



Fair Trade USA

**Guidelines for the Implementation and Interpretation
of the Independent Smallholders Standard**

September 2014

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Introduction and Background Information

Purpose

The purpose of this document is to provide producers and Market Access Partners (MAP) implementing the Fair Trade USA Independent Smallholders Standard (ISS) with additional guidance to assist in understanding and implementing the Standard. It is recommended that this document be used as a reference tool by producers and the MAP as they undertake self-assessments against the Compliance Criteria and prepare for their Fair Trade audit. The document may also serve as a useful tool for individuals and organizations training smallholder operations on the Independent Smallholders Standard.

How to Read This Document

The ISS is split into 6 sections, each of which contains multiple standards. In the following pages, each standard is followed by tables with its corresponding Compliance Criteria. Producers and MAPs are audited against the Compliance Criteria. In the tables, the year by which the requirement must be met is listed in the “Year” column. Requirements marked with Year 0 must be fulfilled prior to initial certification. Also within the tables, some criteria are identified as “Major” requirements with an “M” listed in the column next to the Compliance Criteria. Criteria identified as “Major” requirements represent the core Fair Trade values and principles, and non-conformities with these requirements are considered to be especially severe.

Following each table of Compliance Criteria, the reader will find some additional information which is not binding and falls into the following categories: Intent and Clarification, Examples of Best Practice, and Examples of Proof of Compliance.

- *Intent and Clarification:* Information found under this heading is intended to provide the reader with more information about the rationale behind the requirements, the goal and intent of the requirements, and further clarifications of the requirements.
- *Examples of Best Practice:* Information under this heading is intended to provide the reader with ideas for how to implement the requirements and provide specific examples of what best practice implementation of the requirements could look like.
- *Examples of Proof of Compliance:* Information under this heading is intended to provide the reader with examples of the types of evidence smallholders or MAPs could gather and provide to an auditor in order to demonstrate compliance with a requirement. As a part of the audit process, auditors will use a variety of methods, such as on-site observation, in-person interviews, and review of internal audit records from assessments completed by the MAP. For each individual compliance criterion, the examples of evidence included in this document may not be the only information that will be requested by the auditor, and the auditor may not request all of the information listed. Proof of Compliance examples are not listed in a particular order.

Information included under these headings is not inclusive or exhaustive. Rather, these sections of the document are intended to improve understanding of the ISS and corresponding Compliance Criteria and provide ideas that the smallholder and MAP can use as a starting point in preparation for Fair Trade certification.

Version

The September 2014 version of this document is based on the Independent Smallholders Standard Version 1.1¹ and the associated Compliance Criteria 1.1v2²

¹ FTUSA_ISS_Standard_1.1_EN_060114.pdf

² FTUSA_ISS_CC_1.1v2_093014.pdf

Key Associated Documents

In addition to the Independent Smallholders Standard document, the Compliance Criteria, and these Guidelines for Implementation, it is recommended that producers and/or MAPs consult the following additional documents, which are available on [Fair Trade USA's website](#):

1. *Certification Manual*: This includes additional information on the certification process, e.g. program prerequisites, a step-by-step description of the certification process, certification fees, and a procedure for complaints, appeals and disputes.
2. *Special Price and Premium Requirements*:
 - a. Minimum Prices and Premium are set by Fair Trade USA and can be found in the [Price and Premium Database](#).
 - b. In some cases there are additional Price and Premium requirements that relate, for example, to the spending of the Premium. These requirements can be found in the Special Price and Premium Terms document and can be found on Fair Trade USA's website and as an Annex in the Independent Smallholders Standard.
3. *Glossary*: The Fair Trade USA Standards Glossary includes definitions of terms used in this and other key Fair Trade Standards and Certification documents.
4. *Prohibited Materials List*: The Independent Smallholders Standard and Compliance Criteria prohibit the use of some chemicals in the production of Fair Trade products. These can be found in the Prohibited Materials List (PML). The PML can be found on Fair Trade USA's website and is also included as an annex in the Independent Smallholders Standard.

Goal and Objective of the Independent Smallholders Standard

Fair Trade USA developed the Independent Smallholders Standard (ISS) to provide access to the benefits of Fair Trade for the many farmers that own small parcels of land but are not organized into cooperatives or associations. The Standard is intended to increase empowerment, economic development, social responsibility and environmental stewardship for these "independent" small farmers, by helping them to partner with a Fair Trade Certified Market Access Partner to commercialize their products. The Standard is based on the following principles:

- **Empowerment:** Through the process of electing a Fair Trade Committee, developing a Fair Trade Plan and making choices on how to spend the Fair Trade Premium, this Standard aims to enhance the capacity of individuals or groups to make choices and transform those choices into desired actions and outcomes. Through these actions, our vision is that these small farmers are able to build individual and collective assets and effectively represent themselves in negotiations with the MAP.
- **Economic Development:** Our aim is to increase the income of small farmers by ensuring a transparent and stable trading relationship with the MAP and by requiring a payment of Fair Trade Premium on every Fair Trade Certified™ product sale. The Standard also establishes wage requirements for workers on the farms of participating smallholders and processing installations of the MAP, in order to increase their income.
- **Social Responsibility:** The Standard protects the rights of children and young persons to an education and a safe and age-appropriate work place. Smallholders may choose to use Fair Trade Premiums to provide greater access to or improved quality of a number of services, including healthcare and education. For workers on the farms of smallholders or in processing installations of the MAP, health and safety measures are established in order to avoid work related injuries.

- **Environmental Stewardship:** Smallholders are responsible for caring for the earth by developing environmental monitoring systems, limiting the use of agrochemicals and fertilizers, implementing biological pest management techniques and waste management procedures, and protecting soil, water, and biodiversity. The MAP helps smallholders to increase their knowledge of environmentally sustainable production methods.

Scope and Applicability

The ISS is designed to be broad in scope and applicable across a wide range of agricultural products. Under the ISS, independent producers (i.e. those who are not organized into cooperatives or associations) are eligible for Fair Trade certification through a partnership with a Market Access Partner (MAP). The focus of the ISS revolves around smaller-scale producers and their relationship with the MAP, the holder of the Fair Trade certificate.

The MAP is a legal entity, often a packer or a processor, who purchases (directly or indirectly) from a group of producers registered under its Fair Trade USA certificate. As the certificate holder, the MAP works in partnership with this group of producers to achieve and maintain Fair Trade certification. In most cases the MAP will be purchasing directly from the small producers, but this is not strictly required, for instance where the MAP is an NGO which cannot purchase product, or where the MAP is purchasing products that have been processed further down the supply chain. In all cases, the MAP must be able to ensure compliance with the Standard, including traceability and Fair Trade payment requirements, even if they are not buying directly from producers or even taking legal ownership of product.

The MAP takes the same responsibilities that a Small Producer Organization (or cooperative) would under Fair Trade certification: they hold the Fair Trade certificate, are responsible for ensuring compliance with the Fair Trade Standard, and can sell Fair Trade Certified™ product from certified producers and registered traders.

Additionally, Fair Trade certification requires supply chain traceability. In order to use the Fair Trade logo and claim, all entities involved in the production, processing, manufacturing, handling and selling of the product need to be certified by, or registered with, Fair Trade USA. Supply chain partners that buy and sell Fair Trade Certified™ products sourced from producer organizations certified by Fair Trade USA approved certifiers must be certified under Fair Trade USA's Trade Standard.

Eligibility and Additional Requirements Related to Worker Protection

To be eligible for certification under the ISS, the group of producers registered with the MAP must be made up primarily of small producers, meaning that the majority of the producers and the majority of the product by sales volume within the group of registered members must come from producers that meet Fair Trade's definition of small producers (see compliance criteria under STR-SSC 6). Typically, farms that occupy less than 3 hectares of land and are pre-dominantly family-run are considered "small producers"; however Fair Trade's detailed definition is as follows:

Producers of less labor-intensive products (cocoa, coffee, herbal teas, honey, nuts, oilseeds, cereals, seed cotton, spices & herbs) are considered small producers if:

- *...farm work is mostly done by members and their families and*
- *...they do not hire workers all year round.*

Producers of highly labor-intensive products (camellia sinensis, cane sugar, produce) are considered small producers if:

- *...they spend most of their working time doing agricultural work on their farm,*
- *...most of their income comes from their farm,*

- ...the area of land they cultivate is equal to or below the average of the region in their product category, and
- ...the number of permanent workers hired is equal to or below the average of the region in their product category.

In order to ensure that workers receive some protections, any producer within the group that employs a “significant number of workers” is required to meet additional compliance criteria³. This requirement should not be confused with the definition of “small producer”: the determination of whether a producer has a “significant number of workers” is unrelated to whether or not they fit the definition of “small producer” as stated above. The determination of whether a producer is required to meet these additional criteria is determined on a case-by-case basis by the certification body, based on a risk assessment balancing the need to protect workers on farms and at the MAP with the potential to create unnecessary administrative burden on smallholders or small operations. As a general guideline, more than 5 permanent workers or 20 total workers at any given time is considered a “significant number” of workers. However, the nature of the work and other risk factors are also considered in determining whether a farm has a “significant number of workers”. As realities vary considerably among countries, regions and products, “significant number of workers” is thus not set at a specific level. More specifically, risk factors that may be considered include how hazardous the work is, known risk of labor abuses in the region, or a high percentage of migrant workers and minorities. Regional or national definitions of “smallholder” may also be considered in determining “significant number of workers”. Large farms that employ more than approximately 25 permanent workers or 100 total workers (permanent plus temporary) at any time are not eligible for certification under the ISS, but may apply under FTUSA’s Farm Workers Standard.

Requirements related to Smallholder Organizations

Under the Independent Smallholders Standard, registered smallholders commit to form a Smallholder Organization over time. A Smallholder Organization is a democratically-run independent organization formed by the registered smallholders. Forming a Smallholder Organization gives producers legal ownership and responsibility for Premium management and group negotiations with the MAP, in addition to the flexibility to choose which other business processes they wish to manage. Similar to a Small Producer Organization, the Smallholder Organization acts on behalf of its members. Unlike a Small Producer Organization (SPO) such as a cooperative, a Smallholder Organization does not necessarily take on additional responsibilities for the production and commercialization of the product such as product sales or processing on behalf of the members or administration of the Internal Control System that ensures compliance with Fair Trade Standards. Under the Independent Smallholders Standard, the Smallholder Organization must be formed and legally registered within 6 years of Fair Trade certification.

After the formation of the Smallholder Organization, the Smallholder Organization may choose to continue to work with the MAP or they may choose to take on additional business and commercialization responsibilities that would change their relationship with the MAP. The Smallholder Organization is not required to convert into an SPO and can remain certified under the ISS.

Some criteria in the ISS are applicable as soon as the Smallholder Organization is legally registered or by Year 6 at the latest. These criteria are identified with *“Applicable as soon as the Smallholder Organization is legally registered or Year 6 at the latest”* at the beginning of the compliance criterion, for example in the Empowerment (EM) and Trade (TR) sections. Should the smallholders decide to legally register a Smallholder Organization prior to Year 6 but they are not ready yet to take over all

³ These additional requirements make reference to “Where a significant number of workers are employed [...]”

responsibilities a legally-registered Smallholder Organization is required to comply with under the ISS, it is acceptable to have a written agreement between the Smallholder Organization and the MAP and the FTC that outlines the transfer of responsibilities for each compliance criterion over time. The intent of a written agreement is to ensure that requirements under the ISS are met by either the MAP with the FTC or the Smallholder Organization and to ensure that there is a plan in place that outlines the gradual shift of responsibilities. Examples of criteria for which responsibilities must be defined include: accountability for Fair Trade Plan progress reports (EM-DM 6.1); ownership of an accurate accounting system that tracks expenses and budget in the Fair Trade Plan (EM-DM 10.1); and accountability for communicating information on sales, Premium, and the Fair Trade Plan to smallholders (EM-PTA 9.2). In summary, for these criteria some flexibility is allowed regarding whether the legally-registered Smallholder Organization or the MAP is responsible for implementation of these criteria, as long as the responsibilities are clear. However, by Year 6 at the latest the Smallholder Organization must meet all criteria that are applicable to legally registered Smallholder Organizations, even when they have been sharing responsibility in prior years.

Structure of the Standard

The Fair Trade USA Independent Smallholders Standard takes a development approach in that it differentiates between entry criteria and progress criteria. Entry criteria, or Year 0 requirements, are assessed during the first certification audit and represent core practices in social empowerment, economic development, and environmental responsibility that must be fulfilled to enter into the Fair Trade system. These criteria are met prior to initial certification. Progress criteria are fulfilled after the first year of certification, at the Year 1, 3, or 6 audits as detailed in the Criteria. Progress criteria represent continuous development towards increased social empowerment and economic development as well as best practices in environmental responsibility.

Certification Process

Certification decisions are made by the certifier, based on compliance with these criteria as established in audits conducted by Certification Bodies partnering with Fair Trade USA. Some criteria are identified as “Major” requirements. Criteria identified as “Major” represent the fundamental Fair Trade values and principles. Non-conformities with any subset of requirements may result in a decision to suspend the certification contract until compliance has been ensured, or even deny certification in the program, depending on the severity and extent of the non-conformity. Non-conformities with any individual Major requirement are considered to be especially severe.

Translations

Translations of the Guidelines for the Implementation and Interpretation of the Independent Smallholders Standard will be available. In case of any conflict or disagreement between the different versions of the document, the English version prevails.

Feedback

Fair Trade USA is open to receive comments and feedback on all its Standards at (standards@fairtradeusa.org). As recommended by ISEAL, Fair Trade USA will review the Independent Smallholders Standard regularly, at least every five years. Guidelines to assist with implementation and interpretation of the Standard will be updated as needed.

1.0 Structural Requirements (STR)

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1.1 Certification (CT)

STR-CT 1: The Market Access Partner, the registered smallholders, and subcontracted entities facilitate both announced and/or unannounced Fair Trade audits carried out by Fair Trade USA approved certifiers and report to Fair Trade USA on its Fair Trade transactions (according to the frequency determined by Fair Trade USA: quarterly, bi-annually or monthly).

Compliance No.	Compliance Criteria	Year	Major
STR-CT 1.1	The Market Access Partner, the registered smallholders, and subcontracted entities facilitate announced and unannounced audits, and provide all requested information needed to demonstrate compliance with the Fair Trade standards.	0	
STR-CT 1.2	The Market Access Partner reports to Fair Trade USA on its Fair Trade transactions according to the frequency determined by Fair Trade USA (quarterly, bi-annually or monthly), to assess compliance with this standard.	0	
STR-CT 1.3	The Market Access Partner has been issued a valid certificate for each product being traded as Fair Trade certified.	0	

Intent and Clarification

Under STR-CT 1, the MAP, the registered smallholders and subcontracted entities are required to facilitate both announced and/or unannounced Fair Trade audits carried out by Fair Trade USA approved certifiers, however, only the MAP is required to report to Fair Trade USA on its Fair Trade transactions.

Examples of Proof of Compliance

For STR-CT 1.1:

- Auditor has access to the MAP, registered smallholder(s) or any subcontracted entities during the audit, including access to relevant personnel, locations, and documentation
- Records of requested information needed to demonstrate compliance

For STR-CT 1.2:

- Records of Fair Trade transactions

For STR-CT 1.3:

- Valid certificate issued by the certification body
- Confirmation that no invoices claim Fair Trade status for product not included in the certificate or for product produced either prior to or after the validity period of the certificate

STR-CT 2: The Market Access Partner appoints a contact person for all certification matters. This person keeps the certification body updated with the list of registered smallholders and important information, such as all locations where Fair Trade product is handled.

Compliance No.	Compliance Criteria	Year	Major
STR-CT 2.1	The Market Access Partner has appointed a contact person for all certification matters. This person keeps the certifier updated with the list of registered smallholders and important information.	0	
STR-CT 2.2	The Market Access Partner has informed Fair Trade USA of all locations where Fair Trade products are handled (i.e. stored, processed and packaged).	0	
STR-CT 2.3	All locations that handle Fair Trade products have agreed to ensure compliance with Fair Trade standards and facilitate Fair Trade audits. This is documented.	0	

Intent and Clarification

Under criterion STR-CT 2.3, if a MAP uses toll processors, i.e. sub-contracted sites providing services integral to production, such as outsourced processing or packing facilities, the toll processor must have an agreement with the MAP about compliance with Fair Trade standards, visits by the MAP, and facilitation of formal Fair Trade audits. Under the FTUSA certification system, these toll processors are audited against the FTUSA Trade Standard and the applicable trade requirements within the Independent Smallholders Standard. The intent of criterion STR-CT 2.3 is that in addition to being in compliance with the requirements of the Trade Standard, toll processors are taking strides towards meeting relevant requirements from the Independent Smallholders Standard. If, in the process of conducting an audit against the Trade Standard, an auditor becomes aware of a major violation, Fair Trade USA and the certification body will warn the MAP that it is contracting from a non-compliant facility and reserve the right to give the MAP a non-compliance for criterion STR-CT 2.3. Major violations include but are not limited to areas that are prohibited by law such as child labor, forced labor, or dumping of toxic wastes.

Examples of Proof of Compliance

For STR-CT 2.1:

- Documentation related to the appointment of the contact person and their acceptance of position
- The appointed contact person can describe her/his functions and responsibilities
- The appointed contact person regularly provides the certification body with updated information

For STR-CT 2.2:

- A list of all locations where Fair Trade product is handled is sent to Fair Trade USA

For STR-CT 2.3:

- Written agreements with toll processors according to the criteria
- Verification by having access to toll processors during the audit
- Management at locations where Fair Trade product is handled can confirm the intent of the agreements

1.2 Standard Scope (SSC)

STR-SSC 1: Corporate social responsibility and the empowerment of the registered smallholders is an integral part of the MAP's written mission or policy statement(s). The MAP can demonstrate its implementation with concrete evidence.

Compliance No.	Compliance Criteria	Year	Major
STR-SSC 1.1	Corporate social responsibility and the empowerment of the registered smallholders is an integral part of the MAP's written mission or policy statement(s).	0	
STR-SSC 1.2	The MAP is not a natural person, but a company or NGO.	0	

Intent and Clarification

The term "CSR" or "corporate social responsibility" does not need to be explicitly referenced in the mission statement, but it should be clear that CSR and the empowerment of the registered smallholders is an objective of the MAP and that socially responsible practices are in place. Some examples of objectives or values associated with this standard are fair pay and treatment of workers, worker empowerment, and social and environmental responsibility.

Examples of Proof of Compliance

For STR-SSC 1.1:

- Documents, such as a mission statement or organizational policies, that demonstrate that social responsibility is a fundamental value of the MAP

For STR-SSC 1.2:

- Constitutional or charter documents of the company or non-governmental organization (NGO)

STR-SSC 2: If the MAP is an NGO with project-based funding, the MAP has a clear strategy to ensure continuity of the project once the funding has ended.

Compliance No.	Compliance Criteria	Year	Major
STR-SSC 2.1	If the MAP is an NGO with project-based funding, the MAP has a clear strategy to ensure continuity of the project once the funding has ended.	0	

Intent and Clarification

The intent of STR-SSC 2.1 is to ensure that Fair Trade certification has a long-lasting impact for registered smallholders once they are part of the Fair Trade system. STR-SSC 2.1 applies in particular to a non-governmental organization (NGO) or a non-profit organization who serves as the Market Access Partner for a group of independent smallholders and their work in this role as a MAP may be funded by limited-term, project-based funding. In these instances, it is important that a long-term strategy be in place to ensure that the registered producers can continue with Fair Trade certification after the funding has ended, should they choose to do so.

Examples of Proof of Compliance

For STR-SSC 2.1:

- Documents demonstrating a strategy to ensure continuity. For example:
 - Strategic plans
 - Operational plans
 - Budgets

STR-SSC 3: If the Smallholder Organization wants to take on additional responsibilities for the production and commercialization of the product (i.e. compliance with requirements within this Standard, Internal Control System administration, product sales on behalf of their members) and wants to become certified against the Small Producer Organization Standard independent of the Market Access Partner, the Market Access Partner does not prevent this development.

Compliance No.	Compliance Criteria	Year	Major
STR-SSC 3.1	If the Smallholder Organization wants to take on additional responsibilities for the compliance with Fair Trade standards and the commercialization of the product (i.e. compliance with requirements within this Standard, ICS administration, product sales on behalf of their members) and wants to become certified against the Small Producer Organization Standard independent of the Market Access Partner, the Market Access Partner does not prevent this development.	0	

Intent and Clarification

The intent of criterion STR-SSC 3.1 is that if, after a Smallholder Organization is formed, the organization wishes to take on commercial activities and to become certified under Fair Trade as an SPO independent of the MAP, the MAP does not prevent this development.

After the formation of the Smallholder Organization, the Smallholder Organization may choose to continue to work with the MAP or they may choose to take on additional business and commercialization responsibilities that would change their relationship with the MAP. See the “Requirements related to Smallholder Organizations” section in the introduction to this document.

Examples of Proof of Compliance

For STR-SSC 3.1:

- Representatives of the Smallholder Organization can confirm that the MAP is not attempting to prevent the group from becoming independent and certifying under the SPO Standard (where applicable)

STR-SSC 4: Before the MAP registers smallholders for participation in the Fair Trade Certification, the MAP confirms with the smallholders that they are not members of an existing Fair Trade certified Small Producer Organization.

Compliance No.	Compliance Criteria	Year	Major
STR-SSC 4.1	Before the MAP registers smallholders for participation in the Fair Trade Certification, the MAP confirms with the smallholders that they are not members of an existing Fair Trade certified Small Producer Organization.	0	

Intent and Clarification

The intent of STR-SSC 4.1 is that registered smallholders can only participate in one Fair Trade system. This means that a smallholder cannot sell product as Fair Trade Certified to both a Small Producer Organization (such as a cooperative) and a MAP, and cannot be a member of or receive Premiums from more than one Fair Trade system.

There are two exceptions under which registered smallholders may be members of more than one existing Fair Trade system:

- 1) Smallholders may temporarily belong to two Fair Trade organizations if they are transitioning from one to the other, for instance if one certificate is due to lapse and they have not applied for renewal.
- 2) Smallholders who are members of a Small Producer Organization or Contract Producer group currently holding a valid FLO-CERT certificate may also apply for certification against this ISS Standard as long as the currently certified group is the same as the applicant group. This means that the same group can hold both a FTUSA and a FLO certificate, as long as it is exactly the same group.

Although they may only participate in one Fair Trade system, registered smallholders are allowed to sell product to other buyers as long as that product is not sold as Fair Trade. The registration agreement between the MAP and each registered smallholder required under TR-AG 1.1 shall specify the product the MAP is sourcing as Fair Trade from the smallholders. As specified in TR-AG 4, the registration agreement cannot restrict registered smallholders from selling to other buyers. They are allowed to sell non-Fair Trade product to buyers other than the MAP, for instance, to cooperatives of which they are not a member, exporters, or processors. It is important that the MAP does not insinuate that registered smallholders may only sell to the MAP.

Examples of Proof of Compliance

For STR-SSC 4.1:

- Records showing inquiries made to producers related to their participation in other Fair Trade systems
- Registered smallholders can confirm that they are not members of an existing Fair Trade certified SPO

STR-SSC 5: The registered smallholders have basic knowledge of the Fair Trade concept and have indicated their commitment to participating in Fair Trade and to cooperating with the Market Access Partner to form a Smallholder Organization over time.

Compliance No.	Compliance Criteria	Year	Major
STR-SSC 5.1	Registered smallholders have basic knowledge of the Fair Trade concept and indicate their commitment to: <ul style="list-style-type: none">• Participating in Fair Trade.• Cooperating with the Market Access Partner.• Forming a Smallholder Organization over time.	0	

Intent and Clarification

Standard STR-SSC 5 intends to encourage communication about Fair Trade between the registered smallholders and the MAP. When all parties understand the mission and concept of Fair Trade and the intended outcome of the implementation of the Standard, the benefits of Fair Trade to the MAP and registered smallholders tend to be greater.

Under the Independent Smallholders Standard, registered smallholders commit to form a Smallholder Organization over time. A Smallholder Organization is a democratically-run independent organization formed by the registered smallholders. Forming a Smallholder Organization gives producers legal ownership and responsibility for Premium management and group negotiations with the MAP, in addition to the flexibility to choose which other business processes they wish to manage. Similar to a Small Producer Organization, the Smallholder Organization acts on behalf of its members. Unlike a Small Producer Organization (SPO) such as a cooperative, a Smallholder Organization does not necessarily take on additional responsibilities for the production and commercialization of the product such as product sales or processing on behalf of the members or administration of the Internal Control System that ensures compliance with Fair Trade Standards. Under the Independent Smallholders Standard, the Smallholder Organization must be formed within 6 years of Fair Trade certification. The Smallholder Organization is not required to convert into an SPO and can remain certified under the ISS. See the “Requirements related to Smallholder Organizations” section in the introduction to this document.

Examples of Proof of Compliance

For STR-SSC 5.1:

- Written evidence, such as training records including a participants list and agenda, that show the smallholders have been informed about the basics of Fair Trade
- Registered Smallholders can confirm basic knowledge of Fair Trade

STR-SSC 6: At least half of the registered smallholders are small producers as defined in the Fair Trade USA Standards Glossary.

Compliance No.	Compliance Criteria	Year	Major
STR-SSC 6.1	At least 50% of the registered smallholders are small producers according to the definition given in the Fair Trade USA Standards Glossary.	0	
STR-SSC 6.2	At least half of the volume that the MAP sells as Fair Trade per year is produced by small producers.	0	
STR-SSC 6.3	At least half the volume of each Fair Trade sale is produced by small producers.	0	

Intent and Clarification

A small producer is one who is not structurally dependent on full-time hired labor. Most working time is spent on agricultural/artisanal activities on their own farms or in their own homes with this revenue representing the major part of their total income. Typically, farms that occupy less than 3 hectares of land and are pre-dominantly family-run are considered “small producers”; however, Fair Trade’s detailed definition is as follows:

Producers of less labor-intensive products (cocoa, coffee, herbal teas, honey, nuts, oilseeds, cereals, seed cotton, spices & herbs) are considered small producers if:

- ...farm work is mostly done by members and their families and
- ...they do not hire workers all year round.

Producers of highly labor-intensive products (camellia sinensis, cane sugar, produce) are considered small producers if:

- ...they spend most of their working time doing agricultural work on their farm,
- ...most of their income comes from their farm,
- ...the area of land they cultivate is equal to or below the average of the region in their product category, and
- ...the number of permanent workers hired is equal to or below the average of the region in their product category.

A Fair Trade sale as mentioned in STR-SSC 6.3 is typically defined by Fair Trade sales contracts between MAPs and their buyers, which shall specify whether a sale is fulfilled in multiple shipments or shipped altogether. The sales contract indicates that the product is being traded according to Fair Trade standards using related price and/or Premium.

Note that if the auditor finds that fewer than 50% of the members are small producers, the scope of the certification may change to one more appropriate to production systems dependent on full time labor.

Examples of Proof of Compliance

For STR-SSC 6.1:

- List of registered smallholders, including the information required to confirm whether they are small producers such as number of temporary and permanent workers, land holdings, etc.

For STR-SSC 6.2 and STR-SSC 6.3:

- Production records that show production volumes per producer
- Records of Fair Trade sales

1.3 Monitoring Systems (MS)

STR-MS 1: The Market Access Partner identifies requirements at risk of non-compliance within the following sections of this Standard: Conditions of Employment, Social Responsibility, and Environmental Stewardship. These requirements are identified in a written risk assessment. The MAP regularly updates the risk assessment, at minimum the risk assessment is updated every three years.

Compliance No.	Compliance Criteria	Year	Major
STR-MS 1.1	The Market Access Partner identifies requirements at risk of non-compliance within the following sections of this Standard: Conditions of Employment, Social Responsibility, and Environmental Stewardship. These requirements are identified in a written risk assessment.	1	
STR-MS 1.2	The written risk assessment is updated by the MAP every three years, at minimum.	1	

Intent and Clarification

Within STR-MS 1, “risks” refers to the probability that registered smallholders are not able to comply with the requirements of the standard.

How often the risk assessment needs to be updated depends on the specific situation – any major changes that the registered smallholders or the MAP experience (e.g. diversification or expansion of production, significant hiring, addition of new smallholders with different production systems or in a different region, change in the relationship between the MAP and registered smallholders, purchasing land) should lead to a renewed risk assessment.

Examples of Best Practice

In developing the risk assessment, the MAP should collect information on risks of non-compliance from various sources. This could be from within the community, from meetings with the smallholders, the smallholders’ experiences, or discussions at the General Assembly or trainings. Another example of best practice is for the MAP to undertake an internal audit prior to initial Fair Trade certification.

Examples of Proof of Compliance

For STR-MS 1.1:

- Copy of the risk assessment, identifying requirements at risk of non-compliance

For STR-MS 1.2:

- Copy of the current risk assessment
- Copies of previous risk assessments

STR-MS 2: An Internal Control System (ICS) has been designed and implemented. The ICS monitors the implementation of practices mandated by the following sections of this Standard: Conditions of Employment, Social Responsibility and Environmental Stewardship.

Compliance No.	Compliance Criteria	Year	Major
STR-MS 2.1	An Internal Control System (ICS) has been designed and planned to monitor the implementation of practices mandated by the following sections of this Standard: Conditions of Employment, Social Responsibility and Environmental Stewardship.	1	
STR-MS 2.2	The Internal Control System has been implemented, and is effective.	3	
STR-MS 2.3	The Internal Control System ensures that all registered smallholders comply with the following sections of this Standard: Conditions of Employment, Social Responsibility and Environmental Stewardship.	3	

Intent and Clarification

The requirements under STR-MS 2 are intended to ensure that there is an effective and functioning Internal Control System (ICS) in place to facilitate communication and enable registered smallholders to uniformly comply with the Standard. The MAP is responsible for developing and implementing the Internal Control System to ensure that all registered smallholders are in compliance with the requirements in the Standard.

The MAP may contract a third party to help develop and/or implement the ICS as long as the third party has appropriate experience and expertise. Where feasible, as a best practice, the third party should also be vetted by the registered smallholders and/or the FTC. If a third party is contracted, an agreement such as a contract or a Memorandum of Understanding should be in place between the MAP and the third party that specifies the roles and responsibilities of the MAP and the third party with regards to Fair Trade certification. The MAP is ultimately responsible for the compliance of their registered smallholders and of their own farms and facilities with the Independent Smallholders Standard. As such, it is the MAP's responsibility to ensure that the third party is fulfilling its duties and undertaking the agreed tasks.

Examples of Best Practice

The intent of STR-MS 2.3 is that the implementation of the ICS ensures that all registered smallholders are in compliance with the Independent Smallholders Standard, including those who join as new members. In order to ensure that any new smallholders comply, it is best practice to include in the ICS a policy and procedure for assessing the risk of any new smallholder being unable to comply before they are registered with the group (see also STR-MS 1). Where there is a significant risk of non-compliance, mediation measures should be in place before the smallholder is registered to participate in the Fair Trade program. A site visit by the MAP to new applicants is not required as part of the assessment process or the mediation measures.

Examples of Proof of Compliance

For STR-MS 2.1:

- Document(s) that describe the Internal Control System (ICS) and outline the measures in place to ensure implementation of the Standard at each smallholder farm and any MAP-owned farms or facilities that fall under the scope of the certificate

For STR-MS 2.2 and STR-MS 2.3:

- Documents showing the implementation of the ICS; for example, reports from the internal audit performed on the farms and records of corrective actions taken

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2.0 Empowerment (EM)

Some criteria in this section are applicable as soon as the Smallholder Organization is legally registered or by Year 6 at the latest. These criteria are identified with “Applicable as soon as the Smallholder Organization is legally registered or Year 6 at the latest” at the beginning of the compliance criterion. Should the smallholders decide to legally register a Smallholder Organization prior to Year 6 but they are not ready yet to take over all responsibilities a legally-registered Smallholder Organization is required to comply with under the ISS, it is acceptable to have a written agreement between the Smallholder Organization and the MAP and the Fair Trade Committee (FTC) that outlines the transfer of responsibilities for each compliance criterion over time. The intent of a written agreement is to ensure that requirements under the ISS are met by either the MAP with the FTC or the Smallholder Organization and to ensure that there is a plan in place that outlines the gradual shift of responsibilities. By Year 6 at the latest the Smallholder Organization must meet all criteria that are applicable to legally registered Smallholder Organizations, even when they have been sharing responsibility in prior years.

Where workers are referenced in this section, the term workers refers to all farm workers, permanent and temporary (including sub-contracted workers), employed by the smallholders, unless stated otherwise. In this section some criteria are identified as only applicable where a significant number of workers are employed. See the introduction to this document for further information on “significant number” of workers.

