

## Fairtrade Coffee Standard for Small-scale Producer Organizations (SPO) and Traders

The new Fairtrade Coffee Standard for Small-scale Producer Organizations (SPO) and Traders is the result of a review undertaken between June 2019 to March 2021. The new Fairtrade Coffee Standard was approved by the Standards Committee in March and June 2021.

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 it is not part of the Standard.

### Key changes:

- Full review of the standard, alignment with the Fairtrade Standard for Small-scale Producer Organizations and Fairtrade Trader Standard.
- Inclusion of requirements to improve trade practices
- Inclusion of the Production chapter: environment development and labour conditions
- Addition of definition section, simplification of wording, reorganization of requirements, deletion of redundancies, added or improved guidance, new standard design.

### Overview of the new Fairtrade Coffee Standard:

This table shows the most important changes. New requirements or sections are marked as 'New' and changes in existing requirements or guidance are marked as 'Modified'.

Organizations that begin the certification process after the 15 July 2021 will need to comply with the applicable requirements. Organizations that are certified before 15 July 2021 will need to comply with all applicable requirements following their regular certification cycle and following the transition periods indicated in the standard.

### Overview of the new Coffee Standard:

This table shows the most important changes, specifying if these are modifications or new additions.

Standard section	Type of change	New Standard 2021	Comments
<b>1. General Requirements</b>			
<b>1.1 Certification</b>	New	<p>Section added.</p> <p>Addition of requirements:</p> <ul style="list-style-type: none"> <li>- 1.1.1 for Producer organizations;</li> <li>- 1.1.2 for Exporters.</li> </ul>	<p>To align with SPO Standard.</p> <p>Addition of two new requirements with the initial conditions for producer organizations and exporters to become Fairtrade certified.</p> <p>The changes supersede temporary measures already in place since 2020 where certification requirements were in place for coffee producers and traders intended to deepen benefits for farmers.</p>
<b>2. Trade</b>			
<b>2.1 Traceability</b>	New	<p>Section added.</p> <p>Addition of requirement 2.1.1 on Members' production and sales information.</p>	<p>To align with SPO and Trader Standard.</p> <p>To improve traceability and accuracy of declared volumes by SPOs and their members.</p>
<b>2.2 Contracts</b>	Modified	<p>Clarification on requirements:</p> <ul style="list-style-type: none"> <li>- 2.2.1 on Price-to-be-fixed contracts;</li> <li>- 2.2.6 on Price breakdown.</li> </ul> <p>Clarification on the guidance of requirement 2.2.7 on contact defaults.</p>	<p>Requirement reworded. Addition of a fourth condition on where fixed-price contracts are allowed.</p> <p>Requirement reworded and moved to the Contracts section to align with the SPO standard.</p>
	New	Addition of requirements:	

Standard section	Type of change	New Standard 2021	Comments
		<ul style="list-style-type: none"> <li>- 2.2.8 on the Role of exporters;</li> <li>- 2.2.9 on Contracts following national and industry regulations.</li> </ul>	<p>To be more transparent on the role exporters' play in each contract.</p> <p>To align contractual arrangements with the national and industry regulation.</p>
<b>3. Production</b>			
<b>3.1 Environmental development</b>	New	<p>Section added.</p> <p>Addition of requirements:</p> <ul style="list-style-type: none"> <li>- 3.1.1 on Environmental risk assessment;</li> <li>- 3.1.2 on Climate adaptation plan;</li> <li>- 3.1.3 on Adoption of Sustainable Agricultural Practices.</li> </ul>	<p>To align with SPO Standard.</p> <p>To support POs to be more resilient towards the negative effects of climate change.</p>
<b>3.2 Labour Conditions</b>	New	<p>Section added.</p> <p>Addition of requirements:</p> <ul style="list-style-type: none"> <li>- 3.2.1 on Risk assessment;</li> <li>- 3.2.2. on Policy and procedures;</li> <li>- 3.2.3 on Monitoring and remediation system.</li> </ul>	<p>To align with SPO Standard.</p> <p>To include the Human Rights Due Diligence approach as per the UNGP guidelines to empower POs to be conscientious on the Human Rights risks they might have in their organization and adopt a continuous improvement approach while assisting the remediation of cases, if any.</p>
<b>4. Business and Development</b>			
<b>4.1 Price and Fairtrade Premium</b>	Modified	<p>Clarification on requirement 4.1.1 on Market price reference.</p> <p>Addition of requirement 4.1.3 on Fairtrade Minimum Price along the supply chain.</p>	<p>Requirement reworded.</p> <p>To align with Trader Standard and interpretation note for requirement 4.8.1 on unfair trading practices.</p>

Standard section	Type of change	New Standard 2021	Comments
		Modification of requirement 4.1.5 on Fairtrade Premium earmark.	Extension of the Fairtrade Premium earmark use to implementation of environmental development requirements and alignment of year of implementation to align with the SPO standard.
<b>4.2 Timely payment</b>	Modified	Section added. Clarification on requirement 4.2.1 on Payment terms. Addition of requirement 4.2.4 on Timely payment.	To align with Trader Standard and with customary industry practices.
<b>4.3 Access to finance</b>	Modified	Section added. Modification of requirement 4.3.1 on Pre-finance.	To align with Trader Standard. Modification of the time to make pre-finance available from eight to twelve weeks.
<b>4.4 Sourcing and market information for planning</b>	Modified	Section added.	To align with Trader Standard.
<b>4.5 Sharing risks</b>	New	Section added. Addition of requirement 4.5.1 on Price risk management costs.	To align with Trader Standard. To prevent SPOs from covering unduly costs for price risk management operations.
<b>4.6 Trading with integrity</b>	New	Section added. Addition of requirement 4.6.1 on Contract conditions.	To align with Trader Standard. To tackle unfair trading practices in coffee trade.