

Project Assignment

Tea Standards and Pricing review (Jun-19)

This project assignment contains the most important information about the project. For additional information on the project, please contact the project manager (contact details below). The project will be carried out according to the Standard Operating Procedures for the Development of Fairtrade Standards/Minimum Prices and Premiums. More information on these procedures can be found on the [website](#).

Rationale for and justification of need for the project:

The Fairtrade Tea standards and prices were last reviewed in 2011. Fairtrade wants to ensure the tea standard creates the positive impact for farmers in co-operatives and workers on plantations that is demanded by Fairtrade producers, businesses, civil society and consumers. The review of the standards and prices is urgently needed to improve incomes, enhanced worker representation and participation, decent housing and sanitation, occupation health and safety. The Tea standards and prices review is embedded in the broader Fairtrade tea strategy as an important tool to improve the situation for workers on Fairtrade certified tea estates and for smallholder tea growers.

Risk assessment:

- The consultation is going to take place with a very broad range of stakeholders, there are going to be regional differences and contrasting views. Variety of views about certain key issues may increase the complexity of the standard review

Mitigation: In the phase of Research and Development of proposal a wide range of stakeholders will be reached to understand their views and interests. Different tools can be developed to enable consensus or wider agreement on proposals and solutions.

- There is a risk that topics brought up for review by stakeholders for specific regions will take more time for research and making final decisions.

Mitigation: Develop region specific analysis of the proposals.

- Lack of availability of producers or workers during the work shop and consultation phase

Mitigation: Involvement of producer networks in all steps of the project, including in the planning phase to identify challenges. Announcement of project scope and timelines to all relevant stakeholders and long period of consultation to provide input.

- Limited direct and independent engagement with workers to capture their opinions due to the plantation structure. Other limitations to reach the primary affected group/primary beneficiaries (without management) to collect their feedback are language barrier or illiteracy and lack of options to conduct meeting in the format that enables trust and confidence.

Mitigation: With support of producer networks, collect the feedback from workers through other information channels - field visits or workshops with premium committees on various topics. Seek for an opportunity to get the feedback from local trade unions through targeted meetings and workshops during the pre-consultation period. During the consultation engage with other NGOs or Civil Society organizations that are linked to tea industry.

- Producers do not provide data on costs of production

Mitigation: Close liaison with Producer Networks on collection of cost data.

- There is a risk that the project could be delayed due to :
 - Delays in the SPO review that need to be considered in the review of the Tea SPO Standard;
 - Increased complexity of simultaneous consultations on standard and pricing issues;

Mitigation: During the development of consultation documents there will be a thorough analysis of inputs from the SPO review on the areas that are relevant to producers and traders in tea industry. Current estimations of timelines to some extent include risks of delays with research work on cost of sustainable production which will have to be completed prior to consultation phase. Good communication with all stakeholders to ensure as many as possible are aware of and able to contribute to the review. Flexibility would be needed in case any of the topics of the review require a more in-depth assessment.

Project Start Event:

Publication of project assignment for feedback

Project Start Date:

September 2018

Project End Event:

Publication of the revised Price and Fairtrade Standard for Tea for Small Producer Organization and traders and Fairtrade Standard for Tea for Hired Labour and traders.

Project End Date:

Q1 2020

Project Goal and objectives

Goal:

A crucial component of the global tea strategy is a standard and pricing review.

The objectives of which are:

Standards review

- Review and analyse outstanding issues included on the monitoring log for both the Tea Small Producer Organizations (SPO) and Tea Hired Labour (HL) standards
- Consult on the inclusion of floor wages, improving working and housing conditions, among other topics
- Seek solutions from stakeholders to resolve standard related issues
- Consult on solutions with relevant stakeholder groups
- Ensure consistency in standards by aligning changes in all related product standards in particular the Fairtrade Standard for SPO, Fairtrade Standard for HL and Fairtrade Trader Standard
- Improve standard language for better clarity and simplicity
- Develop final proposals for Tea SPO and HL standards for approval by Standards Committee (SC)

Pricing review

- Collect data on costs of production using technical tools and workshops
- Explore the impact of floor wages on the overall costs of production
- Compile, validate and analyze collected cost of production data
- Review of the Premium setting model and mechanisms
- Develop the price and Premium proposal for consultation with stakeholders
- Develop the price and Premium proposal for decision to the Standards Committee
- Publish the new Fairtrade Minimum Prices and Fairtrade Premium

Connection with Theory of Change (ToC):

This project is connected to the Fairtrade Goals (make trade fair, empower small producer and workers and foster sustainable livelihoods). In particular it aims to enable resilient and viable producer business, strong and inclusive SPOs, improved farming performance, protection of environment and adaptation to climate change and enhanced benefits for small producers, their communities and for workers by enabling them to have tools to negotiate their wages and terms of work.

