

Consultation Results Synopsis	
Information to Stakeholders on outcomes of the consultation for the Review of the Fairtrade Hired Labour Standard for Fresh Fruit	
To	Fairtrade banana stakeholders
Consultation Period	1 st September 2020 – 30 th September 2020
Project Manager Contact Details	Giovanna Michelotto, Project Manager g.michelotto@fairtrade.net

Fairtrade International’s Standards & Pricing would like to thank all stakeholders for the time and effort they have put into participating in the consultation on the review of the Fairtrade Hired Labour Standard for Fresh Fruit with a focus on banana. The consultation concluded on September 30th 2020, with a total of 247 answers, of which 106 producers, 19 retailers, 77 workers committees, providing Fairtrade International’s (FI) S&P their views and perspectives. Thanks to the input provided by stakeholders, Standards & Pricing and the project team have gained a good understanding of critical issues and concerns including potential solutions. This information provides the basis for our recommendation to the Standards Committee, therefore the decision on the final standards was taken in full knowledge of stakeholders’ comments.

This document aims to present the outcome of the consultation in the most transparent way possible without disclosing confidential stakeholder information.

Should you have any queries or remarks concerning this report, please contact the project manager: Giovanna Michelotto, Project Manager at g.michelotto@fairtrade.net

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Introduction and Executive summary

Executive Summary

The purpose of this project is to review the globally-applied Fairtrade Hired Labour Standard for Fresh Fruit, as part of Fairtrade's 2020 strategy and its mission to improve the lives of farmers and workers. The overall objective is to implement the Fairtrade Board decision to adopt a strategic framework for Living Wage in banana to achieve the board's objective stated in its 2016-2020 strategy, to reach a Living Wage for workers at certified banana plantations. It more specifically aims to develop the value pot models for 5 banana producer countries, which would support the proposals for consultation and recommendation to the Standards Committee (SC), to develop a system for collection of quality data related to wage improvement at Hired Labour set-ups that will be used for economic modelling, tracking and evaluating of impact and to develop guidance for the implementation of Hired Labour Standard requirement 3.5.4.

The consultation period was from the 1st to the 30th of September 2020 and it was available a word document in English, Spanish and French as well as an online survey supported with videos. It was also supported with virtual workshops with workers and with plantations and a public webinar.

The three topics consulted were a Fairtrade Base Wage, as the lowest wage acceptable wage to be paid in certified banana plantations; a mandatory disbursement of the Fairtrade Premium; and data reporting. In total, 247 answers have been collected with important participation of producers (106), workers' committee (77) importers (17) and retailers (19). Results on the second (Premium use) and third proposal (data reporting) were quite well accepted by participants while the results for the first one (Fairtrade Base Wage) were more diverse and with more concerns.

Way forward

SC has approved the new requirement and the modification have been done in the updated version of the [Fairtrade Hired Labour Standard for Fresh Fruits](#).

Abbreviations

CLAC	Latin American and Caribbean Network of Fair Trade Small Producers and Workers
CLW	Cash Living Wage
FI	Fairtrade International
FMP	Fairtrade Minimum Price
FP	Fairtrade Premium
FTA	Fairtrade Africa
IKB	In-kind benefits
HL	Hired Labour Organisation
LW	Living Wage
LWB	Living Wage Benchmark
NFO	National Fairtrade Organisation
PN	Producer Network
SC	Standards Committee
S&P	Standards & Pricing

Fairtrade Hired Labour Standard for Fresh Fruit - Consultation results

Consultation process and participation

An internal consultation was done with plantations and with workers (separately) in November 2019. After analysing the inputs from the consultation, the proposal changed to accommodate the concerns raised

during this first internal phase. The impact of the pandemic COVID-19 was an issue on how to consult with workers and plantations and therefore the consultation was postponed.

A public consultation was launched in September 2020 with virtual workshops and online consultation, supported by video in three different languages (English, Spanish and French). A public webinar was also organized. The consultation was launched from the 1st to the 30th of September. Two options for contribution were available: word document in English, Spanish and French or online survey also with the three languages in addition to explanatory video support. The invitation to participate was sent to all Fairtrade certified operators in the banana business. Fairtrade Workers Committees were also consulted through the local producer network in Latin America and the Caribbean (CLAC).

