

Fairtrade Standard for Small-scale Producer Organizations (03.04.2019_v2.7)

Interpretation Notes

Date	28 March 2024	
Reference	Fairtrade Standard for Small-scale Producer Organizations	
Affected standard requirement(s)	SPO Standard requirement: 1.1.3 NEW 2019* Established organization	
	You demonstrate that you are an established organization by providing the following documents: • Legal registration, • Records of commercialization and • Financial statements. Alternatively, records of commercialization and financial statements can be replaced by a recommendation from a Fairtrade Producer Network. Guidance: Fairtrade Producer Networks are not obliged to support in providing the recommendation, but can do so in case they have the capacity and resources.	
Interpretation	How should the requirements 1.1.3 for producers in the Fairtrade Standard for Small-scale Producer Organizations be interpreted when Fairtrade certified SPOs decide to set up new legal entities within the existing structure or divide into complete separate legal entities to be in compliance with the EU organic regulation?" In 2018 the EU published the "Organic Regulation (EU) 2018/848. It has a key section talking about "Groups of operators": Art. 36. Also several secondary acts were published. In the Regulation (EU) 2021/279 "Control" (Jan 2021,) clarifies several conditions for the newly defined concept of "Groups of Operators (GoO)". There are a few elements that are relevant and thus may have an implication for Fairtrade certified organizations. These are: V Legal entity composed only of organic or in-conversion farmers	
	✓ All must be within the newly defined farm size or organic turnover limit and ✓ Up to a maximum of 2000 members per Group of Operators are allowed This might lead to Fairtrade certified SPOs creating new legal entities within the SPO or dividing into separate SPOs to comply with the new organic regulation.	
	In case some members of the SPO decide to create a new legal entity or more for the purpose of managing the Group of Operators and commercialize the product through the original SPO, the Group of Operators structure(s) will not affect the existing Fairtrade certification and will not be considered as a new producer organization under Fairtrade Standards. In cases, where the original SPO decides to split into a new organization(s), taking up responsibilities beyond managing the Group of Operators, including the commercialization of the product and managing the Fairtrade	



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	certification, the new organization(s) need to apply for certification, and should be exempted of the need to show the documents named in the entry requirement 1.1.3. and instead submit to FLOCERT the following:
	 Organic certificate The ID of the Fairtrade certified SPO
	The list of members of the original Fairtrade certified SPO and the list of members of the newly created SPO. Whereby at least 90% of the members should also be in the list of the original Fairtrade certified SPO.
	In context of the suspension of entry to new fresh banana producers, it will only be possible for new SPOs to apply for certification if it is the result of the decision to divide to comply with the EU organic regulation.
	The purpose of this is to make sure that Fairtrade certified SPOs are able to continue with their organic certification following the new EU regulations. All other requirements relevant to the SPO certification remain applicable.
Date	15 May 2023
Reference	SPO Standard
Affected standard requirements	Conditions of employment section: Requirements 3.3.18, 3.3.19. 3.3.20, 3.3.21, 3.3.22, 3.3.23, 3.3.24.
	Occupational health and safety section: Requirements 3.3.30,
	3.3.31, 3.3.32, 3.3.33, 3.3.34, 3.3.35, 3.3.36.
Interpretation	The affected requirements will have a transition period of one or two years following the publication of the revised standard.
	What do these transition periods mean for SPOs and their members?
	Following the revision of the definition and scope of significant number of workers, a number of existing requirements in the conditions of employment and occupational health and safety sections of the standard will now be applicable to all workers regardless to the number employed. The requirements are not new, but the applicability of the requirements changes.
	Requirements with a one year transition period will be applicable from May 2024. Requirements with a 2 year transition period will be applicable from May 2025.
	The transition periods for the revised requirements are only applicable to SPOs and members employing less than 10 workers working for more than



