

Procedure for the development of Small Producer Indicators in labour intensive products

The Fairtrade Standards for Small Producer Organisations and Contract Production extend the scope of the definition of small producers for certain labour intensive products to potentially include a larger number of beneficiaries. The extended definition would be based on regional and product-specific indicators that need to be developed. This procedure explains the steps for developing, reviewing and deciding upon those indicators.

This procedure is independent from Fairtrade International Standard Operating Procedure (SOP) for standard setting. The indicators (maximum number of permanent workers and maximum amount of land they cultivate) that define small producers will be developed following this procedure exclusively. However the criteria that define small producers are part of the standard and any review of those criteria will follow Fairtrade International SOP for standard setting.

1. Development of new indicators

Considering the high number of potential combinations of products and regions and needs for prioritisation, indicators will be developed on demand only where and when they are found necessary.

It is important to mention that, even in these labour intensive products, the restricted definition¹ may still be reflecting local reality and therefore would still apply. In other words, if currently certified organisations and applicants of labour intensive products still comply with the restricted rule, indicators do not need to be developed.

Therefore Fairtrade International will only develop new indicators when there are applicants or intended applicants for labour intensive products that do not fulfil, or have difficulties complying with, the restricted definition, and express their need for them.

The development of new indicators will consist of request, research, decision, publication and reporting phases.

1.1 Request

A request to develop indicators can be presented by any member or unit of Fairtrade International and/or FLOCERT. Other stakeholders can also make a request if endorsed by any of the listed parties.

The requestor needs to show evidence of point 1.2.a below, and sufficient indications that prospective applicants exist for this product and region.

Standards & Pricing (S&P) will evaluate when the request can fit into their workplan and inform the requestor.

1.2 Research

The indicators will be established by S&P cross-checking information from the following sources (research to be documented in a concise but complete way for future reference):

- a) Evidence showing why the extended definition is necessary in the particular context. This may be for historical, technical, economic, social or agronomic reasons.

¹ Restrictive definition: Small producers are those who do not depend on permanent hired labour.

- b) Evidence showing that small producers exist in the particular product and country, or that otherwise a hired labour set up, as understood in Fairtrade's Hired Labour Standard, better fits the reality of the product/region.
- c) Research on the respective official national/regional definition of Small Producers, if available.
- d) Evidence of or opinion from experts, on the average land size and necessary number of permanent workers applicable to the specific product and region/country. This opinion can be obtained ad hoc or using existing research results. Auditors and Producer Networks (PNs) staff/LOs can be considered experts when they have sufficient knowledge of the region and the product.
- e) Field experience from pre-assessments, similar situations or information from producers.
- f) Comparison with existing indicators for the same product or for the same region.
- g) Evaluation of implications in terms of competition intra and inter-regionally.

1.3 Decision

Once research is carried out and considered conclusive, S&P project manager makes a proposal for the development of a new indicator for decision. The decision is taken by the Standards Committee which may case by case specifically delegate it to the Director of S&P.

1.4. Publication

Once a decision is taken S&P informs those who requested it of the results, updates the public table of indicators if necessary, and informs the certification body. New indicators take effect immediately.

1.5. Reporting

Decisions taken by the Director of S&P will be reported annually to the SC.

2. Revision of existing indicators

The revision of existing indicators will consist of request, research, stakeholder engagement, decision, publication and reporting phases.

2.1 Request

Reviews will be carried out only upon request.

A request to review indicators can be presented by any member or unit of Fairtrade International and FLOCERT. Other stakeholders can also make a request if endorsed by any other of the listed parties.

All requests must include the rationale of why a review is necessary.

S&P will evaluate if the review is justified and when the request can fit into their workplan and inform the requestor.

2.2 Research

S&P will carry out a research following the same points as for the development of a new indicator, and additionally:

- h) Analysis of the impact on already certified organisations, in terms of membership and sales (current and potential).
- i) A comparison of costs/negative effects and benefits of the change.

2.3 Stakeholder engagement

When an analysis shows that a requested change will have no negative consequences for certified organisations, PNs and the directly affected organisations will be informed of the upcoming change and given a period of time to raise any concern.

When the analysis shows that the change can have negative consequences for certified organisations, S&P will enter into a dialogue with PNs and directly affected organisations to define a possible transition and an action plan to minimize and manage these consequences.

Market-facing staff of Fairtrade will also be involved in both cases to verify that no market disruption will occur.

2.4 Decision

Once research and stakeholder engagement is carried out and considered conclusive, S&P project manager makes a proposal for decision regarding the reviewed values of the indicator and the transition phase and an action plan for managing any negative repercussions of the change. The decision is taken by the Standards Committee which can case by case specifically delegate it to the Director of S&P.

2.5. Publication

Once a decision is taken S&P informs the requestor of the review and all affected parties of the results, updates the public table of indicators if necessary, and informs the certification body. New indicators take effect as per the transition period decided by the S&P Director.

1.5. Reporting

Decisions taken by the Director of S&P will be reported annually to the SC.