2.1 Development and Management of the Fair Trade Plan (DM)

EM-DM 1: The Market Access Partner has appointed a Fair Trade Officer responsible for all measures directed at social empowerment and economic development of the registered smallholders, as well as the implementation of trainings and activities required by Fair Trade Standards and the necessary communication between all parties.

Compliance No.	Compliance Criteria	Year	Major
EM-DM 1.1	The Market Access Partner has appointed a Fair Trade Officer responsible for all measures directed at social empowerment and economic development of the registered smallholders, as well as the implementation of Fair Trade Standards and the necessary communication between all parties.	0	M
EM-DM 1.2	The responsibilities for this/these person(s) are clear and documented.	0	

Intent and Clarification

The Fair Trade Officer must be an employee of the Market Access Partner (MAP), but may have other responsibilities besides those outlined here.

Examples of Proof of Compliance

For EM-DM 1.1:

- Documentation related to the appointment of the Fair Trade Officer and his/her acceptance of this position
- The appointed contact person (Officer) can describe her/his functions and responsibilities

For EM-DM 1.2:

- Documentation outlining the responsibilities of the Fair Trade Officer

EM-DM 2: The Market Access Partner has conducted or financed a written needs assessment using producer surveys/input as the primary data, and identifying the social, economic and environmental development needs of the registered smallholders, workers, community and environment, as expressed by those smallholders. The needs assessment analyzes how Fair Trade may help to address those needs.

Compliance No.	Compliance Criteria	Year	Major
EM-DM 2.1	The Market Access Partner has conducted or financed a written needs assessment identifying the social, economic and environmental development needs of the registered smallholders, workers, community and environment.	0	
EM-DM 2.2	The needs assessment analyzes how Fair Trade may help to address those needs.	0	
EM-DM 2.3	The needs assessment is based on surveys/ other primary data collected with the registered smallholders.	0	
EM-DM 2.4	The needs of farm workers are taken into account in the needs assessment, focusing especially on those groups of workers that form majority of the workforce (i.e. if migrant workers form the majority of the workforce, the needs assessment should focus on their needs).	0	

Intent and Clarification

Understanding the needs of the smallholders, their workers, and their communities is a fundamental principle of Fair Trade. Results of the needs assessment are the basis for decisions related to spending of the Fair Trade Premium. A thorough needs assessment can help ensure that Premium is distributed and spent in a manner that most effectively benefits the registered smallholders, their workers, and their communities. Criterion EM-DM 2.1 requires that the MAP has carried out an assessment of the needs of all smallholders by the time of the Year 0 audit. The MAP is responsible for the cost of the needs assessment and Fair Trade Premium funds cannot be used to cover the cost (see ED-PFT 1.6). The needs assessment may be organized and conducted by the MAP or the MAP may choose to commission a qualified external organization, such as an NGO active in community development in the region, to undertake the assessment.

If there are multiple Fair Trade Committees or Smallholder Organizations, there does not need to be a separate needs assessment for each group. Needs assessments can differ by community, type of producer, type of worker, or other useful groupings. Alternatively, there can be one single needs assessment if the needs of the sub-groups are very similar. If multiple groups are included in a single needs assessment, it must be detailed enough to include specific needs of all types of smallholders and workers on all farms.

Surveys or other primary data sources used as a basis to develop the needs assessment should be representative of the entire smallholder group covered under the certificate, including migrant and/or seasonal workers. Where a sample-based surveying method is used, the sample should be sufficiently large to ensure that as many viewpoints as possible are captured, and there is a representative number of registered smallholders, workers, and community members included in the survey or data collection with regards to gender, age, ethnicity, religion, nationality, farm-size, etc.

Examples of Best Practice

When new smallholders register with the MAP after the initial needs assessment was undertaken (prior to the first audit), the MAP should check that the new smallholders' needs are covered by the existing needs assessment. As a best practice, the needs assessment should be updated every 3 to 5 years or if new smallholders representing 25% or more of the membership base have been added since the most recent needs assessment was undertaken. It is important to capture these new smallholders' views prior to the next audit.

Examples of Proof of Compliance

For EM-DM 2.1 to EM-DM 2.4:

- Written needs assessment
- A copy of the survey template used
- Documentation from the needs assessment, including survey results
- Smallholders can confirm that needs assessment was conducted
- Smallholders can confirm that their needs, or the needs of the group, are accurately assessed and accounted for in the needs assessment

EM-DM 3: The Market Access Partner and the Fair Trade Committee together develop a written Fair Trade Plan, based on the needs assessment, with the objective of meeting the needs of the registered smallholders, workers, community and/or environment.

Compliance No.	Compliance Criteria	Year	Major
EM-DM 3.1	<i>Before any portion of the Fair Trade Premium is spent:</i> the Market Access Partner and the Fair Trade committee together develop a written “Fair Trade Plan”, based on the needs assessment, with the objective to meet the needs of the registered smallholders, workers, community and/or environment.	1	
EM-DM 3.2	If there is more than one Fair Trade Committee, each Fair Trade Committee develops its own Fair Trade Plan.	1	

Intent and Clarification

The Fair Trade Plan is designed to address the needs of the registered smallholders, workers, community and/or environment that were identified in the needs assessment (see EM-DM 2). It outlines priorities for Premium spending and is regularly updated to reflect decisions made about how Premium will be spent. For each key need identified, the Fair Trade Plan includes one or more objectives and activities designed to help meet those needs. Details related to the planning and implementation of the objectives and activities must be included in the Fair Trade Plan (see EM-DM 4). The Fair Trade Plan shall be approved by the General Assembly (see EM-DM 5.2).

Under EM-DM 3.1 it's required that by Year 1 at the latest or prior to any portion of the Fair Trade Premium being spent, the MAP and the Fair Trade Committee (FTC) have developed a written Fair Trade Plan.

When creating the Fair Trade Plan, the MAP shall provide information on sales and sales forecasts to support the FTC budgeting process, including:

- Predicted Fair Trade Premium income for the year based on Fair Trade sales and sales forecasts
- Predicted expenses based on planned Fair Trade Premium projects and other FTC activities.

Note that not all the Fair Trade Premium has to be spent each year. The needs of smallholders, and thus the Fair Trade Plan itself, may change as new smallholders register with the MAP. See EM-DM 2.1 for updating the needs assessment based on changes within membership.

As a best practice, there is a reliable mechanism in place for registered smallholders to make suggestions for the Fair Trade Plan on a continuous basis.

Examples of Proof of Compliance

For EM-DM 3.1 and EM-DM 3.2:

- A copy of the written needs assessment
- A copy of the Fair Trade Plan for each Fair Trade Committee
- Evidence that the needs assessment was shared with the Fair Trade Committee such as Committee meeting minutes
- Evidence demonstrating that the MAP has shared sales forecasts for FT USA certified product and anticipated Premium receipts with the FTC

EM-DM 4: The Fair Trade Plan includes activities, objectives, timelines, and budget, as well as training and capacity-building measures for the registered smallholders to take on responsibility for premium receipt and accounting. All of the registered smallholders are able to make suggestions.

Compliance No.	Compliance Criteria	Year	Major
EM-DM 4.1	The Fair Trade Plan includes an implementation plan, which lists the objectives, timelines, budget, and required actions. Objective and outcome of the required actions are measurable and measurements are defined.	1	
EM-DM 4.2	All activities that will be funded with Fair Trade Premium are included in the Fair Trade Plan.	1	

Intent and Clarification

The Fair Trade Premium will allow registered smallholders to implement their desired Premium projects, which have been determined through the needs assessment, and are captured in the Fair Trade Plan. As required by EM-DM 4.2, all the activities that the Fair Trade Committee plans to fund with the Fair Trade Premium have to be included in the Fair Trade Plan before they are implemented.

Fair Trade Premium projects

Early on in their certification, the MAP and/or the FTC should encourage smallholders to start with simple projects that are relatively easy to implement and have a wide impact. As the FTC gains more experience, it may choose to expand to complex projects that require extensive planning, legal arrangements, or the donation of assets to other community organizations. Complex projects often include construction or forming businesses and frequently require external support. See EM-PTA 1 for more information about the relationship between the MAP and the FTC and capacity-building of the FTC.

Examples of Premium funded projects may include:

- Education and training programs for smallholders, their children, their workers, their families, and the community that go beyond the trainings required in this standard. This may include adult education and literacy programs, educational scholarships, or any other training and educational needs identified during the needs assessment developed
- Productivity projects, for example seedling and replanting projects
- Economic projects, for example:
 - Provision of low-interest loans, for example to individual smallholders for housing improvements or to start a small business
 - Projects run by the smallholders that are intended to create additional employment, for example a jointly owned provisions shop
 - Unconditional payments in response to specific circumstances for example a crisis situation such as a family's house burning down.
- Income diversification projects such as crop diversification, artisanal projects, or ecotourism

Implementation Plans for Premium projects

The intent of EM-DM 4 is to encourage critical discussion around each Premium project proposal before the General Assembly votes to approve the Fair Trade Plan (see also EM-DM 5.2). For each desired Premium project laid out in the Fair Trade Plan, there shall be an implementation plan which lists the objectives, timelines, budget and required actions for each.

Elements to consider when developing the implementation plan for Premium projects include:

- *Beneficiary*: The number of people that benefit by each project and which groups of smallholders will benefit
- *Objective*: Whether the project will have a lasting benefit, the project will address an immediate need, and/or whether the project provides something which was not available before
- *Feasibility*: What is the timeline and budget? Can it be achieved with the available resources (this question is especially important for large projects and it is recommended that a feasibility study be undertaken in these cases)? Are there opportunities to partner with existing agencies, services, or infrastructure, e.g. for example setting up an agreement with a local clinic vs. building a new clinic and having to hire medical staff? Are there opportunities to leverage other resources to support the Premium project, e.g. matching funds from a local government or non-profit?
- *Terms and limitations*: What rules or restrictions need to be in place to make the project successful, e.g. for a scholarship fund, what information is needed for the application process? For micro-credit programs, what are the limits and terms on the loans?
- *Measurement of success*: How progress and success of each project will be measured and evaluated

Examples of Proof of Compliance

For EM-DM 4.1 to EM-DM 4.2:

- A copy of the Fair Trade Plan, including supporting implementation plan(s) as relevant

EM-DM 5: The Fair Trade Plan is approved by the General Assembly before it is implemented and is updated annually. There is documentation tracking the progress of the Fair Trade Plan that is updated annually.

Compliance No.	Compliance Criteria	Year	Major
EM-DM 5.1	The Fair Trade Plan is updated annually.	1	
EM-DM 5.2	The Fair Trade Plan is approved by the General Assembly annually before it is implemented.	1	M
EM-DM 5.3	The progress of the Fair Trade Plan is documented and shared with the registered smallholders annually in an annual progress report. The written report includes measurements of the success against the intended outcome of all actions, and the Fair Trade Committee/board of the Smallholder Organization answers the following questions: <ul style="list-style-type: none"> • Were the actions proposed in the Fair Trade Plan carried out? If not, why? • When were the actions carried out? • At what cost? • Was the objective achieved or is further action needed? 	1	
EM-DM 5.4	The Market Access Partner supports the Fair Trade committee in developing the Fair Trade Plan, the annual progress report, and in making democratic and transparent decisions.	1	

Intent and Clarification

The annual progress report, which tracks progress made on Premium funded projects as determined in the Fair Trade Plan, shall be shared verbally and in writing with the registered smallholders as required under EM-DM 5.3.

As a best practice and to guarantee successful implementation of any Premium funded objectives, projects should be evaluated at several stages throughout their implementation, for example during and after completion of the project, as well as on a yearly basis for ongoing projects. The Fair Trade Committee may share the annual progress report with Fair Trade USA or industry partners to highlight how buyers' purchases are being used to improve lives.

Examples of Proof of Compliance

For EM-DM 5.1:

- A copy of the Fair Trade Plan

For EM-DM 5.2:

- General Assembly meeting minutes, including the approval of the Fair Trade Plan as an agenda item
- General Assembly members can confirm that the Plan was approved by the General Assembly

For EM-DM 5.3:

- Fair Trade Plan documentation showing progress and implementation of proposed actions
- Smallholders can confirm that the annual progress report has been shared
- Smallholders can confirm implementation status/progress as it is documented in the annual progress report

For EM-DM 5.4:

- Verified through interviews, meeting minutes and observation

EM-DM 6: The Smallholder Organization takes over responsibility for the Fair Trade Plan progress reports.

Compliance No.	Compliance Criteria	Year	Major
EM-DM 6.1	<i>Applicable as soon as the Smallholder Organization is legally registered or Year 6 at the latest:</i> the Smallholder Organization takes over responsibility for the Fair Trade Plan progress reports.	6	

Intent and Clarification

By the time the registered smallholders have formed a Smallholder Organization, or by Year 6 at the latest, the Smallholder Organization shall be the main author of the Fair Trade Plan progress reports. Over time, Smallholder Organization leadership is able to describe the evolution of the Fair Trade Plan and the justification for the projects included in the Fair Trade Plan.

Examples of Proof of Compliance

For EM-DM 6.1:

- Evidence of progress of the Fair Trade Plan produced by the Smallholder Organization
- Smallholder Organization leadership members can confirm that they are in charge of producing the Fair Trade Plan progress reports

EM-DM 7: The Market Access Partner supports the Fair Trade Committee and registered smallholders in implementation of the Fair Trade Plan. If the timelines and objectives in the Fair Trade Plan are not met, the Market Access Partner is responsible for contracting a third party to support the Fair Trade Committee.

Compliance No.	Compliance Criteria	Year	Major
EM-DM 7.1	The Market Access Partner supports the Fair Trade Committee and registered smallholders in implementation of the Fair Trade Plan.	1	
EM-DM 7.2	If there is no significant progress towards achieving timelines and objectives in the Fair Trade Plan, the Market Access Partner contracts a third party to support the Fair Trade Committee.	3	
EM-DM 7.3	The Fair Trade Committee vets the third party to ensure that it has the requisite experience.	3	
EM-DM 7.4	The Market Access Partner can demonstrate that the third party has the qualifications necessary to support the registered smallholders and Fair Trade Committee.	3	

Intent and Clarification

Not only is the MAP required to support the FTC in the *creation* of the Fair Trade Plan as required under EM-DM 5.4, it is also required to support the Fair Trade Committee in the *implementation* of the Fair Trade Plan.

If the implementation of the Fair Trade Plan comes to a halt and objectives and timelines are not met by Year 3, the MAP is responsible for contracting a third party at their own expense for the successful implementation of the Fair Trade Plan. Premium funds cannot be used to contract a third party to help with the implementation of the Fair Trade Plan. As required under EM-DM 7.3 any third party prospect must be vetted with the Fair Trade Committee and have the appropriate experience to help with the implementation of the Fair Trade Plan.

As the MAP is ultimately responsible for compliance with the ISS, it is the MAP's responsibility to ensure that the third party is fulfilling its duties and undertaking the agreed tasks.

Examples of Best Practice

As a best practice, the MAP should conduct an internal review and/or a root cause analysis to determine the possible reasons why the implementation of the Fair Trade Plan has not succeeded before hiring the external 3rd party to gain insights on the qualifications the 3rd party will need to bring. It is also best practice to have an agreement of responsibilities (for instance a contract or a Memorandum of Understanding) in place once a 3rd party is contracted. This agreement is between the MAP and the third party and specifies which requirements in the Independent Smallholders Standard each entity is responsible for. This agreement can be as simple or as detailed as both parties wish and can include other activities unrelated to compliance with EM-DM 7.

Examples of Proof of Compliance

For EM-DM 7.1:

- Meeting minutes between the MAP and the FTC, highlighting the MAP's support

For EM-DM 7.2:

- A copy of the annual Fair Trade Plan progress report
- Evidence that a third party was hired to support the FTC

For EM-DM 7.3 and EM-DM-7.4

- Minutes from FTC discussion of third party consultants
- Written evidence with information about the contracted third party showing her/his experience

EM-DM 8: The Market Access Partner, in collaboration with the Fair Trade Committee, creates an accounting system that accurately tracks the expenses and budget in the Fair Trade Plan, and identifies the distribution of Fair Trade Premiums in a transparent manner.

Compliance No.	Compliance Criteria	Year	Major
EM-DM 8.1	The Market Access Partner, in collaboration with the Fair Trade Committee, creates an accounting system that accurately tracks the expenses and budget in the Fair Trade Plan, and identifies the distribution of Fair Trade Premiums in a transparent manner.	1	
EM-DM 8.2	The Fair Trade Committee is accountable to all of the registered smallholders on the use of the Fair Trade Premium.	1	
EM-DM 8.3	There is no evidence of misuse in the management of the Fair Trade Premium.	0	M

Intent and Clarification

The MAP and the Fair Trade Committee can prove that the Fair Trade Premium is used in line with applicable rules described in the PTA section (Inclusive Participation, Transparency and Financial Accountability) of this Standard, including its guidance, as well as the requirements from the [Special Price and Premium Terms](#) and the Trade Standard for Agricultural Products.

The MAP may contract a third party to help develop and manage the Premium accounting system required under EM-DM 8. This can be the same third party that would help with the implementation of the Fair Trade Plan (see EM-DM 7) or a separate external entity. Any third party prospect must be vetted with the Fair Trade Committee and have the appropriate experience to help with the creation of the Premium accounting system. If a third party is contracted, an agreement such as a contract or a Memorandum of Understanding should be in place between the MAP, the third party, and the Fair Trade Committee that specifies the roles and responsibilities of each party with regards to Premium accounting.

As the MAP is ultimately responsible for compliance with the Independent Smallholders Standard, it's the MAP's responsibility to ensure that the third party is fulfilling its duties and undertaking the agreed tasks.

Criterion EM-DM 8.3 ensures that the Premium is managed properly and that there is no evidence of misuse in Premium management. Examples of misuse include Premium spending on any projects that were not approved by the General Assembly or that go against the spirit of the Independent Smallholders Standard. See the guidelines for ED-PFT 1.5 and ED-PFT 1.6 for more details on allowed use of the Fair Trade Premium.

Examples of Proof of Compliance

For EM-DM 8.1:

- Records of Fair Trade sales
- Records of the Premium bank account
- Record of expenses and the corresponding accounting records such as invoices, quotes, expense approvals, proofs of payments, etc.

For EM-DM 8.2:

- Reports on the use of the Premium
- Smallholders can confirm that the FTC has shared reports on the use of the Fair Trade Premium
- Written evidence confirming that the FTC is responsible for managing the Premium

For EM-DM 8.3:

- General Assembly's meeting minutes documenting the approval of the Premium use
- A copy of the Fair Trade Plan
- Records of Premium spending

EM-DM 9: The Market Access Partner provides training to the Fair Trade Committee on the management of the Fair Trade Premium accounting system.

Compliance No.	Compliance Criteria	Year	Major
EM-DM 9.1	The Market Access Partner provides training to the Fair Trade Committee on the management of the Fair Trade Premium accounting system.	3	

Intent and Clarification

If the MAP is outsourcing this training to an external party, the MAP is responsible for finding and paying for this training.

See EM-PTA 1 for more information about the relationship between the MAP and the FTC and capacity-building of the FTC.

Examples of Proof of Compliance

For EM-DM 9.1:

- Training records indicating dates, topics, name of trainer, etc.
- List of participants including their signatures
- Copies of the training material used
- FTC members demonstrate comprehension of the topics covered in the training

EM-DM 10: The Smallholder Organization takes on responsibility for maintaining the accounting system that accurately tracks the expenses and budget in the Fair Trade Plan, and identifies the distribution of Fair Trade Premiums in a transparent manner.

Compliance No.	Compliance Criteria	Year	Major
EM-DM 10.1	<i>Applicable as soon as the Smallholder Organization is legally registered or Year 6 at the latest:</i> the Smallholder Organization takes on responsibility for maintaining the accounting system that accurately tracks the expenses and budget in the Fair Trade Plan, and identifies the distribution of Fair Trade Premiums in a transparent manner.	6	
EM-DM 10.2	<i>Applicable when the registered smallholders formed not one, but several Smallholder Organizations:</i> if the Smallholder Organizations decide on several separate premium plans and accounting systems (rather than one joint premium plan and accounting system), the Fair Trade Premium is channeled to each Smallholder Organization. Each Smallholder Organization ensures transparent administration of Fair Trade Premium use.	6	

Intent and Clarification

The Premium Plan mentioned in EM-DM 10.2 refers to the Fair Trade Plan that outlines objectives and activities on Premium funded projects (see EM-DM 3).

The intent of this standard is that the Smallholder Organization (SO) takes over management of Premium accounting and distribution by Year 6. As specified in ED-PFT 1, as soon as the Smallholder Organization (SO) is established (Year 6 at the latest), the Market Access Partner must begin paying the correct amount of Fair Trade Premium directly to the Smallholder Organization.

In the event that smallholders form several Smallholder Organizations by Year 6, they may choose to maintain several separate Fair Trade Plans and accounting systems and take responsibility for administering them transparently. The correct amount of Fair Trade Premium shall be sent to each SO based on the corresponding sales volume of Fair Trade sales made by the members of each of the Smallholder Organizations.

Examples of Proof of Compliance

For EM-DM 10.1:

- Records that the Smallholder Organization shows proficiency at managing accounting records, such as records of Fair Trade sales, invoices, quotes, expense approvals, proof of payments, etc.
- Records of movements in the Premium bank account

For EM-DM 10.2:

- General Assembly meeting minutes documenting the approved use of the Premium
- A copy of the Fair Trade Plan
- Records of the Premium accounting system, for example bank account registration, records of income and expenses with accounting records such as invoices, quotes, pay stubs, etc.
- Records tracking volumes to members or to each SO, such that the accurate amount of Premium funds is distributed to each group

EM-DM 11: Where there are workers employed by the registered smallholders, the Fair Trade Plan includes at least one project or activity intended to benefit workers.

Compliance No.	Compliance Criteria	Year	Major
EM-DM 11.1	<i>Applicable where there are workers employed by the registered smallholders:</i> The Fair Trade Plan includes at least one project or activity intended to benefit workers.	3	
EM-DM 11.2	The activity should benefit all workers and focuses on those groups of workers that form majority of the workforce (i.e. if migrant workers form the majority of the work force, the Fair Trade Plan should focus on their needs).	3	

Intent and Clarification

The activity required under EM-DM 11 does not need to be specific to workers alone. It can be designed in a way that it is accessible to workers, registered smallholders, and other community members alike, as long as the activity benefits workers overall. This criterion does not require that a project benefitting workers is always being implemented, nor that one is implemented each year. Rather, the intent is that at any given time at least one planned activity or project will benefit workers and that workers' needs are sufficiently considered. A number of factors will influence how this is implemented, including total amount of Premium received and the number of projects that are being implemented currently.

Examples of Proof of Compliance

For EM-DM 11.1:

- A copy of the Fair Trade Plan showing at least one activity intended to benefit workers

For EM-DM 11.2:

- A copy of the Fair Trade Plan showing at least one activity intended to benefit workers
- Document describing the composition of the workforce
- Premium projects show who the beneficiaries are
- Confirmation through worker interview of the relevance of the activity to the needs of the workers, and implementation of the activity

2.2 Inclusive Participation, Transparency and Financial Accountability (PTA)

EM-PTA 1: The registered smallholders establish one or several Fair Trade Committee(s) prior to initial certification in order to make democratic and transparent decisions about Fair Trade issues including use of the Fair Trade Premium.

Compliance No.	Compliance Criteria	Year	Major
EM-PTA 1.1	The Fair Trade Committee is elected prior to initial certification.	0	M
EM-PTA 1.2	An initial training is provided by the Market Access Partner to new Fair Trade Committee members on the functioning and responsibilities of a Fair Trade Committee.	0	

Intent and Clarification

The intent of EM-PTA 1 is that a functional Fair Trade Committee (FTC) has been formed and that the Fair Trade Premium and the role of the FTC are explained to registered smallholders. The Fair Trade Committee is a joint organization of elected representatives of the individual registered smallholders and it functions as an intermediary between the individual smallholders and the Market Access Partner. It also represents the smallholders' interests and ensures that the Fair Trade Premium is handled according to the rules laid out in the Independent Smallholders Standard.

Election of the FTC

The MAP shall explain the purpose of the Fair Trade Premium and the role of the Fair Trade Committee before the registered smallholders nominate their representatives for election. It is important that smallholders understand at the time of the first election that not all of their product will be sold on Fair Trade terms, so the Premium income may be just a small amount, especially in the first few years. The FTC can play an important role in ensuring this is understood.

Once trained by the MAP as required under EM-PTA 1.2, FTC members shall understand their responsibilities and be in charge of their decisions and actions, consulting with registered smallholders, and communicating with smallholders on updates and progress. In order to represent all smallholders, the smallholders may decide to form multiple Fair Trade Committees, for instance, organized by community or region.

It is recommended that the FTC be a new, democratically elected body, even if representative bodies already exist that have been elected by all of the smallholders. In this case, individuals who serve on a pre-existing representative body are eligible to be candidates for the FTC. However, if representative bodies already exist that have been elected by the entire group of smallholders, it is not required to hold new elections as long as the bodies have been elected in a free, fair and transparent election process, in accordance with the requirements of the CC and there is supporting documentation from the election process. In cases where the FTC is a previously elected representative body or a subset of it, the FTC shall still be representative of the entire smallholder group. Representatives are required to understand their responsibilities as members of the FTC, above and beyond their role as representatives on the previously elected representative body and the General Assembly shall approve the new role of the previously elected group.

Relationship between the MAP and the FTC

Under the Independent Smallholders Standard, the expectation is that in initial years, the MAP provides significant support to the Fair Trade Committee to help them fulfill their responsibilities, and that over

time, the MAP works to ensure that the FTC has the training and capacity they need to take on increasing responsibilities and independence. For example, the MAP supports the Fair Trade Committee in the development and implementation of the Fair Trade Plan (see EM-DM 5.4 and EM-DM 7.1) and in managing the accounting of the Fair Trade Premium (see EM-DM 8.1). Additionally, the MAP provides trainings to the FTC such as those required related to Premium accounting under EM-DM 9.1 and other capacity-building trainings as required under EM-PTA 22.1. As a best practice, the MAP and the FTC will develop and document a robust training and capacity-building plan for the FTC by Year 1 and will jointly implement that plan over time.

Examples of Best Practice

Individuals within the FTC should be elected to specific offices such as Chairperson, Treasurer, and Secretary. These office-bearers can be elected from within the FTC or by the General Assembly as part of the process of electing the FTC as a whole. Activities such as meetings, trainings, information/feedback sessions, and project management should be organized by the office-bearers.

As a best practice, the first elected FTC should develop a written constitution that is shared with registered smallholders and ratified by the General Assembly. The constitution should include the following information in a language that is explained to registered smallholders:

- The objectives of the Fair Trade Committee and of the legal body (if it exists)
- Definition of quorum
- Voting practices (such as secret ballot or show of hands)
- Explanation of the members or beneficiaries of Fair Trade
- Procedure for the election of FTC office-bearers (e.g. Chairperson, Treasurer, Secretary)
- Terms of office for FTC members and office-bearers
- Frequency of meetings (see also EM-PTA 10)
- Explanation of the FTC decision-making process
- Description of how to submit ideas for FT Premium projects
- Criteria for selection of Premium projects
- A list of reports that will be shared with registered smallholders and the GA
- An explanation of how the activities, trainings and operating costs of the FTC are financed
- Explanation of the roles of the FTC and the GA, clarifying that the FTC is responsible for developing project proposals based on the GA's priorities, and that the GA shall ultimately vote to choose and/or approve those project proposals

Examples of Proof of Compliance

For EM-PTA 1.1:

- General Assembly meeting minutes that provide evidence of the election of the Fair Trade Committee

For EM-PTA 1.2:

- Training records which include an attendance list and their signatures
- Members of the Fair Trade Committee have been elected and can confirm their roles and responsibilities

EM-PTA 2: The Fair Trade Committee is chosen in free, fair and transparent elections. The composition of the Fair Trade Committee reflects the composition of the registered smallholders.

Compliance No.	Compliance Criteria	Year	Major
EM-PTA 2.1	The Fair Trade Committee is chosen in free, fair and transparent elections and this election process is documented.	0	M
EM-PTA 2.2	All registered smallholders are eligible for nomination, and are able to participate in the election of the Fair Trade Committee. The registered smallholders strive to reflect the diversity of their group in those elected in the Fair Trade Committee.	0	
EM-PTA 2.3	Every registered smallholder is represented by one Fair Trade Committee.	0	
EM-PTA 2.4	No registered smallholder is represented by more than one Fair Trade Committee.	0	
EM-PTA 2.5	Where delegate/representation systems are applied, these are clearly defined and offer equitable representation to all members of the organization.	0	
EM-PTA 2.6	All registered smallholders understand the role and responsibilities of the Fair Trade Committee.	0	

Intent and Clarification

When planning the first Fair Trade Committee election, registered smallholders should identify which groups of smallholders exist and therefore need to be represented on the Committee, and how everyone will best be able to participate in the election.

The intent of the standard is that the diversity of the group is reflected in the Committee and that traditionally disadvantaged groups, such as women and indigenous people, are represented on the Committee. For example, female smallholders should be encouraged to nominate female smallholders to represent them on the FTC. If, for example, 70 percent of the smallholders are women or indigenous workers/smallholders, then the FTC should reflect a similar composition.

Where proportional representation is not possible, the intent of the standard is that efforts are made to include at least one representative from each minority group or ensure that each minority group has a liaison on the FTC. At a minimum, Committee members are expected to consider the interests and needs of any minority group not directly represented on the FTC and the Committee is expected to continue to find ways to increase the diversity of the Committee.

At the beginning, it is often difficult to ensure that enough potentially disadvantaged groups are represented on the FTC. However, it is important that these groups' interests are represented in the projects and activities of the FTC. The intent of requiring proportional representation of the smallholder representatives on the FTC under EM-PTA 2.2, is that those groups are able to find their voice and learn new skills. The MAP in collaboration with the FTC can provide the structure, skills and training to help those groups become stronger in their ability to manage projects, communications and planning. Where the FTC is not yet proportional or where the representatives of the minority groups lack the skills or confidence to be strong contributors on the FTC, it is best practice for the FTC to develop specific plans to improve participation and training for those groups.

The number of representatives required on the FTC will depend on the total number of smallholders and the number of different groups of smallholders that need to be represented on the Fair Trade Committee. This depends on the specific situation, but it is best practice for this to be agreed upon before the FTC election takes place.

With regards to the election process, the intent of EM-PTA 2.1 is that registered smallholders agree on an election process including how, when and where the election will take place. This can be done in a large assembly or in a smaller committee. The registered smallholders may choose to invite external support to assist with the election process. The agreed-upon election process must be documented. Nominated individuals may decide on their own not to become candidates, but those that do should understand and accept the responsibility. The intent of the standard is that the election process should enable smallholders to vote freely for the representatives of their choice without threat or fear of discrimination.

It is the intent of the standard that registered smallholders understand who they can nominate and which regions and groups must be represented on the FTC. It is useful to list or map the groups that should be represented along with the number of members of each of those groups before the election begins so that the smallholders can visualize how the composition of the group of smallholders should determine the number of nominees from each group (women, regions, indigenous communities, etc.).

Examples of Proof of Compliance

For EM-PTA 2.1:

- General Assembly meeting minutes that provide evidence of the election of the Fair Trade Committee
- Registered smallholders can explain the FTC election process

For EM-PTA 2.2:

- General Assembly meeting minutes that provide evidence of the election of the Fair Trade Committee
- Written procedures on how the Fair Trade Committee is elected
- Documents, such as results from smallholder mapping exercises, that describe the types of smallholders in the group and documents that demonstrate diverse representation on the Fair Trade Committee

For EM-PTA 2.3 and EM-PTA 2.4

- List of Fair Trade Committees including the names of their representatives and the list of smallholders that fall under each FTC

For EM-PTA 2.5:

- General Assembly meeting minutes documenting the approval of the representation system and corresponding regulations to guarantee equitable representation

For EM-PTA 2.6:

- Smallholders can confirm that they've received training and can explain the role and responsibilities of the FTC

EM-PTA 3: The Fair Trade Committee is allowed to make decisions on use of the Fair Trade Premium in an independent manner. The Market Access Partner commits to this in writing.

Compliance No.	Compliance Criteria	Year	Major
EM-PTA 3.1	The Market Access Partner has declared in writing that it does not interfere with the independent decision making of the Fair Trade Committee.	0	

Intent and Clarification

The MAP is an important partner in the development of the Fair Trade Committee (FTC) and Fair Trade Premium projects. Fair Trade Committees frequently need a significant amount of support and training both from the MAP and from external trainers to develop effective administration, decision-making and communication systems. The MAP may, and is expected to, help guide the FTC in decision-making and in thinking through proposed Premium projects, including flagging when a proposed project may have legal issues or where it may go against the Fair Trade standards. However, despite the MAP's role in providing support, it is important that the FTC makes its own decisions.

