

Fairtrade Standard for Nuts for Small Producer Organizations and Traders

**Also applicable to Contract Production for
Rotational Crops and selected nuts in Pakistan**

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**For further information and standards downloads:
www.fairtrade.net/standards.html**

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Introduction

How to use this Standard

Refer to the generic standard for Small Producer Organizations as a separate document as updated by Fairtrade International (FLO) on its website.

Refer to the Fairtrade Standard for Contract Production as a separate document as updated by Fairtrade International (FLO) on its website.

Please note that the Generic Fairtrade Trader Standard also applies. In cases where the product specific standard below differs from the Generic Fairtrade Trade Standard, the requirements presented in this Standard apply.

Application

The Product Specific Fairtrade Standards for Small Producer Organizations have been revised according to the New Product Classification (based on the Central Product Classification). The new standards apply from 1 July 2011.

Monitoring of Amendments

Fairtrade International reserves the right to amend Fairtrade Standards in accordance with Fairtrade International's Standard Operating Procedures (http://www.fairtrade.net/setting_the_standards.html). Requirements of Fairtrade Standards may be added, deleted, or otherwise modified. Those who have to meet Fairtrade Standards are required to monitor pending and finalized revisions on Fairtrade International's website. Fairtrade Certification ensures the compliance with Fairtrade Standards. Revision of Fairtrade Standards may lead to a change in the requirements of Fairtrade Certification. Those who wish to be certified or have already undergone certification are required to monitor pending and finalized certification policies and compliance criteria on the certification body's website <http://www.flo-cert.net>.

Change history

Version number	Date of publication	Changes
01.05.2011_v1.0	01.05.2011	New Standards Framework formatting
01.05.2011_v1.1	15.01.2013	- Inclusion of change history - New payment terms for raw cashew nuts from Africa - New section 4.3.6 Price and Premium payment for raw cashew nuts from Africa - New section 4.3.7 Price calculation for raw cashew nuts from Africa
01.05.2011_v1.2	08.12.2015	Clarification of brazil nut price types in 4.3.1
01.05.2011_v1.3	01.12.2016	Inclusion of limited rotational crops under contract production

1. General Requirements

Intent and scope

All operators taking ownership of Fairtrade certified products and/or handling the Fairtrade price and premium are audited and certified.

This chapter applies to the certificate holder.

This standard covers the purchase and sale of nuts. For the sections under certification and traceability (only), the standard also covers any processed products and derivatives. For cotton and rice producers under contract production in India and Pakistan the standard covers peanuts when grown as a rotational crop.

The standard also covers its secondary products and their derivatives. The definition of secondary products is included in Annex 1 of the Fairtrade Trade Standard.

A non-exhaustive list of products fitting the secondary products definition is published on the Fairtrade International website.

1.1 Certification

There are no additional requirements.

1.2 Labelling and Packaging

There are no additional requirements.

1.3 Product Description

Nuts mean the unroasted nut kernels of peanut, cashew, macadamia, and brazil nuts; apricot seeds, shelled almonds and walnuts.

1.4 Other product requirements

1.4.1 Qualities: The following grades of Fairtrade **nuts** may be traded at the discretion of the Fairtrade Payer and producer:

- All grades of conventional and organic peanut kernels
- All grades of conventional and organic macadamia kernels
- All grades of conventional and organic cashew kernels
- Whole (medium/midget) conventional and organic brazil nut kernels
- All grades of conventional and organic apricot seeds
- All grades of conventional shelled almonds
- All grades of organic shelled walnuts

2. Trade

Intent and scope

This chapter outlines the requirements that you need to comply with when you sell Fairtrade products.

This chapter applies to the Fairtrade product.

2.1 Traceability

There are no additional requirements.

2.2 Product Composition

There are no additional requirements.

2.3 Contracts

There are no additional requirements.

3. Production

Intent and scope

This chapter outlines the ethical and sustainable production practices that are behind every Fairtrade product.

This chapter applies to the Fairtrade product.

3.1 Management of Production Practices

There are no additional requirements.

3.2 Environmental Protection

There are no additional requirements.

3.3 Labour Conditions

Occupational health and safety

There are no additional requirements specific to nuts producers, with the exception of the following additional requirements for producers of **cashew nuts**:

3.3.1 Workers within the processing units must be adequately protected from cashew nut liquid.

3.3.2 Protective garments and oils must be provided by the employer.

3.3.3 The employer is responsible for ensuring that employees are trained in the use of protective garments and oils.

3.3.4 The employer is responsible for monitoring that employees use protective garments and oils correctly.

4. Business and Development

Intent and scope

This chapter outlines the requirements that are unique to Fairtrade and intends to lay the foundations for producer empowerment and development to take place.

This chapter applies to the certificate holder.

4.1 Sustaining Trade

4.1.1 Sourcing plans must cover each harvest.

Sourcing plans must be renewed a minimum of three months before they expire.

