FAIRTRADE STANDARDS

FOR

Herbs and Spices

FOR

Small Farmers’ Organizations

Current version: 01.05.2007

Superseded previous versions:
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Period for stakeholders’ comments and enquiries on this new version:
Not applicable

Contact for comments:
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For further information and standards downloads:
www.fairtrade.net/standards.html

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PART A Generic Fairtrade Standards for Small Farmers’ Organisations

Refer to the generic standard for Small Farmers’ Organisations as a separate document as updated by FLO on its website. Note that the following parts B and C are only applicable in connection with the generic standard.

PART B Product Specific Standards for Herbs and Spices

The product specific standards for herbs and spices apply to all products and countries for which a Fairtrade price and/or premium is set in part C below.

1 Social Development 3
2 Economic Development 3
3 Environmental Development 3

PART C Trade Standards for Herbs and Spices

1 3
2 3
3 3
PART B  Product Specific Standards for Herbs and Spices

1 Social Development
There are no additional social standards specific to herbs and spice producers.

2 Economic Development
There are no additional economic standards specific to herbs and spice producers.

3 Environmental Development
There are no additional environmental standards specific to herbs and spice producers.
1. Product Description

**Spices** are derived from aromatic plants’ bark, roots, seeds, buds and fruits. They include for example: pepper, capiscums (chilies and cayenne pepper), coriander, cinnamon, ginger, nutmeg, mace, caraway, cumin, turmeric, cloves, cardamom, vanilla.

**Herbs** are typically derived from aromatic plants’ leafy parts. They include for example: lemon verbena, dill, water mint, lemongrass, orange leaves, camomile, lemon balm, peppermint, borage, basil, celery, oregano, parsley, rosemary, thyme, chervil, caraway.

2. Qualities

The required quality standards for all types of spices are agreed between the buyer and seller with reference to customary international trade standards.

3. Purchase of Fairtrade Herbs and Spices

Buyer and seller are interested in a long term relation, fair and stable prices; to this end buying/sales commitments are negotiated at the beginning of the season among the parties and fixed in a letter of intent that specifies quantities and quality with respect to the conditions for Fairtrade transactions.

4. Pricing and Premium

4.1 Buyers shall pay producer organizations at least the Fairtrade minimum price as set by FLO.

4.2 If the market price is higher than the Fairtrade minimum price, the market price shall apply.

4.3 In addition to the Fairtrade minimum price the buyers shall pay a Fairtrade premium as set by FLO.

4.4 For the calculation of local minimum prices in USD and EUR the following exchange rates were used:

- Sri Lanka: LKR 137 = EUR 1
- India: INR 57 = EUR 1

<table>
<thead>
<tr>
<th>Product</th>
<th>Type</th>
<th>Country</th>
<th>FT Minimum Price Farm Gate per kg</th>
<th>FT Price FOB per kg</th>
<th>Fairtrade Premium per kg</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vanilla (green bean)</td>
<td>conventional</td>
<td>Eastern Africa, South-Eastern Asia and Oceania</td>
<td>4.3 US$</td>
<td></td>
<td>0.5 US$</td>
</tr>
<tr>
<td>Vanilla (green bean)</td>
<td>organic</td>
<td>Eastern Africa, South-Eastern Asia and Oceania</td>
<td>5.2 US$</td>
<td></td>
<td>0.5 US$</td>
</tr>
<tr>
<td>Vanilla (green bean)</td>
<td>conventional and organic</td>
<td>India and Sri Lanka</td>
<td>5.3 US$</td>
<td>62.0 US$</td>
<td>0.59 US$</td>
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<tr>
<td>Vanilla (cured)</td>
<td>conventional</td>
<td>Eastern Africa, South-Eastern Asia and Oceania</td>
<td>42.0 US$</td>
<td>62.0 US$</td>
<td>5.0 US$</td>
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<tr>
<td>Vanilla (cured)</td>
<td>organic</td>
<td>Eastern Africa, South-Eastern Asia and Oceania</td>
<td>46.2 US$</td>
<td>66.2 US$</td>
<td>5.0 US$</td>
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<tr>
<td>Vanilla (cured)</td>
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<td>India and Sri Lanka</td>
<td>43.83 €</td>
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<td>5.87 €</td>
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<tr>
<td>Product</td>
<td>Type</td>
<td>Country</td>
<td>FT Minimum Price per kg (dried whole leaves)</td>
<td>Fairtrade Premium per kg (dried whole leaves)</td>
<td></td>
</tr>
<tr>
<td>-------------------------</td>
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<td>---------------------------------------------</td>
<td>---------------------------------------------</td>
<td></td>
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<tr>
<td>Black pepper</td>
<td>organic</td>
<td>India and Sri Lanka</td>
<td>1.13 €</td>
<td>0.08 €</td>
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<tr>
<td>White pepper</td>
<td>organic</td>
<td>India and Sri Lanka</td>
<td>1.81 €</td>
<td>0.19 €</td>
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<td>Ginger (fresh)</td>
<td>organic</td>
<td>India and Sri Lanka</td>
<td>0.57 €</td>
<td>0.06 €</td>
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<tr>
<td>Ginger</td>
<td>organic</td>
<td>India and Sri Lanka</td>
<td>2.85 €</td>
<td>0.30 €</td>
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<tr>
<td>Nutmeg</td>
<td>organic</td>
<td>India and Sri Lanka</td>
<td>1.74 €</td>
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<tr>
<td>Mace</td>
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<td>India and Sri Lanka</td>
<td>5.38 €</td>
<td>0.15 €</td>
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<td>Turmeric (fresh)</td>
<td>organic</td>
<td>India and Sri Lanka</td>
<td>0.21 €</td>
<td>0.03 €</td>
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<td>Clove</td>
<td>organic</td>
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<td>2.36 €</td>
<td>0.31 €</td>
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<td>Cardamom</td>
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<td>India and Sri Lanka</td>
<td>5.53 €</td>
<td>0.99 €</td>
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<td>Cinnamon</td>
<td>organic</td>
<td>India and Sri Lanka</td>
<td>3.64 €</td>
<td>0.21 €</td>
<td></td>
</tr>
</tbody>
</table>

5. **Pre-financing**

On request of the seller the buyer has to make available pre-financing for up to 60% of the contract value. Pre-financing is meant to finance the buying operations of the producers’ organisation at the local level. The involved parties arrange the details of pre-financing in the respective contracts on mutual agreement.

6. **Information rights and obligations**

6.1 Clear written agreements for the Fairtrade transactions exist with all involved parties, on all levels of processing and marketing up to the export level.

6.2 All involved parties sign the respective agreements with FLO that guarantee the required transparency for all Fairtrade transactions.

7. **International Customary Conditions**

All international customary conditions apply unless overruled by any of the special FLO conditions as specified in these criteria or other agreements with FLO.