



# Fairtrade Standard for Fresh Fruit

---

**Applies to:** Hired labour organizations and traders

Current version: 01.04.2018\_v2.4

---

Expected date of next review: 2023

---

Contact for comments: [standards-pricing@fairtrade.net](mailto:standards-pricing@fairtrade.net)

---

For further information and standards downloads:  
[www.fairtrade.net/standards.html](http://www.fairtrade.net/standards.html)



---

## Content

---

<b>Introduction</b>	<b>3</b>
How to use this Standard	3
Product description	3
Price and Fairtrade Premium	3
Structure	4
Requirements	4
Scope	4
Application	4
Definitions	4
Monitoring of changes	5
Change history	6
<b>1. General Requirements and Commitment to Fairtrade</b>	<b>7</b>
1.1 Certification	7
<b>2. Social Development</b>	<b>7</b>
2.1 Management of the Fairtrade Premium	7
<b>3. Labour Conditions</b>	<b>8</b>
3.1 Conditions of employment	8
<b>4. Environmental Development</b>	<b>11</b>
4.1 Environmental protection	11
<b>5. Trade</b>	<b>12</b>
5.1 Traceability	12
5.2 Contracts	12
5.3 Access to finance	13
5.4 Pricing and Payment Terms	14
5.5 Sharing risks	19

---



## Introduction

---

### How to use this Standard

This Fairtrade Standard for Fresh Fruit covers the requirements which are specific to fresh fruit hired labour producers and traders.

Fairtrade fresh fruit companies must comply with the Fairtrade Standard for Hired Labour and the Fairtrade Standard for Fresh Fruit. For companies this standard complements, and should be read together with, the Fairtrade Standard for Hired Labour.

Fairtrade fresh fruit traders must comply with both the Fairtrade Trader Standard and Fairtrade Standard for Fresh Fruit. 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 Hired Labour or the Fairtrade Trader Standard on the same topic, the requirements presented in this standard apply.

### Product description

Fairtrade fresh fruit are all varieties of fresh fruit for which Fairtrade prices exist. This standard covers the purchase and sale of fresh fruit in their primary form. This includes fresh fruit for export and fresh fruit sold for further processing, excluding drying. Fresh fruit for drying is allowable for bananas for all regions, pineapple, papaya and mango from Ghana and mango, apples, plums, pears, persimmons, apricots and peaches from South Africa, only.

Citrus fruits belong to the Rutaceae family and include different types of fruits such as oranges, tangerines, mandarines, clementines, satsumas, lemons, limes and grapefruits.

“Soft citrus” refers to citrus fruits grown from the species *Citrus reticulata* Blanco. These fruits include satsumas (*Citrus unshiu* Marcow), clementines (*Citrus clementina* Hort. ex Tan.), common mandarins (*Citrus deliciosa* Ten.) and tangerines (*Citrus tangerine* Hort. ex Tan.), as well as their hybrids.

“Lime” refers to the commercial varieties from the species *Citrus latifolia* Tanaka, *Citrus aurantifolia* Swingle, *Citrus hystrix*, *Citrus limetta*, as well as their hybrids.

Wine grapes are the fruit of the *Vitis vinifera* L. vine. For wine grapes, the standard also covers any processed products.

The standard also covers secondary products and their derivatives. 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 the secondary products definition](#) is published on the Fairtrade International website.

### Price and Fairtrade Premium

Fairtrade Minimum Prices (FMP) and Premium levels for Fairtrade products are published separately to the product Standards.

There are no Fairtrade Minimum Prices defined for secondary products and their derivatives. The prices (at CIF=Cost, Insurance and Freight or FOB level) of these products, from any origin, are negotiated



between the importer and the exporter. A default Fairtrade Premium of 15% of the negotiated price must be paid in addition.

## Structure

The Fairtrade Standard for Fresh Fruit has five chapters: General Requirements and Commitment to Fairtrade, Social Development, Labour Conditions, Environmental Development and Trade.

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 fresh fruit Hired labour companies and all companies that buy and sell Fairtrade fresh fruit.** 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 Fresh Fruit was published on **15 December 2020** and is applicable from **1 January 2021**. This version supersedes all previous versions and includes new and changed requirements. New requirements introduced in the versions v2.2 to v2.3 are identified in this standard by the word "**NEW**". The following transition periods apply:

- Requirements marked **NEW 2021\***: applicable from **1 January 2021**
- Requirements marked **NEW 2021\*\***: applicable from **1 July 2021**

## Definitions

**Company** refers to the Hired Labour operator certified to sell fresh fruit as Fairtrade.

**Dead freight** is an amount a shipper needs to pay, when the shipper does not utilize the space he or she has reserved on a truck or a vessel.



**Ex Works** means that delivery takes place when the seller places the goods at the disposal of the buyer at the premises of the seller or at another named place (works, factory, warehouse, etc.) not cleared for export and not loaded on any collecting vehicle.

**Free on Board (FOB)** means that the seller delivers when the goods pass the ship's rail at the named port of shipment. From that point forward, the buyer has to bear all costs and risks of loss or damage to the goods. Under FOB terms, the seller is required to clear the goods for export.