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	30 hours per week that are present for one month or more during a year of equivalent.	
	These transition periods are not applicable to SPOs and members when employ more than 10 workers working for more than 30 hours per week that are present for one month or more during a year or equivalent. The assurance body should continue to audit these SPOs and members like the have done in the past.	
	A new requirement on record keeping has also been introduced following the revision. The transition periods for this requirement are applicable to all SPC and their members, regardless to the number of workers employed	
Date	15 May 2023	
Reference	SPO Standard	
Affected standard requirements	Conditions of employment section: Requirements 3.3.19, 3.3.20, 3.3.22, 3.3.23	
	Occupational health and safety section: Requirements 3.3.32, 3.3.35	
Interpretation	At which level shall compliance be checked for the affected requirements above? Compliance for the affected requirements above shall be checked on SPO level. All other requirements in the "Conditions of employment" and "Occupational health and safety" sections of the standard shall be checked on member and on SPO level.	
Date	30 May 2021	
Reference	SPO Standard	
Affected	1.1.6 NEW 2019* Compliance with national legislation	
standard requirements	Core There are no indications that you or your members violate national legislation on the topics covered by this Standard.	
·	Year 0 If your country has developed additional regulations for the operation of Fairtrade as a certification scheme, you and your members are also required to comply with them.	
	Guidance: Fairtrade International requires that organizations and its members always abide by national legislation on topics covered by this Standard. If a Standard requirement contradicts national legislations or regulations, the law is always to be complied with and prevails. Where national legislation conflicts with internationally recognized standards and conventions (for example the fundamental ILCO Conventions) or with Fairtrade Standards, the higher criteria prevail. However, if national legislation sets higher standards as compared to Fairtrade International, then the national legislation prevails. The same applies to regional and sector-specific practices. The scope of this requirement is the topics covered by this Standard (e.g. labour conditions, environmental requirements). Any other issues / topics that are not related to the requirements outlined in this Standard are not covered by this requirement.	
	Labour requirements	
	All relevant requirements in the labour chapter applicable to the	
	organization or their members on freedom from discrimination (3.3.1 –	
	3.3.4), freedom from forced or compulsory labour (3.3.5 – 3.3.7), child	
	labour and child protection (3.3.8 – 3.3.12), freedom of association and	



collective bargaining (3.3.13 - 3.3.17), conditions of employment (3.3.18 - 3.3.26) and occupational health and safety (3.3.27 - 3.3.36)

Interpretation

How are labour requirements covered by this standard interpreted in the context of Dominican Republic where there are challenges to the regularization of migrant workers?

While the authorities of Dominican Republic have done efforts to legalize foreign workers, access to regularization for Haitian migrant workers is still limited due to challenges with regards to documentation in country of origin, high costs of documentation/ regularization and the frequency of renovation.

Fairtrade is supporting local actors in their efforts to ensure that the migrant workers employed in banana organizations certified by Fairtrade in this country can enjoy their rights, have the same or similar benefits as a Dominican worker and as a regularized migrant worker at the workplace and that their safety is guaranteed. The vision, short and long term objectives, implementation plan and monitoring are described in a roadmap.

For the time that this roadmap is in place, regarding the above mentioned requirements, the certification body will audit that migrant workers have access to the same (or equivalent) labour conditions and enjoy equal benefits as a Dominican worker and as a regularized migrant worker at the workplace.

To enable FLOCERT to audit that all workers do effectively have access to the same (or equivalent) labour conditions and benefits, for the DR it is compulsory that the producer organizations and/or their members do have an up to date record of all workers, including temporary, casual and subcontracted workers, containing for each worker:

- Full name
- Gender
- Year of birth
- Nationality
- Start and end date of employment
- Type of work (permanent, temporary, seasonal, full time/parttime, days per week)
- Salary rate earned per day, week, fortnight or month
- Social / in-kind benefits received or available when applied (health, education, food, housing, transportation)
- Affiliation to social security and / or private health insurance

SPO members who are defined as medium or larger producers have to have an up to date record of all workers. Medium and larger members can constitute up to 34% of all members according to the requirement 1.2.1 of the SPO Standard. It is highly desirable that all smaller SPO members also actively keep records of their workers on a regular basis to capture the



