

Fairtrade Standard for Fresh Fruit for Small Producer Organizations and Traders

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**For further information and standards downloads:
www.fairtrade.net/standards.html**

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Introduction

How to use this Standard

Refer to the generic standard for Small Producer Organizations as a separate document as updated by Fairtrade International (FLO) on its website.

Please note that the Generic Fairtrade Trade Standard also applies. In cases where the product specific standard below differs from the Generic Fairtrade Trade Standard, the requirements presented in this Standard apply.

Application

The Product Specific Fairtrade Standards for Small Producer Organizations have been revised according to the New Product Classification (based on the Central Product Classification). The new standards apply from 1 July 2011.

Monitoring of Amendments

Fairtrade International reserves the right to amend Fairtrade Standards in accordance with Fairtrade International's Standard Operating Procedures (http://www.fairtrade.net/setting_the_standards.html). Requirements of Fairtrade Standards may be added, deleted, or otherwise modified. Those who have to meet Fairtrade Standards are required to monitor pending and finalized revisions on Fairtrade International's website.

Fairtrade Certification ensures the compliance with Fairtrade Standards. Revision of Fairtrade Standards may lead to a change in the requirements of Fairtrade Certification. Those who wish to be certified or have already undergone certification are required to monitor pending and finalized certification policies and compliance criteria on the certification body's website <http://www.flo-cert.net>.

Change history

Version number	Date of publication	Changes
01.05.2011_v1.0	01.05.2012	- Inclusion of products according to the new Central Product Classification. - Reorganization of requirements based on the New Standards Framework.
01.05.2011_v1.1	05.09.2012	- Inclusion of revisions of orange for juice pricing
01.05.2011_v1.2	13.06.2013	- Update to orange for juice pricing
01.05.2011_v1.3	01.05.2014	- New payment terms for wine grapes
01.05.2011_v1.4	23.02.2016	- Removal of requirement 3.3.1 on supporting workers in bananas at risk of losing their jobs to find alternative employment due to herbicide use.
01.05.2011_v1.5	01.04.2017	- Membership restriction to producers with a banana cultivated area of less or equal to 30 hectares.

1. General Requirements

Intent and scope

All operators taking ownership of Fairtrade certified products and/or handling the Fairtrade Price and Premium are audited and certified.

This chapter applies to the certificate holder.

This standard covers the purchase and sale of Fresh Fruit in their primary form. This includes fresh fruit for export and fresh fruit sold for further processing. For the sections under certification and traceability (only), the standard also covers any derivatives.

The Standard also covers secondary products and their derivatives. The definition of secondary products is included in Annex 1 of the Generic Trade Standard.

A non-exhaustive list of products fitting the secondary products definition is published on the Fairtrade International website.

For wine grapes

The Standard also covers any processed products.

1.1 Certification

1.1.1 NEW 2018 For bananas: restriction on size of land

The maximum size of the land where a member cultivates bananas is equal to or below 30 hectares.

Guidance: This requirement is in addition to the 1.2.1 of the Small Producer Organizations Standard.

1.2 Labelling and Packaging

There are no additional requirements.

1.3 Product Description

Fairtrade Fresh Fruit are all varieties of fresh fruit for which Fairtrade Prices exist.

Citrus fruits belong to the *Rutaceae* family and include different types of fruits such as *oranges*, *tangerines*, *mandarines*, *clementines*, *satsumas*, *lemons*, *limes* and *grapefruits*.

For the “soft citrus” product category, a specific product description exists. “Soft citrus” refers to citrus fruits grown from the species *Citrus reticulata* Blanco. These fruits include satsumas (*Citrus unshiu* Marcow), clementines (*Citrus clementina* Hort. ex Tan.), common mandarins (*Citrus deliciosa* Ten.) and tangerines (*Citrus tangerine* Hort. ex Tan.), as well as their hybrids.

“Oranges for Juice for processing in consumer countries” are defined as ‘oranges for juice’ that are sold to be exported to a consumer country and then processed into juice in that country.

For the “deciduous fruits” product category, a specific product description exists. Deciduous trees are trees that bloom in the spring and summer and lose all of its leaves in the fall. These trees remain bare during winter months and require the cold temperatures to produce flowers and fruit. Deciduous fruit trees can be further divided by the types of seeds found in the fruit that they bear. *Apple* and *pear* fruit trees are considered pome fruits, whereas *apricots*, *peaches*, *cherries*, *nectarines* and *plums* are stone fruit.