**Fruits for export** mean fruits that are exported fresh without being processed in the producing country.

**Oranges for juice for processing in consumer countries** are defined as 'oranges for juice' that are sold to be exported to a consumer country and then processed into juice in that country.

**Orange for non-frozen concentrate (NFC)** and **Orange for frozen concentrated orange juice (FCOJ)** are defined as oranges for juice that are sold to be processed into NFC or FCOJ in the producing country.

**Perennial fruits** are fruits that are harvested year-around. Typically, these are bananas, papayas and pineapples.

**Purchasing Power Parity (PPP)** are the rates of currency conversion that equalize the purchasing power of different currencies by eliminating the differences in price levels between countries.

**Retro-certification** occurs when a Fairtrade payer buys fresh fruits from a Fairtrade producer or exporter under conventional market conditions (non-Fairtrade) and at a later stage converts it into a Fairtrade product.

**Seasonal fruits** are harvested only for a certain period of the year. Typically, these are for example mangoes, oranges or grapes.

**Shortfalls in sales** refers to a situation when Fairtrade sales are lower than originally ordered as Fairtrade. In the case of Fairtrade transactions, this happens when the importer ordered a certain amount of fruits as Fairtrade and the orders of the clients of the importer decreased.

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

## Monitoring of changes

Fairtrade International reserves the right to amend Fairtrade Standards in accordance with Fairtrade International's Standard Operating Procedures (<https://www.fairtrade.net/standard/how-we-set-standards>). 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.flocert.net](http://www.flocert.net).



## Change history

Version number	Date of publication	Changes
01.04.2018_v2.0	01.04.2018	<p>Full review</p> <ul style="list-style-type: none"> <li>- Addition of definition section, simplification of wording, reorganization of requirements, deletion of redundancies, added or improved guidance, new standard design</li> <li>- Revised definition of EXW level</li> <li>- Revised payment terms for EXW and FOB</li> <li>- Introduction of a requirement on payment flexibility</li> <li>- Clarification of pre-finance requirement</li> <li>- Shifting sourcing plans into the contract</li> <li>- Simplification and clarification of contract requirement</li> <li>- Introduction of retro-certification</li> <li>- Reporting of shortfalls in sales</li> <li>- Fine-tuning of quality claims requirements</li> <li>- Extension of requirements on: shortfalls in sales, quality claims, traceability, and Premium reporting from bananas to all other fruits</li> <li>- Introduction of floor wages for countries where no legal minimum wage exists</li> <li>- Limitation of land size in Brazil applied to oranges only</li> </ul>
01.04.2018_v2.1	25.03.2019	Inclusion of email address for the Premium reporting
01.04.2018_v2.2	01.11.2019	<p>Introduction of requirement 5.2.3 on tripartite contracts applicable in orange juice supply chains for Fairtrade conveyors.</p> <p>Clarification of product scope in requirement 5.4.2 (Payment responsibility of fruits for processing) and of the role of importers in requirement 5.4.4 (Role as payer for orange juice).</p> <p>Addition of the percentages to calculate the prices, previously in the price table, for the oranges for juice in requirement 5.4.3 (Payment of oranges for juice). Clarification of calculation of the price differential and timely payments for oranges for juice (requirements 5.4.5 and 5.4.13)</p> <p>Deletion of changes made before April 2018 in the change history.</p>
01.04.2018_v2.3	15.12.2020	Introduction of the requirements 3.1.2 on the Fairtrade Base Wage, 3.1.3 on the compulsory disbursement of the Premium and 3.1.4 on the data reporting for banana plantations
01.04.2018_v2.4	09.04.2021	<p>Addition of the definition of lime to the section “Product Description”.</p> <p>Inclusion to the guidance text of requirement 5.4.1 (Payment at EXW and FOB level) the prorate tool to calculate the FPM and FP for bananas and the definition of the product form “Packed” and “Unpacked” for lime.</p>



# 1. General Requirements and Commitment to Fairtrade

**Intent:** To provide the necessary framework for effective implementation of the Standard.

## 1.1 Certification

### 1.1.1 Restriction on size of land for orange companies in Brazil

<b>Applies to:</b> Orange companies in Brazil	
<b>Core</b>	Your land size is up to 4 fiscal units (módulos fiscais, see link below).The owner and/or family members is/are directly involved in the management of the applying unit.
<b>Year 0</b>	
<b>Guidance:</b> The size of one fiscal unit applicable to a specific area can be accessed here: <a href="https://www.embrapa.br/codiqo-florestal/area-de-reserva-legal-arl/modulo-fiscal">https://www.embrapa.br/codiqo-florestal/area-de-reserva-legal-arl/modulo-fiscal</a>	