The Tea pricing review is connected with the ToC approach related to “Standards & certification: Supply Chain” and the Fairtrade Goal 1 “Building benefits for smallholders and workers”, Goal 2 “Deepening impact through services and programmes” and Goal 3 “Building Fairtrade markets”

For more information on Fairtrade’s ToC see this [link](#).

Project scope:

The project covers all regions and products where the Fairtrade Standard for Tea for Small Producer Organizations and traders and the Fairtrade Standard for Tea for Hired Labour and traders apply.

The project includes the review of Fairtrade Minimum Price (FMP) and Fairtrade Premium (FP) for all origins

For more information on Fairtrade Standards click this [link](#).

Out of scope:

- Review of the Trader Standard
- Review of Hazardous Materials Lists
- Review of fruit & Herbal teas prices
- Incorporate the living wage or living income component in the price proposal for consultation or in the recommended price proposals to the Standards Committee (SC)
- Collect data on costs of production for non-Fairtrade producers.

Project timelines and information on opportunities to contribute:

Scoping: September 2018

Research and development

of proposals: October-December 2018

Desk research &

COSP collection: January – June 2019

Consultation 1st round*: June-July 2019

Consultation 2nd round*: August-September 2019

Drafting final proposal: October 2019

SC decision : November 2019

Publication : Q1 2020

Implementation: Q1-Q3 2020

* More information will be provided closer to the consultation period on our [website](#). If you are identified as key stakeholders, you will receive an invitation to participate.

Decision making process:

The final decision will be taken by the Standards Committee (SC), a body made up of stakeholder representatives. The SC will aim at making a decision based on consensus. They may reword the final proposal if needed to reach consensus. If consensus cannot be reached, the SC will resort to voting.

<p>Project Owner (Unit): Gelkha Buitrago (Director Standards & Pricing)</p>		<p>Project Manager (contact point for the project): Oksana Forkutsa (Project Manager) o.forkutsa@fairtrade.net +49 (0) 228 949 23 204</p>												
<p>Project Team (Unit):</p> <table border="1"> <tr> <td>Standards & Pricing Team Members</td> <td>Jebet Yegon Ester Freixa Serra</td> </tr> <tr> <td>Global product manager</td> <td>Emma Mullins</td> </tr> <tr> <td>Senior Advisor on Trade Unions and Workers' Rights</td> <td>Wilbert Flinterman</td> </tr> <tr> <td>FLOCERT</td> <td>Sajindranath A. K. Marla Naidoo</td> </tr> <tr> <td>PNs</td> <td>Chrispinus Oluoch / Aubrey Nyasulu (Fairtrade Africa) Subhra Prakash Tudu / Iresha Sanjeevanie (NAPP)</td> </tr> <tr> <td>NFOs</td> <td>Nina Winkler (Fairtrade Germany & Max Havelaar Switzerland) Guillaume Héran (Max Havelaar France)</td> </tr> </table>		Standards & Pricing Team Members	Jebet Yegon Ester Freixa Serra	Global product manager	Emma Mullins	Senior Advisor on Trade Unions and Workers' Rights	Wilbert Flinterman	FLOCERT	Sajindranath A. K. Marla Naidoo	PNs	Chrispinus Oluoch / Aubrey Nyasulu (Fairtrade Africa) Subhra Prakash Tudu / Iresha Sanjeevanie (NAPP)	NFOs	Nina Winkler (Fairtrade Germany & Max Havelaar Switzerland) Guillaume Héran (Max Havelaar France)	<p>Project Environment (stakeholder groups not part of the project team):</p> <ul style="list-style-type: none"> - Certified producer organizations under the Tea SPO and Tea HL standards - Certified traders - Senior Advisor, Social Compliance and Development (informal sectors) - NFOs - MEL
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