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**Consultation Results Synopsis**  
**Information to Stakeholders on the Outcome of the**  
Review of the Fairtrade Standard for Flowers and Plants  
for Hired Labour and Traders

**To** Fairtrade member organizations  
Flower and Plant producers, traders and retailers  
Consultation participants

**Consultation Period** 01.09.2016 – 30.09.2016

**Project Manager Contact** Jebet Yegon [j.yegon@fairtrade.net](mailto:j.yegon@fairtrade.net)

**Details**

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## **PART 1 Project Information**

### **1.1. General Introduction**

Fairtrade International's Standards & Pricing (S&P) would like to thank all stakeholders for the time and effort they have put into participating in the first round of the full review for Fairtrade Standard for Flowers and Plants. The 30 day consultation concluded on 30.09.2016 with a total of 67 participating stakeholders who gave S&P their views and perspectives. Thanks to these contributions, S&P has gained a good understanding of the main topics and concerns including potential solutions. Together with the results of the research carried out, this information provides the basis for our recommendation to the Standards Committee (SC). The SC's decision will be taken in full knowledge of stakeholders' comments.

This document aims to present the outcome of the consultation in the most transparent way possible without disclosing confidential stakeholder information.

**Should you have any queries or remarks concerning this report, please contact the Project Manager Jebet Yegon at: [j.yegon@fairtrade.net](mailto:j.yegon@fairtrade.net).**

### **1.2. Executive summary**

#### **Background**

- Last full review of the Fairtrade Standard for Flowers and Plants was undertaken in 2012
- Limited reviews took place in 2014
  - Inclusion of young plant materials
  - Extension of the bouquet pilot project
  - Revision of the Prohibited Materials List (PML)
- 2015
  - Revision of Fairtrade Premium for young plant material
- Full review in 2016 - The review topics were gathered through the monitoring log as well as from internal and external stakeholders. The topics were also discussed during an internal expert flower group meeting. The first round of consultation was completed in September. Second round to take place in November and will address any outstanding issues from the first round and include other topics as needed.

#### **Project aim**

The aim of the project is to increase the Fairtrade impact by further facilitating trade and increasing the benefits of workers and producers in Fairtrade certified farms.

#### **Objectives**

- Assessment of options for market enhancement opportunities (Offer to Business, Fairtrade eligible, etc.)
- Assess options for inclusion of floor wages
- Consider options for compulsory premium reporting
- Consider inclusion of additional environmental requirements
- Review and analyse feedback from stakeholders on the standards since the last review
- Alignment with the revised Trade Standard

Improve clarity and ensure consistency throughout the standard, apply new design



## Project phases and timelines

	Timeline	Activity
2016	June	<ul style="list-style-type: none"> <li>Define scope and project planning</li> <li>Contact with key stakeholders (NFOs, PNs) to define the objectives of the project</li> </ul>
	July – August	<ul style="list-style-type: none"> <li>Desk Research</li> <li>Compilation and analysis of information</li> <li>Preparation of proposals for the consultation</li> </ul>
	September	<ul style="list-style-type: none"> <li>First public consultation round, all stakeholders</li> </ul>
	October	<ul style="list-style-type: none"> <li>Compilation of responses from the consultation process</li> </ul>
	November	<ul style="list-style-type: none"> <li>Second public consultation round, all stakeholders</li> </ul>
	December – January	<ul style="list-style-type: none"> <li>Compilation of responses from the consultation process</li> <li>Preparation of a final proposal for SC decision</li> </ul>
2017	March	<ul style="list-style-type: none"> <li>Final proposals presented to Fairtrade International SC for approval</li> </ul>
	April	<ul style="list-style-type: none"> <li>Publication of new/revised standards and other revisions</li> <li>Proposed date (tbc) of validity of the new standard</li> </ul>

### Findings

A set of 8 questions were asked during the public consultation. The questions can broadly be classified into the following: Inclusion of floor wages (lower wage limits), assessing market enhancement opportunities, premium reporting options, and the inclusion of additional environmental, gender and payment requirements. There was an overall acceptance in most of the topics with stakeholders providing amendments where they felt it was necessary. They also provided additional topics to be included during the next round of consultation.

### 1.3 Next steps

The findings from the first round of consultation are consolidated in this synopsis paper and will be sent to all the participants and will also be published on the Fairtrade International (FI) website. The findings will also provide guidelines into topics to be consulted on during the next round of consultation.

The final draft standard requires Standards Committee (SC) approval and will be presented to the SC in Q1 2017. The final decisions of the SC will be published in the minutes following the meeting and will be available on the FI website.

## 1.4. Abbreviations

ABC	Association of Boards of Certification
CBA	Collective Bargaining Agreement
FI	Fairtrade International
FMP	Fairtrade Minimum Price
FP	Fairtrade Premium
FPC	Fairtrade Premium Committee
FTA	Fairtrade Africa
GPM	Global Product Management
HL	Hired Labour
KFC	Kenya Flower Council
LW	Remuneration received for a standard work week by a worker in a particular place sufficient to afford a decent standard of living for the worker and her or his family. Elements of a decent standard of living include food, water, housing, education, health care, transport, clothing, and other essential needs, including provision for unexpected events.
MEL	Monitoring Evaluation & Learning
MPS	More Profitable Sustainability
NFO	National Fairtrade Organization, Fairtrade country organizations in the consumer markets
PML	Prohibited Material List
PN	Producer networks, regional Fairtrade organizations in the producer Markets
PO	Producer Organisation
SC	Fairtrade International Standards Committee
S&P	Standards & Pricing
WHO	World Health Organisation
WRMA:	Water Resource Management Authority

## PART 2 Consultation outcomes

### 2.1. Consultation Process

The public consultation on the flower and plant standard began on the 1<sup>st</sup> of September. A web based survey tool (Survey Monkey) was used to collect the feedback from the consultation. The questionnaire, available in English and Spanish was sent by email to the following stakeholders:

- Flower producers already certified (88) or interested in becoming certified under the Fairtrade Standard for Flowers and Plants for Hired labour.
- Licensees and traders certified (170) and interested in becoming certified under the Fairtrade Trader Standard and the Fairtrade Standard for Flowers and Plants.
- Producer Networks (PNs), National Fairtrade Organisations (NFOs), FI, FLOCERT, NGO's, researchers, etc.

The main questions were addressed by asking for tick box answers and then asking for any comments, to allow for both qualitative as well as quantitative feedback. Additionally, a workshop to conduct the consultation also took place during a flower network meeting in

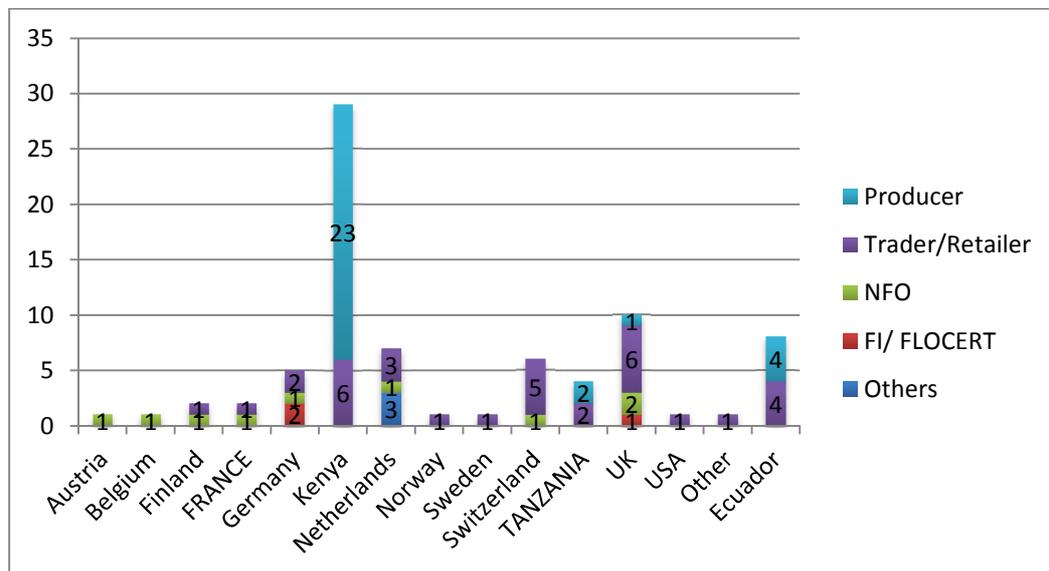


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Nairobi on the 14<sup>th</sup> of September. A total of 12 Producer Organisations (POs), 2 NFOs, Fairtrade Africa (FTA) and Kenya Flower Council (KFC) participated in the workshop.