# 2. Social Development

**Intent:** To lay the foundations for empowerment and development to take place.

## 2.1 Management of the Fairtrade Premium

### 2.1.1 Premium reporting

<b>Applies to:</b> Companies	
<b>Core</b>	You send a report about Fairtrade Premium use for every new or ongoing Fairtrade Premium project to Fairtrade International. The reporting is done yearly at the latest one month after the general assembly organized by the Fairtrade Premium Committee and includes at least the following information:  a) Report for projects in planning phase and for ongoing projects <ul style="list-style-type: none"> <li>• Name and description of project (purpose and objectives, project partners)</li> <li>• Target group(s) (e.g. men, women or all workers of a company, migrant workers, family members, community)</li> <li>• Project progress/status</li> <li>• Estimated number of beneficiaries within each target group and beneficiaries reached to date</li> </ul>
<b>Year 1</b>	



	<ul style="list-style-type: none"> <li>• Project budget (total / annual), Premium invested to date for ongoing projects</li> <li>• Project start and end date</li> <li>• Date of approval of project and record of who approved it</li> </ul> <p>b) Final report for finished projects, in addition to the information under a) above</p> <ul style="list-style-type: none"> <li>• Target group(s) and number of beneficiaries reached</li> <li>• Total budget spent</li> <li>• Evaluation to whether, to what extent and why the purpose and the objectives have been achieved, and what can be learnt from the project</li> <li>• Date of approval of final project report and record of who approved it</li> </ul> <p>For bananas, you send this information to <a href="mailto:bananas@fairtrade.net">bananas@fairtrade.net</a>.</p> <p>For all other fruits, you send this information to <a href="mailto:freshfruit@fairtrade.net">freshfruit@fairtrade.net</a>.</p>
--	--

# 3. Labour Conditions

**Intent:** To ensure decent working conditions.

## 3.1 Conditions of employment

### 3.1.1 Floor wages

<b>Applies to:</b> Companies	
<b>Core</b>	You pay wages that do not fall below the global extreme poverty line (\$1.90/day) set by the World Bank.
<b>Year 0</b>	
<b>Guidance:</b> The amount in the requirement amount could increase depending on the World Bank adjustments. Please refer to the document <a href="#">Calculating wages in the Fresh Fruit Standard</a> for more information on how to calculate the \$ 1.90/day PPP.	

### 3.1.2 **NEW 2021\*\*** Fairtrade Base Wage

<b>Applies to:</b> Banana companies	
<b>Core</b>	Your company ensures that no worker is paid a wage, in cash after taxes and mandatory deductions, lower than the Fairtrade Base Wage as defined at the level of 70 percent of the Cash Living Wage applicable for your country.
<b>Year 0</b>	
You ensure that no remuneration is worsened/reduced after the introduction of this requirement except when formally agreed with a trade union that has the right to bargain.	



**The Fairtrade Base Wage is applicable from the 1<sup>st</sup> July 2021.**

**Guidance:** Fairtrade, as a member of the Global Living Wage Coalition, defines a 'living wage' as the remuneration received for a standard work week by a worker in a particular place sufficient for the worker and her or his family to afford a decent standard of living. Elements of a decent standard of living include food, water, housing, education, health care, transport, clothing, and other essential needs including provision for unexpected events.

Workers are defined as waged employees (permanent or seasonal/temporary, migrant or local, sub-contracted or directly employed) whether they work in the field, in processing sites, or in administration. The term is restricted to personnel who can be unionised, meaning middle and senior management and other professionals are generally not considered workers.

Cash Living Wages are periodically updated by Fairtrade International and available at the [Calculating wages in the Fresh Fruit Standard](#) section.

Requirements 3.4.11, 3.5.4, 3.5.9 and all other relevant sections of the Hired Labour Standard continue to apply.

**3.1.3 NEW 2021\* Fairtrade Premium**

**Applies to:** workers in banana companies

<b>Core</b>	As long as there is a gap between the Living Wage Benchmark and the lowest net cash wage received by workers, up to 30 percent of the Fairtrade Premium is equitably disbursed among all workers in accordance with time worked, as a Fairtrade Bonus. This amount can be added to the already existing Hired Labour Standard requirement 2.1.20 to disburse 20 percent of the Fairtrade Premium if workers so choose.
<b>Year 0</b>	<p>Payments are made in cash. Premium vouchers of equal value to cash disbursements can be disbursed in those origins where payment in cash is not an advantageous option. Your company demonstrates the transparency and accuracy of the payments made by the Fairtrade Premium Committee according to the rules described in this requirement.</p> <p>Your company ensures that no remuneration is worsened/reduced after the introduction of this requirement except when formally agreed with elected worker representatives who have the right to negotiate.</p>

**Guidance:** Only Fairtrade Premium generated from sales as of 2021 onwards are considered.

If the gap between the lowest wages and the Living Wage Benchmark can be bridged using less than 30 percent of the Fairtrade Premium, the percentage for mandatory pay-out must be reduced accordingly. Please refer to the [explanatory document for the Fairtrade Premium disbursement](#) for an example of how the calculations might be done.

This requirement and the option to disburse 20 percent of Premium funds in cash (requirement 2.1.20 of the Hired Labour Standard) signify that workers could disburse up to 50 percent of the Premium in cash if they so choose.

