



# Fairtrade Standard for Fresh Fruit Main Changes

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## Fairtrade Standards for Fresh Fruit for Small Producer Organizations (SPO), Hired Labour organizations (HL) and Traders

The revised Fairtrade Standards for Fresh Fruit for SPOs, HL and traders are the result of a review undertaken between February 2017 and March 2018.

The revised Fairtrade Standards for Fresh Fruit were approved by the Standards Committee in November 2017.

This document identifies the key changes made to the standard and includes a table describing in more detail the extent of the changes made, following the structure of the revised standard.

This document does not describe the content of the changes in full detail. It does not replace a detailed study of the revised standard and is not part of the standard.

### Key changes:

- Full review of the standard, alignment with the Fairtrade Trader Standard.
- Revised definition of EXW level
- Revised payment terms for EXW and FOB level
- Introduction of a requirement on payment flexibility
- Clarification of pre-finance requirement
- Shifting sourcing plans into the contract

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- Simplification and clarification of contract requirement
- Introduction of retro-certification requirement
- Requiring information on shortfalls in sales
- Refinement of quality claims requirement
- Extension of shortfalls in sales, quality claims, traceability, maximum threshold for SPO members and Premium reporting from bananas to all other fruits
- Introduction of floor wages requirement into the HL Fresh Fruit Standard
- Limitation of land size in Brazil (Brazil rule) for HL plantations applied to oranges only
- Addition of definition section, simplification of wording, reorganization of requirements, deletion of redundancies, added or improved guidance, new standard design.

**Overview of the revised Fairtrade Standard for Fresh Fruit:**

This table shows the most important changes, specifying if these are modifications, extensions to all fruits, deletions or new additions.

Revised standard section		Type of change	Revised Standard 2018
Fresh fruit Standard for SPOs	Fresh fruit Standard for HL		
Introduction		Modified	Added clarity on how to use the standard. Inclusion of product description in this section. Added description of chapters, structure, requirements and scope. Modification of application date according to the new changes. Added section on definitions.
Intent and scope		Modified	Modified in all sections to align with the new layout, the Fairtrade Trader Standard and the Standard for Hired Labor.

Revised standard section		Type of change	Revised Standard 2018
Fresh fruit Standard for SPOs	Fresh fruit Standard for HL		
<b>1.General requirements</b>			
SPO 1.1.1 on size of land		Extended to all fruits	Existing requirement for bananas that limits the land where individual members grow bananas to 30has, extended to all fruits
	HL 1.1.1 Restriction on size of land for orange companies in Brazil	Modified	“Brazil rule” that limits the land size of HL plantations in Brazil to 4 fiscal units only applied to orange producers
<b>2.Trade</b>	<b>5. Trade</b>		
2.1.1 Traceability system	5.1.1 Traceability system	Extended to all fruits	Existing requirement for bananas that requires to indicate the packing station, date of packing (and identification of individual members for SPOs), extended to all fresh fruits for export
<b>3. Labour conditions</b>			
	3.1.1 Floor wages	New	Companies to ensure that base wages paid do not fall below the global poverty line of \$1.90/day Purchasing Power Parity (PPP) set by the World Bank.
<b>4. Business and Development</b>	<b>5. Trade</b>		

Revised standard section		Type of change	Revised Standard 2018
Fresh fruit Standard for SPOs	Fresh fruit Standard for HL		
Fairtrade contracts for payers		Modified	Clarification, simplification and alignment with Fairtrade Trader Standard
4.1.1	5.2.1		
Payment at EXW and FOB level		Modified	Clarification of price levels in the guidance
4.2.1	5.4.1		
Payment responsibility of products for processing		New	New requirement to clarify the payment responsibility in case of fruits for processing. Clarification that Premium cannot be calculated on the processed product with a conversion rate, but has to be paid on the fruit delivered
4.2.3	5.4.3		
Role as payer and conveyor		New	New requirement to clarify that the importer is the Fairtrade payer in supply chains where oranges for juice are processed into orange juice
4.2.5	5.4.5		
Pricing in case of oranges for juice		New	Clarification that no further deductions can be made from the EXW price for oranges for juice, which is a percentage of the FOB price
4.2.7	5.4.7		
4.2.9 Payment to members		New	New requirement to make sure that payment for the Fairtrade product is transferred to the member to which the sale corresponds

