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| **Consultation document for Fairtrade Stakeholders:**Review of the Fairtrade Standard for Flowers and Plants for Hired Labour and Traders |
| Consultation Period | 30.11.2016 -30.12.2016 |
| Project Manager | Jebet Winnie Yegon, Project Manager, Standards, j.yegon@fairtrade.net |

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# PART 1 Introduction

Welcome to the 2nd round of consultation on the review of the flowers and plant standard. We thank those who participated in the 1st round of consultation which was held in the period between 01/09/2016 to 30/09/2016. Thanks to these contributions, Standards & Pricing (S&P) has gained a thorough understanding on the perception of the stakeholders on the changes that need to be made to our current standard. The results of the 1st round of consultation are available ([here](http://www.fairtrade.net/fileadmin/user_upload/content/2009/standards/documents/2016-11-25_Flower_Plant_Consultation__Synopsis_round_1-EN.pdf))

The first round of consultation focused on options for including floor wages (lower wage limits) and assessing market enhancement opportunities such as Fairtrade eligible. It also looked at premium reporting options, and the inclusion of additional environmental, gender and payment requirements. There was a general agreement on all the eight topics presented with stakeholders giving additional comments and amendments that they wanted to see in the revised standard. They also provided additional topics to be included in the next review. During the second round of the consultation, the review will focus on an explanation of how to calculate the floor wages in real terms, premium beneficiaries, labour conditions and conditions of employment. It will also consult on occupational health and safety, product description and bouquet composition pilot project

S&P will present the results of both consultations along with S&P recommendations to the Standards Committee in Q1 2017. The final standard will be published succeeding its approval by the SC.

Thank you for taking the time to participate.

# General Introduction

Fairtrade Standards support the sustainable development of small-scale producers and workers in the Global South. Producers and traders must meet applicable Fairtrade Standards for their products to be certified as Fairtrade. Within Fairtrade International, S&P is responsible for developing Fairtrade Standards. The procedure followed, as outlined in the Standard Operating Procedure for the Development of Fairtrade Standards is designed in compliance with all requirements of the ISEAL Code of Good Practice for Setting Social and Environmental Standards. This involves wide consultation with stakeholders to ensure that new and revised standards reflect Fairtrade International’s strategic objectives, are based on producers’ and traders’ realities and meet consumers’ expectations.

You are kindly invited to participate in the second round consultation reviewing the Fairtrade Standard for Flowers and Plants for hired labour and traders. For this purpose, we kindly ask you to comment on the proposals suggested in this document and encourage you to give explanations, analysis and examples underlying your statements. All information we receive from respondents will be treated with care and kept confidential.

**Please submit your comments to the Project Manager, Jebet Winnie Yegon at: j.yegon@fairtrade.net by 30.12.2016.**

Following the consultation round we will prepare a paper compiling the comments made, which will be emailed to all participants and also be available on our Fairtrade International website. Next steps of the project are presented in section four.

# 2. Background

The Fairtrade Standard for Flowers and Plants was introduced over 10 years ago. Since then Fairtrade flowers have grown to become one of the top seven Fairtrade products, with 48,500 workers employed on Fairtrade certified flower farms in 2015.

In 2016 the standard is due for a full review as part of the monitoring and review cycle. 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. Through this, S&P identified the topics to explore and consult specifically to further facilitate trade and increase the benefits of workers in Fairtrade certified farms.

# 3. Objectives - second round of consultation

* Calculating floor wages in real terms
* Consider additional requirements on premium use
* Assess options of improving conditions of employment, labour conditions and occupational health & safety
* Assessment of options for market enhancement opportunities (Bouquet composition pilot project
* Alignment with the revised Trader Standard
* Improve clarity and ensure consistency throughout the standard, apply new design

# 4. Project and Process Information

The project started in June 2016 and the [project assignment](http://www.fairtrade.net/fileadmin/user_upload/content/2009/standards/documents/2016-07-06_EN_PA_Flower-_review-final.pdf) is available on the Fairtrade International website.

The current [Fairtrade Standard for Flowers and Plants for Hired Labour](http://www.fairtrade.net/fileadmin/user_upload/content/2009/standards/documents/generic-standards/Flowers_and_Plants_HL_EN.pdf) is also available on the Fairtrade International website.