## 2.2. Participating Organizations

Efforts were made to ensure good participation of the public consultation. S&P received a total of 67 responses from 14 countries sent in via the online survey option. The responses were made up of 38% producers, 43% retailers/ traders, 11% NFOs and 8% other (FI, FLOCERT, consultant companies and NGOs). The graph below shows the extent of participation from the different stakeholders per country



It's important to note that due to the vertical structures of the companies (in many cases the importers own the producer organizations), some of the responses received from producers also represent exporters, importers and processors classified here as traders. They are weighted accordingly (i.e. one count for a producer and one count for a trader) and might appear as a double count.

## 2.3. Consultation Outcome and stakeholder feedback

This section provides a summary of all responses received for each survey question. The questions were categorised into 8 different parts with some having sub questions.

### 2.3.1 Inclusion of floor wages

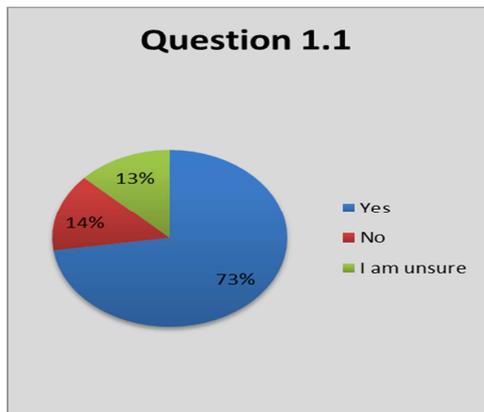
The following questions were proposed

**1.1** Do you agree with the proposal that the wages paid by employers will be increased to at least \$1.90/day by year 0 in cases where there is no CBA or minimum wage? Companies already certified would have a one year transition period to fulfil this requirement.



**Responses:**

1.1Response	Count of Producer	Producer%	Count of Trader/Retailer	Trader/Retailer%	Count of NFO	NFO%	Count of FI/FLOCERT	FI/FLOCERT %	Count of Others	Others%
Yes	20	69%	23	70%	9	100%	3	100%	1	33%
No	6	21%	4	12%		0%		0%	1	33%
I am unsure	3	10%	6	18%		0%		0%	1	33%
<b>Grand Total</b>	<b>29</b>	<b>100%</b>	<b>33</b>	<b>100%</b>	<b>9</b>	<b>100%</b>	<b>3</b>	<b>100%</b>	<b>3</b>	<b>100%</b>



**Analysis**

73% of the stakeholders that answered to this question were for the idea that the wages paid by employers should be increased to at least \$1.90/day by year 0 in cases where there is no CBA or minimum wage. While the majority agreed to this proposal, 14% were not in agreement and 13% of the total stakeholders were not sure.

Those who consented to the proposal said that a minimum wage should be a core criteria that needs to apply to every Fairtrade producing country without which would pose a reputational risk for the standard. Customers assume that workers producing Fairtrade products already receive higher wages. It was said that human dignity also goes with such minimum wage. There were comments that explained that some countries have no CBA, resulting in unfair competitiveness to others like Kenyan farms and this is driving the market down. Another stakeholder said that to comply with the international absolute poverty line, it is crucial to reduce a key risk area of very low wages in general especially in countries with no national minimum wage specifically in the flower sector. Fairtrade has to react to this issue, to avoid high media risk and unequal treatment of farms in different countries on a cost of production side. Stakeholders from Ecuador said that they already have unified basic salary that is way above \$1.90/day.

Some of the stakeholders suggested the following additional recommendations to this proposal:

- \$1.90/day is applied even when there is a CBA or minimum wage because for example in Uganda, the minimum wage was last defined in 1984. The sector CBA levels at the moment are well below \$1.90/day
- The proposed wage floor relates only to base wages of workers. Bonuses, overtime payment and benefits should not be included
- Make sure that housing, food, transportation, school etc. are also given to employees. This is very delicate, because employers might put too much value to their additional benefits and unfairly reduce wages with that
- Should be higher than the absolute poverty rate and global poverty rate



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- The rate of exchange for the dollar be fixed to avoid fluctuations and be reviewed only after a minimum period of two years
- The determination of the global extreme poverty line should be pegged on the sum of the gross pay and other benefits provided to the employee
- All Fairtrade farms Immediately comply with a minimum wage of \$ 2.30/day in 2017 and accelerate the same to \$2.6/day in 2018 and \$3.10/day in 2019; And thereafter a review at the rate of the inflation rate of the country to enable the producers work towards the living wage
- Fairtrade shall not certify/accredit any farm paying below the agreed minimum wage at any time

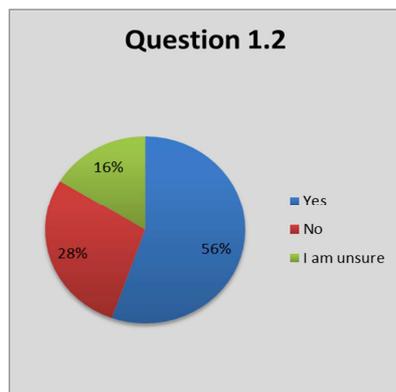
Those who declined the proposal said that the average price has not increased in the last 3 years but yet the cost of production has continued to increase. Some stakeholders said that Kenya has an applicable legal minimum wage/ CBA rate to comply with and therefore no need of a minimum wage. Others said that Fairtrade is doing a good job empowering workers but should not get involved in negotiation of wages which should be the work of unions. One stakeholder thought that the World Bank benchmark is not the right figure to use since Africa has many countries with different living standards and that it would be risky to distort an open competitive market in this way.

One stakeholder who was unsure said that if there is a blanket approach to this then in some countries the cost of production will be too high and may force some farms to stop which will then have the total opposite effect on the workers. Another stakeholder was not sure because their government sets official minimum wages and felt that this should not be included in the standards.

**1.2** Do you agree with the proposal that the wages paid by employers does not fall below \$3.10 by the third year? Companies would have a three years transition period to fulfil this requirement

**Responses:**

1.2Response	Count of Producer	Producer%	Count of Trader/Retailer	Trader/Retailer%	Count of NFO	NFO%	Count of FI/FLOCERT	FI/FLOCERT %	Count of Others	Others%
Yes	11	41%	18	56%	8	89%	3	100%	1	33%
No	12	44%	7	22%		0%		0%	2	67%
I am unsure	4	15%	7	22%	1	11%		0%		0%
<b>Grand Total</b>	<b>27</b>	<b>100%</b>	<b>32</b>	<b>100%</b>	<b>9</b>	<b>100%</b>	<b>3</b>	<b>100%</b>	<b>3</b>	<b>100%</b>





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### Analysis

56% of the respondents agree that wages paid by employers does not fall below \$3.10 by the third year. 28% of the responses do not agree and 16% are unsure.

One of the stakeholders who said yes felt that it is mandatory for Fairtrade certified farms to pay decent wages to their workers to earn a living wage. Another said that some of their lowest earners are already on this range. Some concerns were raised that flower farms in Kenya and mostly in Ethiopia don't meet the international poverty line as a minimum wage right now and this is why the 3 year timeline would be important.

Despite the fact that some stakeholders said yes to this proposal, they had the following recommendations:

- What considerations are we making for the majority of Fairtrade farms we deal with who are only selling a very low average on certified terms such as 6%?
- Is this rule therefore going to make business for these farms virtually unviable and uncompetitive against those flower farms who do not carry Fairtrade certification?
- Are we prepared as a movement to be a part of this inter business shift in shares of overall cut flower trade
- Are we confident the supply chain actors will absorb the extra cost?
- Will the cost be passed on to the consumer and are we confident there is a big enough appetite and plan for increased global consumption of Fairtrade flowers that are willing to pay more?
- The four focus flower countries rank very differently in the Human Development Index, should this be considered?
- What appropriate measures will FLOCERT have in place to audit against this and do we have enough Monitoring Evaluation & Learning (MEL) and budget afforded to measure the success indicators of this initiative?
- What are FI plans with regards to currency fluctuations and changes in the World Bank poverty line?

Those who declined this proposal were concerned that the market has become very unpredictable and that it would be difficult to say what would happen in 3 years. Another stakeholder said production costs have been increasing over time while prices have been declining due to competition, this would strain the producers. Stakeholders in the workshop held in Nairobi thought that it is a tall order to reach the \$3.10 within 3 years because CBA increments are not that drastic. Some were concerned that due to increased costs, some growers would opt to leave Fairtrade. One stakeholder thought that benefits e.g. daily free food, free health care, free of charge school and education for children, a shop where a low prices food can be bought already exceed this figure.

One stakeholder who was unsure about the proposal felt that a 3 year transition would not be sufficient; this would make it harder for operators to remain in the system.