The intent of EM-PTA 3 is that the MAP not only confirms in writing that it won't interfere with the independent decision-making but also ensures that this declaration is received and understood by the Fair Trade Committee.

Examples of Proof of Compliance

For EM-PTA 3.1:

- A copy of the declaration from the MAP to the FTC
- FTC members can confirm the role of the MAP in the decision-making process

EM-PTA 4: *Before communal capital and assets are acquired with Premium money, or Year 6 at the latest:* the Fair Trade Committee forms one or more Smallholder Organizations in order to ensure farmer ownership of the premium, and farmer control through democratic and transparent decision-making about the use of the Fair Trade Premium.

Compliance No.	Compliance Criteria	Year	Major
EM-PTA 4.1	<i>Applicable as soon as the Smallholder Organization is legally registered or Year 6 at the latest:</i> before communal capital and assets are acquired with Premium money or Year 6 at the latest, the Smallholder Organization is legally registered and has defined the internal rules of the organization (i.e. in the form of statutes, a constitution or by-laws).	6	

Intent and Clarification

Before communal capital and assets can be acquired with Premium funding, or by Year 6 at the latest, the Smallholder Organization (SO) is required to form a legal body. A legal body is a formal body which is recognized by law, such as an association, a charitable trust, a company, a co-operative or a corporation. The legal registration and structure a SO can adopt, frequently depends on the legal forms available in a specific country where the body is being registered. A legal body can own property, enter into legal contracts and have a bank account, which is ultimately needed to empower smallholders further.

The legal body is responsible for receiving and owning the Fair Trade Premium and any assets purchased by the Fair Trade Committee. Forming a separate entity helps ensure that the assets collectively owned by the registered smallholders, including the Premium funds, are protected. It is important to understand that the Fair Trade Premium and any assets purchased with the Fair Trade Premium do not belong to any individual smallholder but to all registered smallholders through the FTC. The intent is that the legal body operates independently and is free from control by the MAP or other third parties.

In some cases, the process of legal registration may take a long time to complete, potentially two years. It is critical that alternative banking arrangements are in place during that time, for example continued use of the bank account set up under EM-PTA 19. In any case, the legal body must be registered before the Fair Trade Committee purchases any assets.

Examples of Proof of Compliance

For EM-PTA 4.1:

- Documents of the legal constitution of the Smallholder Organization
- Internal rules such as statutes, a constitution or by-laws

EM-PTA 5: All major decisions of the Smallholder Organization(s) are discussed and approved by the General Assembly according to a free, fair and transparent voting procedure.

Compliance No.	Compliance Criteria	Year	Major
EM-PTA 5.1	<i>Applicable as soon as the Smallholder Organization is legally registered or Year 6 at the latest:</i> the internal rules of the Smallholder Organization (i.e. statutes, constitution, or by-laws) mandate that a General Assembly (GA) with equitable voting rights for all members is the supreme decision-making body of the organization.	6	M
EM-PTA 5.2	This requirement applies where the registered smallholders have formed multiple Smallholder Organizations. It will be assessed as soon as these Smallholder Organizations are legally registered, or Year 6 at the latest: If the Smallholder Organizations decide to use one joint Fair Trade Plan and system of premium accounting (not several that are separate), the decision on the use of the Fair Trade Premium is taken by the General Assembly of Smallholder Organizations.	6	

Intent and Clarification

If multiple Smallholder Organizations decide to use one joint Fair Trade Plan, then the General Assembly of Smallholder Organizations referred to in EM-PTA 5.2 can include delegates from each Smallholder Organization as per EM-PTA 6.5 (see also EM-PTA 11.5).

Examples of Proof of Compliance

For EM-PTA 5.1:

- Documents of the legal constitution of the Smallholder Organization
- Internal rules such as statutes, a constitution, or by-laws
- Members can confirm that the General Assembly is the supreme decision-making body

For EM-PTA 5.2:

- General Assembly meeting minutes for each Smallholder Organization showing decisions on the use of the Premium

EM-PTA 6: Smallholder Organizations are represented by a leadership team (i.e. board of directors), which is chosen in free, fair and transparent elections.

Compliance No.	Compliance Criteria	Year	Major
EM-PTA 6.1	<i>Applicable as soon as the Smallholder Organization is legally registered or Year 6 at the latest:</i> the leadership team (i.e. board of directors) is chosen in free, fair and transparent elections and this election process is documented.	6	M
EM-PTA 6.2	<i>Applicable as soon as the Smallholder Organization is legally registered or Year 6 at the latest:</i> all members of the Smallholder Organization are eligible for nomination, and are able to participate in the election of the leadership team (i.e. board of directors).	6	
EM-PTA 6.3	<i>Applicable as soon as the Smallholder Organization is legally registered or Year 6 at the latest:</i> where delegate/representation systems are applied, these are clearly defined in the internal rules of the organization (i.e. statutes, constitution or by-laws), and offer equitable representation to all members of the organizations.	6	
EM-PTA 6.4	<i>Applicable when the registered smallholders formed not one, but several Smallholder Organizations:</i> this requirement will be evaluated as soon as the Smallholder Organizations are legally registered or Year 6 at the latest: if the Smallholder Organizations make decisions together, and use one joint premium plan and one joint premium accounting system (not several separate premium plans and premium accounting systems), there is a democratically elected leadership team (i.e. board of directors) that represents all Smallholder Organizations.	6	
EM-PTA 6.5	<i>Applicable when the registered smallholders formed not one, but several Smallholder Organizations:</i> this requirement will be evaluated as soon as the Smallholder Organizations are legally registered, or Year 6 at the latest: if the Smallholder Organizations make decisions together, they have implemented statutes or internal regulations for a delegate system for the election of the leadership team (i.e. board of directors) and General Assemblies (if applicable). The system is based on the principle that each Smallholder Organization has an equal or proportionate number of delegates.	6	

Intent and Clarification

Standard EM-PTA 6 requires that the leadership team is chosen in free, fair and transparent elections. With regards to the election process, the intent of EM-PTA 6.1 is that registered smallholders agree on an election process including how, when and where the election will take place. This can be done in a large assembly or in a smaller committee. The registered smallholders may choose to invite external support to assist with the election process. The agreed-upon election process should be documented and communicated to registered smallholders verbally and in writing.

Nominated individuals may decide on their own not to become candidates. Individuals who become candidates must understand and accept the responsibility of the position. The election process shall enable all smallholders to vote freely for the representatives of their choice without threat or fear of discrimination.

As a best practice, the first elected office bearers should develop a written constitution that is shared with registered smallholders and ratified by the General Assembly. At a minimum the constitution should explain to registered smallholders:

- The objectives of the legal body
- Who its members or beneficiaries are
- How office- bearers are elected
- Terms of office
- Frequency of meetings
- Decision-making process
- How to submit ideas for Fair Trade Premium projects
- Criteria for selection of Fair Trade Premium projects
- Reports that will be shared with registered smallholders and the GA
- How the activities, trainings and operating costs of the Smallholder Organization are financed

Activities such as meetings, trainings, information/feedback sessions and project management should be organized by the elected office bearers.

Examples of Proof of Compliance

For EM-PTA 6.1 and EM-PTA 6.2

- Constitutional documents or statutes governing the election process
- General Assembly meeting minutes describing the election process and the elected representatives
- Smallholders can explain the election process
- Videos or photographs of the election process
- Materials used in the election process

For EM-PTA 6.3:

- Copies of statutes, constitutions, or by-laws

For EM-PTA 6.4:

- Meeting minutes, including a list of attendees and their signatures
- Meetings documenting the election of the leadership team
- Statutes or internal regulations governing the management of the Premium (Fair Trade Plan and accounting system)

For EM-PTA 6.5:

- Statutes and internal regulations governing a delegate system and the election of the leadership team
- General Assembly meeting minutes showing the election of delegates and leadership teams

EM-PTA 7: The Market Access Partner keeps a record of the registered smallholders, and has written rules that determine who can participate in the program.

Compliance No.	Compliance Criteria	Year	Major
EM-PTA 7.1	The list of registered smallholders is kept up to date and is available to registered smallholders.	0	
EM-PTA 7.2	The Market Access Partner has written rules that determine who can participate in the program, and provide details on the approval process. These rules are followed.	0	
EM-PTA 7.3	Requests by new smallholders to join an existing group of Fair Trade producers are agreed to by the Fair Trade Committee.	0	
EM-PTA 7.4	If the Market Access Partner is unable to incorporate new smallholders, the Market Access Partner can justify and prove why it cannot do so.	0	

Intent and Clarification

Maintaining an up-to-date list of producers that fall under the scope of the MAP's Fair Trade certificate is a baseline requirement needed to implement Fair Trade. This list is needed to demonstrate compliance with STR-SSC 6. Criterion EM-PA 7.2 requires the MAP to develop and implement clear rules as to who can participate in the Fair Trade program. Clear and transparent rules ensure that producers who are interested in joining Fair Trade understand whether they are eligible and, if so, how they can apply to join. Another reason for having clear rules for participation is to help ensure that the MAP does not discriminate against any new program applicant as per SR-ND 1.1.

Examples of Proof of Compliance

For EM-PTA 7.1:

- List of registered smallholders
- Smallholders can confirm that they have access to the list of registered smallholders

For EM-PTA 7.2:

- Written rules or requirements determining who can participate in the program
- Records of requests and approvals for new members

For EM-PTA 7.3:

- Records of requests for membership
- Minutes of the Fair Trade Committee meetings showing agreements reached

For EM-PTA 7.4:

- Records of incoming requests and records of the MAP's decision-making why requests have not been accepted (where applicable)
- Regulation governing the incorporation of new producers

EM-PTA 8: The Smallholder Organization keeps a record of its members, and has written rules that determine who can become a member.

Compliance No.	Compliance Criteria	Year	Major
EM-PTA 8.1	<i>Applicable as soon as the Smallholder Organization is legally registered or Year 6 at the latest:</i> the member list of the Smallholder Organization is updated regularly and is available to members.	6	
EM-PTA 8.2	<i>Applicable as soon as the Smallholder Organization is legally registered or Year 6 at the latest:</i> the internal rules of the Smallholder Organization (i.e. statutes, constitution, or by-laws) include rules that determine who can become a member, and provide details on: the application process, approval process, and timelines for public registration. These rules are followed.	6	

Intent and Clarification

The intent of the rules for participation in the producer group as required under EM-PTA 8 is that the Smallholders cannot discriminate against any new program applicant as per SR-ND 1.1.

Examples of Proof of Compliance

For EM-PTA 8.1:

- List of current members
- Members know that they have access to this list

For EM-PTA 8.2:

- Statutes or written regulation describing the internal rules that determine who can become a member and the application process

EM-PTA 9: There is an established communication and feedback system in place between the Market Access Partner, the Fair Trade Committee/Smallholder Organization, and the registered smallholders. The communication system should include information on:

- Fair Trade sales
- Fair Trade Premium
- Issues and concerns of the registered smallholders

Compliance No.	Compliance Criteria	Year	Major
EM-PTA 9.1	The Market Access Partner maintains records of all Fair Trade sales, including information on Fair Trade buyers, volumes sold as Fair Trade, premium calculation, and prices received, and it shares this information regularly with the Fair Trade Committee/ Smallholder Organization.	0	
EM-PTA 9.2	The Fair Trade Committee / Smallholder Organization is responsible for communicating information on sales, the Fair Trade Premium, and the Fair Trade Plan to the registered smallholders.	0	
EM-PTA 9.3	The Fair Trade Committee/ Smallholder Organization is responsible for soliciting issues and concerns of the registered smallholders and sharing with the Market Access Partner.	0	
EM-PTA 9.4	There are regular meetings between the Market Access Partner and the Fair Trade Committee/Smallholder Organization and these meetings are documented.	0	
EM-PTA 9.5	The registered smallholders are aware of the purpose of the Fair Trade Premium and the system by which Fair Trade Premium receipts and expenses are accounted for.	0	

Intent and Clarification

The primary intent of this standard is to ensure a strong relationship between the MAP and the FTC/Smallholder Organization through a continuous flow of communication and information between the parties with regards to Fair Trade commercial activities and the Fair Trade program.

EM-PTA 9.2 is closely linked to EM-DM 5.2 and EM-DM 5.3 which relate to approval of the Fair Trade Plan by registered smallholders.

Examples of Proof of Compliance

For EM-PTA 9.1:

- Records of Fair Trade sales
- Communications between the MAP and the Fair Trade Committee showing the reports received by the Committee
- Meeting minutes of the Fair Trade Committee showing that the records of sales have been received

For EM-PTA 9.2:

- Written communication to smallholders
- Meeting minutes showing that sales information was communicated (if applicable)
- Smallholders can confirm that they've received information on sales, the Premium and the Fair Trade Plan

For EM-PTA 9.3:

- Written evidence that smallholders have been asked about their concerns
- Written communication sharing these issues with the MAP
- Meeting minutes between the MAP and the Fair Trade Committee

For EM-PTA 9.4:

- Meeting minutes between the MAP and the Fair Trade Committee

For EM-PTA 9.5:

- Smallholders can explain the purpose of the Premium and its accounting system

EM-PTA 10: The Fair Trade Committee, with the support of the Market Access Partner, organizes a General Assembly at least once a year.

Compliance No.	Compliance Criteria	Year	Major
EM-PTA 10.1	The Fair Trade Committee, with support of the Market Access Partner, organizes a General Assembly at least once a year.	1	
EM-PTA 10.2	The General Assembly includes all of the registered smallholders.	1	
EM-PTA 10.3	Where delegate/representation systems are applied, these are clearly defined and offer equitable representation to all members of the organization.	1	

Intent and Clarification

The FTC should meet regularly with smallholders, at a minimum at the required annual General Assembly. Topics to be discussed at GA meetings can include:

- Fair Trade Plans, implementation plans or needs assessments required under the Standard
- Reporting on the previous year's projects and activities
- Presenting the financial reports (what was the income, what was spent)
- Identifying priorities for Premium projects
- Approving, rejecting, or providing feedback on the Fair Trade Plan

As a best practice, and in order to provide evidence to auditors about the work of the Fair Trade Committee, the FTC should take detailed minutes of all meetings and trainings, including the General Assembly meetings. Minutes should accurately reflect all decisions made and include the date, time, and place of the meeting, as well as key discussion notes, and documentation of any agreements or decisions made.

Examples of Proof of Compliance

For EM-PTA 10.1:

- Meeting minutes of the General Assembly including list of participants and their signatures
- A proposed schedule for FTC meetings
- Confirmed through interview with smallholders

For EM-PTA 10.2:

- List of all registered smallholders
- Meeting minutes of the General Assembly including list of participants and their signatures
- Confirmed through interview with smallholders

For EM-PTA 10.3:

- Statutes or rules governing the delegate system offering equitable representation to all members
- Confirmed through interview with smallholders

EM-PTA 11: The Smallholder Organization holds a General Assembly at least once per year.

Compliance No.	Compliance Criteria	Year	Major
EM-PTA 11.1	<i>Applicable as soon as the Smallholder Organization is legally registered or Year 6 at the latest:</i> the Smallholder Organization holds a General Assembly at least once a year.	6	
EM-PTA 11.2	<i>Applicable as soon as the Smallholder Organization is legally registered or Year 6 at the latest:</i> procedures to call the assembly and determine quorum are adhered to, as defined in the statutes/constitution.	6	
EM-PTA 11.3	<i>Applicable as soon as the Smallholder Organization is legally registered or Year 6 at the latest:</i> members are informed of when the General Assembly will take place at least two weeks in advance.	6	
EM-PTA 11.4	<i>Applicable as soon as the Smallholder Organization is legally registered or Year 6 at the latest:</i> where delegate/representation systems are applied, these are clearly defined and offer equitable representation to all members of the organization.	6	
EM-PTA 11.5	<i>Applicable when the registered smallholders formed not one, but several Smallholder Organizations:</i> this requirement will be evaluated as soon as the Smallholder Organizations are legally registered or Year 6 at the latest: if the Smallholder Organizations make decisions together, and use one joint premium plan and one joint premium accounting system (not several separate premium plans and premium accounting systems), they organize a General Assembly of all Smallholder Organizations at least once a year.	6	

Intent and Clarification

If the multiple Smallholder Organizations decide to use one joint Fair Trade Plan, then the General Assembly referred to in EM-PTA 11.5 must include *all* registered smallholders of *all* Smallholder Organizations, and not just delegates from each Smallholder Organization (see also EM-PTA 5.2).

Examples of Proof of Compliance

For EM-PTA 11.1:

- General Assembly meeting minutes including a list of participants and their signatures

For EM-PTA 11.2:

- A copy of statutes and constitutions
- General Assembly meeting minutes including list of participants and their signatures
- Smallholders can confirm how the General Assembly works

For EM-PTA 11.3:

- Written evidence of the invitation to participate in the General Assembly
- Producers can confirm the invitation process to participate in the General Assembly

For EM-PTA 11.4:

- Statutes or constitutions defining the delegate system and equitable representation
- Smallholders can confirm equitable representation

For EM-PTA 11.5:

- Meeting minutes of the General Assembly of each of the Smallholder Organizations

EM-PTA 12: Where a significant number of permanent workers are employed on the farms of the registered smallholders, workers are invited to the General Assembly in order to observe and participate in the discussion of topics that relate to them.

Compliance No.	Compliance Criteria	Year	Major
EM-PTA 12.1	Where a significant number of permanent workers are employed on the farms of the registered smallholders, workers are invited to the General Assembly in order to observe and participate in the discussion of topics that relate to them.	0	

Examples of Proof of Compliance

For EM-PTA 12.1:

- Evidence that workers have been invited. For example, individual invitations or a general invitation through meetings, community boards, etc.
- Meeting minutes that show attendance of workers employed by smallholders (if applicable)
- Workers can confirm they were invited to the General Assembly and/or had the opportunity to attend

EM-PTA 13: The minutes of the Fair Trade Committee meetings clearly record all decisions made, as well as the consultation with registered smallholders that took place prior to decision-making. The minutes of the meeting are signed by all members of the Fair Trade Committee.

Compliance No.	Compliance Criteria	Year	Major
EM-PTA 13.1	The minutes of the Fair Trade Committee meetings clearly record all decisions made, as well as the consultation with registered smallholders that took place prior to decision-making.	0	
EM-PTA 13.2	The minutes of the Fair Trade Committee meetings are signed by all members of the Fair Trade Committee.	0	
EM-PTA 13.3	The minutes of the Fair Trade Committee meetings are shared with the registered smallholders.	0	

Intent and Clarification

The intent of this standard is that the meeting minutes (and all agenda items therein) are not only shared *with* but also understood *by* all the smallholders.

Where illiteracy among registered smallholders is prevalent, it is best practice to share meeting minutes verbally and in writing. The meeting minutes should be made available in the language that is most commonly understood by smallholders or in multiple languages, where appropriate.

Examples of Proof of Compliance

For EM-PTA 13.1:

- Meeting minutes that confirm that the Fair Trade Committee recorded all decisions/agreements made
- Evidence that registered smallholders were consulted in the decision-making process, for example, meeting minutes with smallholders

For EM-PTA 13.2:

- Meeting minutes signed by all members of the Fair Trade Committee

For EM-PTA 13.3:

- Smallholders can confirm that meeting minutes are shared and where to find them
- Photographs or copies of meeting minutes placed on community boards

EM-PTA 14: The minutes of the General Assembly clearly record all decisions made. The minutes are signed by the members of Fair Trade Committee/leadership team of the Smallholder Organization and at least one of the registered smallholders. There is a list of participants in the General Assembly included in the minutes.

Compliance No.	Compliance Criteria	Year	Major
EM-PTA 14.1	The minutes of the General Assembly clearly record all decisions made, and are signed by the Fair Trade Committee/leadership team of the Smallholder Organization and at least one of the registered smallholders.	1	
EM-PTA 14.2	There is a list of participants in the General Assembly included in the minutes.	1	

Examples of Proof of Compliance

For EM-PTA 14.1:

- General Assembly meeting minutes signed by the Fair Trade Committee/leadership team of the SO

For EM-PTA 14.2:

- General Assembly meeting minutes including the list of participants and their signatures

EM-PTA 15: Where the Fair Trade Committee/Smallholder Organization has any annual reports, budgets and accounts outside of premium account and Fair Trade Plan and progress measurement, these are presented to the General Assembly of the Fair Trade Committee/Smallholder Organization for approval.

Compliance No.	Compliance Criteria	Year	Major
EM-PTA 15.1	All annual reports, budgets and accounts, if any outside of the Fair Trade Plan and progress measurement, are presented to, and approved by, the General Assembly.	6	
EM-PTA 15.2	Measures are in place to improve members' understanding of the annual report and accounts.	6	

Intent and Clarification

As a best practice, the FTC keeps transparent records of all receipts and expenditures made on behalf of the Fair Trade Committee (outside of the Premium account/Fair Trade Plan and progress measurement), including original paperwork, for six years.

Note, the Fair Trade Plan and progress reports are required to be presented to and be approved by the General Assembly in other criteria throughout the Standard. For more information see EM-DM 5.

Examples of Proof of Compliance

For EM-PTA 15.1

- Written reports, budgets and annual statements have been presented to the General Assembly
- General Assembly meeting minutes noting the approval of the reports
- Smallholders can confirm that the reports are presented to, and approved by, the General Assembly

For EM-PTA 15.2:

- Meeting minutes with smallholders and training materials used
- Records of smallholders training that were held to understand the annual report and accounts
- Producers can explain the content of the annual report and accounts

EM-PTA 16: Within the General Assembly of the Smallholder Organization, at least one person or committee is responsible for managing the administration and book keeping.

Compliance No.	Compliance Criteria	Year	Major
EM-PTA 16.1	At least one person or committee within the General Assembly is responsible for managing the administration and book-keeping.	6	

Examples of Proof of Compliance

For EM-PTA 16.1:

- Records of the appointment of the person/committee responsible for managing the administration and book-keeping and his/her/its acceptance of this position
- The appointed individual(s) can explain her/his/their duties

EM-PTA 17: Plans and reports are accessible to registered smallholders.

Compliance No.	Compliance Criteria	Year	Major
EM-PTA 17.1	Fair Trade Plans and reports are accessible to registered smallholders.	0	

Examples of Proof of Compliance

For EM-PTA 17.1:

- Written communication informing the smallholders how to access Fair Trade plans and reports
- Smallholders can explain how to access plans and reports

EM-PTA 18: All records, books, and documentation are accessible to members of the Smallholder Organization(s).

Compliance No.	Compliance Criteria	Year	Major
EM-PTA 18.1	<i>Applicable as soon as the Smallholder Organization is legally registered or Year 6 at the latest:</i> all records, books, and documentation are accessible to members of the Smallholder Organizations.	6	

Examples of Proof of Compliance

For EM-PTA 18.1:

- Written communication informing the smallholders how to access the records, books, and documentation of the Organization
- Members of the Smallholder Organization can confirm

EM-PTA 19: Until the Fair Trade Committee is able to open its own bank account and manage the Fair Trade Premium in a democratic and transparent manner:

- The Fair Trade Committee appoints a trustee (the Market Access Partner, a bank, credit union or NGO) of the Fair Trade Premium funds.
- The trustee sets up a separate bank account so that it can receive the Fair Trade Premium on behalf of the registered smallholders.
- At least one member of the Fair Trade Committee is a joint signatory of the Fair Trade Premium account.

Compliance No.	Compliance Criteria	Year	Major
EM-PTA 19.1	The Fair Trade Committee appoints a trustee (the Market Access Partner, a bank, credit union or NGO) of the Fair Trade Premium funds.	0	
EM-PTA 19.2	The trustee acknowledges in writing that the registered smallholders, represented by the Fair Trade Committee, are the rightful recipients of the FT Premium. This acknowledgement is sent to the Fair Trade Committee.	0	
EM-PTA 19.3	The trustee has established a separate bank account to receive the Fair Trade Premium on behalf of the registered smallholders.	0	
EM-PTA 19.4	The trustee and at least one Fair Trade Committee member are joint signatories of the account.	0	
EM-PTA 19.5	All expenditure of the Fair Trade Premium and related issues are made in the name of the Fair Trade Committee.	0	
EM-PTA 19.6	The Fair Trade Committee acknowledges the receipt of the Fair Trade Premium in writing.	0	

Intent and Clarification

The trustee appointed by the Fair Trade Committee under EM-PTA 19.1 is only responsible for receiving Premium funds, and distributes them according to the decisions made by the FTC. The trustee, who may be the same person as the joint signatory, is not responsible for management of the funds, or any decision-making.

The Fair Trade Premium bank account must be established by the time of the first Fair Trade sale, or at the very latest, before the first Premium dollars are received. At the time of the audit, groups seeking certification must either have the account open or be able to demonstrate that the Fair Trade Committee has taken steps to start the process (e.g. relevant paperwork has been submitted and the process of opening the bank account is actively underway, or the Fair Trade Committee has evaluated the options and chosen the bank and type of account they will open once Premium is transferred and have agreed on which FTC member will be the joint signatory).

If there are multiple FTCs, there do not need to be multiple bank accounts at Year 0, i.e. each FTC does not need to have its own bank account. However, if each FTC does not have its own bank account, the MAP should be able to demonstrate that it has an effective process in place, which enables it to track records and administer the Premium to and from the existing bank account(s) appropriately and transparently. It is critical that each FTC understands how much money will be coming to it and when, and how the amount was calculated.

If there is a joint account for multiple FTCs, the relevant FTCs and/or the MAP can determine how the joint signatory is chosen, as long as the process is clear and transparent to all members on all FTCs, and they are all aware of it. In this scenario, a written description of the account management process that has been agreed to by the FTCs will be needed to demonstrate compliance with criterion EM-PTA 8.1 related to accounting and transparency.

Examples of Best Practice

It is best practice for the name of the bank account to identify it as an account for the Fair Trade Premium funds.

Examples of Proof of Compliance

For EM-PTA 19.1:

- Minutes of the Fair Trade Committee meeting in which the trustee was appointed

For EM-PTA 19.2:

- Trustee's acknowledgment in writing
- The Fair Trade Committee's records include the trustee's acknowledgement

For EM-PTA 19.3 and EM-PTA 19.4

- Documents from the opening of a bank account and demonstrating its use

For EM-PTA 19.5:

- Records of expenses made in the name of the Fair Trade Committee

For EM-PTA 19.6:

- Written correspondence and records showing that the Fair Trade Committee acknowledged the receipt of the Premium
- Written proof of receipt of the Fair Trade Premium, such as a bank deposit slip

EM-PTA 20: Handling of the Fair Trade Premium is audited annually by an external organization.

Compliance No.	Compliance Criteria	Year	Major
EM-PTA 20.1	Handling of the Fair Trade Premium is externally audited annually by an independent party in years when high Fair Trade Premium volumes (i.e. greater than \$15,000 USD) are generated or spent.	0	

Intent and Clarification

In cases where EM-PTA 20.1 is triggered, the MAP is responsible for arranging and covering the cost of the external audit. This audit is done by a third party financial auditor, separate from the Fair Trade audit. It is also acceptable if the MAP and the Fair Trade Committee agree that the FTC should play a role in arranging the audit. However, the MAP is responsible for covering the cost of the audit and Premium cannot be used to cover the cost of the audit. If the MAP already undergoes a broader external financial audit, they may choose to include the auditing of Premium into this financial audit, or they could choose to have this audited separately.

Examples of Proof of Compliance

For EM-PTA 20.1:

- A copy of the external financial audit report of the Fair Trade Premium

EM-PTA 21: The MAP, in collaboration with the Fair Trade Committee, develops a Premium Use Report annually. This report, as well as audited accounts of Fair Trade Premium use, are provided to the Fair Trade Committee and registered smallholders annually or upon request at any time.

Compliance No.	Compliance Criteria	Year	Major
EM-PTA 21.1	The MAP, in collaboration with the Fair Trade Committee, provides a report, as well as audited accounts of Fair Trade Premium use, to the Fair Trade Committee and registered smallholders annually or upon request at any time.	0	

Intent and Clarification

The Fair Trade Committee (FTC) shall keep transparent records of all receipts and expenditures made on behalf of the FTC (see also guidelines for EM-PTA 18). As a best practice all receipts and original paperwork are retained for six years.

The intent of EM-PTA 21 is that Fair Trade Committee (FTC) members are responsible for their decisions and actions, for consulting with smallholders, and for providing smallholders with updates on the Fair Trade Premium account and Premium projects and expenditures. The MAP, in collaboration with the Fair Trade Committee, shares responsibility for providing these updates and soliciting feedback about the Fair Trade Premium projects, expenditures and Fair Trade Plan to smallholders.

Under EM-PTA 21, the MAP is responsible for providing regular updates on Premium accounts to the FTC and the registered smallholders. It is best practice to use multiple methods to share information such as memos sent via mail and posted in locations where they may be seen by smallholders, such as product collection stations, community centers, designated bulletin board areas, meeting and lunch rooms, the offices of the MAP, or the agrochemical storage area. Good, regular communication with the broader smallholder group is intended to build trust, improve project design, enhance participation and ensure better outcomes. If smallholders and workers see product being packed with the Fair Trade label but have no updates on income or plans from the Committee, distrust can grow.

Examples of Best Practice

Under EM-PTA 21, the FTC is required to prepare an annual report with information on its activities and the progress of existing Fair Trade Premium projects. The reports must be made available to smallholders. As a best practice, the report would include a thorough evaluation of the projects and report on both the progress and final outcome of projects. Projects should be evaluated at several stages: during the implementation, after completion of the project, and on a yearly basis for ongoing projects. In evaluating the projects, the FTC should consider the effectiveness of the project in achieving its goals, and any positive or negative aspects. The Fair Trade Committee or MAP may also want to share the Fair Trade annual report with Fair Trade USA or industry partners to highlight how buyers' purchases are being used to improve lives (see also EM-PTA 5).

Typical questions for project evaluation may include:

- Was the project completed in time?
- Did we use the money as planned?
- Does the project meet our expectations?
- Who benefited from the project?
- How did they benefit?
- How could the project have been more effective?

Examples of Proof of Compliance

For EM-PTA 21.1:

- Records of Premium accounting, i.e. income records, expenses, general bank transactions, purchase receipts, etc.
- Meeting minutes in which the Committee and the MAP presented the Fair Trade Premium use report to the registered smallholders

EM-PTA 22: Regular administrative and organizational capacity-building trainings are carried out with the Fair Trade Committee representatives. This ensures that they are able to take over management of the Fair Trade Premium in a democratic and transparent manner.

Compliance No.	Compliance Criteria	Year	Major
EM-PTA 22.1	Regular administrative and organizational capacity-building trainings are given to Fair Trade Committee representatives. This ensures that they can gradually take over management of the Fair Trade Premium.	3	

Intent and Clarification

Effective training of all Fair Trade Committee members is critical for success of the Fair Trade program. EM-PTA 22.1 requires that regular trainings of FTC members begin before the Year 3 audit, though it is best practice to begin training the FTC earlier.

The multi-year training plan will depend on the needs of the FTC and of the specific FTC representatives, resources available (e.g. budget, service providers in the region), and the amount of Fair Trade Premium that is anticipated. For example, if the amount of Premium is initially going to be very small, the amount of energy, time, and resources spent on training new FTC members should reflect that reality. The FTC and/or MAP should identify training needs of the FTC representatives and smallholders, identify possible service providers/trainers and costs, and develop a budget for the training.

The MAP is responsible for all costs for trainings that are part of the fulfillment of the requirements of this standard. Fair Trade Premium money may be used for trainings that go beyond the minimum requirement of this Standard, but only if additional training needs are included in the Fair Trade Plan and approved by the General Assembly.

The FTC should receive regular on-the-job training and formal training. On-the-job training examples include:

- Learning new skills needed to perform their tasks
- Capacity building by having the opportunity to practice and exercise new skills with support and feedback

Formal training examples include:

- Formal training leading to new qualifications and certificates
- Exchanging experiences with other FTCs
- Exchanging experiences through contact with national or regional producer and worker networks

Examples of Best Practice

As a best practice and to facilitate the audit process, trainings and capacity building trainings should be documented. Minutes from trainings and capacity building meetings should be kept and signed by all participants. Minutes should include a short explanation of how the topics covered at the training will help FTC members carry out their functions.

Examples of Proof of Compliance

For EM-PTA 22.1:

- Minutes from the training with a list of participants and their signatures
- Copy of the materials used during the training and any materials given out to trainees for use after the initial training
- Smallholders can explain the function and responsibilities of the Fair Trade Committee

EM-PTA 23: The Smallholder Organization has a bank account with more than one signatory.