Wine grapes are the fruit of the *Vitis vinifera* L. vine.

1.4 Other product requirements

1.4.1 For bananas: Quality Claims

In the harbour of loading, operators are allowed to refuse the part of the shipment that does not comply with the quality definition as described in the contract between the two parties.

The importer may claim quality problems within 48 hours after arrival at port of destination.

The ripener may claim quality problems to the seller within 8 working days after receipt of the fruit but not later than 15 days after arrival of the fruit at port of destination.

Within 1 working day, the claim must be sent to the seller. In all cases the buyer can only claim against the seller if the buyer can prove that he is not at fault for the defect.

Producers cannot be made responsible for additional costs resulting from transport or handling of shipments with quality problems which could have been normally detected earlier in the harbour of loading or port of destination.

Certain defects, particularly crown rot, crown mould, neck rot, peel rot and ripe and turning, only occur after the ship has left the harbour of loading. In these cases the fruit can be refused in the port of destination.

To be valid, all claims must contain the following information:

Precise data on the shipment: at minimum date, name of ship, total volume of Fairtrade, port of destination.

A description of quality problems including photos documenting the defect, codes of all pallets affected, and the extent of a specific quality defect (% of affected boxes per pallet)

If the buyer or ripener fails to send in the report with contents as specified in this section, and within the time limit, the producer/exporter may consider the shipment accepted.

Authorised quality inspection in the country of destination

Within 48 hours after receiving the buyer's (or ripener's) quality claim, the seller can notify the Fairtrade payer (or ripener) in writing that he will arrange counter inspection by an authorised surveyor.

This surveyor will be contracted and paid by the seller, unless both parties have agreed otherwise.

The claiming party (buyer and/ or ripener) must facilitate this inspection within 5 days after the seller has received the quality claim.

If the seller does not react to the quality report within the specified period the buyer (or ripener) may assume that the seller accepts the refusal of the fruit.

The reports of authorised independent surveyors are binding to both parties and shall be the ultimate basis of settlement of any dispute over the quality of the fruit between the seller and buyer and/ or ripener.

1.4.2 For bananas: Risk sharing due to shortfalls in sales

In case part of any shipment cannot be sold as Fairtrade as a result of shortfalls in orders from the clients of the Fairtrade payer, the Fairtrade payer may apply "non-Fairtrade conditions" as specified in the contract for fruit up to a maximum of 10% of the volume of each shipment. Any financial losses relating to shortfalls above this percentage must be assumed by the Fairtrade payers.

1.4.3 For bananas: Non-Fairtrade-Sales

The Fairtrade payer is only allowed to pay the producer under "non-Fairtrade conditions" in case of short falling sales (see 1.4.2 Risk sharing due to shortfalls in sales), and in case of quality problems (see 1.4.1 Quality Claims).

Fruit paid under non-Fairtrade conditions must not be sold as Fairtrade. Operators must clearly identify the fruit as "non-Fairtrade" on all documentation, however Fairtrade references on the product and packaging may be kept unchanged. The fruit cannot be sold to clients (e.g. retailers) dealing with Fairtrade bananas.

2. Trade

Intent and scope

This chapter outlines the requirements that you need to comply with when you sell Fairtrade products.

This chapter applies to the Fairtrade product.

2.1 Traceability

2.1.1 For bananas

The traceability system on each box must indicate the packing station, date of packing and the identification of the individual member of a SPO.

For oranges for juice

The processor/exporter **must keep** a record of the volumes of oranges for juice bought and processed from each producer organization; the date of delivery; and, the quantity of orange juice sold.

2.2 Product Composition

There are no additional requirements.