All respondents gave their input responding in written to the questionnaire or by participating in one of the workshops organized by the CLAC. Some participants also provided individual input in addition to the input shared during the workshop. In some workshops, individual votes were collected per question. More details on this are provided in the next section on the aggregation of consultation results.

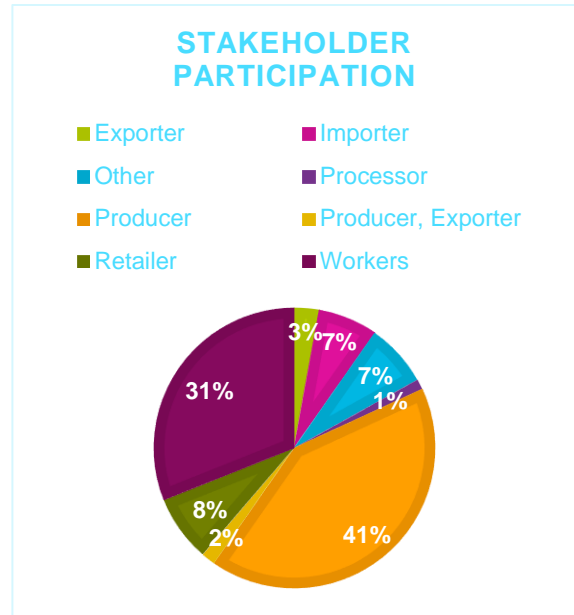
The results analysis in this document depicts the inputs from individual responses received on the consultation document (20 responses), online survey (65 responses) and the responses captured in consultation workshops (98 plantations and 75 workers committee) and are presented in aggregated according to yes, no and unsure responses and then detailed per stakeholders' main function.

Main functions aggregated	Main functions	Number of responses	Countries
HL	Producer (some producers also export)	106	Cameroun, Colombia, Cote d'Ivoire, Dominican Republic, Ecuador, Ghana, Nicaragua, Mexico, Peru
	Workers	77	Colombia, Dominican Republic, Ecuador, Peru, Mexico
Trader	Exporter	7	Ecuador, Costa Rica, Dominican Republic and Peru
	Processor	3	Austria, Ecuador, Switzerland
	Importer	17	Belgium, Denmark, Canada, the Netherlands, Switzerland, USA, Germany, Italy, France, UK
	Retailer	19	Italy, Austria, Germany, France, Switzerland, UK, Sweden
Fairtrade system	Fairtrade system (NFOs, PNs)	12	Germany, France, UK, Sweden, Switzerland, Austria, Italy, Fairtrade Africa
Other	Others (NGOs, consultants, development agencies)	6	Peru, USA, Ecuador, the Netherlands, France

There are 23 countries represented in the results, including the major banana producing and importing countries for conventional and organic banana. The consultation, therefore, represents broader views from different stakeholders. In the next section you will find the consultation results as follows:

- The questions and proposals as presented in the consultation documents
- A graphic representation with the amount of all responses received for the specific question
- A summary of the feedback received

Given the amount of data and granularity in which the data can be presented, only the results from producers and workers are presented in more detail.



