



# Fairtrade Standard for Cereals

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**Applies to:** Small producer organizations and traders for all cereals and to contract production for rice in India and amaranth as rotational crop

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## Introduction

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### How to use this Standard

The Fairtrade Standard for Cereals covers the requirements which are specific to cereals producers and traders.

Fairtrade cereals producers must comply with either the [Fairtrade Standard for Small-scale Producer Organizations](#) or the [Fairtrade Standard for Contract Production](#) (only for rice from India and amaranth as rotational crop) and the Fairtrade Standard for Cereals. For producers this standard complements, and should be read together with, the Fairtrade Standard for Small Producer Organizations or the Fairtrade Standard for Contract Production.

Fairtrade cereals traders must comply with both the [Fairtrade Trader Standard](#) and Fairtrade Standard for Cereals. For traders this standard complements, and should be read together with, the Fairtrade Trader Standard.

In cases where this standard differs from the Fairtrade Standard for Small Producer Organizations, the Fairtrade Standard for Contract Production or the Fairtrade Trader Standard on the same topic, the requirements presented in this standard apply.

### Product description

This standard covers the purchase and sale of cereals. Fairtrade cereals are all varieties of cereals for which Fairtrade prices exist.

Fairtrade rice can be traded in any of the forms below:

- Paddy: rice, which has retained its husk after threshing
- Cargo rice (or brown rice): rice that is dehusked only
- White rice: rice obtained by removing all or part of the bran and germ from cargo rice by milling (milled rice)
- Parboiled rice: husked or milled rice processed from paddy that has been soaked in water and subjected to a heat treatment so that the starch is fully gelatinized, followed by a drying process

This standard also covers secondary products and their derivatives. A secondary product can be a by-product, a co-product or a residue produced in the country of origin.

The definition of secondary products is included in the [Fairtrade Trader Standard](#). An explanatory note for secondary products and a non-exhaustive list of products fitting in the secondary products definition is available on the [Fairtrade International website](#).

### Price and Fairtrade Premium

Fairtrade Minimum Prices and Premiums for cereals are listed in [the pricing database](#), which is published on the Fairtrade website.

There are no Fairtrade Minimum Prices defined for secondary products and their derivatives. The prices of these products, from any origin, are negotiated between sellers and next buyers. A default Fairtrade Premium of 15% of the negotiated price must be paid in addition.



## Chapters

The Fairtrade Standard for Cereals has four chapters: General Requirements, Trade, Production and Business and Development.

## Structure

In each chapter and section of the standard you will find:

- The **intent** which introduces and describes the objective and defines the scope of application of that chapter or section;
- The **requirements** which specify the rules that you must adhere to. You will be audited according to these requirements; and
- The **guidance** provided to help you to interpret the requirements. The guidance offers best practices, suggestions and examples of how to comply with the requirement. It also gives you further explanation on the requirement with the rationale and/or intention behind the requirement. You will not be audited against guidance.

## Requirements

In this standard you will find one type of requirement:

- **Core requirements** which reflect Fairtrade principles and must be complied with. These are indicated with the term 'Core' found in the column on the left throughout the standard.

## Scope

**This standard applies to all Fairtrade cereals producers and all companies that buy and sell Fairtrade cereals.** All operators taking ownership of Fairtrade certified products and/or handling the Price and Fairtrade Premium are audited and certified.

Different requirements apply to different companies depending on their role in the supply chain. You can find if a requirement is applicable to you in the column "**Applies to**".

## Application

This version of the Fairtrade Standard for Cereals was published on 15 March 2016 and is applicable from 15 May 2016. This version supersedes all previous versions and includes new and changed requirements. New requirements are identified in this standard by the words "**NEW**".

## Definitions

**Fairtrade eligible** is the volume of all cereals produce by certified producers that can be sold under Fairtrade conditions.

**Producer** means any entity that has been certified under the Fairtrade Standard for Small Producer Organizations or the Fairtrade Standard for Contract production. Individual producers are the members of those organizations.

For a comprehensive list of definitions see the [Fairtrade Trader Standard](#).



## Monitoring of changes

Fairtrade International may change Fairtrade standards as explained in Fairtrade International's Standard Operating Procedures, see [www.fairtrade.net/standards/setting-the-standards.html](http://www.fairtrade.net/standards/setting-the-standards.html). Fairtrade Standard requirements can be added, deleted, or changed. If you are Fairtrade certified, you are required to check the Fairtrade International website regularly for changes to the standards.

Fairtrade certification ensures that you comply with Fairtrade Standards. Changes to Fairtrade Standards may change the requirements of Fairtrade certification. If you wish to be or are already Fairtrade certified, you are required to check the compliance criteria and certification policies on the certification body's website regularly at [www.flo-cert.net](http://www.flo-cert.net).