2.3 Contracts

2.3.1 Contracts between producers and buyers must include the following:

- Operator's FLO ID number
- Reference to Fairtrade as an integral part of the contract
- Date of the contract
- Duration of the contract
- Product description(s)
- Quality specifications of each product
- Specific Fairtrade Price and Premium for each product
- Payment conditions for Fairtrade Price and Premium for each product
- Terms of delivery using Inco Terms
- Volumes of Fairtrade products (minimum and maximum or fixed volume on weekly basis)
- Reference to sourcing plans
- Description of how the system of orders will function (for bananas: when and how weekly orders are confirmed)
- Description of the liability of each party and the quality check and claim procedure
- Definition or mentioning of "Force Majeure"
- Description of mechanisms to resolve conflicts separate from jurisdiction
- Description of pre-finance mechanisms or agreements

For bananas, the contract between producer and buyer must include the following additional items:

- Responsible party paying the Fairtrade Price and Premium to producers
- Reference to sourcing plans, including a threshold above which the commitment to the minimum volume can be cancelled (% of fruit not meeting the quality specifications)
- Required minimum weight with realistic factor for dehydration for each product
- If applicable: reference to additional or special packing material and services and related costs not included in Fairtrade Minimum Price (e.g. for "clusterbags" or "parafilm", see also 8. Pricing)
- Non-Fairtrade payment terms and price mechanism in case of short falling sales and quality problems (see 9.3 Non-Fairtrade sales) for each product
- Rules for Dead Freight
- Responsible party for product labelling

For **wine grapes**, the additional requirements from above do not apply.

For **oranges for juice**, contracts between producers and buyers **must additionally include**:

- Price to be paid and calculation used for defining price for orange juice equivalent. The contract **must mention** that the price calculation for oranges for juice will be defined according to the yield, as identified in the preliminary analysis report (a report produced according to citrus industry standards from a sample of the fruit delivered, which includes yield information).
- Once available, the preliminary analysis reports from each delivery of oranges for juice must be attached to the contract. In addition, this report **must be** given to the producer 7 days after the delivery of fruit.
- The name of the responsible party paying the Fairtrade Premium to producers.

3. Production

Intent and scope

This chapter outlines the ethical and sustainable production practices that are behind every Fairtrade product.

This chapter applies to the Fairtrade product.

3.1 Management of Production Practices

There are no additional requirements.

3.2 Environmental Protection

3.2.1 Applies to bananas only: You and / or your members using herbicides in the production process must implement the following elements of an integrated weed management approach:

- Knowledge of the weeds that affect the productivity of the crop and of the conditions that favour and hamper the development of the weeds.
- Knowledge of the parts of the fields where the crop is affected by the weeds.
- Prevention of the spreading of the weeds by non-chemical means (labour, mechanical or thermic means)
- Use of alternative control techniques, mulches or cover crops in order to control and reduce the weeds.
- Application of herbicides must be focused on areas where the weeds are present and affects the crop.
- No use of herbicides in canals, in buffer zones protecting rivers or watersheds, in protected or high conservation value areas¹ or in buffer zones intended to protect people's health.

Guidance: It is recommended to rotate active substances.

3.3 Labour Conditions

There are no additional requirements.

4. Business and Development

Intent and scope

This chapter outlines the requirements that are unique to Fairtrade and intends to lay the foundations

¹ See definition of High Conservation Value areas in Generic Fairtrade Standard for SPO Section 3 for Production in Biodiversity requirement number 3.2.33.

for producer empowerment and development to take place.

This chapter applies to the certificate holder.

4.1 Sustaining Trade

4.1.1 Fairtrade Payers must provide a sourcing plan on either a seasonal (for seasonal fruit) or quarterly (for year round crops) basis. Sourcing plans must be renewed a minimum of two weeks before they expire.

For wine grapes

Sourcing plans must cover each yearly harvest. Sourcing plans must be renewed a minimum of three months before they expire.

For bananas

Sourcing plans must specify total expected purchases of Fairtrade bananas and the sources (producers) that the buyer intends to obtain them from.

The sourcing plan implies an obligation on the buyer to buy at least the minimum volume specified during the quarter. This obligation is cancelled if during the quarter, the fruit does not meet the buyer's quality specifications as set out in the contract.

Within the framework of the contract, orders for each shipment are placed in the following manner: Volumes to be shipped must be ordered in writing at least 5-10 working days (according to customs in the production country) before the day on which the loading of the ship is scheduled.

4.2 Pre-finance

4.2.1 The Generic Fairtrade Trade Standard on pre-financing does not apply. Pre-finance terms and conditions are negotiated between the producer and Fairtrade payer and are included in the contract (see also 2.3.)