Premium vouchers can be disbursed in cases where the disbursement in cash is not an advantageous option - for example, where disbursing the Premium in cash could result in significant tax payments. Premium vouchers can be used for essential needs that contribute to a decent livelihood, such as: home construction or renovation, education fees, and regular household items. The nature and frequency of disbursements must be consulted upon with local trade unions or in their absence with other elected worker representatives, to ensure that collective bargaining is not undermined.

Premium vouchers cannot be used for goods or services which companies are required to provide by law, by Fairtrade Standards or by collective bargaining agreements, or to those customarily provided by the company. Premium vouchers cannot be used for visas or work permits for migrant workers; clothing or equipment for work; dormitories or shared housing for seasonal workers; drinking water; land for kitchen gardens; charitable contributions to the community that do not go exclusively



to workers; employers' contributions to social security and time off work for vacations; sick leave or maternity leave; and other non-statutory expenses provided continuously, such as work meals and transport to and from work, childcare, etc.

### 3.1.4 **NEW 2021\*** Data reporting

**Applies to:** Banana companies

**Core**

You report data to the Standards and Pricing Unit at Fairtrade International every year. The data is presented using the template available in the Fairtrade webpage and includes:

**Year 0**

- Number of workers (field workers, pack-house workers, other workers)
- Lowest gross salaries (field workers, pack-house workers, other workers)
- Number of hectares under banana production and harvested (in hectares/year)
- Total production and sales volumes (breakdown by Fairtrade, non-Fairtrade, organic and conventional), split into export and local market volumes
- List of cash social benefits (statutory and non-statutory ones) provided by plantation owners to workers, which increase or reduce the net salary received as cash by workers. Examples of monetary social benefits are: 13th month pay, birthday bonus, etc.

**Guidance:** Fairtrade provides a [template](#) for data reporting available on its [website](#) with [explanatory document on how to fill the template](#). The data reporting will be validated by the certification body during audit.



# 4. Environmental Development

**Intent:** To promote additional practices that stimulate sustainable production.

## 4.1 Environmental protection

### 4.1.1 Integrated weed management

<b>Applies to:</b> Banana companies	
<b>Core</b>	<p>If you use herbicides in the production process, you implement the following elements of an integrated weed management approach:</p> <ul style="list-style-type: none"> <li>• Gain knowledge of the weeds that affect the productivity of the crop and of the conditions that favour and hamper the development of the weeds.</li> <li>• Gain knowledge of the parts of the fields where the crop is affected by the weeds.</li> <li>• Prevention of the spreading of the weeds by non-chemical means (labour, mechanical or thermic means)</li> <li>• Use of alternative control techniques, mulches or cover crops in order to control and reduce the weeds.</li> <li>• Application of herbicides focused on areas where the weeds are present and affect the crop.</li> <li>• No use of herbicides in canals, in buffer zones protecting rivers or watersheds, in protected or high conservation value areas<sup>1</sup> or in buffer zones intended to protect people's health.</li> </ul>
<b>Year 0</b>	
<b>Guidance:</b> It is recommended to rotate active substances.	

<sup>1</sup> See definition of High Conservation Value areas in the Fairtrade Standard for HL section 4 for Environmental development in biodiversity requirement number 4.6.1.



# 5. Trade

**Intent:** This chapter outlines the requirements that operators need to comply with when they sell Fairtrade products.

## 5.1 Traceability

### 5.1.1 Traceability system

<b>Applies to:</b> Companies of fresh fruit for export	
<b>Core</b>	You indicate the packing station and date of packing on each box.
<b>Year 0</b>	

### 5.1.2 Record keeping of volumes for oranges for juice

<b>Applies to:</b> Processors/exporters of oranges for juice	
<b>Core</b>	You keep a record of the volumes of oranges for juice bought and processed from each producer; including the date of delivery; and the quantity of orange juice sold.
<b>Year 0</b>	

## 5.2 Contracts

### 5.2.1 Fairtrade contracts for payers

<b>Applies to:</b> Fairtrade payers of all fruits, except wine grapes	
<b>Core</b>	<p>In addition to the requirements in the Trader Standard, you include the following in your Fairtrade contracts:</p> <ul style="list-style-type: none"> <li>• Operator’s FLO ID number</li> <li>• Minimum volume to be purchased and delivered on a weekly basis for perennial fruits and on a seasonal basis for seasonal fruits and volume projection for the duration of the contract</li> <li>• Description of how the system of orders will function (when and how weekly/ single orders are confirmed)</li> <li>• Responsible party for product labelling</li> <li>• Rules for dead freight</li> <li>• Non-Fairtrade payment terms and price mechanism in case of short falling sales and quality problems for each product (see 4.5 Sharing risks)</li> </ul>
<b>Year 0</b>	



	<ul style="list-style-type: none"> <li>If applicable, a reference to additional or special packing material and services and related costs not included in the Fairtrade Minimum Price (e.g. for “clusterbags” or “parafilm”, see also 5.4 Pricing and Payment Terms)</li> </ul>
<p><b>Guidance:</b> This requirement complements the TS requirement 4.1.2 on contracts. For wine grapes, these additional requirements do not apply. If a producer does not sell at the price level at which Fairtrade Minimum Price is defined (e.g. selling on FOB, but FMP is defined at EXW only), the contract must refer to the packing material and related costs and other services (e.g. transportation) not included in the Fairtrade Minimum Price (e.g. for “clusterbags” or “parafilm”).</p>	