**1.3 Do you agree with the proposal that companies can meet this requirement (\$3.10/per day) by year 1 if they are already paying a wage close to \$3.10?**

### Responses

1.3Response	Count of Producer	Producer%	Count of Trader/Retailer	Trader/Retailer%	Count of NFO	NFO%	Count of FI/FLOCERT	FI/FLOCERT %	Count of Others	Others%
Yes	10	34%	12	36%	5	56%	2	67%	1	33%
No	13	45%	10	30%	2	22%		0%	1	33%
I am unsure	6	21%	11	33%	2	22%	1	33%	1	33%
<b>Grand Total</b>	<b>29</b>	<b>100%</b>	<b>33</b>	<b>100%</b>	<b>9</b>	<b>100%</b>	<b>3</b>	<b>100%</b>	<b>3</b>	<b>100%</b>



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### Analysis

39% of the stakeholders said yes to this question while 34% said no and 24% were unsure. One of the stakeholders in agreement said that they are already paying \$3.10/per day in one of their sites excluding other additional costs like free housing and free transport to work. The stakeholder wanted to know how long it would take for all growers to be at the same level yet competing on the same market. In some cases the lowest paying producer (in terms of wages) have a bigger Fairtrade market share than the highest wage paying producers, which is not fair. The stakeholder proposed that Fairtrade should categorize compliance e.g. those paying a higher wage and meeting other high expectation to be graded as Fairtrade Gold and to be sold at higher premium than ordinary bouquets of those in Fairtrade silver or bronze who should get lower prices and premiums. Another stakeholder wanted to know what happens next and whether we had plans to increase wages further after this. One other stakeholder agreed to this proposal for as long as good quality markets to support the producers are in place.

One of the stakeholders who said no thought that this would not be a fair treatment of all flower farms. The stakeholder suggested a Fairtrade minimum wage by year 2, which could be about 2.5€ to ensure a gradual adaptation of wages and therefore Cost of Production. One other stakeholder mentioned that FLOCERT would need to collect minimum wages data paid on each farm. Another stakeholder felt that interfering in an open competitive market in this way can have unforeseen risks. Market prices will be distorted; the impact of cost price increases on consumer demand may have a negative impact on volume required, potential job losses and income losses for workers and their dependents.

A stakeholder who said was unsure felt that it is better to have clarity: \$1.90/day at year 0 and then \$3.10/day at year 3. Enforcing this at year 1 for some countries would again lead to disparity between countries, e.g. Kenya and Ethiopia.

### 2.3.2 Allowing Fairtrade eligible for flowers and plants

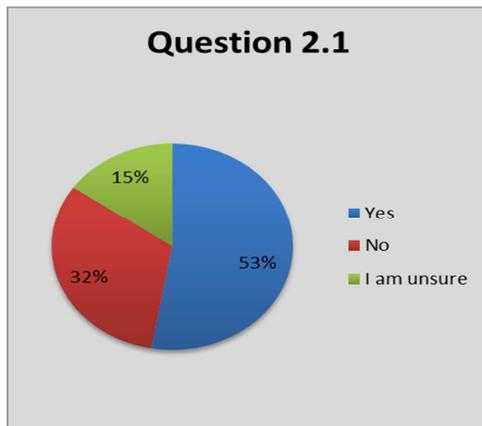
The following questions were proposed:

**Q2.1 Do you agree that Fairtrade eligible should be introduced to the flower and plant standard?**



## Responses

2.1Response	Count of Producer	Producer%	Count of Trader/Retailer	Trader/Retailer%	Count of NFO	NFO%	Count of FI/FLOCERT	FI/FLOCERT%	Count of Others	Others%
Yes	16	59%	15	48%	4	44%	2	67%	1	50%
No	9	33%	11	35%	3	33%		0%		0%
I am unsure	2	7%	5	16%	2	22%	1	33%	1	50%
<b>Grand Total</b>	<b>27</b>	<b>100%</b>	<b>31</b>	<b>100%</b>	<b>9</b>	<b>100%</b>	<b>3</b>	<b>100%</b>	<b>2</b>	<b>100%</b>



### Analysis

53% of the respondents agree that Fairtrade eligible should be introduced to the flower and plant standard. 32% declined this proposal and 15% are unsure.

Most of the stakeholders who agreed said that this will open up flexibility and market access. One stakeholder felt that by so doing producers will at least participate in the price negotiation and commitment of the buyer to sustain the volumes of flowers of the producer. Another stakeholder mentioned that they have already experienced retro certification in their markets with one of the major licensees who also operates in European markets. They have stringent reporting and auditing systems in place and therefore feel that their checks and processes are in order to cope with this proposal. One stakeholder said that the percentage of what can be sold as Fairtrade eligible should be more than 10% to be able to get good results. A suggestion was made that if this is approved, then it would be important to note that traders could use this eligible to reduce Fairtrade sales. A solution should therefore be introduced to curb this problem. Stakeholders from the workshop in Nairobi mentioned that introducing Fairtrade eligible in the flower and plant standard would generate about 15% more premium.

Stakeholders who declined this proposal felt that this should not be introduced in flowers but for non-perishable products. The move would confuse the buyers and would lead to loss of integrity of the Fairtrade label. One retailer did not see any benefit in introducing Fairtrade eligible; Fairtrade products should be sold as Fairtrade. Another said that all contracts must be 100% Fairtrade. One other stakeholder felt that this would be an unfair market practice which might prove disfavoured and costly to buyers who have committed themselves, through sourcing plans, to purchase year round Fairtrade volumes. One other stakeholder said that there would be possible misuse of already labelled Fairtrade products by non-committed consumers/traders. Another stakeholder who has already experienced retrocertification in tea did not see any benefits and felt that it should not be introduced for flowers. This would lead to sales of Fairtrade roses at prices far below the normal market prices. Also, the whole trade would be largely dependent on the honesty of the retailers which could be largely compromised. It was mentioned that producers will risk not receiving



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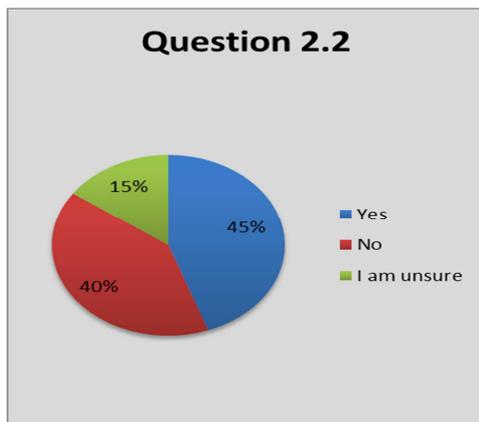
the Fairtrade Premium and price differential for their Fairtrade eligible products even though they have invested in certification. One stakeholder from the market side clearly felt that this will put the credibility of the Fairtrade mark in danger. The risk will fully be on the producer side. As traders will be able to store Fairtrade or Non-Fairtrade flowers in their storage houses, the probability of misuse and fraud is much higher. If Fairtrade flowers will be labelled as Fairtrade but not sold as such – how could a consumer know and have an overview? How could we control the Fairtrade volumes? This case should be handled with national exceptions rather than a standard rule.

One stakeholder who was unsure felt that on one hand, this could facilitate business but on the other hand it requires less commitment from the traders and thus doesn't go in the sense of long-term relationships. Another stakeholder felt that this would bring a lot of bureaucracy because they will have to communicate back and forth with each producer about the prospects and the actual sales of his products. The stakeholder wanted to know how this would be controlled

**Q2.2 Do you agree that up to 15% of the volume can be sold as Fairtrade eligible?**

**Responses**

2.2Response	Count of Producer	Producer%	Count of Trader/Retailer	Trader/Retailer%	Count of NFO	NFO%	Count of FI/FLOCERT	FI/FLOCERT %	Count of Others	Others%
Yes	16	59%	13	42%	2	22%	1	33%		0%
No	9	33%	14	45%	5	56%		0%	1	50%
I am unsure	2	7%	4	13%	2	22%	2	67%	1	50%
<b>Grand Total</b>	<b>27</b>	<b>100%</b>	<b>31</b>	<b>100%</b>	<b>9</b>	<b>100%</b>	<b>3</b>	<b>100%</b>	<b>2</b>	<b>100%</b>



**Analysis**

45% of the respondents are in favor of the proposal while 40% do not agree and 15% are unsure.

Stakeholders who said yes mentioned that the percentage seems reasonable enough to open up market options whilst minimising any associated risks. Another stakeholder felt that this will increase sales and add flexibility in trade.