Compliance No.	Compliance Criteria	Year	Major
EM-PTA 23.1	<i>Applicable as soon as the Smallholder Organization is legally registered or Year 6 at the latest:</i> the Smallholder Organization has an active bank account with more than one signatory registered to its name.	6	
EM-PTA 23.2	<i>Applicable as soon as the Smallholder Organization is legally registered or Year 6 at the latest:</i> the premium is channeled to this account through the Market Access Partner.	6	
EM-PTA 23.3	<i>Applicable when the registered smallholders formed not one, but several Smallholder Organizations:</i> this requirement will be evaluated as soon as the Smallholder Organizations are legally registered or Year 6 at the latest. If the Smallholder Organizations decide on one joint premium plan (rather than several separate ones) they have a joint bank account in place.	6	

Intent and Clarification

Also see EM-PTA 19.4 addressing Fair Trade Premium bank account management and signatories.

Examples of Proof of Compliance

For EM-PTA 23.1:

- Records of the bank account showing signatories

For EM-PTA 23.2:

- Accounting records of the Premium

For EM-PTA 23.3:

- Records of a joint bank account

EM-PTA 24: The Market Access Partner/Smallholder Organization takes measures to improve the registered smallholders' understanding of annual reports and accounts, and to increase knowledge of financial management, pricing and international market mechanisms.

Compliance No.	Compliance Criteria	Year	Major
EM-PTA 24.1	The Market Access Partner/Smallholder Organization takes measures to improve the registered smallholders' understanding of annual reports and accounts and to increase knowledge on, pricing and international market mechanisms.	3	
EM-PTA 24.2	These trainings are documented. Records are kept on file.	3	

Intent and Clarification

The training plan developed by the MAP will depend on the needs of the smallholders and the service providers and trainers available in the region. The MAP is required to identify training needs of the smallholders, identify possible service providers/trainers and costs, and develop a budget for the training.

Examples of training topics that the MAP can consider are listed below. This is not a complete list and the FTC and the MAP may identify additional needs:

- Commodity markets, including derivatives
- Literacy and numeracy
- Record-keeping and basic administrative skills
- Project planning and budgeting, project management
- Monitoring and evaluation
- Accounting, financial management and financial reporting
- Computer literacy

Examples of Proof of Compliance

For EM-PTA 24.1:

- Minutes of meetings showing that actions have been taken
- Training records and materials used
- Smallholders demonstrate understanding of the Premium, pricing and markets

For EM-PTA 24.2:

- Training records and materials used
- A list of all training participants including attendees' signatur

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3.1 Fair Trade Price (FTP)

ED-FTP 1: The registered smallholders are paid the Fair Trade Minimum Price, if it exists, for the product contracted. Where no Fair Trade Minimum Price exists, or where the relevant market price is higher, the registered smallholders are paid the relevant market price.

Compliance No.	Compliance Criteria	Year	Major
ED-FTP 1.1	For all Fair Trade purchases, the price paid to the registered smallholders is not less than the Fair Trade Minimum Price or the market/contractual price, whichever is higher.	0	M
ED-FTP 1.2	If the product is bought from a registered smallholder, but not on Fair Trade terms, and the Market Access Partner wants to potentially sell the product as Fair Trade later, the Market Access Partner pays at least the market price to the registered smallholder.	0	
ED-FTP 1.3	If the product is bought from a registered smallholder but not on Fair Trade terms, and later sold as Fair Trade, any price adjustment will have to be paid at the end of the season. This occurs when the Fair Trade minimum price is higher than the market price, or when the Fair Trade price is set at the FOB price level and the Market Access Partner is able to sell the Fair Trade product at a higher FOB price than necessary according to agreed margins.	0	
ED-FTP 1.4	The Market Access Partner maintains records of price levels, exchange rates, and how they were agreed upon, in order to demonstrate that the market price is based on agreements/contracts with other suppliers.	0	

Intent and Clarification

The intent of ED-FTP 1 is that smallholders are paid the correct price. The correct price may be the either the Relevant Market Price or the Fair Trade Minimum Price. In some cases, deductions may be agreed upon and subtracted from the price, as detailed below.

Under TR-AG 1.1, the MAP is required to sign registration agreements with each individual registered producer. One element of this agreement is to specify the terms of trade between both entities, including price and Premium. The associated Trade Standard^[1] for agricultural products contains additional requirements related to timeliness of payments from the Fair Trade Payer (the Premium payer) to the MAP.

Products with no Fair Trade Minimum Price

Many Fair Trade products do not have a defined Fair Trade Minimum Price. In this case, the smallholders agree to the pricing terms through the registration agreement required under TR-AG 1.1, and the MAP must keep records of prices paid to smallholders, as required under ED-FTP 1.4. All product purchased by the MAP under the terms of the registration agreement can be sold as Fair Trade, with no price adjustment needed if market prices later move up or down.

^[1] The Trade Standard can be downloaded via <http://fairtradeusa.org/standards-download-center>

Products with a Fair Trade Minimum Price

If the Fair Trade Minimum Price is set at the point at which the farmer sells, for instance Farm Gate or ExWorks level, then the MAP pays the registered smallholders the Fair Trade Minimum Price or the Relevant Market Price, whichever is higher.

If the Fair Trade Minimum Price is set at a point after that at which the farmer sells, for instance the FOB level, then the MAP pays the registered smallholders the Fair Trade Minimum Price or the Relevant Market Price, whichever is higher, minus agreed deductions.

If the Fair Trade Minimum Price is set a level *before* where the farmer sells, for instance the price is set for raw product but the farmer does some processing on-farm, then the MAP pays the farmer the Fair Trade Minimum Price or the Relevant Market Price, whichever is higher, plus an agreed amount for the processing done by the farmer.

While the intent of this standard is that deductions are fair (for instance that a fair price is charged for transport from the farm to the mill) and that the payment for any processing done by the producer is fair (for instance that a fair mark-up is paid for drying raw product), the auditor's primary responsibility is to confirm that the deductions and processing payments were agreed to by the seller.

Relevant Market Price

For cocoa and coffee only, the Relevant Market Price is defined based on the price set by relevant market organizations for the specific product (see the Fair Trade USA [Standards Glossary](#)). For other products, the Relevant Market Price is the price negotiated between seller and buyer not including the Fair Trade Premium. During the certification process, the auditor is likely to check that the price was agreed between the seller and the buyer.

Fair Trade adjustment/price adjustment (only relevant when there is a FT Minimum Price)

Under ED-FTP 1.3, a 'price adjustment' or 'Fair Trade adjustment' is understood as the difference between the original price paid and the Fair Trade Price. This would occur, for instance, if a product was bought from a smallholder on non-Fair Trade terms but then later sold as Fair Trade. It is only relevant where there is a Fair Trade Minimum Price, and only when the Fair Trade Minimum Price or Relevant Market Price (minus any agreed deductions, or plus any agreed payments for processing) is higher than the price paid for the product on the original non-Fair Trade terms. The adjustment can only be made in favor of the producer, i.e. if the prices move up. If the price moves down, the MAP cannot charge the producer for any difference.

Examples of how to calculate the 'right price' to farmers if the FT Minimum Price is set at FOB level

If the Fair Trade Minimum Price is set at the FOB level, and the MAP buys from the registered smallholders at the Farmgate or ExWorks level, then the criterion ED-FTP 1.1 reflects the core principle that the MAP pays the registered smallholders at least the Fair Trade Price at the FOB level **on the day the price is fixed between smallholders and the MAP**, minus the deductions agreed in the registration agreement required under TR-AG 1.1.

If the Fair Trade Minimum Price is set at the FOB level, the MAP can choose between two payment options to deliver the correct price to their registered smallholders:

1. As a first option, the MAP may choose to pay the registered smallholders the Fair Trade Minimum price or Relevant Market Price (whichever is higher) minus agreed deductions at the moment of purchase from the registered smallholders. In this case, no retroactive adjustments need to be paid by the MAP, even if market prices go up after that initial purchase. This is important in the case of coffee and cocoa, where the Relevant Market Price is defined as EURONEXT LIFFE/ICE and the Fair Trade Price at the FOB level may increase or decrease while the MAP is holding on to the product. For example:
 - A MAP has signed a registration agreement with Coffee Farmer Z that the MAP will pay Z the Fair Trade Minimum Price or EURONEXT LIFFE/ICE price, whichever is higher, minus \$0.60 in deductions for transportation, milling, and export fees. On June 1st, the MAP bought coffee from Farmer Z. The ICE price was \$1.30/lb., which is lower than the Fair Trade Minimum Price of \$1.40/lb., so the MAP paid Farmer Z \$0.80/lb. (\$1.40 minus the agreed deductions.) On July 1st the ICE price rose to \$1.60. The MAP can still sell Farmer Z's coffee as Fair Trade with no further payment to Z (other than the Fair Trade Premium required under ED-PFT 1).
2. As a second option, the MAP may choose to purchase the product from the smallholders using the local market price (at the farm gate/Ex Works level). In this case, the MAP may be required to pay the registered smallholders a retro-active payment or Fair Trade adjustment. Whether an adjustment is required can only be calculated after the MAP has sold the product on Fair Trade terms to the next entity in the supply chain. An adjustment will be required if the Fair Trade Price at FOB level minus deductions in the registration agreement is higher than the price paid previously to the smallholder. For example:
 - The MAP has signed a different registration agreement with Farmer B, which states that the MAP will pay Farmer B the FOB market price minus \$0.60 of agreed deductions, with an option to adjust the price later if the product can be sold as Fair Trade. On June 1st, the MAP did not have a Fair Trade buyer for Farmer B's coffee, so the MAP bought Farmer B's coffee at \$0.70/lb. (the ICE price of \$1.30 minus \$0.60 of agreed deductions). On June 2nd, the ICE price was still at \$1.30/lb., but the MAP found a Fair Trade buyer for Farmer B's coffee. The MAP must pay an additional \$0.10/lb. to B for her coffee (the difference between the original \$1.30/lb. paid and the Fair Trade Minimum Price of \$1.40/lb.) in order for the MAP to sell Farmer B's coffee as Fair Trade.

Examples of Proof of Compliance

For ED-FTP 1.1 and ED-FTP 1.2:

- Records of purchases of products
- Evidence of payment to smallholders
- A copy of the registration agreement from TR-AG 1.1, which includes any agreed deductions

For ED-FTP 1.3:

- Records of purchases of products
- Evidence of payment to smallholders including payment of any price adjustment at the end of the season
- Smallholders can confirm that they have received price adjustments

For ED-FTP 1.4:

- Records of price levels, exchange rates and price agreements
- Copy of agreements of Fair Trade transactions

ED-FTP 2: New Fair Trade prices apply from the date of their announcement. However, existing contracts must be honored at the existing price already agreed on.

Compliance No.	Compliance Criteria	Year	Major
ED-FTP 2.1	The Market Access Partner must ensure that new Fair Trade prices announced by Fair Trade USA are applied to new contracts from the effective date as listed on the price announcement.	0	
ED-FTP 2.2	The Market Access Partner must ensure that for existing contracts all pricing Terms & Conditions are honored.	0	

Intent and Clarification

For products where there is no Fair Trade Minimum Price, criterion ED-FTP 2.1 does not apply.

The intent of ED-FTP 2.2 is that the terms and conditions of existing contracts are honored even if there has been a change in Fair Trade Minimum Price or the Relevant Market Price since the time the contract was agreed upon.

Examples of Proof of Compliance

For ED-FTP 2.1:

- Copies of written contracts
- Price announcements issued by Fair Trade USA (if applicable)

For ED-FTP 2.2:

- Copies of written contracts
- Records of purchases of products
- Evidence of payment to smallholders

ED-FTP 3: If the registered smallholders are charged for inputs or services, they are only charged a normal market price. These prices are declared in a transparent manner.

Compliance No.	Compliance Criteria	Year	Major
ED-FTP 3.1	Charges for inputs and services are agreed upon in advance and are part of the registration agreement.	0	
ED-FTP 3.2	Cost break downs of inputs and services are available, transparent and coherent.	0	
ED-FTP 3.3	Costs of inputs and services are not higher than normal market prices.	0	

Intent and Clarification

The intent of ED-FTP 3 is that the prices smallholders are charged for inputs or services are reasonable. As a best practice, a review of comparable costs of inputs and services taking into account prevailing market costs should be undertaken. In the case of remote locations, the cost of transport should be considered.

Under ED-FTP 3.1 charges must be included in the registration agreements (see TR-AG 1.1). However, it is possible that a need for inputs or services arises after the registration agreements have been signed. This is acceptable under ED-FTP 3.1 so long as it has been agreed to by the smallholder, is documented and ED-FTP 3.2 and ED-FTP 3.3 are met.

Examples of Proof of Compliance

For ED-FTP 3.1:

- Commercial contracts
- Services agreements

For ED-FTP 3.2:

- Services agreements are available to smallholders
- Smallholders can explain the price breakdown of inputs and services

For ED-FTP 3.3:

- Services agreement
- Smallholders can confirm that prices are not higher than normal market prices

3.2 Fair Trade Premium (PFT)

ED-PFT 1: The correct amount of Fair Trade Premium is paid to the Fair Trade Committee or Smallholder Organization once it is established.

Compliance No.	Compliance Criteria	Year	Major
ED-PFT 1.1	The Market Access Partner pays the correct amount of Fair Trade Premium to the Fair Trade Committee (or the Smallholder Organization once it is established).	0	M
ED-PFT 1.2	If the registered smallholders are organized as more than one Fair Trade Committee (FTC)/Smallholder Organization (SO) that uses separate premium plans and accounting systems (rather than one joint premium plan and accounting system), the Market Access Partner channels Fair Trade Premium to each FTC/SO. The total amount of Fair Trade Premium is split between the FTCs/SOs according to the amount of product delivered to the Market Access Partner by the members of that FTC/SO.	0	
ED-PFT 1.3	The Market Access Partner ensures that no deductions are made from premium payments to the Fair Trade Committee.	0	
ED-PFT 1.4	The Market Access Partner has a written contract with the Premium Payer to ensure correct terms and transfer of premium payments to the Market Access Partner.	0	

Intent and Clarification

The intent of ED-PFT 1 is that the Fair Trade Committee (FTC) or Smallholder Organization (SO) receives the correct amount of Fair Trade Premium in a reasonable timeframe. The associated Trade Standard⁴ for agricultural products contains additional requirements related to timeliness of payments from the Fair Trade Payer (the Premium payer) to the company or MAP.

The correct amount of Fair Trade Premium is dependent on the volume sold as well as quality, for example product grade or organic certification. Calculating the correct amount of Premium will often involve considering exchange rates, transfer fees and other factors.

As a general guideline, each party (Premium payer and Premium recipient) is responsible for the fee that their bank charges for a transaction. If only the Premium is being transferred, the recipient's fee can be charged to the Premium account. If the Premium is being transferred at the same time as other payments (i.e. payment for product) and it is a set fee (i.e. not based on value) it is best practice for the recipient to pay the fee out of their budget and not out of the Premium account (since they would be paying a fee regardless).

Under ED-PFT 1.3, even where the MAP and FTC are sharing the cost of projects, the FTC must pay their share of costs directly. The MAP shall not deduct any costs from Fair Trade Premium payments to the FTC.

If the goods are rejected, the Premium is not owed. The company should be able to show at the time of the audit that goods were rejected. If the company feels goods were rejected without just cause, they should contact Fair Trade USA and Fair Trade USA will incorporate this into the trader's audit.

⁴ The Trade Standard can be downloaded via <http://fairtradeusa.org/standards-download-center>

The intent of criterion ED-PFT 1.4 is to ensure that there is clear responsibility of payment and that correct Fair Trade Price & Premiums are communicated and understood. Where there are previously defined legal responsibilities (e.g. within vertically integrated entities) that address the requirements of this standard, and in the case where additional contracts would be redundant, additional contracts may not be necessary to comply with this requirement.

In the case of vertically integrated supply chains, buyers may be exempted from contract requirements if they can prove that contracts are redundant due to their vertical integration with the seller (also see guidelines for TR-AG 1.1). If no contract is required due to an exemption for a vertically integrated supply chain, it is best practice to have a memorandum between buyer and seller that clearly identifies the Premium payer, the payment terms and accurate Premiums.

Examples of Proof of Compliance

For ED-PFT 1.1:

- Record of Fair Trade sales that shows volumes and prices
- Record of Premium received that corresponds with Fair Trade sales
- Record of Premium transferred into the account of the Fair Trade Committee

For ED-PFT 1.2:

- Records of the distribution of the Premium, from the MAP to each FTC
- Records of the amount of product delivered by each FTC or SO to the MAP

For ED-PFT 1.3:

- Records of payment of the Premium, without deductions of any kind

For ED-PFT 1.4:

- Written contract between the MAP and the Premium Payer

Compliance No.	Compliance Criteria	Year	Major
ED-PFT 1.5	No part of the Premium is used for any means that is not agreed to in the Fair Trade Plan.	0	
ED-PFT 1.6	The Fair Trade Premium is not used to cover the running costs of the Market Access Partner.	0	

Intent and Clarification

The intent of the Fair Trade Premium is that it is used for the social, economic and environmental development of registered smallholders, their workers, workers employed by the MAP and their communities. The types of Fair Trade Premium projects vary based on the needs of registered smallholders, the needs of workers and the community, and the capacity of the FTC to manage the projects. Its specific use is democratically decided upon by the registered smallholders.

The Fair Trade Premium is intended to:

- Empower smallholders, workers and/or minority groups with skills they need
- Invest in plans and projects for social, economic, and environmental improvement on smallholder farms and in the wider community
- Benefit smallholders via activities and projects

The FTC is responsible for managing the Fair Trade Premium in line with:

- The FTUSA Standards and Compliance Criteria
- Guidelines in this document
- Internal rules written in the FTC constitution

The Fair Trade Committee is required to prove that the Fair Trade Premium is used in line with applicable rules described in the DM section (Development and Management of the Fair Trade Plan) of this Standard, including its guidance, as well as the requirements from the Special Price and Premium Terms and the Trade Standard for Agricultural Products.

For further clarification, the Fair Trade Premium may **not** be used for:

- Undertaking any activity or project which was not democratically agreed to by the General Assembly and the FTC
- Supporting the MAP's running costs
- Expenditures for which the MAP is legally responsible
- Any illegal activity or any activity which jeopardizes the business or certification of the MAP

Cash payments to smallholders are acceptable uses of the Fair Trade Premium. However, if a significant number of workers are employed by registered smallholders, the Fair Trade Plan must allow for some projects which benefit workers, per EM-DM 11.2. As a best practice, 100% of Premium funds are not given as cash payments to allow smallholders to collectively work on Premium funded projects that benefit their community.

As a best practice, if Premium is used to provide goods and services, it should be used to partially subsidize rather than to provide in full (i.e. free of charge). Subsidizing goods or services is permitted and may be combined with low-interest loan programs (e.g. purchase in bulk of food staples or appliances where the Fair Trade Premium subsidizes part of the cost and a low interest loan from the Fair Trade Premium covers the difference).

Examples of Proof of Compliance

For ED-PFT 1.5 and ED-PFT 1.6:

- General Assembly meeting minutes that show the approval of the Fair Trade Plan, including a list of signatures from participants
- Copy of the Premium Work Plan
- Premium accounting records such as income records, expenses, general bank transactions, purchase receipts, and quotes

Compliance No.	Compliance Criteria	Year	Major
ED-PFT 1.7	The Premium is paid to the Premium bank account as soon as possible, but no later than one month after receipt of Premium payment from the Premium payer.	0	

Intent and Clarification

In cases where the product is delivered to the buyer before the payment or Premium has been received by the MAP/company, the MAP/company has one month from the date of receipt of the Premium amount to transfer the Premium amount to the Fair Trade Committee (or Smallholder Organization) bank account.

Examples of Proof of Compliance

For ED-PFT 1.7:

- Records of Fair Trade sales
- Records of Premium payment from the Premium payer to the MAP
- Records of posted payments to the Premium bank account

3.3 Conditions of Employment (CE)

This section is applicable to all workers, permanent and temporary (including sub-contracted workers), employed by the smallholders and the MAP. In this section some criteria are identified as only applicable where a significant number of workers are employed. See the ISS guidelines introduction for further information on “significant number” of workers.

This section intends to provide best practices regarding the payment of workers and their conditions of employment based on International Labour Organization’s Conventions [No. 100](#) on Equal Remuneration and No.110 on Conditions of Employment of Plantation Workers.

The Conditions of Employment section applies to all workers employed by the MAP, even those who don’t handle the Fair Trade product. However, audits will focus on the supply chain of the Fair Trade product.

The intent of this section is that all workers enjoy the same working conditions, wages, and benefits regardless of permanent or temporary status, except where otherwise specified.

If the Market Access Partner (MAP) contracts a third party for processing services, the MAP informs the company about Fair Trade Standards, and the third party agrees to fulfill Fair Trade standards. This includes compliance with the Conditions of Employment section of the Standard.

ED-CE 1: Conditions of employment, and in particular salaries, are in line with or exceeding sector regulations, Collective Bargaining Agreements (CBA's) which are in place for an employer, the regional average and legal minimum wages for similar occupations. The employer specifies wages for all functions.

Compliance No.	Compliance Criteria	Year	Major
ED-CE 1.1	Salaries exceed, or are in line with, sector regulations, CBAs which are in place for an employer, the regional average, or legal minimum wages for similar occupations, whichever is highest.	0	M
ED-CE 1.2	Other conditions of employment (e.g. additional types of leave, statutory benefits) exceed, or are in line with national law.	0	
ED-CE 1.3	The employer has specified wages for all functions.	0	
ED-CE 1.4	For remuneration based on production, quotas, or piecework, the pay rate allows the worker to earn the proportionate minimum wage or relevant industry average (whichever is higher) during normal working hours.	0	M
ED-CE 1.5	Rates for piecework are agreed under the CBA or agreement on working conditions with the workers committee, and their method of calculation is transparent and available to workers.	3	

Intent and Clarification

The intent of ED-CE 1.1 is that conditions of employment meet or exceed each of the indicators listed in the compliance criterion. For example, wages and other conditions of employment must meet or exceed sector regulations and also meet or exceed applicable collective bargaining agreements, the regional average minimum wage, and the legal minimum wage.

"Regional average minimum wage" means the regional average minimum wage for similar occupations. If the wage specified in the Collective Bargaining Agreement is lower than the legal minimum wage, the legal minimum wage must still be paid.

The intent of ED-CE 1.4 is that normal working hours for piece-rate workers include time for breaks. This means that piece rate workers must earn at least the proportionate minimum wage or relevant industry average (whichever one is higher), even after taking into account reasonable time spent on water, restroom or other short breaks.

Examples of Proof of Compliance

For ED-CE 1.1:

- Financial records including worker payroll that includes the salary of each worker
- Local legislation about work conditions, including salaries
- Copies of Collective Bargaining Agreements (if they exist)
- Sector regulations

For ED-CE 1.2:

- Records of the conditions of employment, i.e. employment contracts
- Payroll (records owned by HR) and pay stubs (record of payment provided to workers) with information about salary, deductions, piece rate calculations, etc.
- Local legislation about work conditions

For ED-CE 1.3:

- Company or employer manual and/or official job descriptions on positions and salaries
- Payroll

For ED-CE 1.4:

- Payroll/Production records for workers that allows for verification of compensation scheme based on production, quotas or piecework

For ED-CE 1.5:

- Collective Bargaining Agreement or agreements with the workers committee that demonstrates the transparent measurement method for work rates by piecework
- Proof that the method is available to workers, for example: a written memo or publication of this information on a bulletin board where all workers have access to it
- Workers can confirm that they have been informed

ED-CE 2: Payments are made to workers directly and on time, according to an appropriate payment schedule that is monthly or bi-weekly. The payment schedule has been communicated to workers. In-kind payments are not allowed, except in regions where they are legally permissible.

Compliance No.	Compliance Criteria	Year	Major
ED-CE 2.1	Payment is made in legal tender, that is, cash or cash equivalent (check, direct deposit). Where payment is made by direct deposit, the employer does not have withdrawal access to workers' bank accounts.	0	
ED-CE 2.2	Payments are made to workers directly and on time, according to an appropriate payment schedule that is monthly or bi-weekly. The payment schedule has been communicated to workers. In-kind payments are not allowed, except in regions where they are legally permissible, agreed upon by both parties, and documented, including a definition of the value of the goods.	0	
ED-CE 2.3	Where a significant number of workers are employed, workers receive pay slips with each pay check that provide a clear account of wages earned, allowances, bonuses, overtime payment, and all deductions in detail. This Information is also available upon request.	0	
ED-CE 2.4	Where a significant number of workers are employed, the employer provides the worker with access to a proper appeal mechanism if discrepancies in payment are found.	0	

Intent and Clarification

The intent of standard ED-CE 2 is to ensure a transparent and fair payment mechanism. Under ED-CE 2.1 and 2.2, where payment is made by direct deposit, the worker must have direct access to the bank account. Payment via direct deposit to a bank account that can only be accessed by a worker's spouse, and not also by the worker directly would be considered a non-compliance. Additionally, the employer (registered smallholder and/or MAP) shall not have access that enables them to make withdrawals from the workers' accounts.

Examples of Proof of Compliance

For ED-CE 2.1:

- Records of payments (direct deposit, checks, etc.)
- Bank documents showing that the employer does not have access to workers' bank accounts
- Workers can confirm the method of payment

For ED-CE 2.2:

- Records of payment
- Memo to the workers with details about pay dates
- Employment contracts
- Documentation of agreements related to in-kind payment, including written consent from the worker (if applicable) and the legal reference authorizing in-kind payments in the region/country

For ED-CE 2.3:

- Pay stubs that provide a clear account of wages earned, allowances, bonuses, overtime payment, and all deductions in detail
- Workers can confirm receipt of pay slips

For ED-CE 2.4:

- Procedure that describes the appeals mechanism and how workers can access it (if applicable)
- Evidence that workers have been informed of this mechanism and can describe it (if applicable)

ED-CE 3: The employer complies with local law regarding the provision of health insurance and social security benefits, including pension and disability insurance, maternity leave and vacation time to workers. In cases where permanent workers are not entitled to health insurance benefits, the employer provides the equivalent benefits in the form of Private Health Insurance or comparable health services.

Compliance No.	Compliance Criteria	Year	Major
ED-CE 3.1	The employer complies with local law regarding the provision of health insurance, other social security benefits, including pension and disability insurance, maternity leave, and vacation time to workers.	0	
ED-CE 3.2	In cases where permanent workers are not entitled to health insurance benefits, the employer provides the equivalent benefits in the form of Private Health Insurance or comparable health services.	0	

Intent and Clarification

To provide further guidance on ED-CE 3, if national law allows the employer to provide its own private health insurance or health care services instead of paying social security (public health care) benefits to all permanent workers, this is permitted under the standard. However, this alternative is only permitted if the employer and workers decide (in written form) that this arrangement is preferable to the public health care option and the employer pays for the full cost of the non-public health care option. The intent of the standard is that if private health insurance or comparable health services are provided, they are commensurate with that provided by the government. As a best practice, such non-public health care would include workers' compensation, occupational health and safety, regular examinations, and routine medical care. It is a best practice to include the family in the healthcare benefits.

Examples of Proof of Compliance

For ED-CE 3.1:

- Evidence of payment for social security by the employer (proof of payments for health insurance and social security benefits, including pension and disability insurance for workers)
- Records of granted maternity leave and vacation time
- Workers can confirm that they receive legal statutory benefits

For ED-CE 3.2:

- Documentation detailing the private (non-public) health service option and associated proof of payment
- Law stating that workers are not entitled to receive statutory benefits
- Workers can confirm the health benefits they receive
- Evidence of projects or health services implemented (if applicable)

ED-CE 4: Where an elected workers' organization exists, the organization has negotiated the conditions of work with the employer. Workers have the right to choose their representatives to take part in any negotiations, without external interference.

Compliance No.	Compliance Criteria	Year	Major
ED-CE 4.1	Where an elected workers' organization exists, the organization has negotiated the conditions of work with the employer.	0	
ED-CE 4.2	Workers have the right to choose their representatives to take part in any negotiations, without external interference.	0	

Examples of Proof of Compliance

For ED-CE 4.1:

- Meeting minutes between the employer and the workers' organization showing the agreements reached

For ED-CE 4.2:

- Workers can confirm that they know such right exists and that they can exercise it without external interference

ED-CE 5: Where a significant number of workers are employed, all permanent workers have a legally binding written contract of employment with a job description, signed by the worker and employer.

Compliance No.	Compliance Criteria	Year	Major
ED-CE 5.1	Where a significant number of workers are employed, all permanent workers have a legally binding, written contract that clearly describes the terms of hire and safeguards workers from loss of pay in the case of illness, disability or accident. The notice period for termination of the contract is identical for employer and worker.	3	
ED-CE 5.2	Where a significant number of workers are employed, all permanent workers have received a copy of the contract or at minimum, have free access to the original, signed contract.	3	

Intent and Clarification

The intent of standard ED-CE 5 is that workers understand the terms of their contract and have received a copy. Where no significant number of workers are employed, criteria ED-CE 5.1 and ED-CE 5.2 do not apply.

Examples of Proof of Compliance

For ED-CE 5.1:

- Written employment contracts (if applicable)

For ED-CE 5.2:

- Workers can confirm that they have received a copy of the contract (if applicable)
- Records of delivery of copies of the contracts to workers including acknowledgment of receipt (if applicable)

ED-CE 6: All positions that are of a regular nature are staffed with permanent workers, and legal obligations are not avoided through the excessive use of time-limited employment contracts.

Compliance No.	Compliance Criteria	Year	Major
ED-CE 6.1	All positions that are of a regular nature are staffed with permanent workers, and legal obligations are not avoided through the excessive use of time-limited employment contracts.	3	
ED-CE 6.2	Where a significant number of workers are employed, an overview of the company's labor needs is produced each year, indicating the periods in which non-permanent workers will be needed.	3	
ED-CE 6.3	Where a significant number of workers are employed, time-limited contracts or any subcontracting are only issued to non-permanent workers during peak periods, in the case of special tasks and under exceptional circumstances. This includes seasonal workers.	3	
ED-CE 6.4	Where a significant number of workers are employed, temporary workers who are employed for a period of 3 months or more of uninterrupted service have a legally binding and signed contract with job description that is accessible to workers.	6	

Intent and Clarification

When the MAP and/or registered smallholders subcontract workers, or hire and pay them through an independent contractor, it significantly decreases their ability to ensure that the workers' wages, contracts, and benefits meet the requirements of the Fair Trade Standard. The intent of Fair Trade standards is that an employer has direct control of and can provide documentation related to wages and other important factors impacting workers in order to demonstrate compliance with this Standard. Unfortunately, the practice of subcontracting has been used in many industries as a way to avoid providing fair wages, benefits and working conditions to workers. The Fair Trade standards under ED-CE 6 aim to ensure that subcontracting is not being used to disempower workers and that employers do not avoid legal obligations by using continuous fixed-term employment contracts.

Under standard ED-CE 6, by Year 3 all permanent positions shall be directly hired and paid by the employer and not through an independent contractor. Subcontracted workers cannot be used to fill permanent positions, even if the contractor agrees to undergo an audit. An exception can be made when there is very particular training, generally provided by an outside company. An example of where an exception might apply would include security, cleaning, maintenance, or construction personnel.

Compliance Criteria ED-CE 6.2 through ED-CE 6.4 only apply where a significant number of workers are employed.

As detailed in ED-CE 6.3, by the time of the Year 3 audit, subcontracting and/or time-limited contracts can only be issued to non-permanent workers during peak periods, in the case of special tasks, or under exceptional circumstances. This includes that seasonal workers may be subcontracted until the Year 3 audit. Under ED-CE 6.4, by the Year 6 audit all temporary workers employed for a period of more than 3 months of uninterrupted service shall be directly contracted with signed contracts.

"Exceptional circumstances" under ED-CE 6.3 are evaluated based on the employers' annual planning of workforce and labor needs. This overview of labor needs is required under ED-CE 6.2. Exceptional circumstances may be demonstrated in relation to what was estimated in the annual workforce plan. For

example, if a MAP or registered smallholder had stated in their annual workforce plan that they needed X number workers in a given month, but harvest is earlier or more abundant than anticipated, they may need more temporary workers with very short notice. In such cases, the onus would be on the MAP to demonstrate that it and/or its members attempted to hire directly, but that there was no viable option.

Examples of Proof of Compliance

For ED-CE 6.1:

- Employment contracts
- Records of payment, i.e. pay stubs
- Internal planning document outlining the annual labor needs of the employer

For ED-CE 6.2:

- Internal planning document outlining the annual labor needs of the employer (if applicable)

For ED-CE 6.3 and ED-CE 6.4:

- Employment contracts that demonstrate compliance with the labor criteria and national legislation (if applicable)

ED-CE 7: The employer and worker representatives meet to discuss how they can improve wages and productivity in mutually beneficial ways, including generating ideas for how to move towards “living wages” over time.

