Fairtrade Standard
for
Cane Sugar
for
Small Producer
Organizations

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

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Introduction

How to use this Standard

Refer to the Generic Standard for Small Producers’ Organizations as a separate document as updated by Fairtrade International (FLO) on its website.

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

Application

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

Monitoring of Amendments

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

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

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

This chapter applies to the certificate holder.
These Standards cover the purchase and sale of cane sugar. The Standard also covers secondary products and their derivatives. The definition of secondary products is included in Annex 1 of the Fairtrade Generic Trade Standard.
A non-exhaustive list of products fitting in the secondary products definition is published on the Fairtrade International website.

1.1 Certification
There are no additional requirements.

1.2 Labelling and Packaging
There are no additional requirements.

1.3 Product Description
Cane sugar is produced from the juice of the sugar cane plant (Saccharum spp.).

1.4 Other product requirements

1.4.1 Qualities
Sugar and by-products of sugar should conform to the following requirements:

Conventional sugars:
Raw sugar for refining (not for direct consumption) 99.49% Maximum polarization
Raw sugar for direct consumption 99.49% Maximum polarization
Whole cane sugar non-centrifugal
White and refined sugar 99.5% Minimum polarization

Organic sugars:
Raw centrifugal sugar (for direct consumption) centrifugal organic sugar
Whole cane sugar non-centrifugal organic sugar

By-products:
By-products of cane sugar production (e.g. molasses, bagasse, bagasse ash, filter cake).
Any further specifications, requirements and quality control are to be agreed upon in the bilateral sales contract. Trade will be based on representative samples accepted by both parties.

2. Trade

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

This chapter applies to the Fairtrade product.
2.1 Traceability

For documentary traceability where no national scheme exists the following requirement applies:

For multiple producers selling Fairtrade cane to one mill/exporter, the mill/exporter must keep delivery notes/tickets with the name of the individual cane producer, the producer organization of the individual cane producer, the volume, and the date of the delivery. The mill/exporter must seek confirmation of the volume of cane supplied by each producer (i.e. producer organization).

2.2 Product Composition

There are no additional requirements.

2.3 Contracts

Exporters/mills must offer contracts to producers prior to or as soon as possible during the harvest.

3. Production

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

This chapter applies to the Fairtrade product.

There are no additional requirements.

4. Business and Development

Intent and scope
This chapter outlines the requirements that are unique to Fairtrade and intends to lay the foundations for producer empowerment and development to take place.

This chapter applies to the certificate holder.

4.1 Sustaining Trade

4.1.1 Sourcing plans must cover each yearly production and must be shared with producers. Exporters/Fairtrade payers must ensure information sharing with producers about the volumes of Fairtrade sugar sold per harvest.

4.1.2 Retro-certification can be applied. Retro-certification occurs when a Fairtrade payer buys cane sugar from a Fairtrade producer or exporter under ordinary conditions (non-Fairtrade) and at a later stage converts it into a Fairtrade product. Producers can sell their cane as retro-certified for a maximum of one year before the initial certification was granted.

Retro-certification is possible provided that the following conditions are met:

1. Prior to commencing initial retro-certification, the Fairtrade payer must inform the certification body of the intent to do so.

2. Fairtrade payers can retro-certify sugar after having received written approval from the exporter that there is Fairtrade eligible sugar. For this purpose, the exporter must keep track of volumes bought, processed and sold. The mill/exporter must seek confirmation of the volume of cane supplied by each producer (i.e. producer organization).

3. At the same time or latest within 10 days after receipt of written approval, the exporter informs the Fairtrade payer which producer must receive which proportion of the Fairtrade Premium. This can be one producer or multiple producers. In case of multiple producers, each receives a share of the Fairtrade Premium according to stipulations in existing national schemes (e.g. sucrose...
content), or if no national scheme exists, proportionate to the volume of cane supplied.

4. Within 10 days of the exporter identifying the Fairtrade Premium recipient(s) to the Fairtrade payer (item 3), the Fairtrade payer must inform the producer(s) in writing about the harvest year, the volume of cane sugar that was retro-certified, the Fairtrade Premium amount, the expected date of transfer of the Fairtrade Premium, and whether or not the exporter is the premium conveyor.

5. Within 30 days after the Fairtrade payer has informed the producer(s) of the retro-certification details (item 4) the Fairtrade Premium must be paid by the Fairtrade payer to the producer(s). Upon producer agreement the payment can be made on a quarterly basis.

6. In the case of multiple producers the Fairtrade payer and the exporter may agree to pay the Fairtrade Premium via the exporter to the producers. The Fairtrade payer pays the Premium to the exporter within 30 days and then the Premium is passed on to the producers without delay, at the latest within 15 days.

### 4.2 Pre-finance

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

### 4.3 Pricing

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

On top of the negotiated price the Fairtrade Premium must be paid directly to an account of the producer.

**For secondary products**: The price (at CIF or FOB level) of Fairtrade sugar and secondary products and their derivatives from any origin is negotiated between the importer and the exporter. There are no Fairtrade minimum prices defined for secondary products and their derivatives. Sellers of the product and its next buyers must negotiate prices for secondary products and their derivatives. A default Fairtrade Premium of 15% of the negotiated price must be paid in addition.

Fairtrade International reserves the right to set a Fairtrade minimum price for sugar and secondary products and their derivatives in the future.

A secondary product can be a by-product, a co-product or a residue produced in the country of origin. A derivative of a secondary product is a processed secondary product in the country of origin. An example of a by-product could be molasses, and an example of a derivative could be rum produced with molasses.

**4.3.1 Payment Terms**: Payment shall be **net cash** against a full set of documents on first presentation. The documents to be presented will be those stipulated in the contract and customary in the cane sugar and by-products trade.

**4.3.2 Late payment**: For contracts involving Fairtrade payers and producers, payment must be made according to the international customary conditions, and no later than 30 days after the receipt of the documents transferring ownership.