A stakeholder who said no to this proposal felt that it could go above 15% to give more flexibility in competing against conventional product. Another had an issue with packaging: if exported as non- Fairtrade, it must be without Fairtrade packaging, this means in case it is sold in Europe as Fairtrade eligible this would mean new packaging costs. If exported with



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Fairtrade packaging and not sold under Fairtrade, there would be a high risk that the Fairtrade packaging will not be removed and therefore posing a high reputational risk. If it is packaged as Fairtrade it should be sold as Fairtrade and a premium paid. One other stakeholder felt that the threshold should not be as high as 15% and mentioned that they had a licensee operating at 5% who despite using this option had never reached the agreed 5%. Another felt that 15% of total volume is too high and not necessary to give the flexibility on stem quality, etc.

One stakeholder who was unsure felt that 15 % might not be enough for peak sales (Valentine's Day etc.) and would trigger additional exemptions and more bureaucracy. The stakeholder felt that 25% would be more appropriate. Another stakeholder mentioned that important to note would be traceability rather than the percentage.

### **2.3 In your opinion what other possible risks do you think could arise if Fairtrade eligible is introduced in the flower and plant standard?**

Some of the risks mentioned by the stakeholders include:

- If it comes out that Fairtrade labelled Flowers don't fulfil Fairtrade Standards we'll have to be aware that scandals and a lot of reputation damage for the whole Fairtrade System will occur
- This will not only create confusion among customers but additional risks regarding traceability and confusion on which flowers are certified and which are not
- Non committed Fairtrade buyers would easily access the labelled product yet not pay any premium
- Buyers might opt to purchase less Fairtrade volumes under their current sourcing plans and buy more non-Fairtrade flowers because they would have a provision to change their minds later on. This would adversely affect the producers who rely on moving steady volumes of Fairtrade flowers to their buyers
- failure to honor contracts
- Misuse of already labelled products by non-committed consumers
- Conveyors could sell more than the 15% and not send back the premium
- Traceability will be distorted
- No prior commitments from some buyers in Europe will encourage them to take advantage of more flexibility offered by the system. This will drive the overall prices of Fairtrade product down.
- Premium not paid and the cost of sleeving at source borne by producers
- There is a risk of this being abused by buyers. Some will take advantage of buying the product labeled as Fairtrade in the market; and take pride in it though not committed to principles of Fairtrade or even paying the premium
- Image risk for Fairtrade. Downward price spiral and high administration costs within the supply chain
- The person selling the flowers from the farm, may have reduced pressure to sell products as Fairtrade
- Traders would reduce their sourcing plans by 15% in order to be more flexible with cheaper purchase options
- Monitoring this could be a challenge

### **How would be able to mitigate the risks mentioned above?**

Stakeholders gave the following contributions:

- Not allowing Fairtrade eligible



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- Look for other ways to improve sales of Fairtrade flowers: e.g. through differentiation of products based on Environmental, Good agricultural practices and labour conditions employed in production
- Market flowers not just as "a rose stem" but as different flower types that have unique characteristics( create more awareness)
- Introducing traceability measures which ensure that all product can be traced back to its origin
- Making sure the contracts are honored and raise complaints to FI if the same is not done.
- Introduce a cap of 15% Fairtrade eligible in producer/buyer contracts
- This would need close monitoring of the customers by the producer and FI
- All the sales from the producer to be traced to the final consumer
- Don't introduce Fairtrade Eligible but instead come up with a system where flower shops can talk about impact stories
- Traceability audit and reporting
- Make it mandatory for traders to re-pack the bunches without any label if they would be sold as non-Fairtrade.
- Fairtrade should support producers and buyers to have a purely Fairtrade market

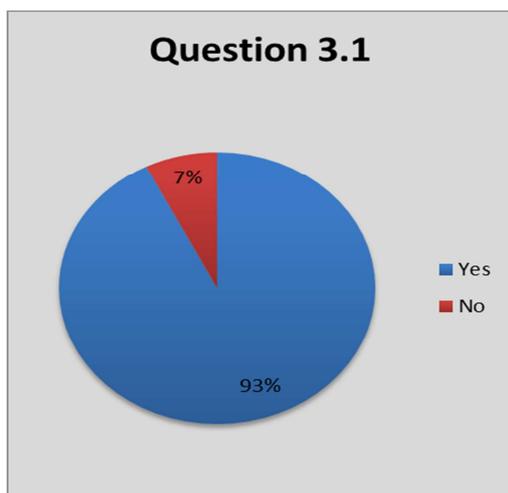
### 2.3.3 Compulsory premium reporting

The following questions were proposed

**3.1 Do you agree that premium reporting at least once a year should be made compulsory for Fairtrade flower and plants producers?**

#### Responses

3.1Response	Count of Producer	Producer%	Count of Trader/Retailer	Trader/Retailer%	Count of NFO	NFO%	Count of FI/FLOCERT	FI/FLOCERT %	Count of Others	Others%
Yes	25	93%	29	94%	8	89%	3	100%	2	100%
No	2	7%	2	6%	1	11%		0%		0%
<b>Grand Total</b>	<b>27</b>	<b>100%</b>	<b>31</b>	<b>100%</b>	<b>9</b>	<b>100%</b>	<b>3</b>	<b>100%</b>	<b>2</b>	<b>100%</b>





## Analysis

It is clear that the majority of respondents (93%) agree that premium reporting at least once a year should be made compulsory. Only 7% did not agree to this proposal.

Most of the respondents said yes because they felt that in order to promote Fairtrade, it would be very important to know for what and with which purpose the Fairtrade Premium was used. It is important to share with the outside world the real benefits that Fairtrade brings to the working community. This is also important for the producers to be transparent and stick to the standard requirement in regards to premium use. One stakeholder felt that this would make premium use more efficient and would also make annual audits easier to improve on transparency. Another stakeholder said that it will be important that the project plans have a 3 year cycle to enable not just reporting but sustainable structures to be created by the FPC's. The stakeholder said that the three year premium plans should form part of the audit requirement. It was said that everyone in the chain is motivated to support the good cause and strengthen producers, their employees and their living standard. It's therefore important to know where money went. In addition, the stakeholder said that it's a great communication tool towards the retail customers because it makes them see the difference that their Fairtrade price has made and why it's good to buy more Fairtrade products in general (also spillover effect). This would also be a precaution against premium misuse and a contribution to risk management. Stakeholders from the workshop in Nairobi strongly felt that this would be very important without adding any additional burden to the premium committees because they usually produce a similar kind of report for their General Assembly. Another stakeholder felt that this could increase Fairtrade sales because customers would be aware if the projects undertaken. Despite saying yes, a stakeholder suggested that they would expect FI to play a greater role in seeking tax exemptions from the government. This is because such exposure at international level (e.g. if the information would be available on the FI website) will likely draw the attentions of the tax authorities and expose the premium funds to taxation. Another suggestion was that FI needs to go beyond the template and have software for premium traceability and reporting.

One stakeholder who did not agree with the proposal said that if introduced, it would have an overloading risk in terms of extra administration and additional requirements. There would also be a risk of being penalised. The stakeholder suggested that this should not be a compulsory thing, but rather done as best practice. The reporting should take place every couple of years but not on a yearly basis. Another stakeholder said no because the amount received is little as compared to bananas; the use of the premium money is manageable and sustainable and its sufficient to only report to the General Assembly.

### **3.2 would you like to comment on the reporting template in annex one e.g. any additional indicators?**

The stakeholder provided the following suggestions:

- This is a basic template for beginning with. However, since Fairtrade has grown over years, and has seen new challenges in premium use transparency and accountability, we need to move from the template to premium management software. This should have requirements for those remitting the premium, the premium committees book keeping provisions and an ongoing/ continuous reporting
- This kind of premium reporting must also be available for operators further into the supply chain. Inform the buyers what has been achieved with the Fairtrade premium at your company. This might bring more positive-feelings and support for Fairtrade products in the traders and retailers organisations, and eventually the consumers



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- The report should also contain the amount of FP received in last year, and balance of liquid funds of the premium committee at the beginning and end of last reporting period
- The data should also capture whether the Premium being used is sourced from one or more buyers - some retailers have requested whether their Premium payments could be dedicated to a single project, in order that the retailer can talk about their unique impact on the workers.
- Ensure that this is also accessible to the NFOs
- Current format shown too complicated
- Include gender segregated data when reporting on beneficiaries
- Include entry fields for: forecasted volume, groups of projects i.e. health, education, nutrition etc in order to be able to quickly tell patterns spend and overall need. It may be worth considering the option for allowing comments around future planning and overall budget and therefore required budget amount in order to fulfil these plans.
- Should be kept simple so that all producers can report
- Include photographs so as to be able to spread the benefits of Fairtrade to workers

## 2.2.4 Efficient water use

The following questions were proposed

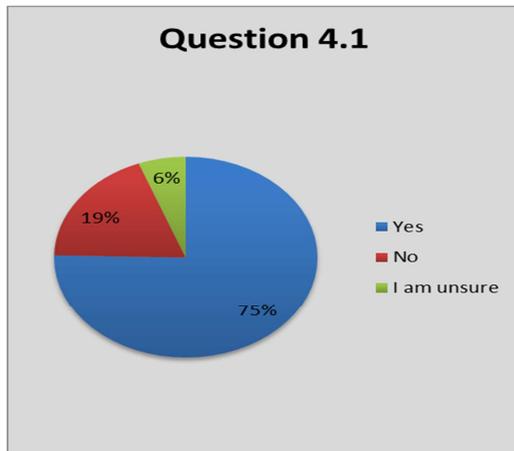
**4.1** In addition to the 4.3.10 in the Standard for Hired Labour “*Your company implements procedures to make efficient and rational use of water sources. These procedures include prediction of volumes of water needed to irrigate the crop, measuring (or estimating) volumes of water extracted from sources and volumes actually used in irrigation and processing, providing maintenance to the water distribution system and adopting, as applicable, methods to recirculate, reuse and/or recycle water*”, do you agree that to include this additional requirement?