Compliance No.	Compliance Criteria	Year	Major
ED-CE 7.1	The employer and worker representatives meet to discuss how they can improve wages and productivity in mutually beneficial ways, including generating ideas for how to move towards “living wages” over time.	3	

Intent and Clarification

Fair Trade USA Standards are designed to encourage discussion on increasing wages and incremental steps forward, rather than focusing on debates on methodology. An important concept related to wages is the concept of “living wage.” Criterion ED-CE 7.1 requires that by the Year 3 audit, the employer and worker representatives have met to discuss moving towards a “living wage” and mutually beneficial ways to improve wages and productivity. With the standard of ED-CE 7 Fair Trade USA encourages workers and management to review work related to “living wage” that is already being carried out, such as that by the [Ethical Tea Partnership](#), [World Banana Forum](#) or the [Asia Floor Wage](#). According to best practices, Fair Trade USA considers a living wage to consider the following elements, based on costs in the local community:

- Housing/Shelter
- Energy/Fuel
- Nutrition/Adequate Food
- Clothing
- Healthcare
- Education
- Potable/Clean Water
- Transportation
- Savings/Discretionary Income
- Worker and Family/Dependents
- Child care

These discussions can also happen on an industry level, for instance with national unions and employer organizations.

Examples of Proof of Compliance

For ED-CE 7.1:

- Minutes of meetings between the employer and worker representatives that show the topics discussed and the agreements reached
- Workers can confirm that the meetings took place and explain the agreements reached

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4.1 Non-Discrimination (ND)

This section is applicable to registered smallholders and interactions among smallholders and between the MAP and smallholders. This section is also applicable to all workers, permanent and temporary (including sub-contracted workers), employed by the smallholders and the MAP. In this section some criteria are identified as only applicable where a significant number of workers are employed. See the introduction to this document for further information on “significant number” of workers.

This section intends to prevent discrimination against smallholders and workers based on the content of ILO Convention 111 on Discrimination. The Convention defines discrimination as “any distinction, exclusion or preference made on the basis of race, color, sex, religion, political opinion, national extraction or social origin, which has the effect of nullifying or impairing equality of opportunity or treatment in employment or occupation” (Article 1). Discrimination is making an unfair distinction in the treatment of one person over another on grounds that are not related to ability or merit.

SR-ND 1: There is no discrimination against registered smallholders or potential new program participants, particularly on the basis of race, color, sex, gender, sexual orientation, disability, marital status, family obligations, age, religion, political opinion, language, property, nationality, ethnicity or social origin, or any other condition that could give rise to discrimination in relation to: participation, rules for program participation, voting rights, the right to be elected, access to markets, access to training, technical support or any other benefits that the program offers.

There is no discrimination against workers, particularly on the basis of race, color, sex, gender, sexual orientation, disability, marital status, family obligations, age, religion, political opinion, membership of unions or other workers' representative bodies, national extraction or social origin, or any other condition that could give rise to discrimination in: recruitment, promotion, access to training, remuneration, allocation of work, termination of employment, retirement or other activities.

Compliance No.	Compliance Criteria	Year	Major
SR-ND 1.1	<p>There is no discrimination against registered smallholders or potential new program participants, particularly on the basis of race, color, sex, gender, sexual orientation, disability, marital status, family obligations, age, religion, political opinion, language, property, nationality, ethnicity or social origin, or any other condition that could give rise to discrimination in relation to: participation, rules for program participation, voting rights, the right to be elected, access to markets, access to training, technical support or any other benefits that the program offers.</p> <p>There is no discrimination against workers, particularly on the basis of race, color, sex, gender, sexual orientation, disability, marital status, family obligations, age, religion, political opinion, membership of unions or other workers' representative bodies, national extraction or social origin, or any other condition that could give rise to discrimination in: recruitment, promotion, access to training, remuneration, allocation of work, termination of employment, retirement or other activities.</p>	0	M

Intent and Clarification

The intent of SR-ND 1.1 includes that the smallholders or the MAP do not discriminate against workers. As a point of clarification, discrimination includes requiring workers to take medical tests (e.g. testing for pregnancy or HIV). An exception to this is if a government, not the smallholder or MAP, requires testing as part of a foreign worker visa application process. Under the intent of standard SR-ND 1, literacy/numeracy testing shall not be used as a means to discriminate against certain groups of workers, though such testing may be part of the hiring process to identify qualified workers in cases where these skills are required for the specific position.

The intent of SR-ND 1.1 also includes that smallholders are not discriminated against by the MAP, the Fair Trade Committee, or other smallholders. This would include, for example, that the MAP does not discriminate against registered smallholders or potential new program participants by paying lower prices to a subset of smallholders for the same quality of product based on their ethnicity or religion. It also includes, for example, that a subset of smallholders is not provided lesser rights or lesser access to training or services within the Fair Trade system than others based on race or gender.

Non-discrimination implies an equal opportunity for all and that policies and practices are not discriminatory. With regards to gender discrimination among workers, one way to demonstrate non-discrimination is to show that women have a similar promotion rate as men, similar employment rates of women in all departments in the organization (e.g. not limited to lower wage positions), and/or women having similar pay rates as men.

Evidence of non-discrimination against new smallholder applicants can also include, that the MAP's participation rates among minority groups and/or female farmers are similar to their activity levels in the region of production from which the MAP draws its participants. For instance, if 30% of the region's farmers of the Fair Trade crop are indigenous people and/or female farmers, the MAP should have indigenous people and/or female farmers make up a similar percentage of its membership.

Examples of Proof of Compliance

For SR-ND 1.1:

- Policies and procedures of the MAP, the FTC and the smallholder group are not discriminatory
- Workers and smallholders can confirm that they are not discriminated against

SR-ND 2: The Market Access Partner identifies registered smallholders who come from disadvantaged/minority groups according to, for example - gender, age, income, or land area.

Compliance No.	Compliance Criteria	Year	Major
SR-ND 2.1	Registered smallholders who come from disadvantaged/minority groups have been identified and documented.	3	

Examples of Proof of Compliance

For SR-ND 2.1:

- Document identifying registered smallholders who come from disadvantaged groups

SR-ND 3: The Market Access Partner has developed a program to improve the social and economic position of registered smallholders who come from disadvantaged/minority groups.

Compliance No.	Compliance Criteria	Year	Major
SR-ND 3.1	The Market Access Partner has developed a program to improve the social and economic position of registered smallholders who come from disadvantaged/minority groups.	3	

Intent and Clarification

The intent of SR-ND 3 is that the MAP opens up special growth opportunities for those registered smallholders who belong to disadvantaged groups.

The MAP may contract a third party to help with the development of programs as long as the third party is vetted with the smallholders and has the appropriate experience. If a third party is contracted, an agreement of responsibilities (for instance a contract or a Memorandum of Understanding) should be in place between the MAP and the third party that specifies which ISS requirements are to be undertaken by which party. This agreement can be as simple or as detailed as the parties wish and can include other activities unrelated to compliance with this standard. As the MAP is ultimately responsible for compliance with this Standard, it is the MAP's responsibility to ensure that the third party is fulfilling its duties and undertaking the agreed tasks.

Examples of Best Practice

Sample program activities may include:

- Encouraging the Fair Trade Committee to reserve seats for women or other minorities groups.
- Encouraging the Fair Trade Committee to adopt a constitutional clause requiring that one project per year is designed by disadvantaged (e.g. women, indigenous, minority) smallholders, for their benefit. This would involve consulting them directly about their own needs.
- Focusing on the needs of disadvantaged groups and communities when developing the Fair Trade Plan, for instance mapping access to services or assessing quality of available services.

Examples of Proof of Compliance

For SR-ND 3.1:

- Document outlining the program to improve the position of disadvantaged/minority groups
- Training records with signatures from participants
- Documents from other implemented programs

SR-ND 4: The Market Access Partner, or employer, and the registered smallholders do not engage in, support or tolerate the use of corporal punishment, mental or physical coercion, or verbal abuse, or any other form of harassment.

Compliance No.	Compliance Criteria	Year	Major
SR-ND 4.1	The Market Access Partner and the registered smallholders do not engage in, support or tolerate the use of corporal punishment, mental or physical coercion, verbal abuse or any other form of harassment.	0	M
SR-ND 4.2	Where a significant number of workers are employed, a written policy and a disciplinary procedure with the right to appeal are in place and are communicated to workers both verbally and in writing.	3	
SR-ND 4.3	Where many registered smallholders employ a significant number of workers, the Market Access Partner designs and implements a monitoring and record system to prevent improper disciplinary practices.	6	

Intent and Clarification

The intent of SR-ND 4 is that the MAP, and the registered smallholders do not abuse workers and are aware of appropriate methods of workplace management that do not involve threats to workers.

The intent of SR-ND 4.3 is that by Year 6, a monitoring and record system is in place to ensure the effective implementation of the policies and procedures required in SR-ND 4.2 across the group. SR-ND 4.3 is only applicable where the majority of registered smallholders employ a significant number of workers.

Standards SR-ND 4 and SR-ND 5 both revolve around appropriate workplace conduct and management. Criterion SR-ND 5.2 also requires a written policy. The requirements under SR-ND 4.2 and SR-ND 5.2 are both only applicable where a significant number of workers are employed and can be addressed in either a single policy that addresses both issues, or in two separate policies.

Examples of Proof of Compliance

For SR-ND 4.1:

- Representatives of the MAP and registered smallholders can explain appropriate workplace management methods and workers can confirm how they are disciplined (where applicable)
- Copies of labor/employment policies that specifically prohibit corporal punishment, coercion, verbal abuse and threats of abuse

For SR-ND 4.2:

- Written policy and disciplinary procedure
- Written memoranda accessible to workers
- Meeting minutes where the policy was verbally communicated

For SR-ND 4.3:

- Document explaining the monitoring and record system for the group
- Evidence of the implementation of the system, such as records from internal audits, a list of disciplinary actions taken against workers, a list of complaints against supervisors and documentation of the resolution of those complaints

SR-ND 5: The Market Access Partner, or employer, does not engage in, support, or tolerate behavior, including gestures, language, and physical contact, that is sexually intimidating, abusive or exploitative.

Compliance No.	Compliance Criteria	Year	Major
SR-ND 5.1	The Market Access Partner and registered smallholders do not engage in, support or tolerate behavior, including gestures, language, and physical contact, that is sexually intimidating, abusive or exploitative.	0	M
SR-ND 5.2	Where a significant number of workers are employed, a written policy that clearly prohibits unwanted conducts of a sexual nature is in place and communicated to workers.	3	
SR-ND 5.3	Where many registered smallholders employ a significant number of workers, the Market Access Partner designs and implements a monitoring and record system in order to prevent unwanted conducts of a sexual nature.	6	

Intent and Clarification

Standards SR-ND 4 and SR-ND 5 revolve around appropriate workplace conduct and management. Criterion SR-ND 4.2 also requires a written policy. The requirements under SR-ND 4.2 and SR-ND 5.2 are both only applicable where a significant number of workers are employed and can be addressed in either a single policy that addresses both issues or in two separate policies.

SR-ND 5.3 is only applicable where the majority of registered smallholders employ a significant number of workers.

Examples of Proof of Compliance

For SR-ND 5.1:

- Representatives of the MAP, registered smallholders and workers can confirm that these behaviors are not considered acceptable and do not occur

For SR-ND 5.2:

- Written policy
- Written memorandum to inform workers of the policy
- Minutes from the meeting where this policy has been shared with workers

For SR-ND 5.3:

- Document explaining the monitoring and record system
- Evidence of the implementation of the system, such as records from internal audits, a list of complaints and documentation of the resolution of those complaints
- Record of actions taken to prevent and/or handle occurrences (where applicable)

4.2 Freedom from Forced Labor and Human Trafficking (FL)

This section is applicable to all workers employed by the Market Access Partner and by the registered smallholders.

SR-FL 1: Forced labor, including bonded or involuntary prison labor and human trafficking, does not occur.

Compliance No.	Compliance Criteria	Year	Major
SR-FL 1.1	There is no kind of forced labor, including bonded labor or human trafficking.	0	M
SR-FL 1.2	Work is not exacted from any person under the threat of any penalty and for which the said person has not offered him or herself voluntarily.	0	
SR-FL 1.3	The employer does not retain any part of the workers' salary, benefits, property or documents in order to force them to remain.	0	
SR-FL 1.4	The employer does not use any form of physical or psychological measures requiring workers to remain employed.	0	
SR-FL 1.5	Bonded labor caused by debts or loans does not occur.	0	

Intent and Clarification

Fair Trade USA's definition of forced, bonded, or compulsory labor includes acting in accordance with ILO Conventions No. 29 and No. 105. Fair Trade USA also expects that farm practices are in line with UN Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children, and the UN Convention against Transnational Organized Crime.

The intent of the compliance criteria under SR-FL 1 is to ensure that workers are not subject to any form of forced labor, bonded labor, indentured servitude, or human trafficking. "Forced or bonded labor" includes work for which a person has not offered him or herself voluntarily and they are forced to perform under the threat of any penalty. It is considered forced labor if any part of the workers' salary, benefits, property and/or documents are retained in order to force them to remain in their employment. It is also considered forced labor if workers are required or forced to remain employed against their will using any physical or psychological measure. The term "bonded labor" refers to workers that have received loans from employers, whereas these loans are subject to unreasonable terms and conditions such as excessively high interest rates.

Under criterion SR-FL 1.5, if an employer provides advances and loans that will later be deducted from wages, there should be a clear, written agreement outlining repayment parameters (see also ED-CE 2.3). Such advances and loans, and the deductions from wages made for their repayment, should not exceed legal limits where they exist and should not be used as a means to bind workers to employment.

As part of this intent, the following are also considered to be elements of forced, bonded, or compulsory labor:

- Deception in Recruitment and Hiring
- Fraudulent Visa Practices
- Coercion in Recruitment and Hiring
- Confiscation of Identity Documents
- Deductions, Fines, Withholdings, and Illegally Low Pay

- Employer Control of Bank Account
- Lack of Freedom to Terminate Employment
- Restrictions on Freedom of Movement
- Isolation, Threats and Violence

Practices that are often associated with forced labor, including informality in recruitment and hiring as well as the use of a labor broker as an on-site manager will be closely scrutinized. Where a labor broker is involved in the hiring process, his/her sole responsibility is to function as a source for finding workers. As required under this standard workers have to be directly hired and paid by the employer.

Examples of Proof of Compliance

SR-FL 1.1 to SR-FL 1.5:

- Employment contracts
- Employment records
- Labor policies
- Workers can confirm that these practices do not occur

SR-FL 2: A worker's employment is not conditional on the employment of their spouse. Spouses are not required to work.

Compliance No.	Compliance Criteria	Year	Major
SR-FL 2.1	A worker's employment is not conditional on the employment of their spouse. Spouses are not required to work.	0	

Examples of Proof of Compliance

For SR-FL 2.1:

- Employment contracts and records
- Employment policies
- Recruiting procedures and policies indicate that that employment is not conditional to the spouse's employment
- Workers can confirm that spouses are not required to work

4.3 Protection of Children and Young Persons (PC)

This section is applicable to all workers employed by the Market Access Partner and by the registered smallholders.

SR-PC 1: Children below the age of 15 (or below the working age defined by national law, if higher) are not employed.

Compliance No.	Compliance Criteria	Year	Major
SR-PC 1.1	Children below the age of 15 (or below the working age defined by national law, if higher) are not employed.	0	M
SR-PC 1.2	Policies and procedures are in place to ensure that children below the age of 15 (or below the working age defined by national law, if higher) are not employed or allowed into production areas. Documentation must be maintained for all workers legally classified as minors, including: Name; Date of Birth; Address; and a letter of consent authorizing the minor to work, signed by the parents or legal guardian.	3	
SR-PC 1.3	Where children below the age of 15 (or below the working age defined by national law, if higher) have been employed in the past, or are found working, a remediation policy has been put in place to ensure that the children do not enter into worse forms of employment. Where children below the age of 15 (or below the working age defined by national law, if higher) have been employed in the past, or are found working, the employer has a register of all workers under the age of 15 (or below the working age defined by national law, if higher) indicating their age and their work, and the relevant remediation policy is in effect.	1	
SR-PC 1.4	If the Market Access Partner has identified child labor as a risk, it must implement procedures to prevent children below the age of 15 (or below the working age defined by national law, if higher) from being employed for any work and children below the age of 18 (or below the age of legal adulthood as defined by national law, if higher) from being employed in dangerous and exploitative work.	3	

Intent and Clarification

The intent of SR-PC 1 is to protect children and ensure that children under the age of 15 are not hired as workers. This includes that the children of workers are not working alongside their parents unless they are at least 15 years old (see SR-PC 2.3). Criteria under SR-PC 1 relate specifically to children as hired labor and not to family labor. Children of registered smallholders may help out their relatives or parents on their farm within reason (see SR-PC 2.1).

The basis for these criteria and guidelines come from ILO Conventions [138 on the Minimum Age for Employment](#) and [182 on the Worst Forms of Child Labor](#) and the [UN Declaration of the Rights of the Child](#). In all cases, including for households with children, a child's rights approach as reflected in the guiding principles of the UN Declaration of the Rights of the Child shall be used to interpret these requirements, giving priority to the best interest of the child.

Under criterion SR-PC 1.3, if children have been employed in the past, it is the responsibility of the MAP to work with registered smallholders to ensure that those children do not enter into worse forms of employment. The MAP is required to keep records of any former child workers, including their age, a description of their work, and any actions taken with regards to the child (i.e. the relevant remediation policy that is in effect). Under this criterion, the MAP must implement a remediation policy and program.

The intent of SR-PC 1.3 is that remediation policies and processes include:

- Removing the child from all work immediately
- Ensuring the child is in a safe place
- Consulting with their family about how to pay for the child to continue schooling and provide an incentive for them to continue in school
- Looking for employment opportunities for the adults in the family

An effective remediation policy will include a clear statement against child labor and will define projects with expert partner organizations to ensure the immediate and continued protection of children. One example of an appropriate remediation program would be implementing a community-led project aimed at assisting households where impacted and at-risk children live, including the provision of education, for example helping with basic school supplies.

As a best practice, and where doing so would not endanger the child, the relevant government agency should be informed. Where there is an active NGO present with appropriate expertise, these may also be a suitable resource for reporting the finding.

Under criterion SR-PC 1.4 if child labor is identified as a risk, the Market Access Partner and the registered smallholders must implement procedures to prevent children below the age of 15 from being employed for any work and children below the age of 18 from being employed in dangerous and exploitative work. Appropriate steps could include:

- Keeping records of all workers including their age, gender, migratory status, copies of identification papers, etc.
- In areas where no schools are available, working with government and/or NGOs to build schools or provide safe transportation for children to the nearest available schools. This could be a project of the Fair Trade Plan.
- Seeking and providing temporary schooling alternatives for children migrating temporarily with their working families to areas where no schooling is available for them.

Examples of potentially high risk situations include:

1. There is no school in the area
2. The product or region is listed on the [US Department of Labor's List of Goods Produced by Child Labor and Forced Labor](#)
3. There is a predominantly migrant labor population for seasonal activities such as harvesting, or a high percentage of migrant labor in the local workforce
4. There is no legal framework to regulate schooling or legal working ages for youth
5. Prohibitive school fees or other barriers to entry exist
6. Gender stereotypes among local populations against schooling children of a particular gender (girls generally) exist

Examples of Proof of Compliance

For SR-PC 1.1:

- Payroll
- Employment records and contracts
- Auditor observation and worker interviews

For SR-PC 1.2:

- Copies of policies and procedures that ensure that children below the age of 15 are not employed or allowed into production areas
- Copies of documentation maintained on workers legally classified as minors, i.e. young workers

For SR-PC 1.3:

- Written remediation policy (if applicable)

For SR-PC 1.4:

- Written procedure to prevent child labor

SR-PC 2: The children of registered smallholders below the age of 15 (or below the working age defined by national law, if higher) may work on their relatives' farms provided that:

- The work does not jeopardize schooling and is within reasonable time limits after school or during holidays
- The work does not jeopardize the child's social, moral or physical development and does not constitute a hazard to the child's health.
- Their relatives provide supervision and guidance.

Compliance No.	Compliance Criteria	Year	Major
SR-PC 2.1	If children of the registered smallholders below the age of 15 (or below the working age defined by national law, if higher) help their relatives with farm work after school and/or in holidays, it is ensured that such work does not jeopardize schooling, is within reasonable limits, and that a member of the family supervises and guides the child.	0	
SR-PC 2.2	If children of the registered smallholders below the age of 15 (or below the working age defined by national law, if higher) help their relatives with farm work after school and/or in holidays, the work does not jeopardize the child's social, moral or physical development and does not constitute a hazard to the child's health.	0	
SR-PC 2.3	Children below the age of 15 (or below the working age defined by national law, if higher), of workers employed by the MAP or registered smallholders do not work for the MAP, or any registered smallholder.	0	

Intent and Clarification

The intent of SR-PC 2.1 and SR-PC 2.2 is that children who help out their relatives or parents on their farm are doing so safely and within reason. Working hours cannot conflict with school hours and it is best practice that children do not assist their parents for more than 14 hours per week.

Under criterion SR-PC 2.3, the children of workers from the MAP or workers employed by smallholders are not permitted to help their parents in the field or work for either the MAP or a registered smallholder unless they are at least 15 years old (or they have reached the working age defined by national law if it is higher).

Examples of Proof of Compliance

For SR-PC 2.1:

- Verified through observation and interviews
- Records of work completed and hours worked by the children of smallholders

For SR-PC 2.2:

- Verified through observation and interviews

For SR-PC 2.3:

- Verified through observation and interviews
- Payroll

SR-PC 3: The minimum age of admission to any type of work, which by its nature or the circumstances under which it is carried out is likely to jeopardize the health, safety, or morals of young people, is 18 years (or the age of legal adulthood as defined by national law, if higher).

Compliance No.	Compliance Criteria	Year	Major
SR-PC 3.1	Workers under the age of 18 (or below the age of legal adulthood as defined by national law, if higher) do not carry out work which, by its nature or the circumstances under which it is carried out (e.g. handling chemicals, working night shifts), is likely to jeopardize their health, safety, development or morals.	0	

Intent and Clarification

The intent of criteria under SR-PC 3 is that minors and young workers are protected. Work likely to jeopardize the health and safety of young workers includes working with dangerous equipment, handling of and exposure to agrochemicals, or other heavy or hazardous work.

Example of Best Practice

As a best practice, young workers should be assigned tasks with the lowest risk for accidents and lowest potential for injury.

Examples of Proof of Compliance

For SR-PC 3.1:

- Payroll and records of hours worked by minors
- Employment contracts
- Smallholders and workers can confirm the fulfillment of these criteria

4.4 Freedom of Association (FA)

This section is applicable to all workers employed by the MAP (permanent and temporary). Compliance Criteria under this section are also applicable to any registered smallholder that employs a significant number of workers. The intent of the Freedom of Association section is that ILO conventions are met by all farms and by all MAPs and that workers are not prevented from organizing or joining a workers organization should they choose to do so. See the introduction to this document for further information on “significant number” of workers.

The Freedom of Association section intends to protect workers against discrimination when defending their rights to organize and to negotiate collectively based on ILO Convention No. 87 on Freedom of Association and Protection of the Right to Organize, ILO Convention No. 98 on the Right to Organize and Collective Bargaining and ILO Recommendation No. 143 on Workers’ Representatives. As stated in ILO Convention No. 87:

“Workers and employers, without distinction whatsoever, shall have the right to establish and, subject only to the rules of the organization concerned, to join organizations of their own choosing without previous authorization. [...] Workers’ and employers’ organizations shall have the right to draw up their constitutions and rules, to elect their representatives in full freedom, to organize their administration and activities and to formulate their programmes” (Articles 3 & 4).

SR-FA 1: The employer recognizes in writing and in practice the right of all workers to establish and join workers' organizations of their own choosing, and to collectively negotiate their working conditions.

Compliance No.	Compliance Criteria	Year	Major
SR-FA 1.1	The employer recognizes in writing (making it known to workers), and in practice: the right of all employees to establish or join an independent workers organization of their own choosing that is free from interference of the employer, and the right to collective bargaining.	0	M
SR-FA 1.2	Workers are encouraged to legally incorporate their own established workers' organization.	0	

Intent and Clarification

The intent of SR-FA 1.1 is that workers are aware of their rights with regards to freedom of association, the creation of and participation in workers' organizations, and collective bargaining. Possible forms of association include unions, workers committees, cooperatives or associations. One way to achieve awareness is through a signed statement from the MAP and/or smallholder employer distributed to all workers and/or posted in a common area, in language(s) that is/are easily accessible to all workers. These rights must also be effectively communicated to illiterate workers. As a best practice, such a statement should inform workers of the specific rights outlined in ILO conventions No. 87, No. 98 and other relevant ILO conventions on this matter.

The intent of "encouraged" mentioned under SR-FA 1.2 is that basic information about workers' organizations is available to workers. As a best practice trainings should be provided to all workers annually and to new workers when they join their employer. Trainings can be done in smaller groups, reminding workers where to find information and documents on workers' organizations.

Examples of Proof of Compliance

For SR-FA 1.1:

- Written recognition of workers' rights to freedom of association and evidence that it has been communicated to workers in a way that is accessible to workers, e.g. posted on bulletin board, minutes from meetings where it was communicated
- Workers can confirm that they feel confident in their freedom to associate without retaliation

For SR-FA 1.2:

- Meeting minutes showing that the issue was an agenda item
- Records of training on freedom of association
- Internal communications sent to workers
- Announcements or publications about this right available at locations accessible to workers

SR-FA 2: The employer does not interfere with the right to freedom of association by attempting to influence or obstruct workers' organizations.

Compliance No.	Compliance Criteria	Year	Major
SR-FA 2.1	The employer does not interfere with the right to freedom of association by attempting to influence or obstruct workers' organizations.	0	
SR-FA 2.2	Management allows workers to hold meetings and organize themselves during working time without interference (without deductions or required payments) and within reasonable limits.	0	

Intent and Clarification

Examples of an employer interfering with the right to freedom of association under SR-FA 2.1 may include supporting workers' organizations by financial or other means, or showing preference to one workers' organization over another (i.e. by negotiating with one while excluding another or providing facilities for one and not for another). Where trade unions or worker organizations already exist, workers must be able to verify that they were formed independently by the workers and without management interference.

The intent of SR-FA 2.2 is that the employer allows workers to hold meetings and organize themselves during work time without interference. Under these requirements, workers are free to choose whether they want to participate in these meetings or not. The meetings may be requested by the workers. External union officials can also request the meetings if the union is involved in a Collective Bargaining Agreement (CBA) within the relevant industry or at national level.

"Reasonable limits" to hold meetings and self-organize during work hours as specified under SR-FA 2.2 are understood as up to four hours per month, and that meeting times and locations are agreed to in advance with sufficient notice for the MAP and/or the registered smallholder to reasonably accommodate the meeting in the work schedule.

Examples of Proof of Compliance

For SR-FA 2.1:

- Copies of management policies prohibiting retaliatory acts against workers who organize or participate in workers organizations
- Workers can confirm

For SR-FA 2.2:

- Meeting minutes including signatures of all participants
- Payroll and pay slips indicating deductions applied
- Workers can confirm that they were allowed to meet

SR-FA 3: Neither workers nor their representatives are discriminated against or suffer other repercussions because of freely exercising their right to organize or because of their membership or participation in legal activities in their workers' organization.

Compliance No.	Compliance Criteria	Year	Major
SR-FA 3.1	Neither workers nor their representatives are discriminated against or suffer other repercussions because of freely exercising their right to organize or because of their membership or participation in legal activities in their workers' organization.	0	
SR-FA 3.2	The employer keeps records for all cases of dismissals of union or workers' committee members.	3	
SR-FA 3.3	The employer maintains a register of all terminated contracts with details on circumstances/reasons for termination.	3	

Intent and Clarification

Standard SR-FA 3 and associated compliance criteria are in accordance with [ILO convention 135](#).

The intent of SR-FA 3 is that neither workers nor their representatives experience any kind of discrimination, meaning that they are not treated differently or suffer negative repercussions. Some actions that could indicate discrimination against workers who form a workers' organization or who are trying to form one are:

- Closing production
- Denying access
- Longer working hours
- Making transport difficult
- Dismissals

The intent of SR-FA 3.3 is that the employer maintains records of all terminations and dismissals initiated by the employer.

Examples of Proof of Compliance

For SR-FA 3.1:

- Copies of policies prohibiting retaliatory acts against workers who organize or participate in workers organizations
- Workers can confirm

For SR-FA 3.2:

- Record of dismissals of any individuals involved in a union, workers' committee, or the Fair Trade Committee

For SR-FA 3.3:

- Record of terminated contracts with details on circumstances and reasons for termination

SR-FA 4: The employer ensures that all workers are provided with information from an independent source on their right to freedom of association and the options available for workers organizations.

Compliance No.	Compliance Criteria	Year	Major
SR-FA 4.1	The employer ensures that all workers are provided with information from an independent source on their right to freedom of association and the options available for workers organizations.	6	
SR-FA 4.2	The employer provides working time (without deductions or required payments) upon request and within reasonable limits for these training activities to take place.	6	
SR-FA 4.3	The employer provides appropriate facilities and resources upon request for these training activities to take place.	6	

Intent and Clarification

The intent of SR-FA 4.1 is that workers receive information related to the right of freedom of association from an independent source (one that is free of the employer's interference or control). If this is not already occurring, then it is the employer's responsibility to ensure it becomes available to workers by reaching out to an independent source.

If there is already a workers committee, council, cooperative, association or other form of independent organization in place before the MAP applies for Fair Trade certification, compliance with this criterion will be based on whether workers were previously provided with information on freedom of association and, more importantly, whether the current workforce understands the options available to them. In some cases, the employer may be required to provide this information again.

Under SR-FA 4.3, where workers are not already members of an independent trade union or worker organization, the employer is required to provide appropriate facilities and resources for such trainings and allows them to happen during working time without interference (without deductions or required payments) and within reasonable limits as defined by the certifier, typically one half to one full day per year.

Examples of Proof of Compliance

For SR-FA 4.1:

- Records of outreach by the employer to independent sources
- Copies of materials from these sources that were distributed to workers and/or used in worker trainings
- Record of how and where workers received the independent information, e.g. training/meeting minutes with a signed list of participants, memoranda, photos of posting on bulletin board, etc.
- Workers can confirm that they received information from independent resources

For SR-FA 4.2:

- Minutes from meetings of the representatives, which include the date, time, and place of meeting
- Pay stubs and payroll
- Schedule of regular meetings, approved by the employer
- Workers can confirm that training activities happened during working time

For SR-FA 4.3:

- Record of resources provided to representatives for their meetings
- Workers can confirm receipt of appropriate facilities and resources

4.5 Occupational Health and Safety (OH)

This section intends to prevent work-related accidents by minimizing hazards in the work place. It is based on ILO Convention No. 155 on Occupational Safety and Health.

This section is applicable to all workers, permanent and temporary (including sub-contracted workers), employed by the smallholders and the MAP. In this section some criteria are identified as only applicable where a significant number of workers are employed. See the introduction to this document for further information on “significant number” of workers.

SR-OH 1: Work processes, workplaces, machinery and equipment on the production site as well as worker transportation are as safe as possible and any inherent risk to health is minimized by adequate control.

Compliance No.	Compliance Criteria	Year	Major
SR-OH 1.1	Work processes, workplaces, machinery and equipment on the production site as well as worker transportation are as safe as possible, and equipped with adequate safety devices.	0	
SR-OH 1.2	A maintenance and repair system is put in place to ensure a safe, clean and hygienic environment at all times.	3	

Intent and Clarification

The primary objective of standard SR-OH 1 is to identify and minimize or eliminate workers' occupational risks, including accident, injury, and work-related illness rates. In order to achieve this objective, the employer will need to develop associated procedures and dedicate sufficient personnel and resources to ensure a safe work environment.

Examples of Proof of Compliance

For SR-OH 1.1:

- Verified through observation, inspection and documentation
- Records of workplace accidents and worker transportation accidents
- Workers can confirm that workplaces, machinery, equipment and worker transportation have adequate safety devices

For SR-OH 1.2:

- Copy of the maintenance and repair system, protocol and procedures

Compliance No.	Compliance Criteria	Year	Major
SR-OH 1.3	The employer ensures that Personal Protective Equipment (PPE) is provided to workers free of charge, according to their tasks, and that they are instructed and monitored in its proper use.	0	
SR-OH 1.4	Where a significant number of workers are employed, the employer provides all workers with necessary working clothes appropriate to their tasks and free of charge. These working clothes are replaced regularly.	0	

Intent and Clarification

SR-OH 1.3 and SR-OH 1.4 apply to all workers including temporary workers and specifically refer to protective gear that workers need to wear in order to ensure their safety while performing their job functions. This could include but is not limited to gloves, masks, respirators and protective over-clothes worn for spraying agrochemicals, boots to protect against poisonous snakes, helmets and/or steel-toed shoes for moving heavy equipment, eye protection for working in production facilities etc. Any item that a worker needs to wear for their own protection falls under this requirement. Workers shall be trained on and monitored in proper use. The employer implements the necessary measures and control systems to assure that the protective equipment is used without exception, and that replacements are ordered and distributed in due time. It is the responsibility of the employer, not the workers, to replace Personal Protective Equipment (PPE) as needed and keep records of those replacements. Workers should, however, do their part to take proper care of PPE.