### 5.2.2 Contracts for oranges for juice

<b>Applies to:</b> First buyers of oranges for juice	
<b>Core</b>	You <b>include</b> in your contracts with producers:
<b>Year 0</b>	<ul style="list-style-type: none"> <li>Price to be paid and calculation used for defining the price of orange juice equivalent follow requirement 5.4.3 and 5.4.5.</li> <li>Clarification that the price for oranges for juice will be defined according to the yield</li> <li>Once available, the preliminary analysis reports from each delivery of oranges for juice (as an attachment).</li> </ul> <p>In addition, you give the preliminary analysis report to the producer 7 days after the delivery of fruit.</p>
<p><b>Guidance:</b> This requirement complements the requirement 4.1.1 above and the TS requirement 4.1.2 on contracts. A preliminary analysis report is a report produced according to citrus industry standards from a sample of the fruit delivered, which includes yield information.</p>	

### 5.2.3 Tripartite contracts with producers for oranges for juice

<b>Applies to:</b> Fairtrade conveyors of oranges for juice	
<b>Core</b>	You <b>sign</b> 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.
<b>Year 0</b>	The tripartite contracts identify as a minimum the orange juice buyer, specify the quantity and price of the orange juice sold as well as payment terms of the price differential.
<p><b>Guidance:</b> The intention of this requirement is to increase the transparency along the supply chain allowing the producer to know the conditions under which the Fairtrade product is sold.</p>	

## 5.3 Access to finance

### 5.3.1 Pre-financing Fairtrade contracts

<b>Applies to:</b> Fairtrade payers of fresh fruit (except wine grapes)	
<b>Core</b>	



<b>Year 0</b>	Pre-finance is not required for fresh fruits (except wine grapes, see below). If needed, you negotiate pre-finance terms and conditions with the producer and include them in the contract.
<p><b>Guidance:</b> This requirement replaces the requirement 4.4.1 in the Trader Standard. Pre-finance can be negotiated between both parties, if requested by and agreed by the Fairtrade payer or another trader. Pre-finance is granted on contracts e.g. for financing field inputs, packaging material or in case of natural disasters. Advance payments which are granted on individual shipments/invoices are not considered pre-finance.</p>	

### 5.3.2 Pre-financing Fairtrade contracts for wine grapes

<b>Applies to:</b> Fairtrade payer of wine grapes	
<b>Core</b>	You provide at least 60% of the value of the contract as pre-finance to the producer at least six weeks prior to shipment.
<b>Year 0</b>	

## 5.4 Pricing and Payment Terms

### 5.4.1 Payment at EXW and FOB level

<b>Applies to:</b> Fairtrade payers	
<b>Core</b>	You pay producers at EXW or FOB level as defined in the Fairtrade pricing database and applicable in your supply chain.
<b>Year 0</b>	
<p><b>Guidance:</b> For fresh fruits, and in contrast to the official Incoterms, EXW prices do not include any kind of packing material, unless otherwise specified in the pricing data base.</p> <p>EXW prices for fresh fruit include labour costs for packing (including palletization) and preparation of the fruits for loading on the collecting vehicle (truck or container) only.</p> <p>The costs for standard packing and palletization materials are covered by the exporter. However, the service related to packing (labour costs) of standard packing material is included in the EXW prices and provided by the producer. No further deductions from the EXW price are possible, even if, for example, labelling takes place in the consuming country.</p> <p>FOB prices only apply to producers that export themselves. They do not apply to exporters that buy from Fairtrade producers.</p> <p>At FOB level, banana prices include the costs for the following packing materials:</p> <ul style="list-style-type: none"> <li>• one standard carton box</li> <li>• one banana packing bag per carton box (banovac or polypack)</li> <li>• pallets</li> <li>• edge corners</li> <li>• strips</li> <li>• up to 3 labels per banana cluster</li> </ul> <p>The FMP in all cases refers to 18,14 kg of ripened fruit. If boxes with different weights are used, FMP and Fairtrade Premium are calculated pro rata. For estimating the FMP and FP that would apply for packing boxes of different materials and weight presentations Fairtrade International provides a <a href="#">Prorate tool</a> and <a href="#">Guidance document</a>.</p> <p>Neither the Ex Works nor the FOB prices include costs for additional or special packing materials such as “clusterbags” or “parafilm” and related services. They must be included in the contract and producers must be paid for those and any associated services (see 5.2.1 Contracts for payers).</p> <p><b>Lime:</b> The product form “unpacked” for lime at EXW level means that the prices do not include any kind of packing material. The definition of product form EXW for fresh fruit at this guidance also applies for the lime.</p>	



The product form “packed” means that the packaging of the lime is intended to withstand transportation, handling, and arrive at the port of destination in the conditions according to the quality specifications agreed between the exporter and the importer.