### Responses

4.1Response	Count of Producer	Producer%	Count of Trader/Retailer	Trader/Retailer%	Count of NFO	NFO%	Count of FI/FLOCERT	FI/FLOCERT %	Count of Others	Others%
Yes	18	75%	20	65%	9	100%	3	100%	2	100%
No	5	21%	8	26%		0%		0%		0%
I am unsure	1	4%	3	10%		0%		0%		0%
<b>Grand Total</b>	<b>24</b>	<b>100%</b>	<b>31</b>	<b>100%</b>	<b>9</b>	<b>100%</b>	<b>3</b>	<b>100%</b>	<b>2</b>	<b>100%</b>



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### Analysis

A majority of the respondents (75%) agree with this proposal while 19% said no and 6% were unsure.

Stakeholders felt that this is a key risk area in this category and Fairtrade must no longer be associated with worsening water levels which are polluted. Another stakeholder said that that this helps to better control water and our environment. Stakeholders from the workshop in Nairobi said that the Standards could encourage collaboration between farms in similar regions and working with Government bodies' e.g. Water Resource Management Authority (WRMA). It might be helpful in the description or the reasoning of the standard review that the suggestions comply with the proposals received from WWF to this topic. One stakeholder thought that we should make this requirement even more stringent for instance adding the phrase " *and can demonstrate this with clear facts and plans*". Another one suggested replacing the word *efficient* with *sustainable*.

One stakeholder who said no to this proposal mentioned that only a specialised institution in water could propose solution for effective water reduction (for example MPS (More Profitable Sustainability), KFC etc). Another one said that there are already various regulatory bodies that are already enforcing this requirement. One other said that this would be too expensive and would involve a lot of administration.

Core Year 0 Your company consults with surrounding communities regarding real and perceived risks of water pollution because of the presence of the flower farm in the area, and then work to mitigate the risks.

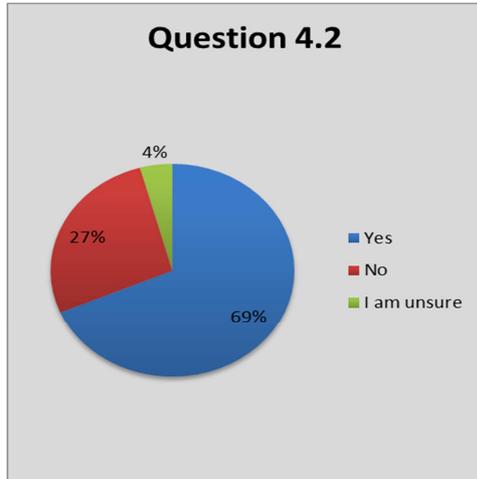
**4.2 Do you agree that the standard requirement above should be included in the flower and plant standard**

### Responses

4.2Response	Count of Producer	Producer%	Count of Trader/Retailer	Trader/Retailer%	Count of NFO	NFO%	Count of FI/FLOCERT	FI/FLOCERT %	Count of Others	Others%
Yes	12	48%	23	74%	9	100%	3	100%	1	50%
No	12	48%	6	19%		0%		0%	1	50%
I am unsure	1	4%	2	6%		0%		0%		0%
<b>Grand Total</b>	<b>25</b>	<b>100%</b>	<b>31</b>	<b>100%</b>	<b>9</b>	<b>100%</b>	<b>3</b>	<b>100%</b>	<b>2</b>	<b>100%</b>



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### Analysis

Most of the respondents were in favor of this proposal with 69% saying yes. 27% did not agree while 4% were unsure.

One stakeholder mentioned that this would be important to ensure that there is sustainability for all. This will help to mitigate risks of water pollution that can be hazardous to human beings, animals, plants and environment. It was mentioned that this is also important for the peace and good relationships with the community. The producer should not be seen as a competitor for resources, but as a partner to provide work and improve the standard of life.

Another stakeholder said that there should be an addition on water pollution. The stakeholder said that water shortage should also be mentioned as this topic is much more relevant within the flower industry. It was said that this should be looked at together with the neighbouring communities and other commercial users including government bodies. A stakeholder who did not agree with this proposal said that there are already other effective mechanisms that producers are using to consult with the community, thus no need to duplicate. The stakeholder added that when the farms are already MPS or ABC (Association of Boards of Certification) certified, everyone knows that this is a clear proof of their excellent skills and good practises. It should therefore be mandatory that farms are MPS ABC certified. The stakeholder said that this consultation already takes place with the government environmental bodies in a national legal framework so not too sure of the value of this process other than adding costs to the producers. Another stakeholder said that the community will always have negative thinking about the existence of a flower farm in the neighbourhood.

One stakeholder who was unsure said that their country have internal controls that go beyond the community.

### 2.3.5 Sexual harassment and gender equality

The following questions were proposed:

**Core Year 0** Your company establishes and implements sexual harassment trainings for workers and management

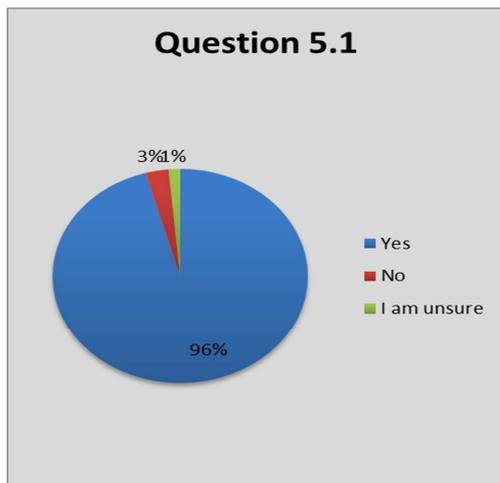
**5.1 Do you agree that the standard requirement mentioned above should be included in the flower and plant standard?**

### Responses



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5.1Response	Count of Producer	Producer%	Count of Trader/Retailer	Trader/Retailer%	Count of NFO	NFO%	Count of FI/FLOCERT	FI/FLOCERT %	Count of Others	Others%
Yes	24	96%	28	93%	9	100%	3	100%	2	100%
No	1	4%	1	3%		0%		0%		0%
I am unsure		0%	1	3%		0%		0%		0%
<b>Grand Total</b>	<b>25</b>	<b>100%</b>	<b>30</b>	<b>100%</b>	<b>9</b>	<b>100%</b>	<b>3</b>	<b>100%</b>	<b>2</b>	<b>100%</b>



Majority of the respondents (96%) are in favor of this proposal while 3% do not agree and 1% is unsure

Stakeholders felt that it will help provide knowledge, techniques and tools to develop skills and changes in attitudes and behaviours. A stakeholder said that it is important to educate workers on sexual harassment. The stakeholder said that this will not only prevent sexual harassment, but will provide a safe and positive work environment. It was said that it will also raise awareness and encourage learning, knowledge-building towards sexual harassment for both workers and management. A stakeholder mentioned that the workers will have more knowledge regarding sexual harassment and will know what to do in case this problem arises. Another stakeholder said that this will also be helpful to eradicate the issues of sexual harassment in farms and empower the workers on issues of sexual harassment. It was mentioned that it's important to note that gender is also about men not just women and not just about the relationship between men and women. This can also be about the relationship between male and male, and female and female. One other stakeholder said that sexual harassment is a systemic issue within this industry and therefore Fairtrade should be at the forefront of tackling it. It was said that it must be made mandatory that visual aids are available for those with low illiteracy levels and those hard of hearing also receive the same training. One stakeholder suggested that women that have been/are harassed will not address a mixed gender committee for help. The stakeholder said that there should be a separate women (and men) committee where women /men can freely exchange about their experiences and realities. The stakeholder added that the women committee should be linked to and in case of urgency and need be able to reach out to the women holding the highest management position to get companies support. The stakeholder said that to do the generic awareness creation the integration of two committees into a gender committee would be fine. Awareness creation should as well include discussions around family planning. A stakeholder said that there should also be anonymous reporting possibilities for sexual harassment. Stakeholders in Nairobi said that we should also include a requirement to have a sexual harassment policy



