|  |  |
| --- | --- |
| **Consultation document for Fairtrade Stakeholders**  Limited review of the Fairtrade Standard for  Fresh Fruit and Prepared and Preserved Fruit  Proposed changes to the Standards in relation to orange juice and orange for juice | |
| Consultation Period | **02.08.2019 – 30.08.2019** |
| Project Manager Contact Details | Alina Amador, Senior Project Manager, a.amador@fairtrade.net, +49 (0) 228 949 23 276 |

## Introduction

The purpose of this document is to obtain stakeholder views on proposals for the Fairtrade Standards for Fresh Fruit and for Prepared and Preserved fruit which are relevant for orange juice supply chains. The consultation results on the price review for orange juice in 2019[[1]](#footnote-1) delivered insights and recommendations on suitable changes to improve the implementation of requirements in the Trader Standard . Namely requirements 4.1.9 on the implementation of tripartite contracts and 4.8.1 on trading with integrity, aiming to enhance transparency in the aforementioned supply chains. The proposals are brought forward to all interested stakeholders with the intention to assess whether there are objections to its implementation. Your feedback is important to make final recommendations to the Standards Committee (SC) of Fairtrade International in their next meeting scheduled for September 25 & 26.

All the information we receive from respondents will be treated with care and kept confidential. Results of this consultation will only be communicated in aggregated form. All feedback will be analysed and used to draw up the final proposal. However, when analysing the data, we need to know which responses are from producers, traders, licensees, etc. so we kindly ask you to identify yourself below.

|  |
| --- |
| **Question 1** **Please provide us with information about your organization so that we can analyse the data precisely and contact you for clarifications if needed.**  Name of your organization:  Name of contact person:  Email of contact person:  Country:  FLO ID: |

## Proposed Standards changes

*Background*

The consultation results on the price review for orange juice provided information on the challenges to implement the current price model and ensure price payment compliance for the oranges for juice[[2]](#footnote-2). The difficulties exist due to lack of transparency in the supply chains because there is deficient information about the price at which the orange juice is actually commercialized, which is the basis for calculation of the price to be paid for the oranges for juice to the producer organisations. It was also reported that there is insufficient information about the conversion yields of juice processing, as well as processing costs at the processor/exporter level.

*Proposed changes*

Increasing transparency

The proposed changes intend to enable more transparency in orange juice supply chains. The changes will be included in the Fairtrade Standard for Fresh Fruit and for Prepared and Preserved Fruit based on the Trader Standard Voluntary Best Practice (VBP) requirement 4.1.9. on tripartite contracts with producers, applicable to Fairtrade conveyors and payers. For orange juice conveyors and payers, the proposal is that this requirement changes its applicability from VBP to core requirement.

**Tripartite contracts with producers of oranges for juice**

|  |  |
| --- | --- |
| **Applies to:** Fairtrade conveyors and Fairtrade payers | |
| **Core** | You **sign** a tripartite contract between the producer, the price and premium payer and the conveyor, or you as conveyor share with the producer the contract that you have with the Fairtrade payer. |
| **Year 0** |
| **Guidance:** The intent is to provide better transparency of Fairtrade operations and allows the producer to know the conditions under which the Fairtrade product is sold. | |

|  |
| --- |
| **Question 2: Do you have an objection in implementing tripartite contracts with oranges for juice producers as described above, as a Core Requirement Year 0? If you have an objection, how could it be addressed?**  **Please explain your rationale** |

Trading with integrity

Currently the Trader Standard requirement 4.8.1 on unfair trading practices is generally checked reactively (e.g. based on allegations). Selected practices are checked proactively in some particular supply chains. The proposal is to check the payment of the Fairtrade Minimum Price along the orange juice supply chain. This will mean that sales or purchases below the orange juice FMP (Frozen Concentrate and Not from Concentrate Orange Juice) up to the orange juice manufacturer/processor and/or bottler in country of consumption, will be considered a non – compliance against this requirement.

|  |
| --- |
| **Question 3: Do you have any concerns on the implementation of this change? If you have any concerns, how could it be addressed?**  **Please explain your rationale** |

The changes will be implemented in FLOCERT’s compliance criteria as of January, 2020.

Please send your answers or comments to S&P ([standards-pricing@fairtrade.net](mailto:standards-pricing@fairtrade.net)) in regards to the proposed changes latest by August 30th.

Thank you very much in advance for your contribution.

1. You can access the minutes to the Standards Committee meeting June 27th in this [link](https://www.fairtrade.net/fileadmin/user_upload/content/2009/standards/minutes/2019-27_SC-minutes-meeting85-June2019.pdf). [↑](#footnote-ref-1)
2. For your reference consult the explanatory document on the price model implementation following this [link](https://www.fairtrade.net/fileadmin/user_upload/content/2009/standards/documents/2013-6-13_EN_OrangeJuicePricing_ExplanatoryDocument.pdf). [↑](#footnote-ref-2)