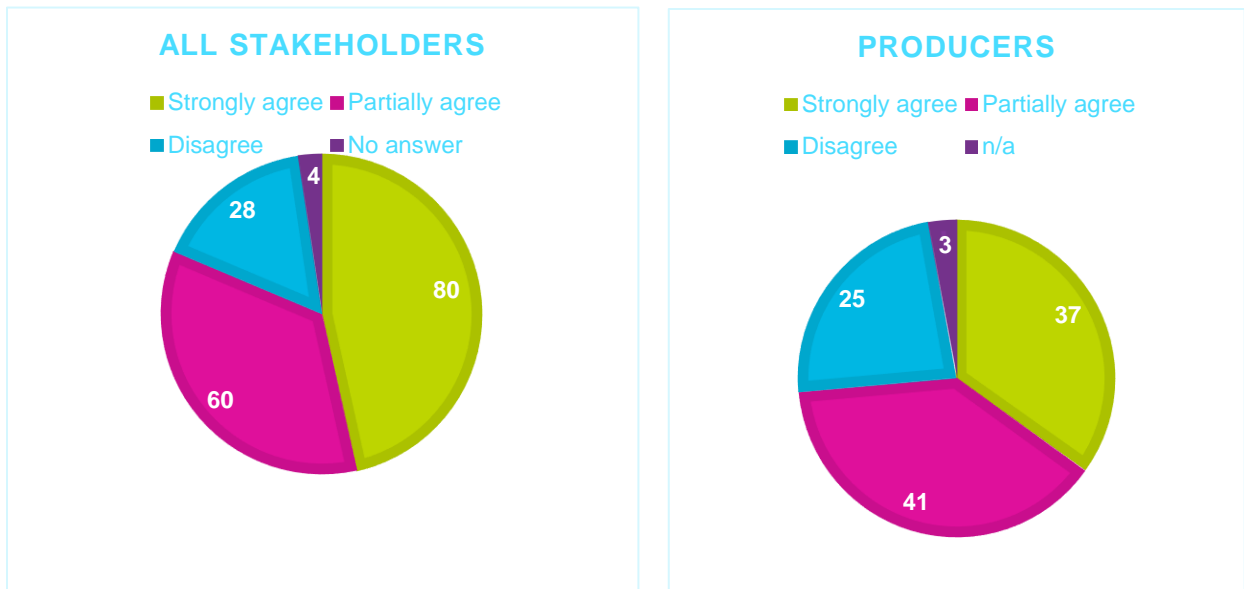
Consultation results

1st proposal: Fairtrade Base Wage

The proposed change is to introduce a Fairtrade Base Wage to be set as the lowest wage paid in cash after taxes and mandatory deductions to workers on Hired Labour banana plantations, regardless of the Fairtrade sales amount.

- As of 1st July 2021, the Fairtrade Base Wage does not fall below 70% of the Cash Living Wage applicable for your country.
- As of 1st January 2023, the Fairtrade Base Wage does not fall below 75% of the Cash Living Wage.
- Requirements 3.5.4, 3.4.11 and all other relevant sections of the Hired Labour Standard continue to apply.
- Plantations ensure that no benefits have been worsened/reduced after the introduction of this requirement except when formally agreed with a trade union that has the right to bargain.

Question 1.1 Do you agree that the Fairtrade Base Wage (net, in cash) paid to workers does not fall below 70% of the Cash Living Wage as of July 1st 2021?

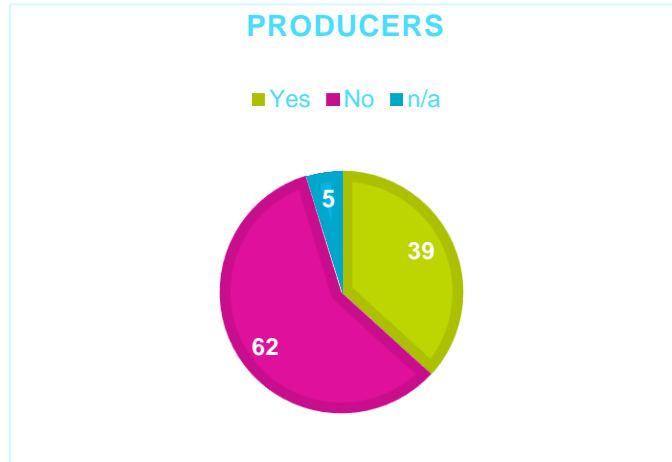
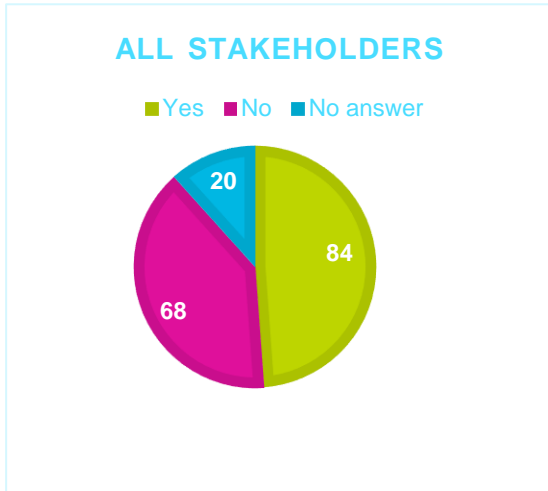


47% of all stakeholders were in agreement of the proposal, 35% partially agree and 16% were against. 2% did not answer. When looking exclusively to producers' responses, the percentages change to 35%, 39%, 24% and 3% respectively.

