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| **Consultation document for Fairtrade Sourcing Ingredients (FSI) Extension****for Coffee** |
| Consultation Period | **05 May– 05 June 2021** |
| Project Manager | Jebet Yegon, Project Manager, Standards j.yegon@fairtrade.net  |

**1. General Introduction**

Fairtrade Standards support the sustainable development of small-scale producers and workers in the Global South. Producers and traders must meet the relevant Fairtrade Standards for their products to be certified as Fairtrade. Fairtrade International’s Standards and Pricing Unit (S&P) is responsible for developing Fairtrade Standards in line with the [Standard Operating Procedure for the Development of Fairtrade Standards](https://www.fairtrade.net/fileadmin/user_upload/content/2009/standards/SOP_Development_Fairtrade_Standards.pdf) and in compliance with all requirements of the [ISEAL Code of Good Practice for Setting Social and Environmental Standards](https://www.isealalliance.org/our-work/defining-credibility/codes-of-good-practice/standard-setting-code). A fundamental principle is wide consultation with stakeholders to ensure that new and revised Standards reflect Fairtrade International’s strategic objectives, are based on producers’ and traders’ realities and meet consumers’ expectations.

You are kindly invited to participate in the consultation on Fairtrade Sourcing Ingredients (FSI) extension Coffee). We urge you to provide input on the topics suggested in this document and encourage you to give explanations, analysis and examples illustrating your comments. All information will be treated with care and kept confidential.

**The deadline for completing the survey is 05.06 2021**. If you have any further comments, please send them to Jebet Yegon, j.yegon@fairtrade.net.

Following the consultation, S&P will compile and aggregate all the comments received and share them anonymously via email and on the Fairtrade International website.

**2. Background**

Fairtrade Sourcing Programs for cocoa, sugar and cotton were introduced in 2014 to connect Fairtrade farmers with companies wanting to buy these specific commodities on Fairtrade terms. Rather than focusing on all the ingredients that can be Fairtrade for one finished composite product, companies make commitments to sourcing one or more specific commodities for use as ingredients in finished composite products across ranges, or even their whole business.

In 2017, as part of the implementation of the global strategy 2015-2020, the Board and the General Assembly (GA) approved the extension of Fairtrade Sourced Programs (FSP) from cocoa, sugar and cotton to all Fairtrade product categories with the exception of coffee and bananas. The model was then renamed into Fairtrade Sourced Ingredients (FSI). Since then, FSI has been successful, especially for cocoa. Consequently, several National Fairtrade Organisations (NFOs) have advocated for the Board/GA to reconsider the decision to exclude bananas and coffee.

During the meeting that took place in October 2020, the Board approved the extension of FSI to include coffee and processed bananas, in line with the Fairtrade’s global strategy 2021-2025 which in its strategic pillar of growth and innovation aims at delivering greater volumes of existing Fairtrade-certified products sold on Fairtrade terms, and introducing new products and services to drive the overall strength and sustainability of the Fairtrade movement by fully utilizing our offer to business (O2B). This review will however only focus on FSI extension for coffee.

Lastly, extending FSI to coffee will provide an opportunity to increase the sales of Fairtrade producers through sourcing commitments with brand owners and other supply chain actors, increase label awareness through entire new product ranges that will be possible to offer and will also extend the Fairtrade reach into new consumer segments.

**3. Objectives of the Standards Review**

* Conduct a consultation review to gather opinions from stakeholders.
* Engage with stakeholders to ensure that their views and needs are taken into account.
* Agree on how best to secure the conditions set by Producer Networks (PNs) regarding the FSI model for coffee (This conditions are detailed in the consultation section).
* Amend the relevant Trader Standard clauses which set out the requirements for FSI to also apply to coffee.
* Harmonize all Trader Standard requirements for FSI.
* Develop final proposal for final approval by the Standards Committee.

**4. Project and Process Information**

The project started in December 2020 with the launch of the [project assignment](https://files.fairtrade.net/standards/Project-Assignment-for-FSI-Extension-for-Bananas-and-Coffee_Final.pdf) which is available on the Fairtrade International website.

The current Fairtrade Trader Standard is also available on the Fairtrade International website under [this](https://files.fairtrade.net/standards/TS_EN.pdf) link.

The progress to date and next steps are described below:

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| **Timeline** | **Activity**  |
| November 2020 | * Scoping
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| Nov – Dec 2020 | * Research

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| May–June 2021 | * Consultation
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| June 2021 | * Drafting final proposal
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| June 2021 | * SC decision
 |
| July 2021 | * Publication
 |
| August 2021 | * Implementation
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**5. Confidentiality**

We value your input and will analyze all responses carefully to inform the final proposal. All information will be treated with care and confidentiality, and the results will only be communicated in aggregated form. However, in order to make the best use of the data, we do need to know which responses are from producers, traders, licensees, etc., so we kindly ask you to provide us with information about your organization.