At the FOB level, the “packed” lime prices include the costs for the following packing materials:

- Cardboard boxes
- EUR-pallet
- Materials for securing the Cardboard boxes in the EUR-pallet
- Label of the fruit

In case additional packing material is added to the “packed” and “unpacked” lime, the buyer and seller should calculate and add this additional cost to the price in the trade contract, and describe it in the product quality specifications.

### 5.4.2 Payment responsibility of fruits for processing

**Applies to:** First buyers of fruits for processing (except oranges for juice)

<b>Core</b>	If you buy fruits for processing, you are the Fairtrade payer and therefore pay the Fairtrade price and Premium on the fruits for processing.
<b>Year 0</b>	

**Guidance:** This means that for example, if pineapples are sold by producers and later in the chain processed into juice, the Premium has to be calculated and paid on the fresh pineapples as sold by the producers. The Premium amount cannot be calculated on the juice and paid back to producers based on a conversion rate.



### 5.4.3 Payment of oranges for juice

**Applies to:** Processor/exporter of oranges for juice

**Core**

**Year 0**

You pay the producer a price for the equivalent quantity of juice that their oranges produce (FCOJ or NFC, depending on what is sold to the importer) according to the yield in the preliminary analysis report.

The price paid to the producer for the oranges for juice is calculated using the following percentages based on the FMP or market price, whichever is higher:

Product	Processor/exporter category	% of FMP or market price	
		Conventional	Organic
Oranges for Juice for <b>FCOJ</b> . Worldwide (SPO/HL)	Producers working with processor/exporter using bulk export techniques	77%	81%
	Producers working with processor/exporter using 6 extractors or less	68%	75%
	Producers working with all other processor/exporter set-ups	72%	78%
Oranges for juice for <b>NFC</b> Worldwide (SPO/HL)	All set-ups	50%	57%

You convey the Fairtrade Premium for orange juice at FOB level to producer organizations based on the total amount of orange juice you sell.

**Guidance:** Please refer to [explanatory document on orange juice pricing](#) available on the Fairtrade website for further explanation.

The price to be paid for the oranges for juice calculated based on the highest between the Fairtrade Minimum Price or market price for orange juice, refers to oranges delivered at the processor's premises'. The Fairtrade Premium defined for orange juice at FOB level applies as the Fairtrade Premium for producer organizations selling oranges for juice.

For the oranges for FCOJ pricing, there are three different FMP categories, depending on the type of processor/exporter set-up that processes the oranges for juice of each producer company. These categories take into consideration the differences in processing facility sizes and export methods which impact the cost of processing/export.

The categories are as follows:

- (1) producers working with processors/exporters using bulk export techniques;
- (2) producers working with processors/exporters using 6 extractors or less;
- (3) producers working with all other processor/exporter set-ups.

Producers and processors should define what category applies to their situation in order to understand what FMP applies in their case.



#### 5.4.4 Role as payer for orange juice

<b>Applies to:</b> Importers of orange juice	
<b>Core</b>	You pay the Fairtrade price and Fairtrade Premium.
<b>Year 0</b>	

#### 5.4.5 Price differential for oranges for juice

<b>Applies to:</b> Conveyors of oranges for juice	
<b>Core</b>	If there is a difference between the price paid to producers for the oranges for juice based on the preliminary analysis report and the FOB orange juice price received when selling the orange juice, you pay the producers the differential.
<b>Year 0</b>	
<b>Guidance:</b> Conveyors make a first payment (% of the FOB price) as indicated in 5.4.3 based on the estimated yields according to the preliminary analysis report and convey the differential if applicable.	

#### 5.4.6 Pricing in case of oranges for juice

<b>Applies to:</b> Conveyors of oranges for juice	
<b>Core</b>	You do not make any further deductions from the indicated percentage of the FOB price, whether applied to the FMP or the market price.
<b>Year 0</b>	

#### 5.4.7 Secondary products

<b>Applies to:</b> Fairtrade payers	
<b>Core</b>	For secondary products and /or their derivatives, you pay at least a Fairtrade Premium of 15% in addition to the negotiated price.
<b>Year 0</b>	

#### 5.4.8 Payment terms at EXW level

<b>Applies to:</b> Fairtrade payers (except wine grapes)	
<b>Core</b>	You pay the price and Fairtrade Premium no later than 15 days after delivery of the product unless national legislation requires shorter payment terms.
<b>Year 0</b>	
<b>Guidance:</b> The time span of 15 days is set on the assumption that producers issue a correct invoice after delivery.	

#### 5.4.9 Payment terms at FOB level



<b>Applies to:</b> Fairtrade payers (except wine grapes)	
<b>Core</b>	You pay the applicable price and Fairtrade Premium no later than 15 days after release of the shipment in the port of destination.
<b>Year 0</b>	
<p><b>Guidance:</b> “After release” refers to the release of the shipment by the authorities, taking into account the time for possible security scans and other necessary operations in the port of destination. It means that the time period for payment terms only starts when the shipment is at the disposal of the importer.          The time span of 15 days is set on the assumption that producers issue a correct invoice after delivery.          Where the seller and buyer agree on shorter payment terms, this agreement must be included in the contract.</p>	