In order to ensure stronger gender equality, the following additions to the guidance section is proposed

- The elected worker representatives (especially participation of women)
- Other forms of worker's representation [gender category representation in the Gender Committee] noting that gender is not just about women

**5.2 Do you agree that these changes (underlined in red) should be included in the flower and plant standard?**

### Responses

5.2Response	Count of Producer	Producer%	Count of Trader/Retailer	Trader/Retailer%	Count of NFO	NFO%	Count of FI/FLOCERT	FI/FLOCERT %	Count of Others	Others%
Yes	21	84%	20	67%	7	78%	3	100%	2	100%
No	4	16%	3	10%		0%		0%		0%
I am unsure		0%	7	23%	2	22%		0%		0%
<b>Grand Total</b>	<b>25</b>	<b>100%</b>	<b>30</b>	<b>100%</b>	<b>9</b>	<b>100%</b>	<b>3</b>	<b>100%</b>	<b>2</b>	<b>100%</b>



### Analysis

Most of the respondents (77%) favored the proposal while 10% did not agree and 13% were unsure.

One stakeholder felt that this is important in order to ensure gender equality, gender balance and empowerment. Another stakeholder felt that this would be helpful in the guidance section.

One stakeholder who was not in agreement with this proposal, suggested that Committees should be made up of 50% women and 50% men. Another organisation said that they meet the parameters of democracy in preparing ballots i.e. same number of women and men. In addition, women have the same opportunities to access employment and the benefits of the Fairtrade premium.

A stakeholder, who was not sure wanted to know the rationale for selecting these groups.



**5.3 Do you agree that these changes (underlined in red) should be included in the flower and plant standard?**- Including 'gender inclusive' in 2.1.1 in the flower and plant standard, would help strengthen the requirement because participation may be gender blind, and may not consider gender equality. it is also suggested to address gender constraints and therefore the following additional changes are proposed:

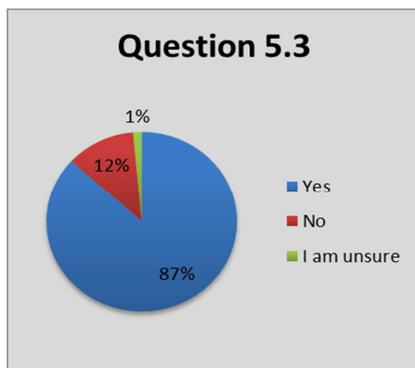
The FPC must regularly self- assess its effectiveness in operating a transparent, gender inclusive, participatory and democratic administration of Premium Money .....

In the guidance section

- In defining and executing the roles and responsibilities for transparent , gender inclusive, participatory and effective work of FPC
- Capacity to identify, manage and plan premium projects
- Sustainable and effective use of the premium for the community, including addressing gender constraints and needs

**Responses**

5.3Response	Count of Producer	Producer%	Count of Trader/Retailer	Trader/Retailer%	Count of NFO	NFO%	Count of FI/FLOCERT	FI/FLOCERT %	Count of Others	Others%
Yes	20	83%	26	87%	9	100%	3	100%	1	50%
No	4	17%	3	10%		0%		0%	1	50%
I am unsure		0%	1	3%		0%		0%		0%
<b>Grand Total</b>	<b>24</b>	<b>100%</b>	<b>30</b>	<b>100%</b>	<b>9</b>	<b>100%</b>	<b>3</b>	<b>100%</b>	<b>2</b>	<b>100%</b>



**Analysis**

Most of the respondents (87%) favored the proposal while 12% did not agree and 1% were unsure.



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A stakeholder who said yes mentioned that most flower workers are women and it would be important to get everyone’s opinions. Including these changes will strengthen the decisions on the use of premium.

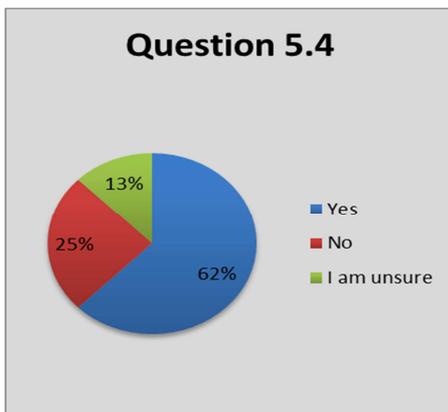
One stakeholder suggested that we should rather formulate it as: *In defining and carrying out the roles and responsibilities for transparent, participatory and effective work of the FPC that addresses gender inequalities.*

**5.4 Do you agree that these changes (underlined in red) should be included in the flower and plant standard?** - In order to ensure that women and men work in secure environments, the following additional wording in the guidance section is also proposed:

- The employer should ensure workers have access to accommodation with adequate privacy, security and basic services, including potable water, sewage...
- Work plans specify the time frames to meet improved housing standards [ i.e. housing with access to basic services and adequate security and privacy for families and single workers who usually are women

## Responses

Count of Producer	Producer%	Count of Trader/Retailer	Trader/Retailer%	Count of NFO	NFO%	Count of FI/FLOCERT	FI/FLOCERT %	Count of Others	Others%
11	50%	18	64%	8	89%	2	67%	1	50%
8	36%	6	21%	1	11%		0%	1	50%
3	14%	4	14%		0%	1	33%		0%
<b>22</b>	<b>100%</b>	<b>28</b>	<b>100%</b>	<b>9</b>	<b>100%</b>	<b>3</b>	<b>100%</b>	<b>2</b>	<b>100%</b>



## Analysis

62% of the respondents said yes to this proposal while 25% said no and 13% were unsure. A stakeholder suggested that single workers must be defined as male and female and what “security” means needs to be defined. Another stakeholder suggested that single workers are men and women. It would be better to phrase it as “security and privacy for women, men and families alike.”



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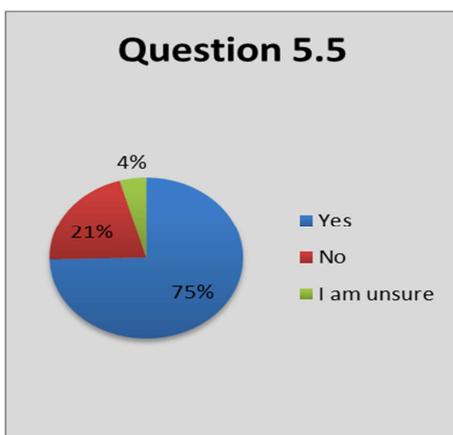
A stakeholder from the north, who said no, mentioned that our own employers have nothing to do with ensuring that we live in suitable accommodation so why dictate this to others. The same stakeholder expressed that some families in Europe live in worse conditions than some in Africa and that's not addressed here, there should be a livable wage paid that covers enough to pay for suitable accommodation but don't leave the responsibility to the owner to ensure all workers have a suitable house.

Another stakeholder who said was unsure said that providing housing is costly. As a result of this standard requirement in the standard, it appears as if some companies have decided to stop housing workers and rather provide or pay for transport. Making the housing requirement even more stringent/expensive may lead to fewer plantations providing housing, meaning workers may in some cases have to live in even worse conditions (slums etc). Another organisation felt that this would not be applicable in their region because they do not offer housing benefits.

**5.5 Do you agree that these changes (underlined in red) should be included in the flower and plant standard? - 3.6.9 The company must ensure employees are using proper tools, suitable and clean uniforms free of charge. [Special attention needs to be given to appropriateness of tools and clothing/working shoes for women, especially people with disabilities and pregnant women]**

## Responses

	Count of Producer	Producer%	Count of Trader/Retailer	Trader/Retailer%	Count of NFO	NFO %	Count of FI/FLOCERT	FI/FLOCERT %	Count of Others	Others %
<b>5.5Response</b>										
Yes	17	71%	22	76%	7	78%	3	100%	1	50%
No	7	29%	5	17%	1	11%		0%	1	50%
I am unsure		0%	2	7%	1	11%		0%		0%
<b>Grand Total</b>	<b>24</b>	<b>100%</b>	<b>29</b>	<b>100%</b>	<b>9</b>	<b>100%</b>	<b>3</b>	<b>100%</b>	<b>2</b>	<b>100%</b>



## Analysis

A majority of the respondents (75%) were in agreement with this proposal. 21% said no and 4% were unsure.