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	seasonality and changes in work force throughout the year. SPOs are responsible to work together with the smaller size members to maintain up to date records, and also make sure that larger size members actively maintain updated records. This interpretation note is valid as of 15 th September 2021.
Date	30 October 2020
Reference	SPO Standard
Affected	
standard	1.2 Definition of a small-scale producer organization
requirement	1.2.1 NEW 2019*** Share of members that are small-scale producers
	Core You are an organization of small-scale producers.
	Year 0 Year 0 Fairtrade defines a small-scale producer organization as an organization where at least two thirds (2/3 or 66%) of its members are small-scale producers.
	***Organizations certified before 1 July 2019 have to comply with this requirement by 1 January 2022. Until then, the requirement 1.2.1 of the Fairtrade Standard for SPO Version 01.05.2011 v1.5 applies.
	producer organization as an organization where at least two thirds (66%) of its members are small-scale producers. For the remaining 34%, are there any restrictions on who can join as a member of an SPO according to Fairtrade standards? Can the ones joining an SPO only be individual small-scale producers as mentioned in the definition section of the SPO Standard? There is one clear restriction that limits the land size of all members (see requirement 1.2.3) generally to 30ha (with some exceptions applicable for sugar, wine grapes, and citrus and avocadoes in Brazil). There are no further restrictions, provided that all requirements of the SPO Standard are taken into account. The most important requirements to consider is that the organization follows its own rules and statutes and the applicable laws in the respective country. Secondly, it is vital that the applicable requirements on democracy and participation in the SPO Standard can be followed with the membership structure that is in place, e.g. that there is one vote per member in the general assembly. In any case, the applicable requirements on the share of small-scale producers (66% of individual small-scale producers compliant with the individual SPO land size indicator if applicable) need to be complied with. With regards to the question if members can only be individuals: It is assumed that if there are members that are not individual persons - e.g. institutions, churches or special legal forms like the societe civile in Mauritius - these make up only a small portion of the membership and that consequently democracy and participation is not at risk, even though the cases are not strictly speaking individual members.



In all cases, the requirements stated above apply: members generally have to be in agreement, the share of members and indicators (if applicable) are fulfilled, the arrangement has to be compliant with local laws and the principles of democracy and participation have to be respected.

Specifications for particular cases

Non-agricultural members

Non-agricultural members are allowed to be a member of a first grade SPO, provided that all requirements stated above are complied with. In addition, there needs to be agreement from all members, particularly the members producing the Fairtrade product, that all members have the same voting rights and can vote/approve Premium projects as well as benefit from it (no discrimination of any members).

Members not producing the Fairtrade crop for which the organization is certified

It is allowed that the organization has members that do not produce the Fairtrade crop provided that all requirements stated above are complied with. As in the above case, there needs to be agreement that all members have the same rights and access to the same benefits.

If those members producing the Fairtrade crop want to have the full decision-making power over the Fairtrade Premium, they would need to form an independent organization, and become Fairtrade certified. This could be a sub-group of the original one, but needs to be legally recognized as standalone legal entity.

The case of "societes civiles" in Mauritius

The societe civile is a society form that is used by the sugar sector in Mauritius and is mainly established to avoid the parceling out of land into small pieces. A Societe Civile (SC) comprises usually a family, where the number of members as well as the land area varies. While there are several people as actors in the societe civile, the whole societe is considered as one member and has one vote. Independent of the number of members and sizes, it is one vote and therefore does not interfere with democracy and participation principles in the SPO.

The societe civile is therefore allowed to be a member of a first grade SPO.

Requirements on land size (SPO land size indicator for sugar and maximum land size) as well as share of members need to be complied with. Transparency needs to be assured and any societe civile needs to be indicated in the member list, including all the members. In particular, it needs to be ensured that member business is separated from non-member business.