Main arguments and concerns in favour or against the proposal were:

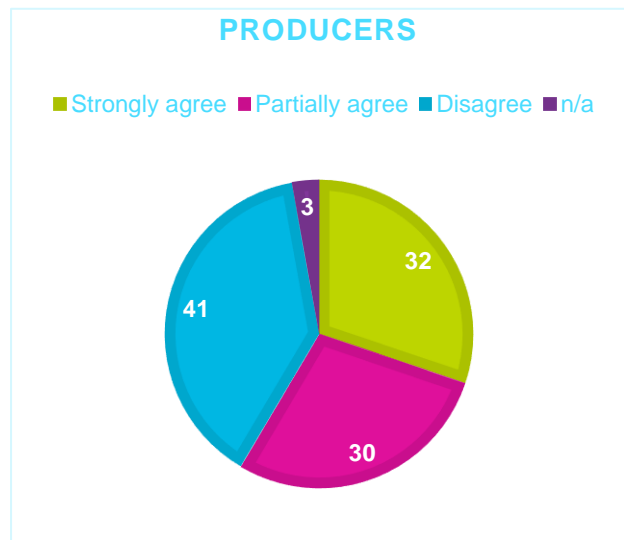
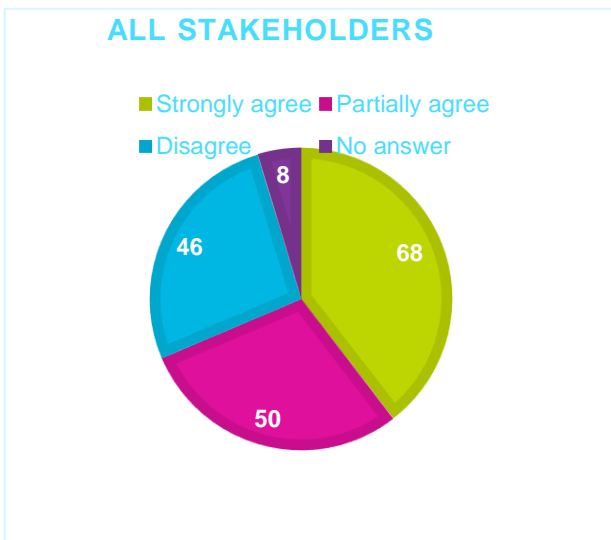
- Difficulty to evaluate the measure without knowing the impacts on prices.
- Impacts of the COVID-19 pandemic are also unknown and it might have an important impact on costs that producers have to cover: 6% of retailers, 22% of exporters and 22% of importers. Many producers have mentioned this as well, but the precise amount of producers is unknown [as inputs were gathered through a virtual workshop](#).
- Other costs like climate change, the TR4 disease, low productivity, migrant issues are not considered.
- A strong point coming from the trade union representatives and also many producers from Colombia is that "one solution fits all" is not an appropriate approach for this vast variety of realities among countries and regions.
- There is a need to get an alignment of the approach to achieve LW among other certification schemes (mainly on the IDH proposal to close the gap by 75% by 2025).
- When it comes to the in-kind benefits (IKB), 23% of retailers, 11% of importers and 22% of exporters support the idea to take into account the 30% of the IKB as per the Ankers Methodology.
- Have in mind that the reality in African countries varies significantly from Latin America. The IKB that might be provided to workers can make a difference in such a reality and any LW or premium would not make much sense without what it can be provided to the community.
- Sensitizing supermarkets to put less pressure on prices has been strongly supported by producers, importers (17%) and exporters (22%). Shared responsibility among all actors from the supply chain was encouraged.
- Importers and retailers from one specific consuming country would support increasing the percentage up to 80 or 85%, suggesting that negotiation with unions might take too long to close the gap.

Question 1.2 Do you agree with the following implementations date: 70% as of July 1st 2021?



