and/or contributing to their or their families' well-being or income. However, if children are helping out on family farms, Fairtrade requires that they do so only if they work after school or during holidays, the work they do is appropriate for their age, they do not work long hours and/or under dangerous or exploitative conditions, and are supervised and guided by an adult family member. In Fairtrade no child below the age of 18 can undertake any type of work which, by its nature or the circumstances under which it is carried out, is likely to jeopardize their health, safety or morals, and their school attendance. Examples of child work considered to be unacceptable are work that involves slave-like practices; recruitment into armed conflict; sex work and/or illicit activities. Examples of activities that are potentially damaging to a child include work in an unhealthy environment; excessive working hours resulting in tiredness or lack of sleep; work that involves handling or any exposure to toxic chemicals; work at dangerous heights; operation of dangerous equipment; and work that involves abusive punishment. Fairtrade standards on child labour are based on the International Labour Organization (ILO) Convention 182 concerning the worst forms of child labour and ILO Convention 138 concerning minimum working age.
cost of sustainable production	COSP	The cost of sustainable production is the cost of producing a product sustainably and in a socially, economically and environmentally responsible way that conforms with Fairtrade Standards . The Standards Unit assumes that the COSP reflects sustainability.
Fairtrade Generic Standards		The Fairtrade Generic Standards are the requirements that producers and traders must meet, irrespective of the product produced or traded, in order to obtain a Fairtrade certificate.
Fairtrade Generic Trade Standards	GTS	The Fairtrade Generic Trade Standards are the requirements that traders must meet, irrespective of the product traded, in order to obtain a Fairtrade certificate.
Fairtrade Product-specific Standards		The Fairtrade Product-specific Standards are requirements that apply to a specific product category, in addition to the Fairtrade Generic Standards . Product-specific Standards supersede Fairtrade Generic Standards if any contradictions occur.
Fairtrade Standards		Fairtrade Standards , comprising Fairtrade Generic Standards and Fairtrade Product-specific Standards , are requirements that producers and traders have to meet in order to obtain Fairtrade product certification.
forced labour		The term forced labour describes work or services undertaken by a person under duress or threat, in circumstances where the person has not offered him/herself voluntarily.
freedom of association		The term freedom of association describes the right of all workers to join or form an organization of their own choosing without prior authorization from their employer or public authorities.
Generic Environmental Standards	GES	The term Generic Environmental Standards includes requirements for environmentally sound agricultural practices. These standards are integrated within Fairtrade Generic Standards and Fairtrade Product-specific Standards .
genetically modified organism	GMO	A genetically modified organism is a plant, animal or microorganism that is transformed by genetic engineering.
International Labour Organization	ILO	The International Labour Organization is the international organization responsible for drawing up and overseeing international labour standards. The main aims of the ILO are to promote rights at work, encourage decent employment opportunities, enhance social protection and strengthen dialogue on work-related issues. An International Labour Convention has the force of international law. States that ratify the convention are required to incorporate its principles into national law and to ensure the implementation of the law.
core requirements		The core requirements reflect the Fair Trade principles , and all producers within small producer organizations and contract production set-ups must comply with the core requirements to become Fairtrade producers.
minimum requirements		Within Fairtrade , minimum requirements are requirements that all producers within hired labour set-ups must initially meet in order to comply with the Fairtrade Standards . Within WFTO , minimum requirements are requirements that all producers must initially meet in order to comply with the WFTO Fair Trade principles .
pre-financing		The practice of providing funding in advance of delivery or receipt of a product is known as pre-financing .
progress requirements		The term progress requirements describes requirements that producers must meet in a defined timescale to demonstrate progress towards improvement and maintain Fairtrade certification in the long run.
development requirements		The term development requirements describes the continuous improvements that producers within small producer organizations and contract production set-ups must make. Average scores are awarded in a scoring system (that also defines minimum average thresholds) defined by the certification body .
traceability		The ability to identify and trace the history, location, use and processing of products and materials is known as traceability .

Term	Abbreviation	Definition
Product terms		
Fairtrade composite product		A Fairtrade composite product is a product composed of more than one ingredient, of which at least one is Fairtrade certified . In Fairtrade composite products, all ingredients for which there are Fairtrade Standards must be Fairtrade certified. So, in the case of chocolate, the cocoa and the sugar must be certified. In the case of single-ingredient products like coffee, 100% of the coffee must be Fairtrade certified to carry the label. In order to carry the FAIRTRADE Certification Mark on packaging there needs to be at least a minimum specified amount of Fairtrade ingredients in the product. At least 50% of the volume of liquid composite products must be Fairtrade certified. For all other composite products the significant ingredient (for example cocoa in chocolate, sugar in conserves) must be Fairtrade certified, and must be at least 20% of the products dry weight.
Price terms		
Fairtrade Minimum Price	FMP	The Fairtrade Minimum Price (where it exists) is the minimum price that must be paid by buyers to producers for a product to become certified against the Fairtrade Standards . The FMP is a floor price which covers producers' average costs of production and allows them access to their product markets. The FMP represents a formal safety net that protects producers from being forced to sell their products at too low a price when the market price is below the FMP. It is therefore the lowest possible price that the Fairtrade payer may pay to the producer.