The results from the first round of consultation are available [here](http://www.fairtrade.net/fileadmin/user_upload/content/2009/standards/documents/2016-11-25_Flower_Plant_Consultation__Synopsis_round_1-EN.pdf)

The progress to date and next steps are described below

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|  | **Timeline** | **Activity**  |
| **2016** | June | * Define scope and project planning
* Contact with key stakeholders (NFOs, PNs) to define the objectives of the project
 |
| July – August  | * Desk Research
* Compilation and analysis of information
* Preparation of proposals for the consultation
 |
| September | * First public consultation round, all stakeholders
 |
| October | * Compilation of responses from the consultation process
 |
| November | * Second public consultation round, all stakeholders
 |
| **2017** | December –January  | * Compilation of responses from the consultation process
* Preparation of a final proposal for SC decision
 |
| March | * Final proposals presented to Fairtrade International SC for approval
 |
| April - May | * Publication of revised standards
* Proposed date (tbc) of validity of the revised standard
 |

# 5. Acronyms and definitions

CBA: Collective Bargaining Agreement

FMP: Fairtrade Minimum Price

FP: Fairtrade Premium

FPC: Fairtrade Premium Committee

HL: Hired Labour

NFO: National Fairtrade Organization, Fairtrade country organizations in the

 consumer markets

PN: Producer networks, regional Fairtrade organizations in the producer

 Markets

PPE Personal Protective Equipment

PPP Purchasing Power Parity

SC: Fairtrade International Standards Committee

S&P: Standards &Pricing

WHO World Health Organisation

# PART 2 Draft Standard Consultations

The target groups of this consultation are:

* Flower producers already certified or interested in becoming certified under the Fairtrade Standard for Flowers and Plants for Hired labour.
* Licensees and traders certified / interested in becoming certified under the Fairtrade Trader Standard and the Fairtrade Standard for Flowers and Plants.
* Producer Networks, National Fairtrade Organisations, Fairtrade International, FLOCERT, NGO´s, researchers, etc.

Each section first introduces the background information to the specific issue. Where relevant the proposed changes to the standard are presented you are asked for your opinions and feedback.

**Please take as much space as you need to respond to the questions.**

**Confidentiality**

All information we receive from respondents will be treated with care and kept confidential. Results of this consultation will only be communicated in aggregated form. All feedback will be analysed and used to draw up the final proposal. However, when analysing the data we need to know which responses are from producers, traders, licensees, etc. so we kindly ask you to provide us with information about your organization.

# Information about your organization

Please complete the information below:

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| **Q0.1** **Please provide us with information about your organization so that we can analyse the data precisely and contact you for clarifications if needed. The results of the survey will only be presented in an aggregated form and all respondents’ information will be kept confidential.**Name of your organisation      Name of contact person      Click here to enter text.Email of contact person      Country      Click here to enter text.FLO ID Click here to enter text. |
|  **Q0.2 What is your responsibility in the supply chain? Please tick all that apply**[ ] Producer[ ] Exporter[ ] Importer[ ] Processor[ ] Licensee[ ] Other (please specify)Click here to enter text. |

# 1. Inclusion of floor wages

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| During the first round of consultation for the Fairtrade Standard for flowers and plants, S&P consulted on a proposal to ensure that wages paid by employers do not fall below the global extreme poverty line set by the World Bank ($1.90/ day PPP). Majority of the stakeholders agree that this reference needs to be included in the standard. However, they expressed concerns about higher values (see results of the first round of consultation [here](http://www.fairtrade.net/fileadmin/user_upload/content/2009/standards/documents/2016-11-25_Flower_Plant_Consultation__Synopsis_round_1-EN.pdf)). Stakeholders have further requested to have more clarity on how the $1.90/ day is calculated in real terms to include the purchasing power parity (PPP). PPPs are the rates of currency conversion that equalize the purchasing power of different currencies by eliminating the differences in price levels between countries. Therefore, guidance is proposed to be added to requirement.**Core Year 0** Your company ensures that wages paid do not fall below the global extreme poverty line **($1.90/day**) PPP set by the World Bank. This amount could increase depending on the world bank adjustments.**Guidance:**To calculate the wages using the ($1.90/day PPP) in real terms use the formula **PPP rate private consumption for the given year x 1.90 x 30 (days/month) x typical no. of family members/ workers per family. The values for the relevant countries are given below.****Estimated wage including PPP\***

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| **Country** | **PPP private consumption WB 20151** | **Days/month** | **Estimated family size2** | **Workers per family2** | **\*Estimation $1.90/day PPP base wage** |
| Ethiopia | 7.26 Birr | 30 | **5** | 1.65 | **1254 Birr** |
| Kenya: semi urban area e.g. Naivasha) | 43.85 KSh | 30 | **5** | 1.69 | **7394 KSh** |
| Uganda | 1185.50 USh | 30 | **5** | 1.69 | **199921 USh** |
| Tanzania | 779.20 TSh | 30 | **5** | 1.69 | **131403 TSh** |
| Ecuador**3** | 0.604 USD | 30 | **4.1** | 1.69 | **84 USD** |