Revised standard section		Type of change	Revised Standard 2018
Fresh fruit Standard for SPOs	Fresh fruit Standard for HL		
Premium reporting		Modified	Premium reporting already in place for bananas extended to all fruits
4.2.10	2.1.1		
Payment terms at ex works level		Modified	Payment terms harmonized across all fruits (except for wine grapes) and adapted to business reality while at the same time ensuring financial security for producers
4.3.1	5.4.9		
Payment terms at FOB level		Modified	Payment terms harmonized across all fruits (except for wine grapes) and adapted to business reality while at the same time ensuring financial security for producers
4.3.2	5.4.10		
Payment flexibility		New	New requirement to make it possible that payments are made in one sum, in order to save on transaction costs
4.3.3	5.4.11		
Timely payment of Premium for wine grapes		Modified	Payment term for payment of Fairtrade Premium for wine grapes extended to 60 days, taking into account business reality
4.3.5	5.4.13		
Pre-financing Fairtrade contracts		Modified	Clarification that pre-finance is not required for fresh fruit (except wine grapes)
4.4.1	5.3.1		

Revised standard section		Type of change	Revised Standard 2018
Fresh fruit Standard for SPOs	Fresh fruit Standard for HL		
5.5 Sharing risks			
Information to be included in a quality claim		Modified	<p>Clarified wording, code of pallets deleted</p> <p>Guidance clarified: reference to burden of proof and quality claims issued after the indicated timelines included and clarified that it must be possible to trace quality problems back to producers</p> <p>Burden of proof means that, if needed and in case of dispute, the party issuing a quality claim must deliver evidence to prove that the claim is justified.</p>
4.5.1	5.5.1		
Quality claims of importers		Clarified	<p>Clarified that it is 2 working days after “release” of the fruit</p> <p>“After release” refers to the release of the shipment by the authorities, taking into account the time for possible security scans and other necessary operations in the port of destination. It means that the time period for payment terms only starts when the shipment is at the disposal of the importer.</p>
4.5.2	5.5.2		
Quality claims of other traders		New	<p>Other certified traders after the importer can claim quality problems within 2 working days, but not later than 30 days after arrival of the fruit in the port of destination</p>
4.5.4	5.5.4		
Transferring quality claims		Modified	<p>Wording clarified and longer timeline: Traders that receive a quality claim from another trader have 36 hours to pass it on, unless they take responsibility for the claim.</p>
4.5.5	5.5.5		

Revised standard section		Type of change	Revised Standard 2018
Fresh fruit Standard for SPOs	Fresh fruit Standard for HL		
Charging costs of quality claims		Modified	Clarified which costs of quality claims can be charged back to producers
4.5.6	5.5.6		
Risk sharing due to shortfalls in sales		Extended to all fresh fruits	Existing requirement for bananas that allows to sell 10% of the fruit that was originally bought as Fairtrade under non-Fairtrade conditions extended to all fresh fruit
4.5.10	5.5.10		
Declassifying Fairtrade fruits in case of shortfalls in sales and quality claims		Extended to all fresh fruits	Existing rules for bananas to declassify Fairtrade fruit extended to all fresh fruit
4.5.11	5.5.11		
Trading with integrity in shortfalls in sales		New	Reactive requirement to ensure that there is no misuse of the shortfalls in sales rule happening
4.5.12	5.5.12		
Informing operators on declassified Fairtrade sales		New	New requirement to ensure that all operators in the supply chain, especially producers are informed about the application of the shortfalls in sales requirement. Buyers have to get confirmation by producers quarterly/yearly of all shortfall in sales transactions.
4.5.13	5.5.13		
Informing the certification body on declassified Fairtrade sales		New	New requirement to ensure that the certification body is informed about all shortfalls in sales transactions

Revised standard section		Type of change	Revised Standard 2018
Fresh fruit Standard for SPOs	Fresh fruit Standard for HL		
4.5.14	5.5.14		
Retrocertification		New	Introducing the possibility to retro-certify (unlabeled fruit)
4.5.15	5.5.15		
Informing producers on retro-certification		New	Requirement to pass information about retro-certified transactions down the supply chain, especially to producers
4.5.16	5.5.16		
Informing the certification body on retro-certification		New	Requirement to inform the certification body about all retro-certified transactions
4.5.17	5.5.17		