For workers applying agrochemicals, “appropriate” personal protective equipment is defined as equipment that reduces contact with the agrochemicals, reduces the possibility of acute or chronic poisoning, and complies with the strictest of the requirements indicated on the products’ Material Safety Data Sheet (MSDS), as well as any applicable laws.

Examples of Best Practice

The following is a suggested list of PPE that should be worn for specific tasks (note that this list is not meant to be exhaustive). See also standard SR-OH 9 for requirements related to PPE and hazardous chemicals:

Application of agrochemicals (e.g. pesticides and fungicides):

- Work clothes, overalls or long-sleeved shirt, and long pants made from a heavy and/or impermeable material
- Respirator with a special filter that is changed regularly by management in accordance with the characteristics of the agrochemical used
- Head protection (cap, hat, etc.)
- Unlined nitrile gloves that cover at least halfway up each arm
- Vinyl back protector in cases when a backpack sprayer is used
- Unlined rubber boots
- Face screen or goggles with indirect ventilation designed for chemical substances
- Socks

Flag persons for aerial fumigation:

- Work clothes, overalls or long-sleeved shirt, and long pants made from a heavy material
- Respirator with a special filter in accordance with the characteristics of the agrochemical used
- Head protection (cap, hat, etc.)
- Unlined nitrile gloves that cover at least halfway up each arm
- Raingear, poncho or other similar waterproof protection
- Unlined rubber boots
- Face screen or goggles with indirect ventilation designed for chemical substances
- Socks

Fertilizer application:

- Apron
- Unlined nitrile gloves
- Unlined rubber boots
- Socks
- Mask that complies with product label

Collection of agrochemical spills:

- Work clothes, overall or long-sleeved shirt and long pants
- Respirator with a special filter in accordance with the agrochemical’s characteristics
- Unlined nitrile gloves
- Unlined rubber boots
- Face screen or goggles with indirect ventilation designed for chemical substances

Handling materials impregnated with pesticides (bags, plastics, plant materials, tests, etc.):

- Work clothes, overall or long-sleeved shirt and long pants
- Respirator with a special filter in accordance with the agrochemical's characteristics
- Unlined nitrile gloves

Washing clothes and work equipment contaminated with agrochemicals:

- Apron
- Unlined nitrile gloves
- Unlined rubber boots
- Respirator with a filter in accordance with the agrochemical's characteristics

Examples of Proof of Compliance

For SR-OH 1.3:

- Availability of personal protective equipment
- Receipts from the purchase of this equipment
- Delivery tickets from having handed over the equipment to workers
- Records from trainings on how to use PPE

For SR-OH 1.4:

- Receipts from the purchase of working clothes
- Record of having delivered working clothes to workers
- Workers can confirm receipt

SR-OH 2: A Health and Safety (HS) policy is in place and covers all of the items mentioned above.

Compliance No.	Compliance Criteria	Year	Major
SR-OH 2.1	Where a significant number of workers are employed, the employer has implemented a written health and safety (HS) policy.	3	
SR-OH 2.2	Where a significant number of workers are employed, the written health and safety policy is based on a documented risk assessment.	3	

Intent and Clarification

Where no significant number of workers is employed, SR-OH 2 does not apply. Where a written health and safety policy is required, it is best practice to consider applicable national laws in addition to the requirements of Fair Trade when developing the policy. The employer shall also take steps to ensure that it is known and understood by the workers.

Examples of Proof of Compliance

For SR-OH 2.1:

- Copy of the health and safety policy

For SR-OH 2.2:

- Copy of the risk assessment
- Copy of the Health and Safety policy

SR-OH 3: The following persons are not allowed to be engaged in any potentially hazardous work: persons younger than 18 years, pregnant or nursing women, persons with incapacitating mental conditions, persons with chronic, hepatic or renal diseases, and persons with respiratory diseases.

Compliance No.	Compliance Criteria	Year	Major
SR-OH 3.1	Persons under the age of 18, disabled people, persons with incapacitating mental conditions; persons with chronic, hepatic or renal diseases, persons with respiratory diseases, and pregnant and nursing women only perform work that is appropriate to their physical capacity and that does not imply a health hazard.	0	

Examples of Proof of Compliance

For SR-OH 3.1:

- Employment contracts
- Medical records of workers
- Verified through observation and/or worker interviews

SR-OH 4: The Employer ensures alternative work for employees in the case that a change of work is necessary to comply with requirement SR-OH 3.

Compliance No.	Compliance Criteria	Year	Major
SR-OH 4.1	In cases where a change of work is necessary to comply with requirement SR-OH 3, the employer ensures that alternative employment is found for any existing worker.	0	

Intent and Clarification

The intent of SR-OH 4 is that the employer offers similar employment at the same pay and benefits in case a change of work is necessary to comply with SR-OH 3. The employee is not obligated to accept the offer.

Examples of Proof of Compliance

For SR-OH 4.1:

- Payroll and job descriptions
- Workers can confirm that they were offered alternative employment

SR-OH 5: The employer provides, or pays compensation for, adequate emergency first aid equipment and appropriately trained first aid staff to meet all reasonably foreseeable emergency first aid situations. The employer provides medical care for all workplace injuries and illnesses and pays for recovery to any work-related illnesses or injuries.

Compliance No.	Compliance Criteria	Year	Major
SR-OH 5.1	The employer provides first aid facilities and equipment to meet all reasonably foreseeable emergency first aid situations.	0	
SR-OH 5.2	Where a significant number of workers are employed, there are trained first aid personnel available to respond to emergency first aid situations.	0	
SR-OH 5.3	Where a significant number of workers are employed, records are kept of all work accidents and related first aid response.	0	

Intent and Clarification

The intent of SR-OH 5.1 is that the employer is adequately equipped to respond quickly in emergency first aid situations. The level of first aid equipment and supplies will vary according to the size of the workplace. Where a significant number of workers are not employed SR-OH 5.2 and SR-OH 5.3 do not apply.

Appropriately “trained” is defined as having received, at a minimum, training in basic first aid skills and knowing emergency procedures, including emergency transportation plan and phone numbers.

Examples of Best Practice

As a best practice, the employer should assign a specific person the responsibility for choosing the types and amounts of first aid supplies and for maintaining these supplies. This could be the Health and Safety Officer (see SR-OH 7.1) or another individual who works in coordination with him or her. The supplies should reflect the kinds of injuries that occur, and should be stored in an area where they are readily available for emergency access.

It is considered best practice for the training under SR-OH 5.2 to be conducted by an external expert or medical professional, however this is not required. As a best practice, the employer should also identify the types of emergencies that may affect their workforce (which may include political or civil unrest, chemical poisoning/contamination, fire, or extreme weather) and prepare appropriately. Ideally this would include training workers to mitigate and respond to such emergencies, and documenting and making workers aware of private, government or community-led response services, such as ambulances or fire-fighting measures.

Examples of Proof of Compliance

For SR-OH 5.1:

- Evidence of usable/non-expired first aid equipment
- Invoices for purchases of first aid kits
- Communication to workers about the availability of first aid facilities
- Workers can confirm that the requirements of these criteria are met

For SR-OH 5.2:

- Records of training of first aid personnel (where applicable)
- Trained workers can explain their duties (where applicable)

For SR-OH 5.3:

- Written records of work accidents and related first aid response

SR-OH 6: All workers must have access to potable water and clean sanitary facilities.

Compliance No.	Compliance Criteria	Year	Major
SR-OH 6.1	Potable drinking water is clearly labeled and accessible to all workers during their working period.	0	
SR-OH 6.2	Where a significant number of workers are employed, drinking water is analyzed at least every six months when water purity has been identified as a risk.	0	
SR-OH 6.3	Where sanitary facilities are provided, these are clean and there are hand washing facilities next to the sanitary facilities.	1	
SR-OH 6.4	Where a significant number of workers are employed, sanitary facilities are provided separately for men and women (toilets, washing facilities and showers if needed due to agrochemical application). Where a large number of workers are employed, the employer provides an appropriate number of facilities (minimum proportion is 1 facility: 25 workers).	3	

Intent and Clarification

Potable water is water that is safe for humans to drink. The intent of SR-OH 6.1 is that potable water is easily accessible to workers during their shifts because of the risks of dehydration, particularly in extreme heat, when water is not frequently consumed (e.g. multiple times per hour). As a best practice, sufficient potable water is also provided at on-site housing, day care, or school facilities.

The intent of SR-OH 6.2 is that the employer considers key risk factors related to water purity and regularly analyzes the drinking water if risk is determined to be high. The risks associated with all sources of drinking water should be considered, including piped, delivered (e.g. by tanker truck), ground water (e.g. spring or wells), or surface sources (e.g. lakes, streams). In cases of high risk, water quality analyses completed prior to a year before the audit are not likely to be considered sufficient to demonstrate that the water is potable at the time of the audit. To mitigate risk, smallholders or the MAP may choose to purchase potable water from a reliable source.

Key risk factors and questions that could be considered to determine whether a water quality analysis is necessary include:

- Clarity – does the water look clear, what color is it?
- Odor – is there any strange smell coming from the water?
- Flow – is the water source stagnant or flowing? Is the water source above ground or below ground?
- Possible Sources of Contamination – is there evidence of possible sources of contamination near to or upstream from the water source, such as wild or domestic animals, factories, urban areas, chemical application, garbage, and/or sewage?
- Workers' Use of Water – do smallholders or workers usually boil the water or take additional protective measures before drinking it? Has anyone become sick from drinking the water?

Examples of Best Practice

In areas where there is a significant risk that the water is not potable and where a significant number of workers are employed, the standard requires a water quality analysis be conducted. However, even in lower risk cases, the best practice for determining whether the drinking water provided to workers is safe is to conduct a water quality analysis. Water quality analysis typically includes a variety of indicators, including general water characteristics (e.g. pH level), as well as some measure of contaminants (microbial

and chemical). The results of water quality analysis should be compared to regional or national guidelines published by the government ministry that is responsible for establishing water safety thresholds. In the absence of applicable regulations, the test results should be compared to the World Health Organization Guidelines for Drinking-Water Quality.

Water quality analysis results may not always be available, particularly in the case of small farms. In the event that test results are not available, field auditors will use other evaluation methods during the audit.

Examples of Proof of Compliance

For SR-OH 6.1:

- Verified through observation

For SR-OH 6.2:

- Results of a water quality analysis from within the last 12 months
- If a water quality analysis is not conducted, documentation detailing risk factors considered and justification for not conducting the analysis

For SR-OH 6.3 to SR-OH 6.4:

- Facilities meet the requirements listed in these criteria

SR-OH 7: A worker (Health and Safety Officer) is nominated to be in charge of occupational health and safety matters.

Compliance No.	Compliance Criteria	Year	Major
SR-OH 7.1	Where a significant number of workers are employed, a Health and Safety Officer is nominated to be in charge of occupational health and safety matters. This person brings health and safety issues to the attention of the employer.	3	

Intent and Clarification

It is not necessarily important who nominates the Health and Safety Officer, as long as they are properly empowered by the employer and trusted by workers. This person could be nominated by workers or the employer. The employer may appoint the Health and Safety Officer based on these nominations. The intent of SR-OH 7.1 is that the Health and Safety Officer has sufficient authority, time and resources. It is critical that the Health and Safety Officer is trusted by workers and that she or he feels comfortable bringing issues forward to the employer. Where there are not a significant number of workers employed, SR-OH 7.1 does not apply.

Examples of Best Practice

As a best practice, the Health and Safety Officer should be trained in first aid and know procedures to react to emergencies, understand health and safety requirements of the Fair Trade standards, and be someone that has a high amount of contact with workers.

Examples of Proof of Compliance

For SR-OH 7.1:

- Records of the nomination and appointment of the Health & Safety Officer
- The Health & Safety Officer can describe her/his role and responsibilities

SR-OH 8: Workers engaged in any potentially hazardous work are adequately trained and informed of the specific risks to mental, reproductive and/or neurological health.

Compliance No.	Compliance Criteria	Year	Major
SR-OH 8.1	Seasonal training is provided for workers engaged in any potentially hazardous work.	3	
SR-OH 8.2	Workers engaged in any potentially hazardous work are informed of the specific risks to mental, reproductive and/or neurological health.	3	
SR-OH 8.3	Where a significant number of workers are employed, these trainings are documented; records are kept on file.	3	
SR-OH 8.4	Where a significant number of workers are employed, risk areas and potential hazards are clearly identified by warning signs in all relevant languages, which include pictograms.	3	
SR-OH 8.5	Where a significant number of workers are employed, written safety instructions and procedures include details regarding accident prevention and response, and are readily available to workers at their work place.	3	

Intent and Clarification

Where there are not a significant number of workers employed, criteria SR-OH 8.3 through SR-OH 8.5 do not apply.

The written safety instructions and procedures required under SR-OH 8.5 are required in addition to the Health & Safety Policy required under SR-OH 2.1, which does not necessarily have to be made available to workers.

Examples of Proof of Compliance

For SR-OH 8.1 and SR-OH 8.3:

- Records of trainings that include signatures of participants, topics addressed, and description of hazardous work activities being undertaken

For SR-OH 8.2:

- Copy of written safety instructions and procedures
- Evidence that safety instructions and procedures are posted publicly, such as a photo of the posting on the wall or bulletin boards
- Verified through observation

For SR-OH 8.4:

- Evidence that safety instructions and procedures are posted publicly, such as a photo of the posting on the wall or bulletin boards

For SR-OH 8.5:

- Written safety instructions and procedures
- Meeting minutes including signatures of participants and procedures addressed
- Evidence that safety instructions and procedures are posted publicly, such as a photo of the posting on the wall or bulletin boards

SR-OH 9: Workers handling hazardous chemicals are provided with adequate personal protective equipment of good quality and in good condition at the employer's expense. Workers must always use such equipment and never take it to their homes.

Compliance No.	Compliance Criteria	Year	Major
SR-OH 9.1	Workers handling hazardous chemicals are provided with adequate personal protective equipment free of charge.	0	
SR-OH 9.2	The employer ensures that the personal protective equipment is used.	0	
SR-OH 9.3	Workers do not take personal protective equipment (i.e. gloves, clothes, masks) to their homes.	0	
SR-OH 9.4	Training on the use of the protective equipment and the risks associated with hazardous materials is provided at least once a year.	0	
SR-OH 9.5	Where a significant number of workers are employed, these trainings are documented; records are kept on file.	0	

Intent and Clarification

The intent of SR-OH 9 is that the employer (either the smallholder or the MAP) ensures that Personal Protective Equipment (PPE) is in good condition and appropriate to the work tasks. The employer ensures that adequate Personal Protective Equipment (PPE) is provided to workers free of charge, according to their tasks, and that workers are instructed and monitored in its proper use. Standard SR-OH 9 is closely linked with criterion SR-OH 1.3. This includes following recommendations provided on pesticide product labels related to the type of PPE that should be used when mixing, applying, and disposing of chemicals and the appropriate mode of application of the chemical. Where a significant number of workers are employed, trainings shall be documented.

Examples of Best Practice

Training sessions mentioned in SR-OH 9.4 should be conducted by a recognized institution or specialist. At a minimum, the trainer must have directly received formal training and/or hold a relevant certificate. All workers should receive an appropriate initial training prior to engaging in any potentially hazardous activities. Periodic trainings on safe handling should be planned and implemented in order to provide updated information and to cover new workers (for further guidance on PPE see also the guideline for SR-OH 1.3). As a best practice, there should be records that demonstrate how often personal protective equipment is replaced to ensure it's still in good condition.

Further advice can be sought from the pesticide supplier or manufacturer or other external expert, to determine the most effective means of protecting workers who handle the chemicals.

Examples of Proof of Compliance

For SR-OH 9.1:

- Receipts for purchase of PPE
- Records of providing workers with PPE
- Records that show how often PPE is replaced
- The existence and use of protective equipment can be verified through observation, e.g. PPE has clearly been worn before
- Workers can confirm arrangements regarding provision of PPE free of charge

For SR-OH 9.2:

- Procedures for the use of PPE
- Results from internal audits that include verification on PPE use

For SR-OH 9.3:

- Memorandum to workers that informs them that they cannot take PPE home
- Written procedures that indicate where this equipment is stored in the workplace

For SR-OH 9.4:

- Record of trainings with a list of participants and materials used

For SR-OH 9.5:

- Record of trainings with a list of participants and materials used
- Workers can confirm that they have received training

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5.1 Monitoring Systems (MS)

ES-MS 1: The Market Access Partner provides training to its members on the criteria regarding Environmental Stewardship and safe chemical use.

Compliance No.	Compliance Criteria	Year	Major
ES-MS 1.1	The Market Access Partner organizes trainings on the criteria regarding environmental stewardship and safe chemical use. These trainings are documented; records are kept on file.	0	
ES-MS 1.2	The majority of the registered smallholders attend. These trainings are documented; records are kept on file.	3	

Examples of Proof of Compliance

For ES-MS 1.1 and ES-MS 1.2:

- A copy of the training materials that include awareness raising on the topics covered in the Environmental Stewardship section of this Standard
- Records of trainings, including the participants list

ES-MS 2: The Market Access Partner appoints at least one person to lead the operational steps required to comply with the Environmental Stewardship requirements within this standard.

Compliance No.	Compliance Criteria	Year	Major
ES-MS 2.1	The Market Access Partner appoints at least one person to lead the operational steps required to comply with the Environmental Stewardship requirements within this standard.	0	
ES-MS 2.2	The responsibilities of this person are clear and documented.	0	
ES-MS 2.3	The person appointed has the knowledge (of production practices, agronomic challenges, cultural traditions, environmental risks) necessary to fulfill these responsibilities.	0	

Intent and Clarification

The individual who manages the implementation and compliance of the Fair Trade environmental requirements shall be accountable to the Management of the MAP. S/he may be the same person as the Fair Trade Officer appointed in Year 0 under EM-DM 1.1, or may work closely with them.

Examples of Best Practice

This person may have formal education in either agronomy or environmental management, or they must demonstrate sufficient knowledge and understanding of the topics relevant to this standard to fulfill the responsibilities herein.

Examples of Proof of Compliance

For ES-MS 2.1 and ES-MS 2.2:

- Written appointment of the designated person
- Person appointed can confirm her/his appointment and explain her/his functions

For ES-MS 2.3:

- CV of the person appointed (environmental manager)
- Environmental manager can explain her/his work experience and her/his responsibilities regarding the environmental requirements of this standard

5.2 Integrated Pest Management (IPM)

ES-IPM 1: The Market Access Partner provides training to the registered smallholders on the subject of integrated pest management, including:

- Monitoring pests and diseases.
- Alternative ways to control pests and diseases.
- Preventive measures against pests and diseases.
- Measures to prevent pests and diseases from building up resistance to agrochemicals.

Compliance No.	Compliance Criteria	Year	Major
ES-IPM 1.1	The Market Access Partner provides training to the registered smallholders on the subject of integrated pest management, including: <ul style="list-style-type: none">• The monitoring of pests and diseases.• Alternative ways to control pests and diseases.• Preventive measures against pests and diseases.• Measures to prevent pests and diseases from building up resistance to agrochemicals.	3	
ES-IPM 1.2	The majority of the registered smallholders attend. These trainings are documented; records are kept on file.	3	

Intent and Clarification

The intent of the Independent Smallholders Standard is that smallholders are able to reduce the use of pesticides and other agrochemicals over time, protecting human health and the environment. The use of integrated pest management (IPM) is an important way to achieve this intent. Building a knowledge base about pests and diseases and monitoring them in the field is a foundation of IPM. Alternative ways to control pests and diseases can include biological controls such as the introduction of natural enemies or physical controls such as sticky traps to capture pests, as well as other means that serve to reduce and/or control the population of the pest. Integrated pest management can also include preventive measures against pests and diseases, meaning cultivation techniques that may reduce the presence or the effects of pests. These can include crop rotation, ground covers, mixing compost with the soil, removing pest infested plants and plant parts, and intercropping.

Examples of Best Practice

Smallholders that use fire for pest management and/or pre-harvest vegetation clearing should:

- a) Comply with local legislation about the use of fire for farm management.
- b) Conduct burning in a way that minimizes the impact on workers, surrounding communities and natural resources.

It is important that any burning be done in a strictly controlled manner to minimize risk of wildfires and smoke production and that fire does not spread to conservation areas. The MAP is responsible for ensuring that smallholders or workers in charge of burning are adequately trained in fire management, control, and suppression.

Examples of Proof of Compliance

For ES-IPM 1.1 and ES-IPM 1.2:

- Records of trainings, including a list of participants
- Copies of training materials used

ES-IPM 2: Registered smallholders are able to demonstrate that agrochemicals are applied based on knowledge of pests and diseases.

Compliance No.	Compliance Criteria	Year	Major
ES-IPM 2.1	Registered smallholders are able to demonstrate that agrochemicals are applied based on knowledge of pests and diseases.	6	

Intent and Clarification

The combined intent of ES-IPM 1 and ES-IPM 2 is that producers are knowledgeable enough about pests and diseases, how to monitor pests and diseases, and the risks and benefits of agrochemicals versus other pest management techniques to be able to effectively weigh the risks and costs of treating a disease or pest with chemical applications. Agrochemical application decisions based on monitoring can best happen when the registered smallholders understand which pests and diseases affect the Fair Trade crop and under which conditions they may put the crop at risk.

Examples of Best Practice

The smallholders and the MAP should look to studies and advice specific to their crop and region and consider them in the context of their own operations. As a best practice, the farm should be able to demonstrate through sampling that the level of infestation warrants chemical application per technical recommendations of the manufacturer. An additional practice that could be incorporated into a larger monitoring program is the use of diagrams or sketches showing the distribution of pests and diseases in the field which could lead to spot pesticide applications.

Examples of Proof of Compliance

For ES-IPM 2.1:

- Written records from the monitoring of pests and diseases in Fair Trade crops
- Records of application of agrochemicals
- Records that demonstrate a reduction in pesticide use
- Records of technical recommendation on the dose to be applied
- Producers can demonstrate knowledge of pests & diseases and implementation of best practices to reduce agrochemical dependency

5.3 Agrochemicals (AC)

ES-AC 1: The Market Access Partner compiles a list of the agrochemicals that are used for agricultural production included in the Fair Trade certificate. The list is updated at a minimum every 3 years, and indicates which of those materials are in the Fair Trade USA Prohibited Materials List (PML) part 1 (Red List), and part 2 (Amber List).

Compliance No.	Compliance Criteria	Year	Major
ES-AC 1.1	The Market Access Partner compiles a list of the agrochemicals that are used for agricultural production that is included in the Fair Trade certificate.	0	
ES-AC 1.2	The list indicates which of those materials are on the Fair Trade USA Prohibited Materials List (PML) part 1 (Red List) and part 2 (Amber List).	0	
ES-AC 1.3	The list is updated every three years, at minimum.	3	

Intent and Clarification

The intent of Standard ES-AC 1 is that materials (agrochemicals) listed in FTUSA's Prohibited Materials List (PML) are not used on Fair Trade crops. This prohibition also applies to any post-harvest treatment, including any treatments performed by a subcontractor. Refer to [Fair Trade USA's Prohibited Materials List](#) for more detailed information.

The intent of criterion ES-AC 1.2 is that, before initial certification, the MAP has cross-checked the list of chemicals used by the registered smallholders and the list of chemicals used in post-harvest treatment by the MAP with the PML. If any of the chemicals used are on the PML, the MAP must inform registered smallholders that they must immediately cease the use of any Red List chemicals from the PML, in order to comply with standard ES-AC 2. Similarly, if any of the chemicals used by the MAP are on the PML, the MAP must cease the use of any Red List chemicals.

The Market Access Partner may compile information for this list through interviews and informal communication, or by collecting records kept by the registered smallholders. The MAP may choose to ask for this information when registered smallholders sign registration agreements (see TR-AG 1.1).

Examples of Proof of Compliance

For ES-AC 1.1 and ES-AC 1.2:

- Records of agrochemical management, for example:
 - Receipts and records of purchase
 - Receipts and records of
 - Payment for disposal services
 - Sales or returns of agrochemical product
 - Logs or records of entrance/exit of products from warehouses or storage
 - Confirmation through observation of agrochemical storage areas and/or interviews with producers or workers that all materials are accounted for on the list

For ES-AC 1.3:

- Updated list of prohibited materials used
- Confirmation through observation of agrochemical storage areas and/or interviews with producers or workers that all materials are accounted for on the list

ES-AC 2: Materials on the Fair Trade USA PML part 1 (Red List) are not used on Fair Trade crops. Prohibited materials are clearly marked “not for use on Fair Trade crops.”

Compliance No.	Compliance Criteria	Year	Major
ES-AC 2.1	Materials on the Fair Trade USA PML part 1 (Red List) are not used on Fair Trade crops.	0	M
ES-AC 2.2	The Market Access Partner implements measures to raise awareness of the PML among members.	3	
ES-AC 2.3	Awareness raising measures are documented and records are kept on file.	3	
ES-AC 2.4	Prohibited materials are clearly marked “not for use on Fair Trade crops.”	0	

Intent and Clarification

The intent of Standard ES-AC 2 is that materials (agrochemicals) listed in FTUSA’s Prohibited Materials List are not used on Fair Trade crops. This prohibition also applies to any post-harvest treatment, including any treatments performed by a subcontractor. Refer to [Fair Trade USA’s Prohibited Materials List](#) for more detailed information. Under ES-AC 2.2 and ES-AC 2.3 the PML refers to both the Red and Amber lists, since chemicals listed on the Amber list are likely candidates for phasing out in the future.

Where intercropping is used in the cultivation method, any agrochemicals applied to the intercropped cultivation, regardless of whether it is a Fair Trade crop or not, shall also be in compliance with all relevant compliance criteria in this Standard.

A smallholder that grows both Fair Trade Certified and non-Fair Trade Certified crops must ensure that all prohibited materials are not used on Fair Trade crops. Smallholders that store and apply prohibited materials on non-Fair Trade crops will need to provide sufficient evidence to demonstrate that those materials are not used on Fair Trade crops, such as detailed agrochemical application records, signage specifying which fields and crops prohibited materials can and cannot be used on, and trainings of workers who handle agrochemicals.

Examples of Proof of Compliance

For ES-AC 2.1:

- Written instruction on which products can be used and which ones cannot be used on Fair Trade crops
- MAP, smallholders, warehouse managers and spraying personnel can confirm regulations around prohibited materials
- Observation and inspection of production fields, warehouses/material storage serves as evidence

For ES-AC 2.2 and ES-AC 2.3:

- Records of meetings and trainings, including a list of participants
- Communications and evidence of educational materials sent to all smallholders about the use of prohibited materials
- Smallholders can demonstrate awareness and confirm training has occurred

For ES-AC 2.4:

- Prohibited materials are marked
- Verified through observation

ES-AC 3: The Market Access Partner maintains a safe central storage area for agrochemicals. The safe storage area must:

- Be locked and accessible only to trained and authorized personnel.
- Be ventilated to avoid a concentration of toxic vapors.
- Have equipment, such as absorbent materials, to handle accidents and spills.
- Not contain food.
- Have clearly labeled containers that indicate contents, warnings, and intended uses.
- Contain information regarding the safe handling of hazardous materials (Material Safety Data Sheets).

Compliance No.	Compliance Criteria	Year	Major
ES-AC 3.1	The chemical storage area is locked and accessible only to trained and authorized personnel.	0	
ES-AC 3.2	The storage area is ventilated to avoid a concentration of toxic vapors.	0	
ES-AC 3.3	The storage area has the equipment necessary to handle accidents and spills, including absorbent materials.	0	
ES-AC 3.4	The storage area does not contain food.	0	
ES-AC 3.5	Hazardous materials are clearly labeled. Labels indicate contents, warnings, and intended uses.	0	
ES-AC 3.6	Information is available regarding the safe handling of hazardous materials (Material Safety Data Sheets).	0	

Intent and Clarification

The intent of criteria under ES-AC 3 is to ensure that where the MAP stores chemicals for use by smallholders and in their own operations, the storage area is safe and secure. See ES-AC 10 for requirements about safe agrochemical storage at smallholder locations.

Examples of Best Practice

Where feasible, it is best practice for the MAP to store agrochemicals for smallholders or to help ensure that storage areas of each individual smallholder are as safe and secure as possible. To further reduce risk, the MAP is encouraged to store the least amount of stock possible and practical, depending on need, season, and distance to suppliers. As a best practice, the MAP keeps obsolete materials in the storage area until they can be disposed of properly.

Examples of Proof of Compliance

For ES-AC 3.1:

- Individuals in charge of the storage area can confirm the implementation of this safety procedure
- Verified through observation during the audit
- Minutes or records of trainings that demonstrate that the person responsible for the storage area received adequate training for their job role

For ES-AC 3.2:

- Verified through observation during the audit

For ES-AC 3.3:

- Verified through observation during the audit
- The required equipment is available
- Smallholders and workers can explain how and when to use them

For ES-AC 3.4:

- Verified through observation that the storage area does not contain any food

For ES-AC 3.5:

- Materials are labeled
- Verified through observation during the audit

For ES-AC 3.6:

- Material Safety Data Sheets are available
- Smallholders and workers in charge of these materials can confirm understanding of safe handling processes

ES-AC 4: Pesticide containers and other hazardous chemical containers are not reused to store or transport food or water.

Compliance No.	Compliance Criteria	Year	Major
ES-AC 4.1	Agrochemical containers are not reused to store or transport food or water.	0	

Examples of Proof of Compliance

For ES-AC 4.1:

- Verified through observation during the audit
- Smallholders and workers can confirm compliance with this criterion

ES-AC 5: The Market Access Partner provides training to registered smallholders and workers who handle agrochemicals on the risks of handling these materials and on how to handle them properly. The training should address the following subjects, as appropriate:

- How to store hazardous chemicals safely, ensuring that they cannot be reached by children.
- How to understand the product label and other safety instructions for use made available by the manufacturer.
- Container labels should indicate contents, warnings, and intended uses.
- How to handle accidents and spills when preparing and applying chemicals.
- How to handle and safely dispose of empty containers, including the practices of triple rinsing and puncturing containers.
- Intervals of time when people are not allowed to enter a sprayed area or field without any personal protection equipment.

Compliance No.	Compliance Criteria	Year	Major
ES-AC 5.1	<p>The Market Access Partner provides training to members and workers who handle agrochemicals on the risks of handling these materials and on how to handle them properly.</p> <p>The training should address the following subjects, as appropriate:</p> <ul style="list-style-type: none"> • How to store hazardous chemicals safely, ensuring that they cannot be reached by children. • How to understand the product label and other safety instructions for use made available by the manufacturer. • Container labels should indicate contents, warnings, and intended uses. • How to handle accidents and spills when preparing and applying chemicals. • How to handle and safely dispose of empty containers, including the practices of triple rinsing and puncturing containers. • Intervals of time when people are not allowed to enter a sprayed area or field without any personal protection equipment. 	1	
ES-AC 5.2	The majority of the registered smallholders attend. These trainings are documented; records are kept on file.	1	

Intent and Clarification

The intent of ES-AC 5 is that smallholders and their workers are properly trained on the handling of agrochemicals. The minimum re-entry time is defined as the time from when the pesticide was applied to the time when workers without protective clothing can safely go back to the production site. The re-entry interval shall be determined from pesticide product container labels and Material Safety Data Sheets, if present. If the re-entry interval is not specified by the pesticide labels or the MSDS, then the re-entry time shall be determined from governmental guidelines, chemical manufacturers or other resources. If product labels or guidelines are not available, the minimum re-entry interval should be at least 24 hours. In no cases should anyone re-enter a treated area within four hours of pesticide application, unless the product label specifies otherwise.

Examples of Proof of Compliance

For ES-AC 5.1 and ES-AC 5.2:

- Records of trainings, including participants' signatures and copies of the materials used
- Smallholders and workers can confirm that they have received training
- Implementation of training content (e.g. reentry periods, safe disposal, etc.) is observed during field visit

ES-AC 6: The Market Access Partner implements measures to ensure that all people, including registered smallholders and workers, wear appropriate personal protective equipment (PPE) when handling agrochemicals.