## Change history

Version number	Date of publication	Changes
01.05.2011_v1.0	01.05.2011	New Standards Framework (NSF) changes: (1) reorganization of the standard into 4 chapters
15.03.2016_v1.0	15.03.2016	Full review of the standard, inclusion of Fairtrade eligible requirement for conveyors, alignment with Trader Standard, inclusion of definition section, simplification of wording, reorganization of requirements, deletion of redundancies, added or improved guidance, new standard design
15.03.2016_v1.1	08.11.2016	Inclusion of amaranth and qañiwa to product scope and amaranth under contract production as rotational crop.
15.03.2016_v1.2	14.06.2018	Removal of lists of products from the product description section (referral to pricing table to find out which products can be traded as Fairtrade cereals)
12.07.2019_v1.3	12.07.2019	Link to revised Fairtrade Standard for Small-Scale Producer Organizations updated.



# 1. General Requirements

There are no additional requirements.

## 2. Trade

There are no additional requirements.

## 3. Production

There are no additional requirements.

## 4. Business and Development

**Intent:** To ensure that Fairtrade transactions are carried out under transparent and fair conditions, in a way that lays the foundations for producer empowerment and development.

### 4.1 Contracts

#### 4.1.1 **NEW** Fairtrade eligible contracts

<b>Applies to:</b> Conveyors of rice/paddy	
<b>Core</b>	If you buy rice/paddy from producers as Fairtrade eligible;
<b>Year 0</b>	<ul style="list-style-type: none"> <li>• you ensure the producer is in agreement by signing a purchase contract with the producer that is clearly identified as a 'Fairtrade eligible contract';</li> <li>• you provide information to the producer on the prospects for selling the rice as Fairtrade; and</li> <li>• you report to the producer upon confirmation of any Fairtrade sales.</li> </ul>
<p><b>Guidance:</b> Buying under a Fairtrade eligible contract means that the product is potentially Fairtrade, but conveyors may not know at the time of purchase from the producer, if the product can be sold on as Fairtrade to the next buyer.</p> <p>Buying as Fairtrade eligible means the product is produced and traded according to Fairtrade Standards, but initially the market price is paid (see Trader Standard 4.2.1) and then the price differential (if applicable) and Fairtrade Premium are paid to the producer, only if the conveyor sells the product as Fairtrade to the next buyer. Fairtrade eligible contracts fall within the scope of Fairtrade audits.</p>	

## 4.2 Timely payment

### 4.2.1 Timely payment of Premium and price by payers in rice/paddy

<b>Applies to:</b> Fairtrade payers of rice/paddy	
<b>Core</b>	You pay the producer (or the conveyor, if applicable) the Fairtrade price and Premium upon receipt of the product.
<b>Year 0</b>	

### 4.2.2 Timely payment of Premium and price by payers in quinoa

<b>Applies to:</b> Fairtrade payers of quinoa	
<b>Core</b>	You pay the producer (or the conveyor, if applicable) the Fairtrade price and Premium within 30 calendar days after you receive the documents transferring ownership.
<b>Year 0</b>	

## 4.3 Premium use

### 4.3.1 Fairtrade Premium usage in quinoa

<b>Applies to:</b> Producers of quinoa	
<b>Core</b>	You dedicate at least 30% of the Fairtrade Premium that you receive to investment into environmentally sustainable measures for the production and the processing of quinoa. Investment can be made at the level of individual members and/or the producer organization. The General Assembly decides on the activities to be carried out. You keep records of the use of the Premium and are able to explain in which way the Premium use contributes to the improvement of environmental sustainability.
<b>Year 0</b>	
<b>Guidance:</b> Environmentally sustainable measures can include for example activities related to soil erosion, fertilization, pest management, biodiversity conservation/restoration, water treatment at processing level. Please refer to the standards explanatory document <a href="#">Implementation of environmentally sustainable measures in the production and processing of quinoa</a> for more explanation and advice on activities that can be undertaken with the Fairtrade Premium.	

## 4.4 Access to finance

### 4.4.1 Pre-financing Fairtrade contracts

<b>Applies to:</b> First buyers that provide pre-finance	
<b>Core</b>	You provide at least 60% of the value of the contract as pre-finance to the producer at any time after signing the contract and at least six weeks prior to shipment.
<b>Year 0</b>	
<b>Guidance:</b> Fairtrade encourages first buyers to provide/facilitate pre-finance as soon as possible after signing the contract. For products from Contract production please refer to the Fairtrade Standard for Contract Production on pre-finance.	



## 4.5 Sourcing information for planning

### 4.5.1 Sourcing plans for producers

<b>Applies to:</b> Fairtrade payers and conveyors	
<b>Core</b>	Your sourcing plans cover at least 12 months, and you renew them a minimum of three months before they expire.
<b>Year 0</b>	





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