For wine grapes

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

4.3 Pricing

4.3.1 Fairtrade Minimum Prices (FMP) and Fairtrade Premium levels for Fairtrade products are published separately to the product Standards.

Definition of price levels for bananas

The Ex Works-level is defined as the location of the producer where palletization is executed and bananas are not cleared for export and not loaded in any collecting vehicle. At Ex Works level, prices include labour costs for packing (including palletization) only to prepare the bananas for loading on the collecting vehicle (truck or container). Ex Works prices do not include any kind of packing material.

At FOB level, prices include the costs for the following packing material:

- standard carton box,
- one plastic per carton box (banovac or polypack),
- pallet,
- edge corners,
- strips,
- up to 3 labels per banana hand

The costs for these standard packing and palletization materials are covered by the exporter. However, the service related to packing (labour costs) of above defined standard packing material is included in the Ex Works prices and provided by the producer.

Neither the Ex Works nor the FOB prices include costs for additional or special packing materials

such as “clusterbags” or “parafilm” and related service. Costs for those packing materials and any associated labour must be paid on top of the Fairtrade Minimum Prices to producers at ExWorks or FOB level and be defined in the contract.

FMP in any case refer to 18,14 kg of ripened fruit. If boxes with different weight are used, FMP and Fairtrade Prices are calculated pro rata.

For mangoes from all countries

The Fairtrade Minimum Price set at Farm Gate level includes the following costs: One-off set-up costs amortized, field preparation, field work, harvest, packing and organizational costs.

Please note that for **mangoes from Haiti**, the Fairtrade Minimum Price set at Farm-gate level covers the following costs: cost of the fruit, profit to producer, cost of harvesting, initial washing, packing into plastic crates for transport to the exporter, administration costs and profit to the association. The exporter covers transportation to the packing house, hot water treatment, stickers, cardboard boxes, packing into cardboard boxes, palletization and export costs.

Please note that for **mangoes from Western Africa and from Ghana**, the level ex-works means at the door the cooperative. The Fairtrade Minimum Price set at Ex-works covers the following costs: Establishment costs, production costs, harvest costs (including mango box), the expenses for grouping mango cases at the cooperative and organisation costs. The Fairtrade Minimum Price excludes costs of transport from the cooperative to the packing and packaging station.

For table grapes from Namibia and South Africa

One criterion for the price level for table grapes from Namibia and South Africa is whether the product reaches the market before Christmas or after Christmas. Accordingly, in the Fairtrade Minimum Price and Fairtrade Premium Table a distinction is drawn between “Pre-Christmas” and “Post-Christmas”.

For apples for processing from Pakistan

For this product, only the Fairtrade Standard for Contract Production Projects are applicable. The price at Ex-Works level includes the Certification Costs (GBP 0.01 per kg of conventional produce and GBP 0.03 per kg of organic produce) which are paid to the Promoting Body. The Certification Costs are deducted from the price paid to the individual farmers, i.e. from the Fairtrade Minimum Price or the market price, whichever is higher.

For apples and pears from South America

The packing costs include the costs of palletization and refrigeration. Any cost occurred above the cost of a standard apple box / standard pear box has to be paid in addition to the Fairtrade Minimum Price.

For pineapple

The Ex Works level for pineapple means “at the exit of the pack house”. In other words, the pineapples are stored, cleaned, packed and refrigerated. They are in pallets, ready to be lifted in the container and to go to the harbour to be exported.

The FOB level includes the lifting to the container, the transport to the harbour, customs’ costs, export administrative costs, unloading at the port and margin to the exporter. In short, the FOB price is when the container is along ship and ready to be lifted in the ship.

For pineapple for processing, Ex Works is the place where the seller places the good at the disposal of the next buyer. According to Fairtrade International, this is at the gate of the producer’s organization. This is valid for a hired labour organization as well as for a cooperative. The FOB level includes the same costs component as the FOB for fresh pineapple for export.

In case that the shift of responsibility between the seller and the buyer does not match the Ex Works or the FOB level, the incurred costs or services need to be deducted (or added) from the Ex Works or FOB minimum prices.

For Table Grapes from Chile

The packing costs include material and labour for standard packaging in bags and boxes. Any cost incurred above the cost of standard packaging has to be paid in addition to the Fairtrade Minimum Price.