Compliance No.	Compliance Criteria	Year	Major
ES-AC 6.1	The Market Access Partner implements measures to ensure that all people, including registered smallholders and workers, wear effective personal protective equipment (PPE) when handling pesticides or hazardous chemicals.	1	

Intent and Clarification

Personal Protective Equipment (PPE) is protective clothing that effectively limits exposure to hazardous chemicals. PPE generally includes garments or equipment which covers the arms and legs, footwear (shoes or boots), a mask and, if spraying crops above the head, a hat. Specific garments will vary according to local context and the chemical being applied. The product labels or the Material Safety Data Sheet (MSDS) will provide further guidance on the type of PPE that should be used when mixing and applying agrochemicals. Exposure may also be reduced by choosing certain formulations and modes of application. If not specified on the product label or the MSDS, the MAP may seek advice from the agrochemical supplier or manufacturer on the proper PPE when handling agrochemicals.

Examples of Proof of Compliance

For ES-AC 6.1:

- Records of training, including a list of participants
- Communications to smallholders and workers on the use of PPE
- Logs of internal audits to verify compliance with this requirement, including records of the actions taken if non-compliance situations occurred previously
- Smallholders and workers can explain how they use PPE and why it's important
- Proper PPE use is observed during field visit

ES-AC 7: The Market Access Partner raises awareness among all members and workers of the hazards and risks related to agrochemicals, even if they are not directly handling these materials.

Compliance No.	Compliance Criteria	Year	Major
ES-AC 7.1	The Market Access Partner continues to raise awareness among all members and workers of the hazards and risks related to agrochemicals, i.e. through a presentation, information material, or trainings.	3	
ES-AC 7.2	Awareness raising measures are documented; records are kept on file.	6	

Intent and Clarification

The intent of ES-AC 7 is that smallholders and workers understand the human health risks associated with agrochemicals that they may be indirectly exposed to on the farm or at the MAP and the environmental risk of those same agrochemicals. The extent of awareness raising should be in line with the risks in the production system (i.e. low in a system that rarely uses chemicals (for example once every few years), moderate in an organic system that uses organic chemicals, and high in a more chemical-intensive conventional system). See also ES-AC 5 and ES-AC 6 on appropriate training and provision of Personal Protective Equipment (PPE).

Examples of Proof of Compliance

For ES-AC 7.1 and ES-AC 7.2:

- Evidence that the risks associated with pesticides, herbicides, and other agrochemicals has been communicated to smallholders and workers through one or more means, such as memos, chalkboards/bulletin boards, or meetings and trainings, supported by the corresponding meeting minutes and a list of participants
- Smallholders and workers can explain the main human health and environmental hazards and risks surrounding agrochemicals

ES-AC 8: Agrochemicals are applied at an appropriate distance from areas of ongoing human activity (e.g. housing, canteens, offices, or warehouses). An appropriate buffer zone is maintained around these areas unless there is a barrier that effectively reduces agrochemical drift.

Compliance No.	Compliance Criteria	Year	Major
ES-AC 8.1	Agrochemicals are applied at a distance from areas of ongoing human activity (e.g. housing, canteens, offices, or warehouses). An appropriate buffer zone is maintained around these areas unless there is a barrier that effectively reduces agrochemical drift.	1	

Intent and Clarification

The intent of ES-AC 8 is to keep agrochemicals away from areas of ongoing human activity like housing, canteens, offices or warehouses. An appropriate buffer zone is at least 10 meters, unless there is a barrier that reduces pesticide drift. When applying agrochemicals special attention should be paid to weather conditions, especially wind, to reduce the risk of pesticide drift.

Examples of Proof of Compliance

For ES-AC 8.1:

- Written procedures for pesticide and other chemical application that include instructions related to use near areas of human activity
- Smallholders and their workers can confirm that they know they should not apply chemicals near areas of human activity and they have an understanding of where these areas are located and that they have not done so or been instructed to do so on any occasion
- Verified through observation that buffer zones and/or barriers that reduce agrochemical drift exist

ES-AC 9: Air spraying of agrochemicals does not occur around areas of ongoing human activity, or above and around water sources. If spraying is outsourced to subcontractors, the Market Access Partner and its members ensure that this requirement is met.

Compliance No.	Compliance Criteria	Year	Major
ES-AC 9.1	The organization, its members, and subcontractors avoid air spraying of agrochemicals above or around places with ongoing human activity or rivers and other water sources.	1	
ES-AC 9.2	Areas of human activity, rivers, and other water sources of significant size are identified in maps and clearly communicated to pilots prior to air spraying.	1	

Intent and Clarification

The intent of ES-AC 9 is to keep agrochemicals away from areas of ongoing human activity, such as housing, canteens, offices, etc. as well as from waterways. Measures shall be in place to ensure that the company and its subcontractor are not air spraying agrochemicals over these sensitive areas.

Criterion ES-AC 9.2 requires sensitive areas to be identified on maps in addition to clearly communicating them to pilots. Smallholders should also be aware that these maps exist.

Examples of Best Practice

If it is not possible to avoid spraying over or near small rivers or irrigation channels that flow within fields, it is best practice to plant protective vegetation around them. While ES-AC 9.1 is primarily intended to cover aerial spraying via airplane, it is considered best practice to also identify and mitigate against any risk to sensitive areas associated with spraying via tractor or backpack.

Examples of Proof of Compliance

For ES-AC 9.1:

- Records of meetings between the organization, its members, subcontractors and the person in charge of spraying the agrochemicals, showing understanding of areas where agrochemicals can and cannot be applied and where protective vegetation should be planted
- Contracts with aerial fumigation companies (if applicable)
- Records of aerial fumigation, including GPS coordinates (if applicable)
- Map of the production areas, waterways and areas with ongoing human activity
- Procedures and protocols of agrochemical applications
- Smallholders, their workers, and/or community members can confirm verbally that spraying does not occur

For ES-AC 9.2:

- Map of the production areas, waterways and areas with ongoing human activity
- Written communication to pilots

ES-AC 10: Registered smallholders store agrochemicals safely, ensuring that they cannot be reached by children.

Compliance No.	Compliance Criteria	Year	Major
ES-AC 10.1	If registered smallholders themselves store agrochemicals, these are stored safely and it is ensured that they cannot be reached by children.	3	

Examples of Proof of Compliance

For ES-AC 10.1:

- Verified through observation that agrochemicals are safely stored on farms

ES-AC 11: Registered smallholders clearly label all agrochemicals.

Compliance No.	Compliance Criteria	Year	Major
ES-AC 11.1	Registered smallholders clearly label all agrochemicals.	3	

Intent and Clarification

The intent of ES-AC 11 is that all agrochemical containers are labeled indicating contents, warnings, and intended uses. Whenever possible, agrochemicals are stored in their original container.

Examples of Proof of Compliance

For ES-AC 11.1:

- Agrochemicals are clearly labeled
- Producers can explain the importance of labeling agrochemicals

ES-AC 12: The registered smallholders have equipment to handle accidents and spills in the areas where they prepare or mix agrochemicals, so that these substances do not seep into soil or water. Members plan spraying in such a way as to have no or very little spray solution left upon completion.

Compliance No.	Compliance Criteria	Year	Major
ES-AC 12.1	If registered smallholders themselves prepare or mix agrochemicals, they have the equipment necessary to handle accidents and spills, in order to ensure that these chemicals do not seep into soil or water.	6	
ES-AC 12.2	Spraying is planned in such a way as to have no or very little spray solution left upon completion.	6	

Intent and Clarification

The equipment required under ES-AC 12.1 can be very simple in nature, such as absorbent material.

Examples of Proof of Compliance

For ES-AC 12.1:

- Equipment is available for accidents and spills
- Smallholders can explain how they manage accidents and spills

For ES-AC 12.2:

- Preparation instructions and/or formulations for agrochemicals only in amounts required per spray

ES-AC 13: Empty agrochemical containers are triple rinsed, punctured and safely stored. All equipment that has been in contact with hazardous materials is cleaned and stored safely.

Compliance No.	Compliance Criteria	Year	Major
ES-AC 13.1	Empty containers are triple rinsed, punctured and safely stored.	3	
ES-AC 13.2	All equipment that has been in contact with hazardous materials is cleaned and stored safely.	3	

Examples of Proof of Compliance

For ES-AC 13.1:

- Copies of rinsing procedures for containers
- Containers are stored safely
- Smallholders and workers who handle agrochemicals can explain the correct rinsing procedure

For ES-AC 13.2:

- Equipment is washed and stored safely
- Written procedure for washing and storing equipment is available to smallholders and workers

ES-AC 14: The Market Access Partner trains all registered smallholders who use herbicides on minimizing the amount they use by promoting other weed prevention and control strategies.

Compliance No.	Compliance Criteria	Year	Major
ES-AC 14.1	The Market Access Partner trains all registered smallholders who use herbicides on minimizing the amount they use by implementing other weed prevention and control strategies.	3	
ES-AC 14.2	The majority of the members attend. These trainings are documented and records are kept on file.	3	

Intent and Clarification

The intent of the training required under ES-AC 14 is to provide smallholders with the knowledge and tools they need to control weeds with minimal use of herbicides. The training is relevant for all smallholders whose crops typically or occasionally require the use of herbicides, regardless of whether the smallholder, the MAP, or another third party physically applies the herbicides. Control strategies as required under ES-AC 14 may include activities that avoid favorable growing conditions for weeds, to bring competition to weeds or to promote alternative control measures such as mechanical weeding, manual weeding, using herbivores or biological control mechanisms.

It is considered best practice for all smallholders whose crops typically or sometimes require herbicides to attend the training and all smallholders should be given the opportunity to attend training. However, as specified under criterion ES-AC 14.2 it is acceptable if only the majority of those smallholders attend this training.

Examples of Proof of Compliance

For ES-AC 14.1 and ES-AC 14.2:

- Training records, including a participants list and participants' signatures
- Training materials used
- Record of non-chemical methods used to control weeds
- Records of analyses and evaluations related to minimizing use of herbicides
- Smallholders can confirm that they have received training and instructions on herbicide use

5.4 Handling Fertilizers (HF)

ES-HF 1: Training is provided to registered smallholders on the appropriate use of fertilizers. This training is documented, and includes:

- Measures to ensure that fertilizers (organic and inorganic) are applied in amounts that respond to the nutrient need of the crop.
- Measures to safely store fertilizers separately from agrochemicals in a way that minimizes risks of polluting water.

Compliance No.	Compliance Criteria	Year	Major
ES-HF 1.1	The Market Access Partner provides training to the registered smallholders on the appropriate use of fertilizers. This training includes: <ul style="list-style-type: none">• Measures to ensure that fertilizers (organic and inorganic) are applied in amounts that respond to the nutrient need of the crop.• Measures to safely store fertilizers separately from pesticides in a way that minimizes risks of polluting water.	6	
ES-HF 1.2	The majority of the registered smallholders attend. These trainings are documented; records are kept on file.	6	

Intent and Clarification

The intent of ES-HF 1.1 is that training is provided so that fertilizers are used safely and in a manner beneficial to the crop, not applying excess that is not needed nor under-fertilizing. The MAP is not required to conduct an independent scientific analysis to determine nutrient needs of the smallholders' crop. However, it is best practice for a MAP to consult an agronomist who can advise on most efficient fertilizer use.

Examples of Proof of Compliance

For ES-HF 1.1 and ES-HF 1.2:

- Records of training, including a participant list and participants' signatures
- Training materials used
- Producers can confirm that they have received training and instructions on the appropriate use of fertilizers

5.5 Waste Management (WM)

ES-WM 1: Hazardous waste is handled safely as per applicable laws and regulations.

Compliance No.	Compliance Criteria	Year	Major
ES-WM 1.1	There are designated areas for the storage and disposal of hazardous waste.	1	
ES-WM 1.2	The MAP and registered smallholders' procedures for handling hazardous waste are in line with applicable laws and regulations.	0	

Intent and Clarification

The intent of the compliance criteria under ES-WM 1 is that the risk of pollution from areas for storage and disposal of hazardous waste is minimized or eliminated. Areas where hazardous waste is disposed of or stored should be clearly marked with signs or pictograms in all relevant languages and in areas of high visibility.

Standard ES-WM 1 is linked to ES-AC 5 and ES-AC 13 which relate to safe storage and disposal of agrochemical waste. At a minimum, "safely" is defined as methods that do not contaminate the environment or threaten human health, with all waste management procedures in line with applicable law.

Special attention should be paid to the careful handling of animal manures near water bodies. The burning or burying of waste is only allowed if permitted by law or applicable regulations. For regulations on the burning of organic waste, see ES-WM 2.3.

Examples of Best Practice

The Market Access Partner may provide central areas for disposal and storage of hazardous waste so that the registered smallholders avoid disposing of them unsafely or store them indefinitely. The Market Access Partner may also contact suppliers and local authorities to help it identify hazardous materials and better practices to handle and dispose of them.

The MAP should communicate the requirements of laws and regulations on hazardous waste to the registered smallholders.

Examples of Proof of Compliance

For ES-WM 1.1:

- Verified through observation
- Smallholders can confirm how they store and dispose of hazardous waste

For ES-WM 1.2:

- Written procedures for handling hazardous waste
- Summary of local laws related to the storage and handling of hazardous waste

ES-WM 2: The Market Access Partner raises awareness among the registered smallholders about safely re-using and recycling organic and non-organic waste.

Compliance No.	Compliance Criteria	Year	Major
ES-WM 2.1	The Market Access Partner raises awareness among the registered smallholders about reusing organic waste, and this is documented.	3	
ES-WM 2.2	The Market Access Partner raises awareness among the registered smallholders about recycling non-organic waste.	6	
ES-WM 2.3	Organic waste is only burned if it is required by applicable legislation for sanitary purposes, or it is clearly a more sustainable practice.	3	

Intent and Clarification

Examples of sustainable ways to reuse organic waste as required under ES-WM 2.1 include composting, mulching, and using green manures.

Criterion ES-WM 2.3 requires that organic waste is be burned if it is required by applicable legislation for sanitary purposes, or it is clearly a more sustainable practice than alternative solutions.

If burning of organic waste is undertaken, it should be done in a strictly controlled manner to minimize risk of wildfires and smoke production. Organic waste may only be buried if this is permitted by law and applicable regulations. See ES-IPM 1 for guidance associated with burning of fields for pest or vegetation control.

Examples of Proof of Compliance

For ES-WM 2.1 and ES-WM 2.2:

- Meeting minutes of trainings, including a list of participants and their signatures
- Training materials used
- Smallholders can explain processes of reusing and recycling waste

For ES-WM 2.3:

- Written procedures on how to manage organic waste, including whether or not to burn
- A copy of applicable laws
- MAP and smallholders can explain organic waste management

5.6 Soil and Water (SW)

ES-SW 1: The Market Access Partner identifies land at risk of soil erosion and land that is already eroded in fields where the registered smallholders plant Fair Trade crops.

Compliance No.	Compliance Criteria	Year	Major
ES-SW 1.1	The Market Access Partner identifies land at risk of soil erosion and land that is already eroded in fields where registered smallholders plant Fair Trade crops. Land showing signs of soil erosion and land at risk of soil erosion have been recorded and results have been communicated to affected producers.	3	
ES-SW 1.2	Where soil erosion is a problem, remedial actions to improve the situation have been initiated.	6	

Intent and Clarification

The intent of ES-SW 1.1 is that the MAP has identified land that is eroded or at risk of erosion, has recorded this information, and has shared the information about these lands with the relevant smallholders. The ultimate goal of doing this is to prevent future erosion and remediate existing erosion areas.

Examples of Proof of Compliance

For ES-SW 1.1:

- Document / Map identifying eroded land or at risk of soil erosion
- Communication to affected producers
- Minutes of meeting with affected producers and list of participants

For ES-SW 1.2:

- Assessment document describing the erosion problem and remedial actions taken to improve the situation
- Field observations of areas at risk for erosion, or areas with evidence of erosion activity

ES-SW 2: The Market Access Partner provides training on practices that reduce and/or prevent soil erosion to members situated in areas where soil erosion or risk thereof has been identified.

Compliance No.	Compliance Criteria	Year	Major
ES-SW 2.1	The Market Access Partner provides training on practices that reduce and/or prevent soil erosion to registered smallholders situated in areas where soil erosion or risk thereof has been identified.	6	
ES-SW 2.2	The majority of registered smallholders who are affected by soil erosion attend. These trainings are documented and records are kept on file.	6	

Intent and Clarification

The training may include information on remedial actions and preventive measures to avoid erosive conditions, such as:

- Planting buffer and/or filter strips to catch soil
- Establishing groundcovers or other kinds of vegetation
- Minimizing of bare soil
- Terracing or using contours on slopes
- Creating diversion ditches and/or managed water recirculation systems
- Creating windbreaks, such as tree lines, hedges, brush, other living or man-made barriers
- Avoiding clear cuts of tree stands

Examples of Proof of Compliance

For ES-SW 2.1 and ES-SW 2.2:

- Training records, including a list of participants and their signatures
- Training materials used
- Smallholders can explain practices to reduce or prevent soil erosion
- Prevention measures observed on farms

ES-SW 3: The Market Access Partner reports on practices implemented to improve soil fertility and support soil rebuilding and registered smallholders receive training on practices to improve soil fertility and rebuild soil.

Compliance No.	Compliance Criteria	Year	Major
ES-SW 3.1	The Market Access Partner provides training and recommendations on how to improve soil fertility and support soil rebuilding.	3	
ES-SW 3.2	The majority of the registered smallholders attend. These trainings are documented; records are kept on file.	3	
ES-SW 3.3	Registered smallholders implement procedures and practices to improve and/or conserve soil fertility, following at least the minimum requirements set by the Market Access Partner. The Market Access Partner reports on these measures.	3	

Intent and Clarification

The intent of the requirements under ES-SW 3 is that by Year 3, the MAP has a long-term plan in place and implemented to ensure soil is fertile and productive. "Soil rebuilding" means rebuilding the soil through introducing organic matter, liming, fertilizing, tilling, or other techniques that support nutrient and moisture retention in the soil through appropriate soil structure and nutrient input. Measures can include practices such as crop rotation, intercropping, agroforestry, the use of ground covers, or incorporating compost or green manures into the soil.

Criteria under ES-SW require that the soil fertility activities be documented in reports. The Market Access Partner is free to choose the format of the report as long as it contains all information required under ES-SW 3.

Examples of Proof of Compliance

For ES-SW 3.1 and ES-SW 3.2:

- Training records, including a list of participants and their signatures
- Training materials used
- Smallholders can explain the practices to improve soil fertility

For ES-SW 3.3:

- Document detailing practices to improve soil fertility
- Smallholders can demonstrate and explain soil fertility practices
- Evidence of written reports from the MAP
- Observations confirming implementation in field

ES-SW 4: The Market Access Partner lists all sources of water used for irrigating and processing Fair Trade crops.

Compliance No.	Compliance Criteria	Year	Major
ES-SW 4.1	The Market Access Partner has a written list of all water sources used for irrigating and processing Fair Trade crops.	3	

Intent and Clarification

Maps that show the location of the water sources can be used instead or in addition to the written lists to demonstrate compliance with ES-SW 4.1.

Examples of Proof of Compliance

For ES-SW 4.1:

- List of water sources
- Maps showing the location of the water sources

ES-SW 5: The Market Access Partner provides training to the registered smallholders on measures to use water efficiently and on how to handle waste water. This training should address the following subjects, as appropriate:

- Providing maintenance to the water distribution system, adopting (as applicable): methods to re-circulate, reuse and/or recycle water.
- Waste water, the related health risks, and methods for treating waste water.
- Efficient irrigation methods

Compliance No.	Compliance Criteria	Year	Major
ES-SW 5.1	The Market Access Partner provides training to the registered smallholders on measures to use water efficiently and on how to handle waste water. The training addresses the following subjects, as appropriate: <ul style="list-style-type: none"> • Estimating how much water is needed to irrigate and/or process the crop. • Measuring (or estimating) how much water is extracted from the source. • Measuring how much water is used for irrigation and/or processing. • Providing maintenance to the water distribution system adopting as applicable, methods to re-circulate, reuse and/or recycle water. • Waste water, the related health risks, methods for treating waste water and their implementation. • Efficient irrigation methods. 	3	
ES-SW 5.2	The majority of the registered smallholders attend. These trainings are documented; records are kept on file.	6	

Intent and Clarification

The intent of standard ES-SW 5 is that smallholders know how to use water efficiently and that the health of smallholders and local communities are not at risk from waste water. Examples of activities that may pose a risk include washing work clothes, vehicles, equipment, etc. in local water ways.

Practices will vary significantly by region and crop. Some examples of appropriate systems for smallholder wastewater treatment include:

1. Channeling kitchen, bath water, laundry, and other domestic waste-water towards garden areas or for irrigation
2. Building soak-pits filled with charcoal, gravel and rocks for disposal of waste water after washing agrochemical containers and equipment

Examples of Proof of Compliance

For ES-SW 5.1 and ES-SW 5.2:

- Training records, including a list of participants and their signatures
- Training materials used
- Smallholders can confirm that they have received training

ES-SW 6: Waste water from central processing facilities is handled in a manner that does not have a negative impact on water quality, soil fertility or food safety.

Compliance No.	Compliance Criteria	Year	Major
ES-SW 6.1	Waste water from central processing facilities is handled in a manner that does not have a negative impact on water quality, soil fertility or food safety.	6	

Intent and Clarification

Criteria under ES-SW 6 and ES-SW 5 are intended to protect water supplies, soil, and crops. The risks associated with waste water discharges vary depending on what processes the water was used for, what chemicals may be in the waste water, and where and how that water is discharged. Waste water from processing facilities includes water contaminated by the processing itself and waste water from sanitary facilities. The installation of water filtration or other treatment systems in the processing facilities is one way to be compliant with ES-SW 6.1.

As a best practice, the MAP defines a plan to monitor the water quality of the waste water discharged from processing facilities. Such a plan may include:

- Baseline levels of acceptability for waste water quality
- Method(s) of analysis of water quality
- A specified frequency of monitoring
- Means to correct any incidence of contaminants down to adequate levels

Examples of Proof of Compliance

For ES-SW 6.1

- Written procedure for waste water management
- The MAP can explain the process to manage waste water
- Confirmed through observation

5.7 Genetically Modified Organisms (GM)

ES-GM 1: The Fair Trade crop grown by the Market Access Partner and the registered smallholders is not genetically modified.

Compliance No.	Compliance Criteria	Year	Major
ES-GM 1.1	The Market Access Partner and the registered smallholders do not use genetically engineered seed or planting stock for the Fair Trade crop(s).	0	M
ES-GM 1.2	Potential GMO crops that pose risks are identified by the organization.	0	
ES-GM 1.3	The origin of seeds and planting stock for which genetic modification is common in the region is traced, to guarantee that they are not GMO.	0	

Intent and Clarification

The intent of ES-GM 1 is to ensure that Fair Trade Certified products have not been genetically engineered or synthetically genetically modified. For the purposes of this standard “GMO” is used to refer to transgenic, genetically engineered, or otherwise genetically modified organisms, see the Fair Trade USA [Standards Glossary](#) for detailed definition. The smallholders may grow genetically modified crops that are not Fair Trade as long as the growing sites with GMO crops are not adjacent to fields with Fair Trade crops in order to reduce the risk of cross-contamination.

For potential GMO crops that pose a risk as stated under ES-GM 1.2, the MAP shall establish additional measures to avoid use of these seed lots (ES-GM 1.3).

Examples of Best Practice

As a helpful tool to identify crops that could be GMO, it is recommended that the MAP monitor publicly available lists to know what products are available on the market as GMO crops, such as [GMO Compass](#). Additionally, the MAP could make a list of GMO crops being marketed in the country (by species, trait, and brand name) to increase their awareness.

In cases where the Fair Trade crop is one that is commonly genetically modified, it is best practice for the MAP to have in place a standardized procedure for requiring documentation, analysis and other non-GMO verification for the seed in question in order to comply with ES-GM 1.3. In these cases, as an additional best practice, the MAP should:

- Have a plan to actively seek out and request non-GMO seed
- Keep records that show the distribution of the seed – by farmer name, quantity, lot number(s) of the seed, brand/source
- Check if amount of seed distributed to the farmer matches theoretical planting density for the stated planted acreage

If the MAP or the registered smallholders save/produce their own seeds, the species, field production techniques and post-harvest practices should be closely monitored to ensure that GMO seed is not mixed with non-GMO seed.

Examples of Proof of Compliance

For ES-GM 1.1:

- The MAP and the registered smallholders can demonstrate a basic understanding of the meaning of GMO and can explain the preventative measures taken to ensure their Fair Trade crops are non-GMO
- Purchase or production receipts of non-genetically engineered seeds or planting stock
- Evidence that the plants or trees pre-date the development of GMO varieties

For ES-GM 1.2:

- Written identification of crops that pose risks (if applicable)

For ES-GM 1.3:

- Purchase or production receipts of non-genetically engineered seeds or planting stock

5.8 Biodiversity (BD)

ES-BD 1: The Market Access Partner and the registered smallholders avoid negative impacts on protected areas and areas with high conservation value, within or outside the farm or production areas.

Compliance No.	Compliance Criteria	Year	Major
ES-BD 1.1	The Market Access Partner and the registered smallholders avoid negative impacts on protected areas and areas with high conservation value, within or outside the farm or production areas.	0	
ES-BD 1.2	The areas that are used or converted to production of the Fair Trade crop comply with national legislation in regard to agricultural land use.	0	

Intent and Clarification

“Negative impact” as required under this standard refers to any partial or complete destruction of the protected area or loss of the conservation value.

Examples of Proof of Compliance

For ES-BD 1.1:

- Document identifying protected areas and areas of high conservation value (including map) as well as the protection measures implemented by the MAP and registered smallholders
- MAP and smallholders can identify these areas and protection measures

For ES-BD 1.2:

- Agricultural use license for the land where the farms are located

ES-BD 2: The Market Access Partner and the registered smallholders implement activities to protect and enhance biodiversity. The Market Access Partner reports on these activities.

Compliance No.	Compliance Criteria	Year	Major
ES-BD 2.1	The Market Access Partner and the registered smallholders implement activities to protect and enhance biodiversity.	6	
ES-BD 2.2	The Market Access Partner documents these activities.	6	

Intent and Clarification

Restoration of ecosystems can take place by actively replanting native vegetation or by actively protecting it to allow regeneration of native vegetation. Over time, registered smallholders and the MAP may benefit from advice by local experts such as authorities, universities, NGOs or online databases.

Examples of activities include:

- Identification of key biodiversity issues in the region and actions that MAP members have implemented in order to improve the situation
- Activities the MAP has provided to its members such as raising awareness about biodiversity or training in techniques to protect its agro-forestry systems
- Maintaining and restoring natural ecosystems in areas that are not suitable for cultivation, and in buffer zones around bodies of water and watershed recharge areas and between production and areas of high conservation value
- Activities to increase ecosystem connectivity by identifying unproductive sites and buffer zones

Registered smallholders and the MAP may find valuable knowledge and ideas within their local communities for further activities.

Examples of Proof of Compliance

For ES-BD 2.1 and ES-BD 2.2:

- Document identifying protected areas and high conservation value (including maps) as well as the measures to enhance biodiversity implemented by the MAP and registered smallholders
- MAP and smallholders can identify these areas and measures taken to protect and enhance biodiversity

ES-BD 3: The Market Access Partner and the registered smallholders maintain buffer zones around bodies of water and watershed recharge areas, and between production and areas of high conservation value.

Compliance No.	Compliance Criteria	Year	Major
ES-BD 3.1	The Market Access Partner and the registered smallholders maintain buffer zones around bodies of water and watershed recharge areas and between production and areas of high conservation value.	6	
ES-BD 3.2	Agrochemicals and fertilizers are not applied in buffer zones.	6	

Intent and Clarification

Buffer zones can help protect against wind and water erosion and protect soil and water quality. The belief is that they lead to better management and sustainability of adjacent protected areas which thus enhances biodiversity overall. Buffer zones include:

- The regions near the border of an area which is protected or managed for conservation
- Transition zones between areas managed for different objectives, such as riparian buffer zones between rivers and production areas
- Areas on the edge of protected areas that have land use controls and allow only activities compatible with protection of the core area, such as research, environmental education, recreation, and tourism.

Clusters of small farms can be considered a single production site, with buffer zones at its perimeters only. It is recommended that total use of land for crop production be avoided. It is best practice for farms to connect buffer zones among adjacent farms where it is feasible in order to create ecological corridors.

Restoration of ecological corridors may take place by actively reintroducing the native vegetation or by protecting it to allow regeneration of native vegetation.

Examples of Proof of Compliance

For ES-BD 3.1:

- Verified through observation that bodies of water are protected with surrounding buffer zones

For ES-BD 3.2:

- Policy prohibiting agrochemical spraying and fertilizer application in buffer zones
- MAP and smallholders can confirm this prohibition

ES-BD 4: If the registered smallholders carry out wild harvesting of Fair Trade products from uncultivated areas, they assure the sustainability and survivability of the collected species in its native habitat.

Compliance No.	Compliance Criteria	Year	Major
ES-BD 4.1	If the registered smallholders carry out wild harvesting of Fair Trade products from uncultivated areas, they assure the sustainability and survivability of the collected species in its native habitat.	1	

Intent and Clarification

The intent of ES-BD 4 is that the resource is harvested in a sustainable manner, following site-specific wild resource management plans. Wild harvesting implies that the only productive activity in the uncultivated area is the harvest itself. Any other activities (e.g. clearing paths, maintaining camps) should be done in a way that minimizes human impact. “Assuring sustainability” as specified in the standard, refers to harvesting in a way as to maintain the species, maintain availability to other species in the ecosystem that depend on it, and to ensure that the subsequent harvest cycle will provide a comparable quantity.

A certificate from a wild-harvest certification program is not necessary to meet criterion ES-BD 4.1. However, Fair Trade USA will accept a valid certificate from some wild-harvest certification programs as sufficient to demonstrate compliance with this criterion. Producers already certified under a wild-harvest certification program should consult with Fair Trade USA or the auditor conducting the Fair Trade audit to confirm if their existing certificate will be accepted as evidence of compliance with this criterion.

Examples of Proof of Compliance

For ES-BD 4.1:

- Copy of a current, valid, certificate from a credible wild harvest certification program, for example the USDA NOP Wild-Crop Harvesting Practice Standard or the FairWild Standard (if applicable)
- Verified through observation
- Document showing recommended extraction volumes based on objective information (laws, environmental studies, etc.)

ES-BD 5: The Market Access Partner raises awareness among the registered smallholders to prevent hunting and collecting of rare or endangered species, and the introduction of alien invasive species.

Compliance No.	Compliance Criteria	Year	Major
ES-BD 5.1	The Market Access Partner raises awareness among members about the protection of rare and endangered species and the dangers of introducing alien invasive species.	3	
ES-BD 5.2	Awareness raising measures are documented; records are kept on file.	3	
ES-BD 5.3	No collecting or hunting of rare or endangered species takes place.	3	

Intent and Clarification

In order to raise the awareness of smallholders about rare, threatened, and endangered species, the MAP and the smallholders first need to determine what species in the region may fall into these classifications. Initial identification of rare, threatened, and endangered species in the region may be made by the registered smallholders based on their own knowledge and information provided by local, regional, or federal government. The MAP is encouraged to contact a local expert on biodiversity who could provide additional information to smallholders about rare, threatened, and endangered species that might be found on or near the Fair Trade Certified farms. In addition to regional or local information available to the MAP and its members, the IUCN red list of threatened species at <http://www.iucnredlist.org> is a good reference for further information.

Initial identification of *alien invasive species* may also be made by the registered smallholders based on their own knowledge. The MAP is encouraged to contact a local expert who could provide support in identifying alien species and ways in which their introduction and propagation may be avoided. The Convention of Biological Diversity at <http://www.cbd.int/invasive/> may be a good resource for further information.

Examples of Proof of Compliance

For ES-BD 5.1 and ES-BD 5.2:

- Records of meetings or trainings on these criteria, including a list of participants and their signatures
- Smallholders can explain the importance of protecting these species

For ES-BD 5.3:

- Written policy stating procedures on hunting and collecting
- Smallholders can confirm this ban
- Signage that communicates this restriction
- Verified through observation

5.9 Energy and Greenhouse Gas Emissions (GHG)

ES-GHG 1: In central processing facilities, the Market Access Partner keeps records of energy consumption, takes measures to consume energy efficiently, and uses renewable energy where possible.

Compliance No.	Compliance Criteria	Year	Major
ES-GHG 1.1	The Market Access Partner keeps records of energy consumption.	3	
ES-GHG 1.2	The Market Access Partner takes measures to use energy more efficiently.	6	
ES-GHG 1.3	The Market Access Partner replaces non-renewable energy sources with renewable ones as far as possible.	6	

Intent and Clarification

Requirements under ES-GHG 1 do not apply to individual registered smallholders, but only to the central processing facilities. Records are intended to help identify measures and make informed decisions on how to reduce energy consumption. An example of a way to improve energy efficiency could be to adequately maintain processing equipment in order to ensure that it runs smoothly and efficiently.