1/World bank <http://data.worldbank.org/indicator/PA.NUS.PRVT.PP>2/ISEAL <http://www.isealalliance.org/our-work/improving-effectiveness/global-living-wage-coalition> (prevailing wage studies are currently available for Kenya and Ethiopia. Studies from Ecuador and Tanzania are set to begin. Figures used here for these countries are therefore estimations)3/ <http://unstats.un.org/unsd/demographic/sconcerns/housing/comp1995/TABLE06.pdf> \***PPP calculation formula :PPP rate private consumption for 2015 x 1.90 x 30 (days/month) x typical no. of family members/ workers per family****1.1 Do you find this additional guidance useful to understand how to calculate the $1.90/ day PPP in real terms?**[ ]  **Yes**[ ]  **No**[ ]  **I am unsure**Please explain your rationaleClick here to enter text. |

# 2. Premium beneficiaries

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| Section 3 (labour conditions) of the flower and plant standard mentions that workers are defined as all *workers including migrant, temporary, seasonal, sub-contracted and permanent workers. ‘Workers’ is not limited to field workers but includes all hired labour personnel, such as employees working in the company’s administration. However, the term is restricted to personnel that can be unionised and therefore normally excludes middle and senior management.* Feedback received from Kenya highlighted the desire to include supervisors as workers and make them eligible to receive premium. However, in this country supervisors are not unionisable. Therefore, we would like to consult on the option to include supervisors as workers but only if they are not part of management.The intent and scope in section 3 would look like this in the standard“*Workers are defined as all workers including migrant, temporary, seasonal, sub-contracted and permanent workers. ‘Workers’ is not limited to field workers but includes all hired labour personnel, such as employees working in the company’s administration and supervisors who are not part of the management***Q.2.1 Do you agree that supervisors in all countries (underlined in red) can be in the definition of workers in in section 3 of the flower and plant standard?**[ ]  **Yes**[ ]  **No**[ ]  **I am unsure**Please explain your rationale Click here to enter text. |

# 3. Labour Conditions

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| The intent and scope of labour conditions (section 3 of the flower and plant standard) reads “*For technical reasons the certification body may focus on permanent workers during audits*.” Stakeholders however suggest that this reference should be deleted to be able to include non-permanent and seasonal workers, since the flower industry employs a vast majority of non- permanent and seasonal workers. Therefore, the certification body can decide on the relevant sample of workers to include as part of the audit.**3.1** Do agree that the sentence “**For technical reasons the certification body may focus on permanent workers during audits”** is removed in the standard?[ ]  **Yes**[ ]  **No**[ ]  **I am unsure**Please explain your rationaleClick here to enter text. |

# 4. Conditions of employment

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| **Definition of walking distance**The guidance section in 3.5.4 of the flower and plant standard states that “*If workers live outside walking distance from the plantation, and there is not sufficient adequate housing available within walking distance from the farm, transport to and from the workplace should be provided by the company free of charge”*. The walking distance is however not defined and therefore to reduce ambiguity, stakeholders would like the standard requirement to provide guidelines on how to calculate the distance.The guidance section would look like this in the standard **If workers live outside walking distance from the plantation (more than 5 kilometres or 1 hour walking time each way) and there is not sufficient adequate housing available within walking distance from the farm, transport to and from the workplace should be provided by the company free of charge.****4.1** Do you agree that the guidance section above should be included in the standard? [ ]  **Yes**[ ]  **No**[ ]  **I am unsure**Please explain your rationaleClick here to enter text.**Payment systems**A suggestion was made to ensure that workers can easily understand/read pay slips. In order to harmonise it with the Fairtrade Standard for Hired Labour, the requirement will look like this in the standard:**Core Year 0** Your company makes payments to workers at regularly scheduled intervals and documents the payments with a payslip containing all necessary information and are easy to read and understand.**Q 4.2 Do you agree that payslips should be made in a way that employees can be able to read and understand them?**[ ]  **Yes**[ ]  **No**[ ]  **I am unsure**Please explain your rationaleClick here to enter text.  |

# 5. Occupational Health and Safety

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| The standard requirement 3.6.6 in the flower and plant standard mentions that information and training courses must be held periodically (at least every 12 months). Stakeholders however feel that it is important that workers receive even more regular trainings on health and safety matters. They feel that conducting it every 12 months is insufficient considering incidences and problems with chemical applications, wearing Personal Protective Equipment (PPE) etc. In order to harmonise it with the Fairtrade Standard for hired labour ,the requirement would look like this in the standard:**Core Year 0** Your company regularly consults, informs, and trains workers and their representatives on health and safety matters, relevant health protection and first aid. Information and training courses must be held at least every 6 months. Records are kept of these training activities indicating information on topics, time, duration, names of attendees and trainers**Q 5.1 Do you agree that information and training courses need to be conducted more often (at least every 6 months)** [ ]  **Yes**[ ]  **No**[ ]  **I am unsure**Please explain your rationaleClick here to enter text. |