A stakeholder who agreed suggested that it should also include men, but not women only.



Another stakeholder who was unsure suggested that it should instead be phrased as follows: *Special attention needs to be given to appropriateness of tools and clothing/working shoes for women - especially pregnant women - and all people with disabilities!*. Another said that this will make workers feel safe and will therefore increase productivity. This would also maintain good practices carried out in farms. It was said that the main challenge is the replacement of worn out uniforms and maintenances of tools

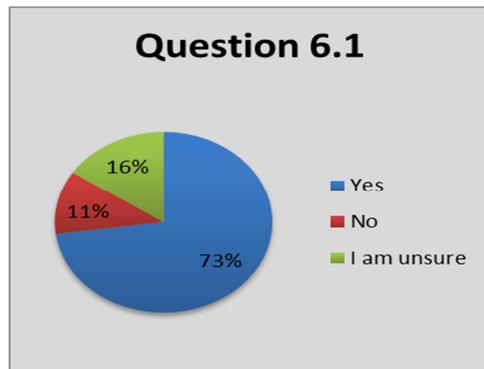
### 2.3.6 Pricing and payment terms

The following question was proposed:

**6.1** Do you agree that the standard can extend the timeline for payment terms from 15 to 30 days, so as to facilitate business.

#### Responses

6.1Response	Count of Producer	Producer%	Count of Trader/Retailer	Trader/Retailer%	Count of NFO	NFO%	Count of FI/FLOCERT	FI/FLOCERT %	Count of Others	Others%
Yes	19	76%	22	71%	6	67%	3	100%	1	50%
No	3	12%	4	13%	1	11%		0%		0%
I am unsure	3	12%	5	16%	2	22%		0%	1	50%
<b>Grand Total</b>	<b>25</b>	<b>100%</b>	<b>31</b>	<b>100%</b>	<b>9</b>	<b>100%</b>	<b>3</b>	<b>100%</b>	<b>2</b>	<b>100%</b>



#### Analysis

A majority (73%) of the respondents were in agreement with this proposal while 11% said no and 16% were not sure.

Stakeholders mentioned that monthly payments make more sense especially with the high cost of bank charges thus deduction on premium received. One stakeholder said that they receive an ever increasing number of requests for payment exceptions to be made from 15 days to 30 days. Premium reporting is arriving late, therefore giving conveyors less time to pay and then at times making too frequent payments in a short space of time therefore increasing the number of bank charges compared to the small amount in Premium. During the workshop held in Kenya, mixed opinions were conveyed with most comments in favour of an extended payment period due to bank charges as long as FLOCERT was more stringent at audit on a 30 day basis. One stakeholder suggested that the payment period should be based on the receiving date of the invoice and not based on the composed date. It was said that this would help to facilitate business deals. Stakeholders in the workshop in Kenya suggested that there should be a penalty for Fairtrade payers who don't pay on time. One stakeholder who said no was worried that this again is a rule which makes it easier for traders and retailers and worse for flower farms as they need to wait longer for their money. They don't see why this should be introduced as this won't increase flower volumes at all. It will only put an even harder financial pressure on farms which are already fighting with very



low and stable prices for over 5 years and increased input costs. As a Fairtrade system, we should stand for the farms and not only for the market. Payment terms should protect the interest of producers. Flower production is highly capital intensive, an additional 15 days delay in payment would economically be a significant credit to the buyer (or require borrowing money in order to maintain liquidity). 15 days does comply with the generic sector regulations/best practice. The workshop in Kenya showed that there are already significant delays in payment as it is.

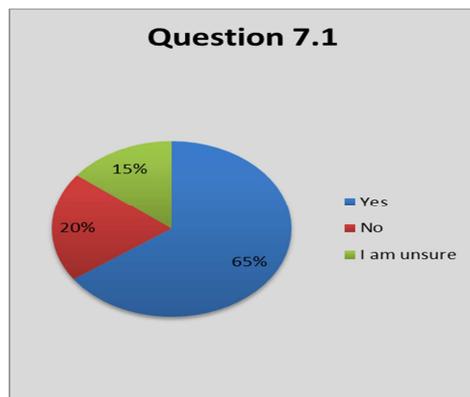
### 2.3.7 FLO-ID on bunches and stems mandatory

The following questions were proposed:

**7.1 Do you agree that FLO-ID on bunches should be made mandatory in the standard?**

#### Responses

7.1Response	Count of Producer	Producer%	Count of Trader/Retailer	Trader/Retailer%	Count of NFO	NFO%	Count of FI/FLOCERT	FI/FLOCERT %	Count of Others	Others%
Yes	15	63%	20	65%	6	67%	2	67%	2	100%
No	7	29%	7	23%		0%		0%		0%
I am unsure	2	8%	4	13%	3	33%	1	33%		0%
<b>Grand Total</b>	<b>24</b>	<b>100%</b>	<b>31</b>	<b>100%</b>	<b>9</b>	<b>100%</b>	<b>3</b>	<b>100%</b>	<b>2</b>	<b>100%</b>



#### Analysis

65% of the respondents were in favour of this proposal while 20% said no and 15% were not sure.

A stakeholder who said yes mentioned that it is way over board to do all stems. It would be nice to know which farm the flowers have come from. Some countries e.g. in Switzerland already have this in place with great success and minimal effect on a cost side. Another stakeholder thought that this was explained rather briefly and thought that participants would not get the real implication of the two questions. The stakeholder suggested that FLO-ID on bunches should be mandatory internationally to avoid fraud and misuse along the supply chain and to increase traceability back to the farm. This will make communication for NFO's and retailers easier and will increase credibility and usefulness of our label. Consumers could trace back each flower bunch to the farm with additional information on premium use etc. Putting a FLO-ID on an existing bunch is not a cost factor as there will be a price tag etc. Stakeholders from the workshop in Nairobi said that this could provide a solution for working with auctions.



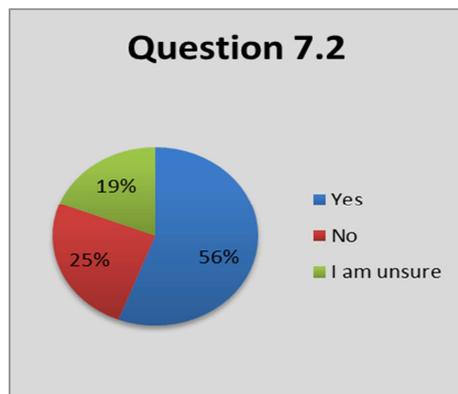
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One stakeholder who said no was worried that the cost will be passed on to the end user making Fairtrade roses more expensive and people will then potentially go elsewhere. The stakeholder said that the grower should be responsible for being able to identify what volume he has sold and to whom. Another stakeholder wanted to know what this meant to companies with higher volumes. They are labelling per box and this works fine for them. More handling regarding any extra labelling will result in a higher cost price, huge plastic waste and reduction in product quality (extra packing and unpacking). This will have a huge impact on volumes of 26 million stems per year. It will cause harm to the product. A stakeholder who was unsure wanted to know whether this request is just for florists and auctions or for retail as well. Another stakeholder mentioned that in the UK, retailers display origin details by the sleeve label. It was said that tagging would absolutely mean an additional cost that would more than likely have to be paid by the customer when the retailer is already providing an effective way of informing about the source. One other stakeholder said that Fairtrade flower boxes when arriving from origin into the packer are clearly labelled, unpacked and sleeved/labelled and bucketed on allocated lines in the pack house. The stakeholder said that the stringent auditing process and internal Product Integrity teams cross checks and process ensures the volumes are used in the correct channels. Further, each NFO market is different in terms of retailers' demands on how finished product should look on shelf. One market and retailer culture cannot speak for all.

**7.2 Do you agree that flowers should be labelled in shipping sizes of 20 stems rather than individually?**

**Responses**

7.2Response	Count of Producer	Producer%	Count of Trader/Retailer	Trader/Retailer%	Count of NFO	NFO%	Count of FI/FLOCERT	FI/FLOCERT %	Count of Others	Others%
Yes	17	74%	15	48%	4	44%	1	33%	1	50%
No	4	17%	10	32%	2	22%		0%	1	50%
I am unsure	2	9%	6	19%	3	33%	2	67%		0%
<b>Grand Total</b>	<b>23</b>	<b>100%</b>	<b>31</b>	<b>100%</b>	<b>9</b>	<b>100%</b>	<b>3</b>	<b>100%</b>	<b>2</b>	<b>100%</b>



**Analysis**

56% the respondents said yes to this proposal while 25% said no and 19% were not sure. A stakeholder who said yes said that this would streamline processes and lower costs. Another said that this would optimize time labour at the time of processing



A stakeholder who said no suggested that the question should be stated and explained clearly during the next review. Stakeholders need to know why this rule is being proposed. If we start to label only the box of single stem flowers, we'll end up with having Fairtrade single stem flowers sold in buckets next to Non-Fairtrade flowers with no way to differentiate them. Another stakeholder said that labelling individually or 20 stems are not practical – labelling per box is fine.