Examples of Proof of Compliance

For ES-GHG 1.1:

- Records of energy consumption, such as statistics based on electric bills
- List of current energy sources and records of energy consumption from processing or packing facilities

For ES-GHG 1.2:

- Document describing the measures implemented by the MAP for efficient consumption of energy
- The MAP can clearly explain and demonstrate the implementation of the energy conservation measures

For ES-GHG 1.3:

- Records of different types of energy used over time
- Documents on renewable energy choices made by the MAP, for example technical studies, or feasibility studies (if applicable)
- Assessment of energy source options

ES-GHG 2: The Market Access Partner reports on practices that the registered smallholders carry out to reduce GHG emissions and increase carbon sequestration.

Compliance No.	Compliance Criteria	Year	Major
ES-GHG 2.1	The Market Access Partner and the registered smallholders work together to take measures to reduce GHG emissions and increase carbon sequestration.	6	
ES-GHG 2.2	The Market Access Partner reports on these measures.	6	

Intent and Clarification

The intent of ES-GHG 2 is that by Year 6 smallholders and the MAP have started to take steps to reduce greenhouse gas (GHG) emissions and/or increase carbon sequestration on their land. Practices that contribute to an increase in carbon sequestration could include incorporating agroforestry practices, planting trees around production areas, or incorporating green manure in the fields to increase organic matter in the soil.

Examples of Proof of Compliance

For ES-GHG 2.1:

- Plan to reduce emissions and/or increase carbon sequestration

For ES-GHG 2.2:

- Plan to reduce emissions and/or increase carbon sequestration
- Communications from the MAP to the smallholders on measures taken

6.0 Trade Requirements (TR)

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6.0 Trade Requirements (TR)

Some criteria in this section are applicable as soon as the Smallholder Organization is legally registered or by Year 6 at the latest. These criteria are identified with “Applicable as soon as the Smallholder Organization is legally registered or Year 6 at the latest” at the beginning of the compliance criterion. Should the smallholders decide to legally register a Smallholder Organization prior to Year 6 but they are not ready yet to take over all responsibilities a legally-registered Smallholder Organization is required to comply with under the ISS, it is acceptable to have a written agreement between the Smallholder Organization and the MAP and the Fair Trade Committee that outlines the transfer of responsibilities for each compliance criterion over time. The intent of a written agreement is to ensure that requirements under the ISS are met by either the MAP with the FTC or the Smallholder Organization and to ensure that there is a plan in place that outlines the gradual shift of responsibilities. By Year 6 at the latest, the Smallholder Organization must meet all criteria that are applicable to legally registered Smallholder Organizations, even when they have been sharing responsibility in prior years.

6.1 Basic Requirements (BR)

TR-BR 1: The Market Access Partner reports to Fair Trade USA on its Fair Trade transactions (according to the frequency determined by Fair Trade USA: quarterly, bi-annually or monthly).

Compliance No.	Compliance Criteria	Year	Major
TR-BR 1.1	The Market Access Partner reports to Fair Trade USA on its Fair Trade transactions (according to the frequency determined by Fair Trade USA: quarterly, bi-annually or monthly).	0	

Examples of Proof of Compliance

For TR-BR 1.1:

- Records of requested information needed to demonstrate compliance

6.2 Product Sourcing (PS)

TR-PS 1: When producers first become certified through the Market Access Partner, the Market Access Partner can sell the product that it has in stock as Fair Trade, but product that was produced more than one year before initial certification may not be sold as Fair Trade.

Compliance No.	Compliance Criteria	Year	Major
TR-PS 1.1	For newly certified producers, product that was produced more than one year before initial certification may not be sold as Fair Trade.	0	

Examples of Proof of Compliance

- Records documenting physical traceability and length of time products have been held in stock
- Commercial export documents
- Fair Trade Certificate including issue date

6.3 Physical Product Traceability (PT)

TR-PT 1: Only products sourced from registered smallholders are sold as Fair Trade. *Voluntary for Market Access Partners processing cocoa, tea, sugar, and fruit juice:* products that were produced by registered smallholders are transported, stored, processed/manufactured and delivered separately from non-Fair Trade products.

Compliance No.	Compliance Criteria	Year	Major
TR-PT 1.1	Only products grown by registered smallholders are sold as Fair Trade.	0	M
TR-PT 1.2	<i>Voluntary for Market Access Partners that process cocoa, cane sugar, juice or tea:</i> the products grown by registered smallholders are transported, stored, processed/manufactured and delivered separately from non-Fair Trade products, until the product is sold.	0	

Intent and Clarification

TR-PT 1.2 is a mandatory requirement for all companies and organizations other than those processing their own cocoa, tea, sugar, or fruit juice. Fair Trade and non-Fair Trade product does not need to be trucked or stored in separate places as long as the products are distinct from each other, for example through separate bags/boxes, and are clearly identified as required by TR-PT 2.

The MAP is allowed to sell product from non-registered smallholders to the conventional market. The MAP can also sell non-Fair Trade product from registered smallholders to the conventional market. But when the MAP wants to sell product as Fair Trade Certified, the MAP ensures that the product was sourced from registered smallholders.

Examples of Proof of Compliance

For TR-PT 1.1:

- Documents confirming that product sold as Fair Trade was grown by registered smallholders
- Document with recorded procedures for physical traceability

For TR-PT 1.2:

- Physical separation of products can be verified through observation in the places of production, process, storage, packing and preparation for sale
- Documentation describing the physical traceability system

TR-PT 2: *Voluntary for Market Access Partners processing cocoa, tea, sugar, and fruit juice:*

Fair Trade products are marked clearly so that they can be identified as Fair Trade certified at all stages (i.e. storage, transport, processing, packaging, labeling, handling and sale).

Compliance No.	Compliance Criteria	Year	Major
TR-PT 2.1	<i>Voluntary for Market Access Partners that process cocoa, cane sugar, juice or tea:</i> Fair Trade products are marked clearly with a reference to Fair Trade USA so that they can be identified as Fair Trade certified.	0	

Intent and Clarification

This is a mandatory requirement for all companies except for producers who process cocoa, tea, sugar, or fruit juice. There are no specific requirements in regard to the type of mark that is used, so long as any use of the Fair Trade USA label follows the [Fair Trade USA Label Use Guide](#).

Examples of Proof of Compliance

For TR-PT 2.1:

- Verified through observation
- Use of labels or item codes to identify Fair Trade Certified products (stamps, signage, etc.)

TR-PT 3: *Only applicable to Market Access Partners processing cocoa, tea, sugar, and fruit juice:*

Market Access Partners that process cocoa, cane sugar, juice or tea are not required to fulfill physical traceability requirements in the processing facility, but the volumes sold as Fair Trade are equivalent to the volumes produced by registered smallholders (taking into account processing yields and losses).

Market Access Partners processing cocoa, cane sugar, juice or tea and selling to operators that have a physical traceability system in place must physically separate the product during processing.

Market Access Partners processing cocoa, cane sugar, juice or tea and selling to operators that do not have a physical traceability system in place may mix Fair Trade input and non-Fair Trade input at the processing level. However, the following requirements must be met:

- The products have been produced by, and sourced from, registered smallholders before the sale of the Fair Trade product.
- The product from registered smallholders is delivered and processed in the same site where the Fair Trade product is processed.
- The product from registered smallholders is of the same type and quality as the input used to process the Fair Trade product.

Compliance No.	Compliance Criteria	Year	Major
TR-PT 3.1	<p>Market Access Partners that process cocoa, cane sugar, juice or tea are not required to fulfill physical traceability requirements in the processing facility, but the volumes sold as Fair Trade are equivalent to the volumes produced by registered smallholders (taking into account processing yields and losses).</p> <p>Market Access Partners processing cocoa, cane sugar, juice or tea and selling to operators that have a physical traceability system in place must physically separate the product during processing.</p> <p>Market Access Partners processing cocoa, cane sugar, juice or tea and selling to operators that do not have a physical traceability system in place may mix Fair Trade input and non-Fair Trade input at the processing level. However, the following requirements must be met:</p> <ul style="list-style-type: none">• The products have been produced by, and sourced from, registered smallholders before the sale of the Fair Trade product (output).• The product from registered smallholders is delivered and processed in the same site where the Fair Trade product (output) is processed.• The product from registered smallholders is of the same type and quality as the input used to process the Fair Trade product (output).	0	M

Intent and Clarification

While it is technically voluntary for processors of cocoa, cane sugar, juice or tea to fulfill physical traceability requirements under TR-PT 3.1, the MAP is required to physically separate the product for customers that have a physical traceability system in place and wish to make claims to traceability.

If the MAP is selling to a buyer who does not wish to make traceability claims, the MAP may mix certified and non-certified product at the processing level as long as volumes and other information needed for the mass balance approach are recorded. Under this approach, the MAP tracks volumes of certified and uncertified inputs into processing, notes any relevant conversion factors from processing, and may then sell only the corresponding volume of processed product as Fair Trade Certified. These records should be retained for auditing purposes.

The intent of TR-PT 3.1 is that the MAP has already purchased the product from the smallholders, and has the product in its possession, before it can sell any of its processed output as Fair Trade Certified.

Examples of Proof of Compliance

For TR-PT 3.1:

- Copy of statement to buyer(s) that describes the traceability status of the product
- Records of processed products
- Records of average conversion factors (i.e. average yields) applied between inputs and outputs (i.e. processed products) if the mass balance approach is being used
- Records of products received by producers, with name, date of crop, volume, etc.

TR-PT 4: *Applicable to bananas only:* the traceability system on each box indicates the packing station, date of packing and the identification of the individual registered smallholder.

Compliance No.	Compliance Criteria	Year	Major
TR-PT 4.1	<i>Applicable to bananas only:</i> the traceability system on each box indicates the packing station, date of packing and the identification of the individual registered smallholder.	0	

Examples of Proof of Compliance

For TR-PT 4.1:

- Evidence of a physical traceability system and labeling of the product

6.4 Traceability through Documentation (TD)

TR-TD 1: The Market Access Partner puts in writing the product flow from the registered smallholders to itself.

Compliance No.	Compliance Criteria	Year	Major
TR-TD 1.1	There is a written description of the product flow from the registered smallholders to the Market Access Partner.	0	

Examples of Proof of Compliance

For TR-TD 1.1:

- Document describing the product flow, which includes any and all aggregators, sub-suppliers, collectors, buying stations, or any other location or individual which takes possession of the product (either physical or financial) during the product flow from the smallholders to the MAP.

TR-TD 2: The Market Access Partner keeps records of products sourced from the registered smallholders as part of the Fair Trade Plan. Records indicate the name of the individual producer, date of purchase, product name, volume and the price received by the member. Records include the signature of the registered smallholder, verifying accuracy, and the registered smallholders receive a copy of the record.

Compliance No.	Compliance Criteria	Year	Major
TR-TD 2.1	The Market Access Partner keeps records of products sourced from the registered smallholders as part of the Fair Trade program, which indicate the name of the individual producer, date of purchase, product name, volume and the price received by the member.	0	
TR-TD 2.2	Records include the signature of the registered smallholder, verifying accuracy, and the registered smallholders receive a copy of the record.	0	

Intent and Clarification

In cases where the supply chain includes multiple tiers of product aggregation, sufficient copies of records must be produced to ensure that each level of the supply chain maintains a copy. For example, if the MAP purchases product from an aggregator or broker who purchases product from the smallholders, all three must have a copy of the record of sale from the smallholder to the aggregator.

As a best practice, the records required under TR-TD 2.1 are kept on file by the MAP for three years.

Examples of Proof of Compliance

For TR-TD 2.1 and TR-TD2.2:

- Records of products supplied by the smallholders

TR-TD 3: The Market Access Partner supports the Smallholder Organization in creating and maintaining a record-keeping system.

Compliance No.	Compliance Criteria	Year	Major
TR-TD 3.1	<i>Applicable as soon as the Smallholder Organization is legally registered or Year 6 at the latest:</i> the Market Access Partner provides copies of purchase documents to the Smallholder Organization and the registered smallholders for record-keeping purposes. Records include the signature of the registered smallholder, verifying accuracy.	6	
TR-TD 3.2	<i>Applicable as soon as the Smallholder Organization is legally registered or Year 6 at the latest:</i> the Smallholder Organization keeps sales records on behalf of the registered smallholders. These are available to the registered smallholders upon request.	6	

Examples of Proof of Compliance

For TR-TD 3.1:

- Records of purchases sent by the MAP to the Smallholder Organization, signed by the smallholders
- Producers can confirm receipt of this information
- Internal communications between the MAP and the Registered Smallholder Organization

For TR-TD 3.2:

- Records of sales
- Communication to smallholders mentioning that these records are available

TR-TD 4: When the Market Access Partner sells a Fair Trade product, it indicates clearly in the sales documents (e.g. invoices, contracts, bill of lading, and delivery notes) that the product is Fair Trade Certified.

Compliance No.	Compliance Criteria	Year	Major
TR-TD 4.1	When the Market Access Partner sells a Fair Trade product, it indicates clearly in the sales documents (e.g. invoices, delivery notes) that the product is Fair Trade certified (use the three word term “Fair Trade USA”).	0	

Intent and Clarification

The intent of TR-TD 4 is that the sales documentation associated with Fair Trade Certified product is sufficient to provide an individual reviewing the documents with a clear understanding of the traceability and trajectory of the product.

Examples of Proof of Compliance

For TR-TD 4.1:

- Commercial documents identified as Fair Trade

TR-TD 5: The Market Access Partner keeps records of all Fair Trade sales. These records include:

- The volume sold.
- The name of the buyer.
- The date of the transaction.
- A reference to Fair Trade (i.e. Fair Trade USA, FLO-CERT, the Fairtrade International ID number).
- A reference to purchase documentation that allows the certification body to link these records with the corresponding sales documentation.

Compliance No.	Compliance Criteria	Year	Major
TR-TD 5.1	There are records of all Fair Trade sales. These records include: <ul style="list-style-type: none">• The volume.• The name of the buyer.• The date of the transaction.• A reference to Fair Trade USA.• A reference that allows the certification body to link these records with the corresponding sales documentation.	0	

Intent and Clarification

As a best practice, the records required under TR-TD 5.1 are kept on file for three years.

Examples of Proof of Compliance

For TR-TD 5.1:

- Records of Fair Trade sales

TR-TD 6: If Fair Trade products are processed, there are records that specify the amount of product before and after processing.

Compliance No.	Compliance Criteria	Year	Major
TR-TD 6.1	If Fair Trade products are processed, there are records that specify the amount of product before and after processing.	0	

Intent and Clarification

As a best practice, the records required under TR-TD 6.1 are kept on file for three years.

Examples of Proof of Compliance

For TR-TD 6.1:

- Records of yield from input to output:
 - Pre-processing records of the product (input)
 - Post-processing records of the product (must demonstrate output of transformed product in raw product equivalent)
- Recipes or process flows for any processed products, including conversion rates for transformed product

6.5 Agreements (AG)

TR-AG 1: The Market Access Partner signs registration agreements with each individual registered producer. The registration agreement includes:

- Information about the roles and responsibilities of the Fair Trade Committee/Smallholder Organization.
- An overview of the requirements of Fair Trade production that the Market Access Partner is responsible for.
- Terms of trade (including Fair Trade price and premium).
- Where Fair Trade minimum prices are set at the FOB level, payment terms for initial purchase and Fair Trade adjustment, including deductions to be made from the Fair Trade minimum price.
- Payment information.
- Terms of delivery.
- Documentation.
- Reference to sourcing plans.
- A description of all inputs and services provided, and indication of any deductions that may be relevant as a result of the provision of these inputs and services.
- A mechanism to resolve conflicts.
- Production requirements (e.g. meeting environmental requirements of this standard).

Compliance No.	Compliance Criteria	Year	Major
TR-AG 1.1	<p><i>This requirement does not apply if the Smallholder Organization has signed a binding purchase contract with the Market Access Partner on behalf of all registered smallholders that covers all terms of trade stated in TR-AG 1.1:</i></p> <p>The Market Access Partner signs registration agreements with each individual registered producer.</p> <p>The registration agreement includes:</p> <ol style="list-style-type: none"> 1) Information about the roles and responsibilities of the Fair Trade Committee/Smallholder Organization. 2) An overview of the requirements of Fair Trade production that the Market Access Partner is responsible for ensuring. 3) Terms of trade (including Fair Trade USA price and Fair Trade USA Premium). 4) Where Fair Trade USA minimum prices are set at the FOB level, payment terms for initial purchase and Fair Trade adjustment, including deductions to be made from the Fair Trade minimum price. 5) Payment information. 6) Terms of delivery. 7) Documentation. 8) Reference to sourcing plans. 9) A description of all inputs and services provided, and indication of any deductions that may be relevant as a result of the provision of these inputs and services. 10) A mechanism to resolve conflicts. 11) Production requirements (e.g. meeting environmental requirements of this standard). 	0	M

TR-AG 1.2	Where the price is not fixed in the registration agreement (but it is agreed when and how the price will be fixed), the registered smallholders receive a written receipt/ purchase order that details the terms of trade (price, premium, volume, etc.) for each specific purchase.	0	
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Intent and Clarification

The registration agreement in TR-AG 1.1 is a contract that lays out the framework of how the MAP and the smallholders will do business together. It does not necessarily include the Price or Premium to be paid for each individual lot or sale, but it describes the responsibilities of the smallholder and the MAP in the Fair Trade Program and the general terms of trade for each Fair Trade transaction. The MAP is responsible for ensuring that the smallholder understands the registration agreement which may require explaining the contract verbally, for instance in situations where illiteracy is high. In order to comply with TR-AG 1.1, both entities (the MAP and the smallholder) shall sign or mark the registration agreement. All of the information listed in TR-AG 1.1 shall be covered in the agreement. Bullets 2 and 11 require similar information.

As a best practice, the registration agreement provides a clear overview of the requirements for which the MAP is responsible vs. those for which the individual smallholder is responsible. The smallholder does not have to keep a copy of the registration agreement; however, it is best practice for them to do so. The MAP must retain signed copies of all registration agreements signed with smallholders.

The fourth bullet requires that if any deductions are taken from the price, the MAP shall make the level and terms of any of these deductions clear in the registration agreement. It is the MAP's responsibility to ensure that smallholders understand and agree to the pricing and deductions before any purchasing takes place (see also ED-FTP 1).

In addition to including deductions to the price, it is best practice to include any additions to the Fair Trade Price in the registration agreement. Although not specifically required under TR-AG 1.1, the registration agreement should ideally clarify how much the smallholder will be paid for any processing or transportation steps beyond where the Fair Trade Minimum Price was set. This is in line with the FTUSA Trade Standard ED-PR 2.2, which requires Fair Trade Payers to adapt the Fair Trade Price according to the point in the supply chain at which they are buying.

Independent agents and consolidators may buy Fair Trade product from registered smallholders and sell to the MAP as long as the MAP can ensure that the proper price is paid to producers and that the payment terms, transparency of deductions, traceability requirements, and other trade aspects covered in this Standard are followed.

In situations where an agent or consolidator is involved, special circumstances apply:

- a) The registration agreement between the MAP and the smallholder shall include all of the elements explained in TR-AG 1.1 and TR-AG 1.2 as well as a clear description of the roles and responsibilities of the agent and any deductions that the agent may make from the price paid to smallholders.
- b) The MAP is responsible for ensuring that the producers:
 - a. Know the price they should receive
 - b. Receive a receipt for the sale of goods that contains volume, price (to be) paid, and noting any quality issues

- c. Receive a copy of a receipt for payment which both the producer and agent sign
- c) The agent shall have a contractual agreement with the MAP detailing the requirements for purchasing Fair Trade product from registered smallholders, including payment terms, terms of delivery, a description of the services to be provided by the agent and any deductions to the Fair Trade Minimum Price which may be made as a result of that service provision, and a mechanism to resolve conflicts. This can be accomplished by the agent also signing the registration agreement, or through separate contracts between the agent and the MAP.
- d) The Fair Trade Premium shall always be paid directly into the Fair Trade Premium account, whereas the agent has no role in Premium transfer.
- e) The Fair Trade Price and any Fair Trade Price adjustments may be paid by the agents, the MAP, or a combination of both.

Smallholders may also have individual contracts with agents, but because the MAP is ultimately responsible for compliance with the Independent Smallholders Standard, all of the obligations must be also be covered in contracts between the MAP and smallholders and the MAP and its agents.

As a general rule of thumb, the MAP is expected to buy product from the smallholders (or agents, as allowed and specified above) and sell this product to the next trader in the supply chain, e.g. an exporter or an importer. Only in specific cases can there be exceptions to this rule, for example where an NGO would like to fulfill the role of the MAP yet is legally not able to buy and sell. Regardless of whether the MAP buys and sells product, they MAP must be able to ensure compliance with the ISS, including traceability requirements, even in cases where it does not manage transactions or take legal ownership of the product.

Examples of Proof of Compliance

For TR-AG 1.1:

- Copies of registration agreements between the MAP and each individual smallholder
- A binding purchase contract between the MAP and the Smallholder Organization

For TR-AG 1.2:

- Copy of a written receipt / purchase order sent to smallholders detailing terms of trade

TR-AG 2: The registration agreement is written in a language that the registered smallholders understand.

Compliance No.	Compliance Criteria	Year	Major
TR-AG 2.1	The registration agreement is written in a language that the registered smallholders understand.	0	

Examples of Proof of Compliance

For TR-AG 2.1:

- Copy of the registration agreement
- Smallholders can confirm comprehension of the registration agreement

TR-AG 3: The Market Access Partner ensures that the registered smallholders know and understand the terms of the registration agreement and the Fair Trade conditions.

Compliance No.	Compliance Criteria	Year	Major
TR-AG 3.1	The Market Access Partner ensures that the registered smallholders know and understand the terms of the registration agreement and the Fair Trade conditions.	0	

Examples of Proof of Compliance

For TR-AG 3.1:

- Minutes of meetings or trainings conducted by the MAP to explain the terms of the registration agreement to registered smallholders, including a list of participants
- Training materials used
- Registered smallholders can confirm that they have received the information and show understanding of the information received

TR-AG 4: The registration agreement between the Market Access Partner and the registered smallholders does not restrict any registered producer from selling to other buyers. The purchase of certified products is not dependent on the purchase of non-certified products.

Compliance No.	Compliance Criteria	Year	Major
TR-AG 4.1	The registration agreement between the Market Access Partner and the registered smallholders does not restrict them from selling to other buyers.	0	
TR-AG 4.2	The registration agreement between the Market Access Partner and the registered smallholders does not make the purchase of certified products dependent on the purchase of non-certified products.	0	

Examples of Proof of Compliance

For TR-AG 4.1 and TR-AG 4.2:

- A copy of the registration agreement
- Registered smallholders can confirm

TR-AG 5: The Market Access Partner writes a sourcing plan summarizing expectations regarding volumes to be sourced in the next 6 to 12 months, and shares this with the Fair Trade Committee/Smallholder Organization.

Compliance No.	Compliance Criteria	Year	Major
TR-AG 5.1	The Market Access Partner writes a sourcing plan summarizing expectations regarding volumes to be sourced in the next 6 to 12 months, and shares this with the Fair Trade Committee/Smallholder Organization(s).	0	

Examples of Proof of Compliance

For TR-AG 5.1:

- A copy of the sourcing plan
- Record that the plan has been sent to the Fair Trade Committee/Smallholder Organization
- Minutes of meetings between the MAP and Fair Trade Committee/Smallholder Organization highlighting that the expectations regarding volumes were shared, including a list of participants
- Representatives of the Fair Trade Committee/Smallholder Organization can confirm that expectations regarding volumes were shared

TR-AG 6: Where legally permissible, the Smallholder Organization and the Market Access Partner negotiate an agreement on terms of trade for the duration of one harvest period on behalf of all registered smallholders. This agreement on terms of trade defines:

- Agreed minimum volume to be purchased under Fair Trade conditions.
- Quality and delivery of the product by the registered smallholders,
- Fair Trade minimum price and how the price will be determined (payment terms), the Fair Trade Premium, and the party responsible for paying the Fair Trade price and premium to the producers.

Compliance No.	Compliance Criteria	Year	Major
TR-AG 6.1	<p><i>Applicable as soon as the Smallholder Organization is legally registered or Year 6 at the latest:</i> where legally permissible, the Smallholder Organization and the Market Access Partner negotiate an agreement on terms of trade for the duration of one harvest period on behalf of all registered smallholders. This agreement on terms of trade defines:</p> <ul style="list-style-type: none"> • Agreed minimum volume to be purchased under Fair Trade conditions. • Quality and delivery of the product by the registered smallholders. • Fair Trade minimum price, market/contract price and/or how the price will be determined, and when payment will be made (payment terms). • The Fair Trade premium and the party responsible for paying the Fair Trade price and premium to the producers. 	6	

Intent and Clarification

The terms of trade agreement required under TR-AG 6.1 is negotiated between the MAP and the Smallholder Organization, once it is formed or by Year 6 at the latest. The terms of trade agreement is separate from the binding purchase contract required under TR-AG 1.1. Even if a terms of trade agreement already exists, there still needs to be a binding purchase contract, either at the group level or at the individual level, as required under TR-AG 1.1.

Examples of Proof of Compliance

For TR-AG 6.1:

A copy of the terms of trade agreement

TR-AG 7: When the Market Access Partner provides credit or pre-finance, the interest rate and conditions attached to the offer are agreed upon in advance with the registered smallholders. In cases where an interest rate is charged, it is not higher than the cost of borrowing.

Compliance No.	Compliance Criteria	Year	Major
TR-AG 7.1	When credit or pre-finance is provided, the interest rate and conditions attached to the offer are agreed upon in advance with the registered smallholders.	0	
TR-AG 7.2	When credit or pre-finance is provided, the interest rates charged are not higher than the cost of borrowing.	0	

Intent and Clarification

The intent of this standard is that if pre-financing or a credit is provided by the MAP to a smallholder, the interest rate is not higher than the smallholder would pay for a loan in the market. For example, if the average market interest rate on a loan is 5% in the market, then the MAP cannot charge more than 5% when lending money to a smallholder.

Examples of Proof of Compliance

For TR-AG 7.1 and TR-AG 7.2:

- Agreement between the MAP and Registered Smallholders

TR-AG 8: All elements of contracts with Fair Trade buyers are fulfilled at the conditions agreed in the contract, unless changes to the contract are mutually agreed upon between the Market Access Partner and its buyer in writing. This holds true, even if Fair trade International or Fair Trade USA publishes new Fair Trade Prices.

Compliance No.	Compliance Criteria	Year	Major
TR-AG 8.1	All elements of contracts with Fair Trade buyers are fulfilled at the conditions agreed in the contract, unless changes to the contract are mutually agreed upon between the Market Access Partner and its buyer in writing. This holds true, even if Fair Trade USA publishes new Fair Trade Prices.	0	

Intent and Clarification

TR-AG 8.1 concerns contracts for Fair Trade product only. Contractual requirements are checked at the level of the Fair Trade Payer in Fair Trade USA's Trade Standard, where the Fair Trade Payers is required to provide letters of intent to producers that clearly state quality, price, payment terms, delivery conditions, and estimated volumes. It is the obligation of the Premium payer/buyer to provide this, not the producer.

In case of a contract default (the seller (MAP) fails to deliver the agreed upon volume of Fair Trade product to the buyer), the certifier issues a non-conformity with this compliance criterion. Whether or not this non-conformity will lead to a suspension will however – among other factors – depend on the seller's ability to manage this situation. The following steps will be evaluated as positive default management and positively influence the certifier's decision-making on the MAP's certification status:

- As soon as the seller becomes aware of the potential inability to deliver on the Fair Trade contract, the seller communicates this concern to the buyer.
- The seller negotiates in good faith with the buyer in order to determine next steps towards a solution that is satisfactory to both parties.
- The seller remains in close communication with the buyer, the certifier and any other relevant party during the negotiation process.

In cases of vertically integrated supply chains, buyers may be exempt from contractual requirements if they can provide evidence, such as a formal letter signed by both/all entities, that contracts would be redundant due to their vertical integration with the seller. Buyers are advised to consult with Fair Trade USA or the certification body conducting the Fair Trade audit to confirm that the content of the formal letter suffices as evidence of compliance with this criterion.

Examples of Proof of Compliance

For TR-AG 8.1:

- Commercial contracts
- For vertically integrated supply chains applying for an exemption: Formal letters from both entities (on the letterhead of each entity, signed by their CEO/GM) that explain the relation between the two companies and sufficient cause as to why writing contracts would be redundant

6.6 Contract Suspension (CS)

TR-CS 1: When a producer or buyer is suspended: within 6 months, the contracts that have already been signed are fulfilled, and new contracts are only signed with the organization's existing trade partners (commercial transactions that have taken place in the previous 12 months).

Compliance No.	Compliance Criteria	Year	Major
TR-CS 1.1	When the Market Access Partner or its buyer is suspended, within 6 months, the contracts that have already been signed are fulfilled, or new contracts are only signed with partners that the Market Access Partner had an existing trade relationship with (commercial transactions that have taken place in the previous 12 months). The volume traded during the suspension period does not exceed the greater of: 50% of the volumes traded in the preceding 12 months, or, the total volume contracted prior to the suspension.	0	M

Intent and Clarification

In the case of vertically integrated supply chains that are exempted from contract requirements, the suspended part of the supply chain may not sell Fair Trade products to any new trade partners but may sell to existing trade partners volumes comparable to 50% of the volumes traded in the preceding 12 months or the volumes sold in the previous year during the same season.

Examples of Proof of Compliance

For TR-CS 1.1:

- Communication of suspension, on behalf of the certifier (if applicable)
- Commercial contracts
- Documentation on volumes sold in the preceding 12 months

6.7 Decertification (DC)

TR-DC 1: If the Market Access Partner is decertified, it must stop selling Fair Trade products from the date of decertification, even if it has signed Fair Trade contracts that are yet to be fulfilled.

Compliance No.	Compliance Criteria	Year	Major
TR-DC 1.1	If the Market Access Partner is decertified, it must stop selling any Fair Trade product from the date of decertification, even if it has signed Fair Trade contracts that are yet to be fulfilled.	0	

Intent and clarification

The intent of TR-DC 1.1 is to clarify the status of any Fair Trade contract and the status of product received from Fair Trade members that is in inventory after the date of decertification.

TR-DC 2: The Market Access Partner may not sell Fair Trade Certified products to decertified operators from the date of decertification. Contracts that have not yet been shipped shall not be classified as Fair Trade contracts.

Compliance No.	Compliance Criteria	Year	Major
TR-DC 2.1	The Market Access Partner may not sell products to decertified operators for sales as certified products from the date of decertification. Contracts that have not yet been shipped shall not be classified as Fair Trade contracts.	0	

Intent and Clarification

The intent of TR-DC 2.1 is that product is not sold to decertified operators, even if they have been Fair Trade Certified at one time. This means that the product can no longer be sold as Fair Trade Certified product to this buyer, and cannot be marketed as such to any decertified buyer or by any decertified buyer.

Examples of Proof of Compliance

For TR-DC 2.1:

- Records of Fair Trade sales that include the names of buyers
- Communication of decertification on behalf of certifier (if applicable)

6.8 Use of Fair Trade Trademark (FTT)

TR-FTT 1: Finished products: Only licensed partners of Fair Trade USA may use the Fair Trade Certified certification mark on finished products. Organizations that are certified to sell Fair Trade Certified products may use the Fair Trade Certified certification mark in promotional materials (such as brochures, websites or wholesale packaging). See the Fair Trade USA Label Use Guide for more detailed information.

Compliance No.	Compliance Criteria	Year	Major
TR-FTT 1.1	Organizations that are certified to sell Fair Trade certified products may use the Fair Trade certification mark in promotional materials (such as brochures, websites or wholesale packaging).	0	
TR-FTT 1.2	Only licensed partners of Fair Trade USA may use the Fair Trade Certified certification mark on finished products and they follow the Fair Trade USA Label Use Guide.	0	

Intent and Clarification

For all organizations authorized to produce, process, or trade Fair Trade Certified™ products, the [Fair Trade USA Label Use Guide](#) provides guidance for use of the certification mark on products or in promotional materials. Fair Trade USA licensing agreements are required for all partners that use the certification mark on finished products for sale to distribution, retail or food service sector. All finished products shall have prior approval by Fair Trade USA.

For producers and traders applying the certification mark on finished products on behalf of other companies (common within the Produce and Floral categories and with subcontractors), producers ensure that customers are registered with FTUSA (a registration ID would suffice).

This is common in the Produce and Floral categories because products are considered finished at the packing plant. The grower is allowed to apply the label as long as they are selling to a trader that is registered.

Examples of Proof of Compliance

For TR-FTT 1.1:

- Proper use of the certification mark

For TR-FTT 1.2:

- Proper use of the certification mark as specified in the [Fair Trade USA Label Use Guide](#)
- Fair Trade USA Licensing Agreement (if applicable)