Date	10 June 2020
Reference	SPO Standard



Affected standard requirement

1.2.2 Definition of an individual small-scale producer

Core

Year 0

All small-scale farms are operated and managed by members and their families. This means that members and their families are directly involved in farming activities (unless not possible due to age, incapacity etc.)

Your members are considered small- scale producers if they comply with the following criteria:

- Members do not hire workers on a continuous basis and they work on their own-account
- Farm work is mostly done by members and their families;
 In particular circumstances when the farmer is not able to carry out work on the farm (e.g. due to age, incapacity) and the work of the family members is not sufficient, hiring permanent labour is allowed.

If your members produce cane sugar, prepared and preserved fruit and vegetables, fresh fruit, vegetables or tea, they are allowed to hire workers on a continuous basis to support the farm work.

In this case, they are considered small- scale producers if they comply with the specific product indicators on land size defined by

Fairtrade International.

Please see the table for <u>SPO indicators for farm size and average</u> number of workers for more information

For the certification of Fairtrade products the definition of a small-scale producer prevails in case there is national legislation that defines a small-scale producer in the regional context.

Guidance: Family and small-scale farming is a means of organizing agricultural production which is managed and operated by a family and predominantly reliant on family labour, both women's and men's. Seasonal workers are allowed to work along with family members in peak seasons (e.g. harvest).

***Organizations certified before 1 July 2019 have to comply with this requirement by 1 January 2022. Until then, the requirement 1.2.1 of the <u>Fairtrade Standard for SPO Version</u> 01.05.2011_v1.5 applies.

Interpretation

According to requirement SPO 1.2.2, workers are only allowed if they support the farm work in addition to members and their families working on their own fields.

In Mauritius, are members allowed to take on regular jobs outside of the farm and not be present on their fields, while they hire workers to carry out the farm activities?

In Mauritius, some smaller SPO members hire workers to do the farm work while the members themselves have additional regular jobs outside of the



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Date	sugar farming to have sufficient income to make a living. Small-scale members in Mauritius that have less than 10 hectares of cane sugar are allowed to pursue other economic activities outside of sugar farming and hire workers to carry out the farming work on the sugar fields. In these particular cases, the criteria that workers are only allowed if they work in addition to members does not apply. 27 March 2020	
Reference	SPO Standard	
Affected	4.1.7 General Assembly approval of Fairtrade Development Plan	
standard requirement	Core Before you implement the Fairtrade Development Plan, you present it to the General Assembly for discussion and approval. You document the decisions.	
	If you are a 2 nd or 3 rd grade organization, your General Assembly of members (or if delegate system, then of delegates) at the 2nd/3rd grade level decide on the use of the Fairtrade Premium. Delegates need to consult with the members from their respective organizations.	
	If Fairtrade Premium is channelled to the member organizations directly, the General Assemblies of the member organizations decide on the use of the distributed Fairtrade Premium share. You ensure that the Fairtrade Premium received is channelled to the member organizations without delay according to the allocation system agreed.	
	Guidance: The intention is to guarantee transparent and democratic decision making. Only the General Assembly is authorised to approve the content and form of the Fairtrade Development Plan. It is possible that the Fairtrade Development Plan may need to be changed in between General Assembly meetings. This might be necessary in situations where, for example, you receive more or less Fairtrade Premium money than planned or where members or the community are affected by an unexpected event and you wish to respond. If this happens, you will need to document the decisions to make the changes, and explain the changes and get ratification from the General Assembly retrospectively.	
Interpretation	Can the current coronavirus disease (COVID-19) pandemic, be considered and unexpected event to have more flexibility in terms of decision making on Premium use? Yes. The guidance in requirement 4.1.7 highlights the circumstances under which the Fairtrade Development Plan may need to be changed in between General Assemblies. If the organization identifies Premium investments to minimize the spread of the disease and/or to mitigate any potential negative effects on farmers, workers and their communities, it is possible to make these Premium investments without prior GA approval. Changes in the Fairtrade Development Plan need to be documented.	