For oranges for juice

The Fairtrade Minimum Price for oranges for juice, as defined in the pricing database, refers to 'oranges for juice delivered at the premises of the processor'. The producer **must receive** a price for the equivalent quantity of juice that his oranges produce (FCOJ or NFC, depending on what is sold to the importer) according to the yield in the preliminary analysis report. The processor/exporter buying oranges for juice from a producer **must pay** the defined percentage of the Fairtrade Minimum Price, or the market price, of orange juice (whichever is higher), to the producer. The percentage defined varies according to the type of processor/export set-up and to the product variety (conventional / organic), as defined in the pricing database.

The Fairtrade Premium defined for orange juice at FOB level applies as the Fairtrade Premium for producer organizations selling oranges for juice. The Fairtrade Premium **must be paid** for orange juice at FOB level to producer organizations based on the total amount of orange juice sold by the processor/exporter.

4.3.2 Secondary products

There are no Fairtrade Minimum Prices defined for secondary products and their derivatives. Sellers of the product and its next buyers must negotiate prices for secondary products and their derivatives. A default Fairtrade Premium of 15% of the negotiated price must be paid in addition.

Fairtrade International reserves the right to set a Fairtrade Minimum Prices for secondary products and its derivatives in the future.

4.3.3 Payment terms

If the fruit is accepted by the importer after inspection in the port of destination, payment must be made within seven days of the arrival of the shipment at the destination.

For purchases made at farm gate or ex works levels, payment must be made upon receipt of the product.

ExWorks prices for bananas

For purchases made at ExWorks level, price payment shall be made at the latest within 15 days after delivery of the product unless national legislation requires shorter payment terms.

The payment of the Fairtrade Premium must be made at the latest within 7 days after arrival of the fruit in the port of destination. If the Fairtrade Premium is transferred to the exporter, s/he must pass on the Fairtrade Premium to producers no later than 7 days after the money has been received.

FOB prices for bananas

For purchases made at FOB level, payment (Fairtrade Price and Premium) shall be made at the latest within 7 days after arrival of the fruit in the port of destination.

Where the seller and buyer agree on shorter payment terms, this agreement must be included in the contract.

Payment for wine grapes

Payment of price must be made within 6 months after purchase of processed or unprocessed wine grapes from producers, in a frequency that follows the industry norm as defined by the certification body.

Payment of premium must be made within 30 days after purchase of unprocessed or processed wine grapes from producers.

Fairtrade status of unprocessed or processed wine grapes must be established at the time of purchasing them from producer and reflected in contracts, unless the buyer can demonstrate that the purchase is made in order to submit a tender. In that case the product will be defined as Fairtrade only after the tender is successful, and this case must be specifically agreed and reflected in the purchase contract.

Payment for oranges for juice

The processor/exporter **must pay** at least the Fairtrade Minimum Price to the producer no later than 30 days upon receipt of goods. The processor/exporter **must convey** the Premium and price differential (additional payment in case there is a difference between Fairtrade Minimum Price and realized FOB orange juice price) to the producer no later than 15 days after receipt of payment from the Fairtrade payer. A different timeframe can be agreed in writing between the processor/exporter

and the producer but payment must be made no later than 30 days following the end of each quarter.

4.3.4 Premium reporting (applies to bananas only)

The report about the Fairtrade premium use provides for every Fairtrade premium project at least the following information:

- a) Initial report for projects in planning phase
 - Name and description of project (purpose and objectives; project partners)
 - Target group(s) (e.g. men-women or all members of cooperative; migrant workers; family members; community)
 - Estimated number of beneficiaries within each target group
 - Project budget (total / annual)
 - Project start and end date
 - Date of approval of project and who approved it
- b) Follow up report for ongoing projects, in addition to information under a)
 - Premium invested up to date
 - Project progress/status
 - Beneficiaries reached up to date
 - Major highlights and problems
- c) Final report for finished projects, in addition to information under a) and b) above
 - Target group(s) and number of beneficiaries reached
 - Total budget spent
 - Evaluation to what degree and why the purpose and the objectives have been achieved, and what can be learnt from the project
 - Date of approval of final project report and who approved it

At least once a year and latest one month after the general assembly, a complete report on Fairtrade Premium use for all projects has to be sent to Fairtrade International.