**6. Acronyms and definitions**

**Acronyms:**

ATCB All That Can Be

CLAC Latin American and Caribbean Network of Fair Trade Small Producers and Workers

FI Fairtrade International

FSI Fairtrade Sourcing Ingredients

FSP Fairtrade Sourced Programs

GA General Assembly

HL Hired Labour

NFO National Fairtrade Organization

PN Producer Network

PO Producer Organization

SC Standards Committee

S&P Standards and Pricing Unit

SPO Small Producer Organization

**PART 2 Draft Standard Consultations**

This consultation is divided into the following sections:

[0. Information about your organization 5](#_Toc71011254)

[1. Expansion of the FSI model to coffee 6](#_Toc71011255)

[2. Stakeholders’ comments / feedback on the present consultation 8](#_Toc71011256)

**The target groups of this consultation are:**

* Coffee producers certified or interested in becoming certified under the Coffee Standard
* Coffee licensees, trader, brands and other commercial partners who are certified or interested in becoming Fairtrade certified.
* Coffee importers and exporters certified or interested in becoming certified
* Producer Networks (PNs), National Fairtrade Organizations (NFOs), Fairtrade International, FLOCERT, NGOs, researchers and other stakeholders.

The amount of time you spend answering the questionnaire will depend on how detailed your answers are. Your input is very important, so please take your time.

**Please take as much space as you need to respond to the questions.**

# Information about your organization

Please complete the information below:

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| **Q 0.1** **Please provide us with information about your organization so that we can analyze the data precisely and contact you for clarifications if needed. The results of the survey will only be presented in an aggregated form and all respondents’ information will be kept confidential.**Name of your organization Click or tap here to enter text.Name of contact person Click or tap here to enter text.Email of contact person Click or tap here to enter text.Country Click or tap here to enter text.FLO ID (if any) Click or tap here to enter text. |
| **Q0.2. Are your responses based on your own personal opinion or is it a collective opinion representing your organisation?**[ ] Individual opinion[ ] Collective opinion representing my organisation/company |
| **Q 0.3 What is your responsibility in the supply chain? Please tick all that apply.**[ ] SPO 1st grade[ ] SPO 2nd and 3rd grade[ ] Processor[ ] Processor /Exporter[ ] Exporter[ ] Importer[ ] Licensee[ ] Retailer[ ] Brands[ ] Other (e.g. CLAC, FTA, NAPP, NFO, FLOCERT, Fairtrade International, researchers, NGO, commercial partners)If other, please specify here: Click or tap here to enter text. |

# Expansion of the FSI model to coffee

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| The FSI model currently has not included coffee as stated in the definition section of the Trader Standard. During a meeting that took place in October 2020, the Fairtrade International Board approved the extension of FSI to include coffee and processed bananas, in line with the Fairtrade’s global strategy 2021-2025. This review will however only focus on coffee.Based on the requirements in the Trader Standard, products eligible to carry the FSI Mark are composite products and must contain 100% of the relevant commodity sourced as Fairtrade. This means that if a composite product (e.g. instant cappuccino) carries the FSI coffee Mark, 100% of the coffee in the composite product range, line or category, or across a whole business, must be sourced on Fairtrade terms from Fairtrade certified Producer Organizations. The rest of the ingredients in the composite product don’t need to be sourced as Fairtrade.As part of the business cases, a risk and opportunity analysis was conducted in order to understand the benefits as well as the risks of expanding FSI to coffee.*Opportunities:** 1 in 5 global coffee product launches in 2017 were a Ready to Drink (RTD).
* The actual incremental volumes beyond ATCB for Fairtrade producers may be relatively limited but provides an opportunity to
* Increase producer sales therefore creating more impact for coffee producers.
* enhance relationships with existing commercial partners
* increase label awareness
* extend the Fairtrade reach into new geographies and consumer segments
* enables our participation in one of the fastest growing and highly innovative sectors in the global coffee industry
* Engage with large players in the industry
* Remain relevant in this field

*Risks** There is a risk to sugar producers, who supply volumes to ATCB coffee composite products (e.g. iced coffee). However, this risk is considered small.

Producer Networks (PNs), see an opportunity to increase coffee sales and Fairtrade's visibility in the markets. PNs support the expansion of FSI to coffee on the condition that for all composite products, with coffee as an ingredient, 100% of the coffee is Fairtrade certified. In order to support their members (Producer Organisations), PNs will require that FSI business plans (with short-, medium-, long- term aims) are submitted by markets and progress is reported on annually. **The proposal aims to:** * Expand the FSI model to coffee and agree with stakeholders on the implementation timelines.

**Q 1.1 Do you have any feedback to the decision taken by the FI Board to extend the FSI model to coffee?****Please provide your feedback here:**Click or tap here to enter text.**Q 1.2 The proposed implementation period of the revised requirement is August 2021.****Do you agree with the proposed implementation period?**[ ] Strongly agree[ ] Partially agree[ ] Disagree**If you partially agree or disagree, please explain why and suggest an alternative proposal.**Click or tap here to enter text. |

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# Stakeholders’ comments / feedback on the present consultation

In this section, you are invited to provide additional feedback regarding the FSI extension for coffee consultation

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| **Topic**  | **Comments/ feedback/ suggested improvements** |
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If you need more information before commenting on this document, please do not hesitate to contact Jebet Yegon at j.yegon@fairtrade.net