Once a General Assembly (GA) of members is possible, the management of the organization needs to explain the changes and ratify the Premium use retroactively.

For guidance on basic protective measures against the COVID-19 outbreak please consult the information provided by the <u>World Health Organization</u>. The organizations are required to maximize the number of members and workers that benefit from these investments and that they benefit equally.

Date	05 Februa	nry 2020
Reference	SPO Stan	dard
Affected standard requirement(s)	The term s Therefore, applicable tree nuts, b are wild ha	on (page 6) small-scale producers include gatherers / collectors of wild crop the Standard for Small- scale Producer Organizations to associations of gatherers / collectors of wild crops such as sho prazil nuts, argan nuts, baobab fruits, coffee and honey when the arvested.
	Core	All small-scale farms are operated and managed by members and their families. This means
	Year 0	that members and their families are directly involved in farming activities (unless not possible
		Your members are considered small- scale producers if they comply with the following criteria: • Members do not hire workers on a continuous basis and they work on their own-account • Farm work is mostly done by members and their families; In particular circumstances when the farmer is not able to carry out work on the farm (e.g. due to age, incapacity) and the work of the family members is not sufficient, hiring permanent labour is allowed. If your members produce cane sugar, prepared and preserved fruit and vegetables, fresh fruit, vegetables or tea, they are allowed to hire workers on a continuous basis to support the farm work. In this case, they are considered small-scale producers if they comply with the specific product indicators on land size defined by Fairtrade International. Please see the table for SPO indicators for farm size and average number of workers for more information. For the certification of Fairtrade products, the definition of a small-scale producer prevails in case there is national legislation that defines a small-scale producer in the regional context.
	family an	ce: Family and small-scale farming is a means of organizing agricultural production which is managed and operated by a and predominantly reliant on family labour, both women's and men's. Seasonal workers are allowed to work along with embers in peak seasons (e.g. harvest).
		nizations certified before 1 July 2019 have to comply with this requirement by 1 January 2022. Until then, the requirement the Fairtrade Standard for SPO Version 01.05.2011 v1.5 applies.
	1.2.3 NEW 20	Restriction on size of cultivated land
	Core	The maximum size of the cultivated land where a member grows a Fairtrade crop is equal to or below 30 hectares.
	Year 0	
		e: Please refer to the product standards for exceptions on this requirement. izations certified before 1 July 2019 have to comply with this requirement by 1 January 2022.
	Organi	zauoris ceruneu berore i July 2019 nave to comply with this requirement by 1 January 2022.



Interpretation Is the definition of a small-scale producer also applicable to gatherers of wild crops and beekeepers? The definition of small-scale producers in 1.2 is focused on agricultural production. As gatherers of wild crops and beekeepers don't carry out agricultural work, the following criteria are not applicable to wild gatherers and beekeepers: - requirement 1.2.2: "The farm is operated /managed by members and their families and farm work is mostly done by members and their families". It is however important that gatherers and beekeepers are members of the organization and they work on their own account and do not hire workers.

requirement 1.2.3: the maximum land size of 30 hectares.