49% of stakeholders were in agreement with the proposal while 39% against and 12% did not answer. However, if we look only into the producers' responses, we have 37% of agreement, 58% of disagreement and 5% left blank. Concerns were pretty much the same among stakeholders. 6% of retailers, 22% of importers and many producers mentioned the need to start the implementation from January instead of July to be aligned with the commercial negotiations that are done from January to December. Years of implementation varied among stakeholders. Besides, it was also mentioned the need for this proposal to be aligned with the Fairtrade Minimum Price (6% of retailers and 17% of importers).

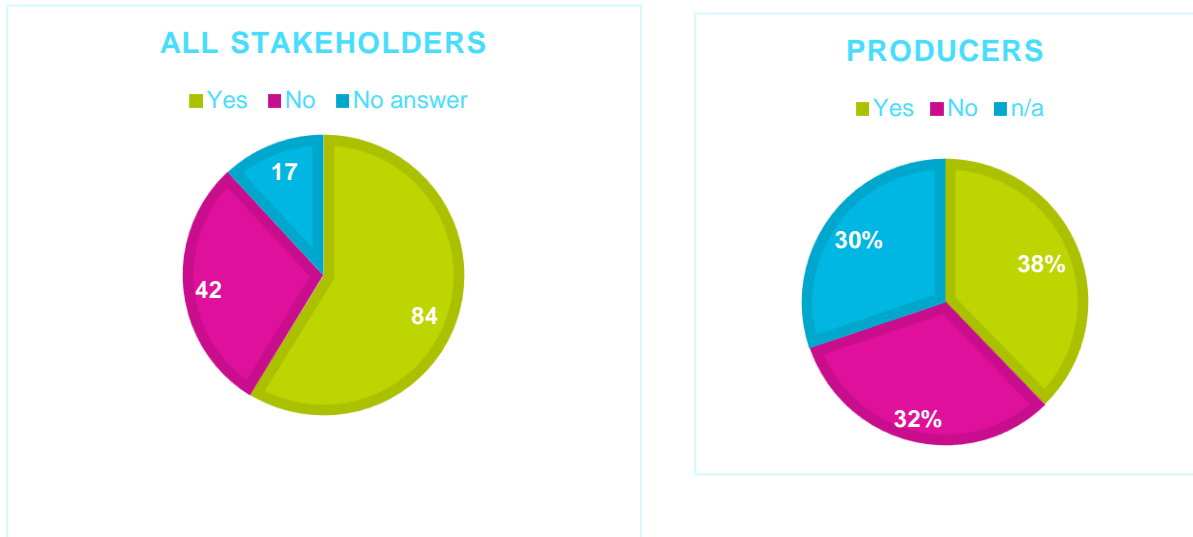
Question 1.3 Do you agree that the Fairtrade Base Wage (net, in cash) paid to workers does not fall below 75% of the Cash Living Wage as of January 1st 2023?



39% of all stakeholders in agreement, 29% partially agree and 27% disagree. 5% of participants did not answer this question. When analyzing only producers responses, the percentages go to 30%, 28%, 39% and 3%.

Concerns raised were aligned or in relation with the ones received for the first question. A particular one was the need to first assess the implementation of the first proposal, of 70% and then decide on what would be the next step. Also because it is too early to know the situation in 2023.

Question 1.4. Do you agree with the following implementations date: 75% as of January 1st 2023?



59% of all stakeholders were in agreement, 29% disagree and 12% left it blank, while 38% of producers agreed, 32% disagree and 30% left blank.

No major concerns particular to this question have been raised.