#### 5.4.10 Payment flexibility

<b>Applies to:</b> Fairtrade payers	
<b>Core</b>	If producers agree, you can make monthly payments (for a calendar month) at the latest 15 days after the end of the respective month.
<b>Year 0</b>	
<p><b>Guidance:</b> This can be beneficial for producers if they can thus save on transaction costs. It is at the discretion of the producers to evaluate this and take a decision.</p>	

#### 5.4.11 Timely payment of price for wine grapes

<b>Applies to:</b> Fairtrade payers of wine grapes	
<b>Core</b>	You pay the applicable price within 6 months of purchase of processed or unprocessed wine grapes from producers, in a frequency that follows the industry norm as defined by the certification body.
<b>Year 0</b>	

#### 5.4.12 Timely payment of Premium for wine grapes

<b>Applies to:</b> Fairtrade payers of wine grapes	
<b>Core</b>	You pay the Premium within 60 days of purchase of unprocessed or processed wine grapes from producers.
<b>Year 0</b>	

#### 5.4.13 Timely payment of FMP for oranges for juice

<b>Applies to:</b> Processors/ exporters of oranges for juice	
<b>Core</b>	You pay at least the first payment based on the percentages indicated 5.4.3 to the producer no later than 30 days upon receipt of goods.
<b>Year 0</b>	



	You convey the Premium and price differential (additional payment in case there is a difference between the first payment to producers and actual FOB orange juice price) to the producer no later than 15 days after receipt of payment from the Fairtrade payer.
--	--

## 5.5 Sharing risks

### 5.5.1 Information to be included in a quality claim

<b>Applies to:</b> Traders	
<b>Core</b>	To submit a valid quality claim, you include the following information:
<b>Year 0</b>	<ul style="list-style-type: none"> <li>• Precise data of the shipment: at minimum the date of loading, name of ship, total Fairtrade volume (number of boxes and kilos), port of destination and, if available, container identification.</li> <li>• A description of quality problems including photos documenting the defect, and the extent of a specific quality defect (number of affected boxes per pallet or per container)</li> </ul>
<p><b>Guidance:</b> When you issue a quality claim, you have the burden of proof for the claim.</p> <p>Quality claims that are submitted to the producer after the timelines indicated in this section may be accepted at the discretion of the producer.</p> <p>It must be possible to trace quality problems back to producers. If the fruits from different producer organisations are mixed in one container, it should be possible to trace the quality problem back to individual pallets. If the whole container comes from one single producer, it can be done on a container basis only.</p>	

### 5.5.2 Quality claims of importers

<b>Applies to:</b> Importers of fresh fruit	
<b>Core</b>	You submit quality claims for any quality problems that you detected yourself, within 2 working days after release of the fruit at the port of destination.
<b>Year 0</b>	

### 5.5.3 Quality claims of ripeners

<b>Applies to:</b> Ripeners	
<b>Core</b>	You submit quality claims to the seller within 8 working days of receipt of the fruit and no later than 15 calendar days after arrival of the fruit at port of destination.
<b>Year 0</b>	

### 5.5.4 Quality claims of other traders

<b>Applies to:</b> Traders	
<b>Core</b>	



<b>Year 0</b>	If you buy products from an importer or another trader, you submit quality claims to the seller within 2 working days of receipt of the product, but not later than 30 calendar days after arrival of the fruit at the port of destination.
---------------	---

### 5.5.5 Transferring quality claims

<b>Applies to:</b> Traders	
<b>Core</b>	When receiving a quality claim, you transfer it to the previous operator in the supply chain within 36 hours (excluding weekends and public holidays), unless you take responsibility for it and handle the claim yourself.
<b>Year 0</b>	

### 5.5.6 Charging costs of quality claims

<b>Applies to:</b> Traders	
<b>Core</b>	If producers accept the responsibility for a quality problem, you charge only the costs of the fruit and the packing (FOB price), the cost of the transport (shipment until port of destination) and the relevant import duties already paid for the affected part of the shipment to producers. These costs must be transparently proven. The date of the loading in the country of origin must be used for the currency conversion rate.
<b>Year 0</b>	

### 5.5.7 Arranging quality inspection in the country of destination

<b>Applies to:</b> Seller (producer or trader) receiving a quality claim	
<b>Core</b>	Within 2 working days after receiving your buyer's (or ripener's) quality claim, you can notify the buyer (or ripener) in writing that you will arrange counter inspection by an authorised surveyor.  You pay for and contract this surveyor, unless both parties have agreed otherwise.
<b>Year 0</b>	
<b>Guidance:</b> If you do not react to the quality report within the specified period the buyer (or ripener) may assume that you accept the refusal of the fruit.	

### 5.5.8 Facilitating quality inspection in the country of destination

<b>Applies to:</b> Buyers issuing a quality claim	
<b>Core</b>	You (buyer and/ or ripener) facilitate the counter quality inspection no later than 5 calendar days after the seller receives the quality claim.
<b>Year 0</b>	

### 5.5.9 Settlement of disputes through independent surveyors

<b>Applies to:</b> Buyers, ripeners and sellers (producers or traders) involved in quality claims	
<b>Core</b>	



<b>Year 0</b>	You accept the reports of the authorised independent surveyors.
<b>Guidance:</b> The reports are binding to both parties and shall be the ultimate basis of settlement of any dispute over the quality of the fruit between the seller and buyer and/ or ripener.	