Date	05 February 2020		
Reference	SPO Standard		
Affected	1.2.2 Definition of an individual small-scale producer		
standard requirement(s)	Core All small-scale farms are operated and managed by members and their families. This means that members and their families are directly involved in farming activities (unless not possible		
roquiromoni(o)	Year 0 due to age, incapacity etc.)		
	Your members are considered small- scale producers if they comply with the following criteria: Members do not hire workers on a continuous basis and they work on their own-account		
	 Farm work is mostly done by members and their families; In particular circumstances when the farmer is not able to carry out work on the farm (e.g. due to age, incapacity) and the work of the family members is not sufficient, hiring permanent labour is allowed. 		
	If your members produce cane sugar, prepared and preserved fruit and vegetables, fresh fruit, vegetables or tea, they are allowed to hire workers on a continuous basis to support the farm work. In this case, they are considered small- scale producers if they comply with the specific product indicators on land size defined by Fairtrade International . Please see the table for SPO indicators for farm size and average number of workers for more information.		
	For the certification of Fairtrade products, the definition of a small-scale producer prevails in case there is national legislation that defines a small-scale producer in the regional context.		
	Guidance: Family and small-scale farming is a means of organizing agricultural production which is managed and operated by a family and predominantly reliant on family labour, both women's and men's. Seasonal workers are allowed to work along with family members in peak seasons (e.g. harvest).		
	***Organizations certified before 1 July 2019 have to comply with this requirement by 1 January 2022. Until then, the requirement 1.2.1 of the <u>Fairtrade Standard for SPO Version 01.05.2011 v1.5</u> applies.		
	1.2.3 NEW 2019*** Restriction on size of cultivated land		
	Core The maximum size of the cultivated land where a member grows a Fairtrade crop is equal to or below 30 hectares.		
	Year 0		
	Guidance: Please refer to the product standards for exceptions on this requirement. ***Organizations certified before 1 July 2019 have to comply with this requirement by 1 January 2022.		



Interpretation	How is the SPO definition applied in the case of "meeiros" in Brazil?
interpretation	How is the 3PO definition applied in the case of Theelios III Brazil?
	The FLOCERT requirements on <i>meeiros</i> ¹ are applicable in Brazil (mostly coffee). They specify that a member of an SPO can give land to a <i>meeiro</i> who then cultivates the land and in return has to give a certain percentage of the production to the land owner.
	In order to determine whether the land owner is a small-scale producer of not, it is necessary to clarify: - If meeiros are considered permanent workers of the land owner - What counts as the land of the land owner, i.e. all the land that is owned by him/her, or only the land that is directly cultivated by him/her
	All <i>meeiros</i> that are also members of the organizations are considered as individual members. All <i>meeiros</i> that are not members of the organization are considered as if they were permanent workers of the land owner. In products where small-scale producers are defined by not having permanent work force such as coffee, the land owner is therefore not considered a small-scale producer in this case. Additionally, the land owner as member of the SPC can only have up to 30 hectares of land where the Fairtrade crop is cultivated (including the land that is rented to <i>meeiros</i>).
	In case <i>meeiros</i> are not members, the organization has to ensure the traceability of Fairtrade products, in order to minimize the risk of non-member sales.
	The question whether meeiros are members or are considered workers of the land owner is in this case only relevant for the SPO definition.
Date	05 February 2020
Reference	SPO Standard
Affected standard requirement(s)	Introduction (page 6) Organizations that start their certification on or after the 1 July 2019 will need to comply with all applicable requirements. Organizations that are certified before 1 July 2019 will need to comply with all applicable requirements following their regular certification cycle. The transition periods are as follows:
	 Requirements marked NEW 2019**: applicable from 1 July 2019 Requirements marked NEW 2019***: applicable from 1 April 2021 Requirements marked NEW 2019***: applicable from 1 January 2022 Requirements that are related to members who employ more than 10 workers working for more than 30 hours per week that are present for one month or more during a year will be applicable from 1 April 2021

¹ See FLOCERT's compliance criteria 1.2.0.03 and 1.2.0.04, https://www.flocert.net/wp-content/uploads/2017/08/small-producers-compliance-criteria.pdf

from 1 April 2021.



Interpretation

Which requirements are applicable to organizations that were audited before 1 July 2019 but the certification decision was taken after 1 July 2019?

Audits are based on compliance criteria that are developed built on the Fairtrade Standards.

As the new requirements only became applicable as of 1 July 2019, any audit taking place before this date was based on the previous version of the standard and respective compliance criteria.

Hence, for any organization that started their certification or is certified before 1 July 2019, the previous SPO standard version 1.5 applies.

Transition periods for these organization apply as for any other organization certified before 1 July 2019. Any organizations certified against the previous compliance criteria and Fairtrade requirements have to be aware that the new requirements will become applicable to them after the transition periods indicated.