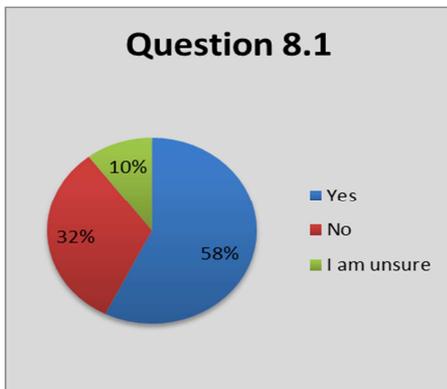
### 2.3.8 Pesticide use in flower production

The following question was proposed:

**8.1 Do you agree that reporting on pesticide usage should be made compulsory for flower farms?**

#### Responses

8.1Response	Count of Producer	Producer%	Count of Trader/Retailer	Trader/Retailer%	Count of NFO	NFO%	Count of FI/FLOCERT	FI/FLOCERT %	Count of Others	Others%
Yes	12	52%	15	48%	9	100%	2	67%	1	50%
No	9	39%	13	42%		0%		0%		0%
I am unsure	2	9%	3	10%		0%	1	33%	1	50%
<b>Grand Total</b>	<b>23</b>	<b>100%</b>	<b>31</b>	<b>100%</b>	<b>9</b>	<b>100%</b>	<b>3</b>	<b>100%</b>	<b>2</b>	<b>100%</b>



#### Analysis

58% of the respondents were in favour of this question while 32% said no and 10% were not sure.

Stakeholders mentioned that this would be a way to protect our environment and also would encourage growers to be more proactive in finding alternative means of disease and pest control. Another stakeholder said that this is a good way to increase transparency to gain new insights regarding pesticide usage on a strategic side (actions can be taken) and to share with interested licensees. A stakeholder said that it is important to know how much pesticides are used so as to be able to minimise it and develop a rotation program. It would also reduce the risk of personnel fumigation and increase the consumption of organic products. Stakeholders from the workshop in Nairobi recommended that FI should take KFC's example and do monthly (28 days) submission rather than annual and should not be breakdown by varieties but flowers only (no distinction made among the flowers) because it would be too labour intensive. FI should come up with the means/platform where it could be uploaded



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A stakeholder who said no mentioned that every region has different climate factors which make it difficult to determine whether there is any reduction in pesticide use. Moreover, it is not feasible for the broad detail of information and the time spent would be very extensive. It was also said that producers are aware of the pesticides that they cannot be used and have a tendency of using organic products.

### **3.1 Stakeholders' Comments/ General stakeholder feedback on the flower standard**

Stakeholders appreciated the fact that they were consulted. They felt that the questions were precise and articulate. One stakeholder mentioned that the consultation brings the flower standard up to par with other standards especially with gender equality. Stakeholders also mentioned that the cost of producing flowers is very high yet there is no consideration for sustainability premium in flowers for example in tea; they urged Fairtrade to consider this. A stakeholder suggested that established flower farms should be allowed to communicate that they are "best/leading" in their peer group. A role model for this could be the VBP-model/criteria in the trader standard. This approach could be adapted to the flower standard. It was also suggested that Fairtrade policies concentrate more on social and environment but very little on the trade aspect, the producer continues to loose for this reason. A stakeholder mentioned that we should make the standard as less complex as possible.

Stakeholders through the online survey and the workshop held in Kenya suggested the following topics to be included in the second round of consultation that will take place in November:

#### **Bouquet composition of all that can be (ATCB)**

##### **Premium Use**

- Consultation on fixed Premium levels
- Fairtrade Premium beneficiaries - to remove the wording unionisable employees to benefit so that even supervisory and managerial levels can also benefit.
- Management influence on premium usage need to be enhanced.
- There should be a certain percentage of the annual premiums that should be set aside for high impact projects
- 20% to be shared as cash - should be amended to be non-cash because of taxation issues.
- Premium recipients - There should be clear guidelines around supervisors and whether or not they should be classed as management or not and receive Premium
- Premium limits and management of premium - Those Premium amounts which reach \$30,000 are subject to independent financial audit. Should there be a measure in place regarding which bank of accredited financial auditors should be used and controlled by PNs or 3rd party?
- Bursaries through Premium - There needs to be a required stricter cross check and control for bursary recipients through Premium. The stakeholder said that they know that this has been a major loop hole in FLOCERT's auditing process and it would be worth asking for their advice on solutions.
- FPC members should have attained a certain minimum level of education eg O-Levels

##### **Minimum Price**



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- Reporting of price - As no minimum price exists currently in flowers – accurate price information is needed for transparency, communications and impact / MEL purposes
- Introduction of a minimum price

### **Labour Conditions**

- In the current standard one can read that the certification body may focus on permanent workers during audits. The stakeholder suggested that S&P should change this and have the necessity to also include non-permanent and seasonal workers, since there are many in the flower industry. It's especially these workers that should be protected, because they are mostly not sufficiently protected by labour laws or represented in trade unions.

### **Conditions of employment**

- Definition of Walking Distance Guideline to transport allowance (Section 3.5.4 this needs to be defined). Auditors have different ways of interpreting this – want guidelines on how to calculate and have guidelines to reduce ambiguity
- Revise the requirement for producers to provide free transport. The current system is not sustainable and results in waste / abuse - we propose a worker contribution
- Overtime and rest day flexibility especially during high season i.e. without having to apply as a special case
- 3.5.1 -Workers annual leave: During the workshop in Kenya, opinions about the option of working on non-work days were raised. Many workers are migrants and when taking leave at least one day is used for travelling home and one day for travelling back to work. The option of working on a non-working day or longer annual leave should be considered
- 3.5.2 - payment systems are transparent and that pay slips are easy to understand by workers. In the flower sector employers work with many bonuses and workers tend to have many hours of overtime.
- Worker housing - Section 3.5.4 the developmental criteria around improving housing standards need to be made more clear with definitive time frames

### **Occupational health and safety**

- Definition of "appropriateness of tools and PPE"
- 3.6.6 - it's important that workers receive more regular trainings on health and safety matters, in the current standard one reads that training courses should be held at least every 12 months. This is insufficient considering incidences and problems with chemical applications, wearing PPE etc. There should be on-going refresher courses and incidences and accidents should be tracked and evaluated to see if improvements take place
- 3.6.8 -The requirement on *crèche* need to be rethought and reworded so as to be relevant and practical as far as the implementation is concerned considering the location of some producers who may not have one operating in an effective and efficient manner

### **Wages**

- Reporting of wages- This should be mandatory at audit
- Omission of living wage in the standard until it is thoroughly researched and all stakeholders including the relevant government ministries (health, education etc) are included.



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### **Product description**

- Meaning of flowers, fillers and foliage - This needs to be made clear or for fillers and flowers to be classed as one “flowers” and to have “foliage”. Different NFO markets consider at times flowers to be fillers and fillers to be flowers and this can be restrictive within our current ATCB regulations.

### **Other topics**

- As flowers are highly competitive the issue of not having a Minimum Price increases due to the increasing mismatch of production and sales. Fairtrade lacks (as regarding lowest wages paid) insight to real facts and figures. Therefore it is suggested to request that seller and buyer have to report product, volume and price to Fairtrade (with FAIRTRACE there is a tool almost ready that could be offered). This would allow FI to identify bad and best practice from buyer’s side when it comes to price negotiations. This information is crucial to design qualified actions
- Criteria for existing and new land acquisitions/use by the producer - Flower producers often operate in environments where land rights are not well protected. Fairtrade would do well to take this into account in its scheme and include criteria for producers which respect international guidelines in relation to land use/ acquisition and involuntary resettlement of previous land users.
- Too low compliance to standards in order to gain entry or access to Permission to Trade given too early- There have been numerous accusations that standards have weakened too far and this is allowing farms of below standard to be accepted into the system. Further, Permission to Trade that has been given to some farms has been deemed highly unfair by those who entered the system many years back when Standards were felt to be higher. There should be no Permission to Trade given for flower farms and they must be deemed fully compliant in order to enter in to the system.
- Scoring system/B2B - How does the new standard work to recognise those farms who are providing more for their staff in in kind benefits or wages than others? Is there a way of being able to illustrate with sound criteria a farms progress in treatment of their workers and conditions