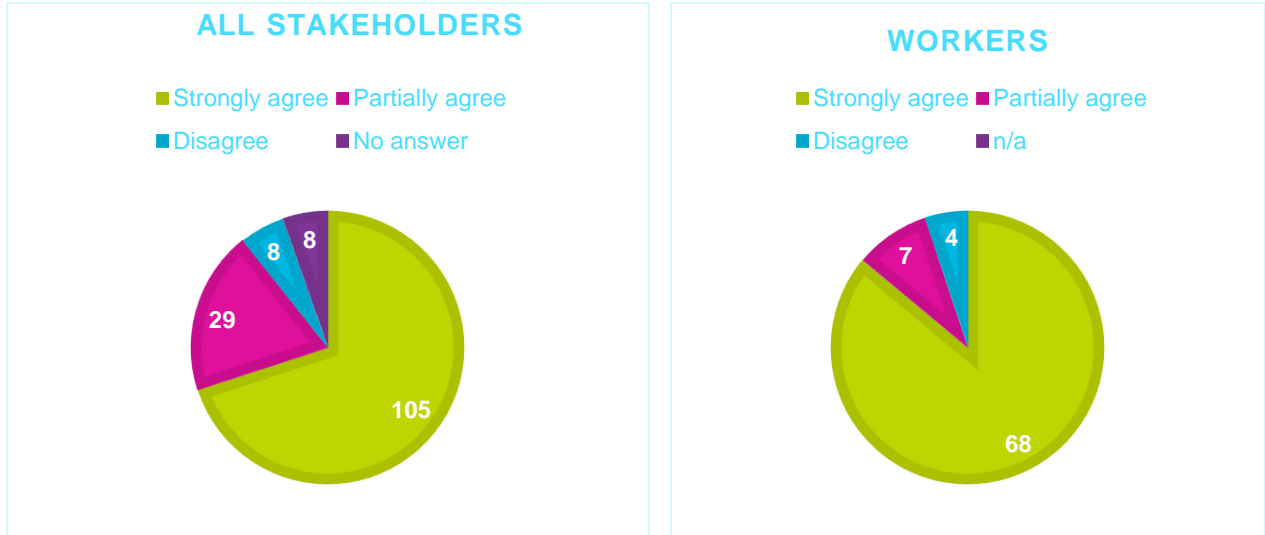
Question 1.5. Do you have any other proposal on how to close or reduce the living wage gap? If so, please develop below how it would be with as much as details possible.

Concrete suggestions received in this point were: to take into account the differences of each local context and to better engage with local trade unions. It was also suggested to implement different percentages for the base wage according to the current gap.

2nd proposal: Fairtrade Premium

The proposed change is to allocate 30% of the Fairtrade Premium for individual benefits available to workers on Hired Labour plantations if Living Wages are not reached. This sum is to be equitably disbursed in cash among all workers according to the time worked, as a Fairtrade Bonus. Vouchers can only be accepted where the cash disbursements are highly taxed or not an advantageous option. This amount may be added to the already existing Requirement 2.1.20 to disburse 20% of the Fairtrade Premium if workers so chose.

Question 2.1 Do you agree that as of 1st January 2021, 30% of the Fairtrade Premium is distributed in cash as an additional contribution for household incomes if the relevant Living Wage Benchmark is not reached?

