

To: All Fairtrade banana hired labour

organizations and traders

Fairtrade members

cc: Producer Networks
Standards Committee

Fairtrade International staff

FLOCERT

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Subject: Changes to the Fresh Fruit Standard for Hired Labour Organizations and Traders

Dear Fairtrade Partners,

We would like to inform you that we have included new requirements in the Fairtrade Standard for Fresh Fruit for Hired Labour Organizations and Traders. We have done so following the decision of the Standards Committee during its 94th meeting on 25 and 26 November 2020.

The changes are part of our efforts towards achieving Living Wages for workers on Fairtrade certified farms. For details on the decision please refer to the <u>minutes</u> of the Standards Committee meeting that will be available on our website on 25 January 2021.

Fairtrade certified hired labour organizations producing bananas will have to:

- Adopt a Fairtrade Base Wage. This means that the lowest wage paid to workers in cash after taxes and mandatory deductions will be at least at the level of 70 percent of the Cash Living Wage¹ applicable for the respective country. This will be applied from 1 July 2021.
- 2. Disburse, via the Fairtrade Premium Committee, up to 30% of the Premium in cash as long as there is a gap between the lowest cash wage received by workers and the Living Wage Benchmark of the respective country. In case cash disbursements are not an advantageous option for workers, vouchers can be used. This will be applied to Fairtrade Premium deriving from Fairtrade sales after 1 January 2021.
- Report once a year data to Fairtrade International on wages, production and sales. The
 information has to be provided yearly by end of November using the template that will be
 provided by Fairtrade International. More details about the template and the process of
 reporting will be provided soon.

These changes are reflected in the Fairtrade Standard for Fresh Fruit for Hired Labour Organizations and Traders, Version 2.3, which is available on our <u>website</u>.

If you have any questions regarding this announcement or this Standard in general, please do not hesitate to contact the Standards and Pricing Unit at standards-pricing@fairtrade.net.

Best regards,		
Gudrun Schloepker		

¹ Cash Living Wage refers to the cash component of the Living Wage Benchmarks (Living Wage Benchmarks excluding the inkind benefits value). They are all published in the <u>Global Living Wage Coalition website</u> and will be yearly updated with the inflation rate and available at <u>Fairtrade International website</u>.