### 5.5.10 Risk-sharing due to shortfalls in sales

<b>Applies to:</b> Importers of fresh fruit	
<b>Core</b>	If part of any shipment cannot be sold as Fairtrade as a result of shortfalls in orders from your clients, you may apply “non-Fairtrade conditions” for fruit for up to a maximum of 10% of the volume of each shipment.  You assume any financial losses related to shortfalls above this percentage.
<b>Year 0</b>	

### 5.5.11 Declassifying Fairtrade fruit in case of shortfalls in sales and quality claims

<b>Applies to:</b> Importers of fresh fruit	
<b>Core</b>	You do not sell fruit paid under non-Fairtrade conditions due to shortfalls in sales and quality claims as Fairtrade. You clearly mark the declassified fruit as “non-Fairtrade” on all documentation. In case you cannot remove Fairtrade references, you only use disclaimers that clearly state that the product is sold under non-Fairtrade conditions.  You do not sell the declassified fruit to a client (e.g. retailers) dealing with Fairtrade fruits if there is a Fairtrade label on the fruit itself.
<b>Year 0</b>	

### 5.5.12 Trading with integrity in shortfalls in sales

<b>Applies to:</b> Importers of fresh fruit	
<b>Core</b>	There are no indications that you use the practice of shortfalls in sales to supply a Fairtrade operator or a non-Fairtrade operator with fruit labelled as Fairtrade but bought under non-Fairtrade conditions on a regular basis.
<b>Year 0</b>	

### 5.5.13 Informing operators on declassified Fairtrade sales

<b>Applies to:</b> Importers of fresh fruit	
<b>Core</b>	You inform all operators in the supply chain, including the producers about declassified Fairtrade transactions due to shortfalls in sales and quality claims within six weeks after arrival of the fruit in the port of destination. You explain the reason for the non-Fairtrade sales (quality claim or shortfalls in sales).  You get confirmation from the producers that they acknowledge the correct statement of transactions related to quality claims and shortfalls in sales, and the receipt of related
<b>Year 0</b>	



	payments of Fairtrade price and Premium at least on a quarterly basis in the case of perennial fruits and at least yearly in the case of seasonal fruits.
--	---

#### 5.5.14 Informing the certification body of declassified Fairtrade sales

<b>Applies to:</b> Importers of fresh fruit	
<b>Core</b>	You inform the certification body about every transaction of non-Fairtrade sales that were originally ordered as Fairtrade within six weeks after arrival of the fruit in the port of destination. In the case of quality claims, you also include the costs related to the claim that were charged back to producers.
<b>Year 0</b>	

#### 5.5.15 Retro-certification

<b>Applies to:</b> Importers	
<b>Core</b>	You are allowed to retro-certify fruits. Only unlabelled fruit is eligible for retro-certification. You ensure that labelling of retro-certified fruit is only done by a certified operator on behalf of the licensee.  You make payments of the Fairtrade Premium and any price adjustments as per the Fresh Fruit Standard.
<b>Year 0</b>	

#### 5.5.16 Informing producers of retro-certification

<b>Applies to:</b> Importers	
<b>Core</b>	You inform producers of the retro-certified transaction within 5 working days.  If you are not the first buyer, you also inform the exporter of this transaction and receive a confirmation that the exporter is willing to take on the responsibility to convey the additional price and Premium for the retro-certified shipment.
<b>Year 0</b>	

#### 5.5.17 Informing the certification body of retro-certification

<b>Applies to:</b> Importers	
<b>Core</b>	You inform the certification body about all retro-certified transactions according to the timelines defined by the certification body including <ul style="list-style-type: none"> <li>- the date of purchase of the fruit from the producer organization</li> <li>- transaction identification</li> <li>- container/shipment information,</li> <li>- seller and buyer identification;</li> <li>- the volume of fruit being retro-certified;</li> </ul>
<b>Year 0</b>	



	<ul style="list-style-type: none"> <li>- the Fairtrade Premium amount due;</li> <li>- the Fairtrade Price adjustment (where applicable if original price paid is below applicable Fairtrade Minimum Price)</li> <li>- the party responsible for paying / conveying price differential and premium to the producer.</li> </ul>
--	---

### 5.5.18 Purchasing of wine grapes for tender

<b>Applies to:</b> Fairtrade payers of wine grapes for tender	
<b>Core</b>	You agree with producers that the purchase is made for a tender and you clarify this in the purchase contract.
<b>Year 0</b>	You confirm whether it is a Fairtrade transaction or not, once the tender process is finalized.



**FAIRTRADE**  
INTERNATIONAL

---

The English version of the standard is the official version. Fairtrade offers translations into other languages for information purposes only. Although Fairtrade strives to ensure accuracy in translations, the English version of the standard is the basis for all certification decisions, particularly if conflicts on these decisions should arise.

Copyright © 2009 Fairtrade Labelling Organizations International e.V. All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise without full attribution.