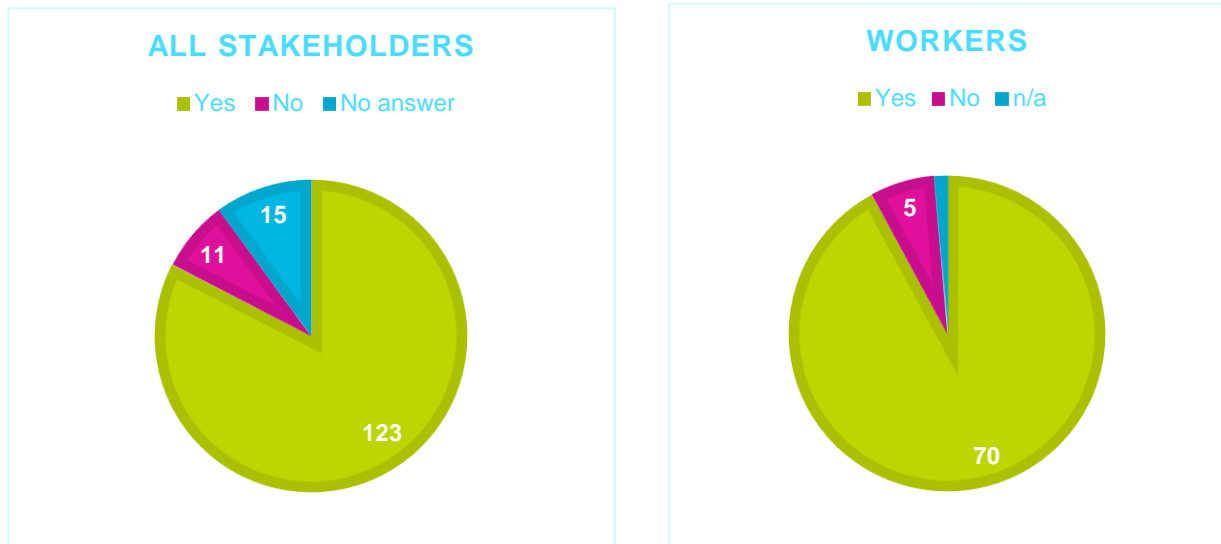


70% of all stakeholders were in agreement, 19% partially agree, 6% disagree and others 6% did not answer. When it comes to workers' committee responses, 86% of them agreed with the proposal, 9% partially agree and 5% disagree.

Main concerns raised to this proposal were the following:

- It can impact collective projects as less money would be available for it.
- The important role of the assurance from FLOCERT on monitoring the use of the Fairtrade Premium to avoid misuse.
- Impacts and knock-on effects of this measure have not been analysed.
- It can create an incentive to plantations to not increase wages. Consequently, it was suggested to implement a deadline when to phase out this use.

Question 2.2 Do you agree to apply this requirement to the Premium received from Fairtrade sales as of 1st of January 2021 onwards?

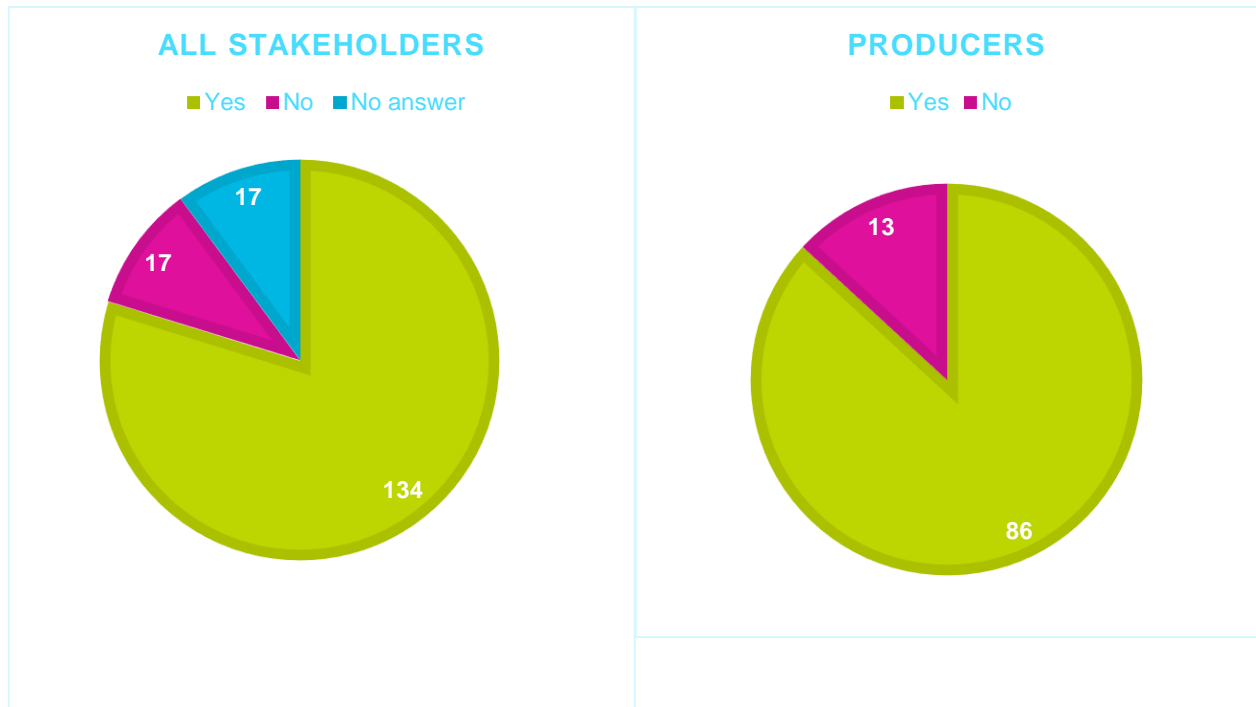


83% of all stakeholders were in agreement of the suggested timeline, 8% were against and 10% did not answer, while 92% of workers agreed with the proposal, 7% disagree and 1% left it blank. No major concerns have been raised on this topic.