Fairtrade Premium	FP	Fairtrade Premium is an amount paid to producers in addition to the payment for their products. The use of the Fairtrade Premium is restricted to investment in the producers' business, livelihood and community (for a small producer organization or contract production set-up) or to the socio-economic development of the workers and their community (for a hired labour situation). Its specific use is democratically decided by the producers.
Fairtrade price		Fairtrade price means the total price paid to producers and includes the Fairtrade Minimum Price (or relevant market price where applicable) and the Fairtrade Premium .
Certification terms		
accreditation		The term accreditation describes a procedure by which an authoritative body formally recognises the competence of a certification body to provide certification services, against an international standard.
allegation		An allegation is an accusation, made by a third party, against a Fairtrade operator, claiming that this operator violated the Fairtrade Standards , FLO-CERT policies or other contractual obligations with FLO/FLO-CERT . Such an allegation can be filed by any party, including but not limited to, a Fairtrade operator, a non-governmental organization (NGO), a labour union, a worker or a member of the public.
appeal		An appeal is defined as the request of an operator/ WFTO member to change a certification/monitoring decision. (-> See also Appeals Committee , certification decision .)
Appeals Committee		The Appeals Committee controls decisions that affect the certification/monitoring status of a FLO-CERT operator or WFTO member, including application decisions. FLO-CERT operators/ WFTO members can challenge these decisions by submitting a request to the committee, which then re-evaluates the respective decisions (-> See also certification decision , evaluation decision , Review Committee and WFTO monitoring system .)
audit		An audit describes an evidence-gathering process that aims to assess the compliance of an operator and/or a product with certain standards. There are three types of audit: first-party audit , second-party audit and third-party audit .
auditor		An auditor is a person qualified to carry out audits on behalf of a certification body .
certification body	CB	A certification body is an independent entity authorized by a specific standard setter to certify that its clients comply with the requirements of the respective standard.
certification cycle		A certification cycle is the period from the point of initial certification to re-certification, or from re-certification to the following re-certification. At FLO-CERT one certification cycle lasts three years.
certification decision		A certification decision is always made on the basis of a previous evaluation of audit results, or assessment of other compliance status-related facts, and directly affects the certification status of an operator.
certification policy		A FLO-CERT certification policy is a further clarification of one or more compliance criteria. Requirements specified in policies are binding requirements that must be met by any operator to whom the policy is relevant. Failure to meet any requirement of the policy will be recognized as the operator not fulfilling the compliance criteria .
complaint		A complaint is a formal expression of dissatisfaction with the quality of services delivered by FLO-CERT , FLO or WFTO , and can be registered by any third party or member.
compliance criteria	CC	The term compliance criteria describes a translation of the requirements of the Fairtrade Standards , binding guidance documents and FLO-CERT certification policies into verifiable control points. These criteria are evaluated in the certification process to determine compliance with the Fairtrade Standards and with certification requirements. CCs are in accordance with minimum and progress requirements of the Fairtrade Standards, and therefore every CC is linked to a specific timeline indicating when it needs to be fulfilled. CCs are classified into major compliance criteria and regular compliance criteria . All CCs are published by FLO-CERT on the public compliance criteria lists.
compliance timeline		The compliance timeline defines the point within the certification cycle at which a specific compliance criterion becomes valid and needs to be fulfilled. Conformity with all valid compliance criteria is required for certificate issue or renewal.
evaluation decision		An evaluation decision is taken by FLO-CERT within the process of an application or audit evaluation. Evaluation decisions are the basis for the certification decision and include confirmation of non-conformities and corrective measures, and evidence sent in by the operator.
Fairtrade certification/Fair Trade certification		Fairtrade certification refers to certification according to the Fairtrade Standards . To find out more visit www.fairtrade.net/about/certification and www.flo-cert.net . Fair Trade certification refers to certification according to Fair Trade standards. To find out more visit www.wfto.com .
non-conformity		A non-conformity is the non-fulfilment of a specific standard requirement.
review		In contrast to an appeal , FLO-CERT defines a request for review as the official demand of an operator to review an evaluation decision . (-> See also Review Committee .)
risk assessment		A risk assessment is a component of risk analysis that involves identifying, evaluating and quantifying risk factors in any given process.
social audit		A social audit is an audit of a company's performance and impact across a range of social indicators, including industrial relations, community impact, social dialogue, stakeholder consultation, observance of labour standards and contribution to social infrastructure. The focus of a social audit needs to be defined and can vary depending on the goals of the company and the auditing service provider.
WFTO monitoring system		The WFTO monitoring system is a verification system based on biennial self-assessments that gives the WFTO member insight into its level of compliance with the Fair Trade standards and its development over the years. The system invites WFTO members to take measures to improve their level of compliance and provides WFTO global and regional offices with information on services to help them support members in their efforts to improve.
Trade terms		
end-of-chain sale		An end-of-chain sale is a sale, at the end of the Fairtrade supply chain , of the final packaged and labelled Fairtrade product (eg sale from licensed company to retailer).
flow of goods report	FoG	A flow of goods report records transactions of purchases and sales of Fairtrade products throughout the supply chain .