

To: Small-scale Producer Organizations Producer Networks

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Clarification on the maximum land size in the Fairtrade Standard for Small-scale Producer Organizations

Dear Fairtrade partners,

During the full revision of the <u>Fairtrade Standard for Small-Scale Producer Organizations</u> (SPO standard) that was finalized in April 2019, the definition of small-scale producer organization was revised and a maximum land size of 30 hectares was also introduced to further strengthen the focus of Fairtrade on small-scale farmers and to avoid unfair competition between and within the SPOs.

Recognizing the implications of meeting this requirement, SPOs were given a 2-year transition period to ensure that they adjust their structure to the new definition. This requirement will therefore come into force in **January 2022**.

We hope that your organizations and members have been able to adapt to these new requirements.

The maximum land size will from January 2022 onwards be an absolute limit for all members and that means that no one in the SPO will be allowed to have more than 30 hectares of cultivated land for the Fairtrade crop as stated in requirement 1.2.3 in the SPO Standard. There are exceptions to this requirement provided in some product standards (e.g. in the Fairtrade Standard for fresh fruit for wine grapes and for citrus and Avocado in Brazil, and in the Fairtrade Standard for cane sugar for cane sugar in Belize, Fiji, Mauritius and Paraguay). The exceptions take into account local legislations, production and processing methods, quality and quantity issues as well as the technology used.

What are the options for existing organizations and their members if they cannot meet this requirement?

- Organizations and their members will need to consider how they can restructure to meet the new requirements.
- The affected members (with more than 30 hectares) can switch and become certified under our <u>Hired Labour Standard</u>. This is only relevant for products which can also be certified under the Hired Labour Standard.



- The affected members (with more than 30 hectares) can reduce the cultivated land of the Fairtrade crop to 30 hectares. It is important that this is not only done via sales, but by actual land size dedicated to the certified crop.
- As a last resort, members with more than 30 hectares that cannot restructure or reduce the cultivated land would have to be excluded from the Fairtrade certification.
- An exception will be provided for currently certified SPOs in countries where the
 national legislation does not allow organizations to exclude members. This exception
 will not apply to newly certified SPOs that will join the system after 1st January 2022.

If you have any questions regarding this announcement or the Fairtrade Standard for Small-scale Producer Organizations in general, please don't hesitate to contact Jebet Yegon at i.vegon@fairtrade.net

Best regards,
Gudrun Schloepker