3rd proposal: Data reporting

The proposed change is to introduce a new requirement for data reporting on an annual basis. Plantations 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 may include information on the number of workers, lowest wages, area size and production harvested, sales volumes and benefits.

Question 3.1 Do you agree to report data on an annual basis as of 1st January 2021?



80% of all stakeholders were in agreement to ask plantations to report data annually to Fairtrade International, 10% were against added to other the 10% that did not answer. Regarding producers, 87% agreed to share information while 13% were against.

The main concerns to this question were:

- The data protection and confidentiality of the data
- To have a simple and quick tool
- To align the data reporting with COD-IMPACT to avoid repetition.
- To build capacity with plantations on how to fill up the template correctly.
- To add the gender split on the template.
- To search for an alignment with other standards setters on the proposed tools, with a particular focus to the Salary Matrix from IDH.

Annexe

1.1 Do you agree that the Fairtrade Base Wage (net, in cash) paid to workers does not fall below 70% of the Cash Living Wage as of July 1st 2021?

	Strongly Agree	Partially Agree	Disagree	No answer
	(%/ number of answers)			
All stakeholders	47% / 80	35% / 60	16% / 28	2% / 4
Producers	35% / 37	39% / 41	24% / 25	3% / 3
Exporter/Importers	65% / 15	30% / 7	4% / 1	0
Retailers	68% / 13	32% / 6	0	0

1.2 Do you agree with the following implementations date: 70% as of July 1st 2021?

	Yes	No	No answer
All stakeholders	49% / 84	40% / 68	12% / 20
Producers	37% / 39	58% / 62	5% / 5
Exporter/Importers	57% / 13	13% / 3	30% / 7
Retailers	89% / 17	0	11% / 2

1.3 Do you agree that the Fairtrade Base Wage (net, in cash) paid to workers does not fall below 75% of the Cash Living Wage as of January 1st 2023?

	Strongly Agree	Partially Agree	Disagree	No answer
All stakeholders	40% / 68	29% / 50	27% / 46	5% / 8
Producers	30% / 32	28% / 30	39% / 41	3% / 3
Exporter/Importers	61% / 14	30% / 7	4% / 1	4% / 1
Retailers	53% / 10	42% / 8	0	5% / 1

1.4 Do you agree with the following implementations date: 75% as of January 1st 2023?

	Yes	No	No answer
All stakeholders	59% / 84	29% / 42	12% / 17
Producers	52% / 40	44% / 34	4% / 3
Exporter/Importers	61% / 14	4% / 1	35% / 8
Retailers	79% / 15	5% / 1	16% / 3

2.1 Do you agree that as of 1st January 2021, 30% of the Fairtrade Premium is distributed in cash as an additional contribution for household incomes if the relevant Living Wage Benchmark is not reached?

	Strongly Agree	Partially Agree	Disagree	No answer
	(%/ number of answers)			
All stakeholders	70% / 105	19% / 29	5% / 8	5% / 8
Workers	86% / 68	9% / 7	5% / 4	0
Exporter/Importers	35% / 8	35% / 8	13% / 3	17% / 4
Retailers	74% / 14	16% / 3	5% / 1	5% / 1

2.2 Do you agree to apply this requirement to the Premium received from Fairtrade sales as of 1st of January 2021 onwards?



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	Yes	No	No answer
All stakeholders	83% / 123	7% / 11	10% / 15
Producers	92% / 70	7% / 5	1% / 1
Exporter/Importers	52% / 12	17% / 4	30% / 7
Retailers	89% / 17	5% / 1	5% / 1

3.1 Do you agree to report data on an annual basis as of 1st January 2021?

	Yes	No	No answer
All stakeholders	80% / 134	10% / 17	10% / 17
Producers	87% / 86	13% / 13	0
Exporter/Importers	61% / 14	9% / 2	30% / 7
Retailers	84% / 16	0	16% / 3