# 6. Product description

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|  Stakeholder feedback suggested that the definition of Fairtrade fillers needs to be revised. In particular, the stakeholder suggests that the sentence “sometimes called greens or cut foliage” needs to be removed to avoid confusion. The requirement further states that *Fairtrade* *fillers are usually not sold to the end consumer.* However, stakeholder feedback suggests that fillers can be sold as a single bunch. Taking in consideration this feedback and to reduce confusion between fillers and foliage, the following are the changes proposed for the definition of Fairtrade fillers.The requirement would look like this in the standard :**Fairtrade fillers** (~~sometimes called greens or cut foliage~~), *include leaves, twigs, branches and other decorative material from plants. Fairtrade fillers can be ~~usually not sold to the end consumer on its own~~, ~~but are~~ used as a decorative supplement in a bouquet/ flower arrangement. Fairtrade fillers may be fresh, dried, dyed, bleached, impregnated or otherwise prepared*. **Q 6.1 Do you agree with the proposed changes of Fairtrade fillers as defined in requirement 1.3 of the flower and plant standard?**[ ]  **Yes**[ ]  **No**[ ]  **I am unsure**Please explain your rationale Click here to enter text. |

# 7. Bouquet composition pilot project

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| In January 2013 the SC approved a new bouquet composition pilot project, which allows the exceptional use of up to 50% non-certified foliage and flowers in a bouquet, as long as it is not available as Fairtrade. It has been running in Italy and Finland since the second quarter of 2013 and is due to finish at the end of this review. The aim of the pilots was to test if a more flexible rule would lead to increased sales of Fairtrade flowers, without putting the Fairtrade reputation at risk. Fairtrade Finland and Fairtrade Italy are currently participating in the pilots with one licensee in each countryBoth NFOs have confirmed positive results so far. The pilots have led to an overall increase in sales of stems for the participating licensees in both markets, that in spite of being lower than the original forecast, the increase in sales is still significant In Italy mixed bouquets are performing better than bouquet with 100% roses (+ 37% vs + 10%). In Finland, the licensee has replaced the ’normal’ bouquet with the Fairtrade pilot bouquet and the sales of the pilot bouquet has increased significantly. The licensee wants to continue with at least 50 % Fairtrade flowers bouquet as it provides the required flexibility to create seasonal flower bouquets. The pilot project has also motivated them to include other Fairtrade flowers than roses in the bouquets. Other positive effects of the pilots are: the bouquets are very popular in those participating countries increasing consumer awareness, they have helped to develop good relations with the participating licensees, and they have potential for many more sales if the pilot rule is permanently included in the standard because the licensees would then make more effort in marketing them due to more security for the future.Based on these positive results we would like now to consult with stakeholders their views on including the pilot rules permanently in the standard.This is the current requirements in the standard:*All flowers and plants to be sold as Fairtrade must be Fairtrade-certified. For bouquets, 100% of the ingredients must be Fairtrade certified. An exception may be requested by a licensee or by a producer for bouquets containing non-certified fillers as long as the kind of filler used is not available as Fairtrade and does not represent more than 25% of the total number of stems (flowers and foliage). In all cases 100% of the flowers used must be Fairtrade certified. The licensee or the producer must apply for the exception to its licensing body. If bouquets are sold in a different market, final approval is provided by the home NFO based on support of destination NFO*This is the proposal to include the pilot in the standard:**Core Year 0 You ensure that** *all flowers and plants to be sold as Fairtrade are Fairtrade-certified.* ***For bouquets you ensure they contain as many Fairtrade fillers as available*. Non-certified fillers in bouquets do not exceed 50% of the total number of stems (flowers and fillers).****7.1 Do you agree that the standard requirement above, which is more flexible, should replace the current standard (1.4.1)?**[ ]  **Yes**[ ]  **No**[ ]  **I am unsure** |

# 8. Alignment with the revised Trader Standard

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| A revised version of the [Fairtrade Trader Standard](http://www.fairtrade.net/fileadmin/user_upload/content/2009/standards/documents/generic-standards/2016-10-03_EN_HL.pdf) was published in March 2015. The Fairtrade Standard for flowers and plants complements and defines more specific requirements or exceptions to the Trader Standard where necessary. Are there any further additional requirements, which you think should be added or amended in the Fairtrade Trader Standard to align with the flower and plant standard?Click here to enter text. |

# Stakeholders’ Comments/ General stakeholder feedback on the flower standard

In this section you are invited to comment on questions on this consultation document or any requirement in the Fairtrade Flower and Plants Standard. Please include the specific requirement number where possible and topic with your comments. We welcome alternative proposals, with rationale and analysis as detailed as possible.

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| **Topic/ requirement number** | **Comments/ feedback** |
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If you need some more information before commenting on this document do not hesitate to contact Jebet Winnie Yegon, Project Manager at Fairtrade International, j.yegon@fairtrade.net