4.2 Pre-finance

4.2.1 On request from the producer, the Fairtrade payer must make up to 60% of the value of the contract available as pre-finance to the producer at any time after signing the contract. The pre-finance must be made available at least six weeks prior to shipment.

Contract production operators please refer to the Fairtrade Standard for Contract Production on pre-finance

4.3 Pricing

Fairtrade Minimum Prices and Fairtrade Premium levels for Fairtrade products are published separately to the product standards.

4.3.1 For brazil nuts:

The Fairtrade prices for brazil nuts are published in the [Fairtrade Minimum Price and Premium database](#). The database includes different types of prices for brazil nuts:

1. **Brazil nuts, processed:** These prices only refer to brazil nuts after processing. At this stage, both the outer pod and the individual shells have been removed.
2. **Brazil nuts, raw (unprocessed):** These prices only refer to unprocessed brazil nuts. At this stage, the outer pod has been removed, but the nut is still inside the individual shell.

4.3.2 For almonds, apricot seeds and walnuts from Pakistan: For these products, only the Fairtrade Standard for Contract Production Projects is applicable.

The price at Ex Works level includes the Certification Costs (GBP 0.01 per kg of conventional produce and GBP 0.03 per kg of organic produce) which are paid to the Promoting Body. The Certification Costs are deducted from the price paid to the individual producers, i.e. from the Fairtrade Minimum Price or the market price, whichever is higher.

4.3.3 For secondary products: There are no Fairtrade Minimum Prices defined for secondary products and their derivatives. Sellers of the product and its next buyers must negotiate prices for secondary products and their derivatives. A default Fairtrade premium of 15% of the negotiated price must be paid in addition.

Fairtrade International reserves the right to set a Fairtrade Minimum Prices for secondary products and its derivatives in the future.

4.3.4 Payment Terms: For purchases made at farm gate or ex works levels, payment must be made upon receipt of the product.

For Raw Cashew Nuts from Africa: the payment is possible up to 30 days from the transfer of the product.

For purchases made at FOB level, payment shall be **net cash** against a full set of documents on first presentation. The documents to be presented will be those stipulated in the contract and customary in the nuts trade.

4.3.5 Late payment: For contracts involving Fairtrade payers and producers, payment must be made according to the international customary conditions and no later than 15 days after the receipt of the documents transferring ownership.

For contracts involving Fairtrade payers, producers and conveyors, conveyors must pay producers no later than 15 days after receipt of the payment from the Fairtrade payer.

4.3.6 For Cashew Nuts from Africa: The buyer of Raw Cashew Nuts (RCN) must pay FMP and FP for the total amount of RCN weight which the buyer later sells on as Fairtrade, but this must not be

less than 80% of the total amount purchased as Fairtrade from the producer.

In case the processor/exporter buys RCN, then at least the FMP and the FP for RCN at the EXW level must be paid. Importers buying cashew kernel must pay at least the worldwide FMP at the FOB level. In both cases, if the relevant market prices are higher than the FMP, then the market price must be paid.

The FMP for RCN are linked to the nut count and the kernel outturn ratio (KOR). See 4.3.7 for guidance and price calculation.

4.3.7 Nut count and kernel outturn ratio for Raw Cashew Nuts (RCN) from Africa: For RCN, a nut count as well as Kernel Outturn Ratio (KOR) measurement must be made. These two variables determine the FMP.

Guidance: The KOR and nut count is determined by analysing a sample of the produce delivered by the producers. The number of bags in the sample is agreed between the producer and buyer following current practices in the industry. The sample consists of randomly chosen nuts which are hand-cracked in the presence of both parties. The nut count and KOR is agreed and fixed jointly by both parties.

The value of the FMP is determined by setting a discount or bonus of USD 0.001 for a unit of nut count value higher or lower than the industry average value of 201-210 per kg; and a discount or bonus of USD 0.01 for one unit KOR value below or above the industry average of 48 lbs.

Price tables¹: FMP for Raw cashew Nuts (USD/Kg)

Conventional

		KOR														
		44	45	46	47	48	49	50	51	52	53	54	55	56	57	58
Nut Count (per kg)	198	0.513	0.523	0.533	0.543	0.553	0.563	0.573	0.583	0.593	0.603	0.613	0.623	0.633	0.643	0.653
	199	0.512	0.522	0.532	0.542	0.552	0.562	0.572	0.582	0.592	0.602	0.612	0.622	0.632	0.642	0.652
	200	0.511	0.521	0.531	0.541	0.551	0.561	0.571	0.581	0.591	0.601	0.611	0.621	0.631	0.641	0.651
	201-210	0.510	0.520	0.530	0.540	0.550	0.560	0.570	0.580	0.590	0.600	0.610	0.620	0.630	0.640	0.650
	211	0.509	0.519	0.529	0.539	0.549	0.559	0.569	0.579	0.589	0.599	0.609	0.619	0.629	0.639	0.649
	212	0.508	0.518	0.528	0.538	0.548	0.558	0.568	0.578	0.588	0.598	0.608	0.618	0.628	0.638	0.648
	213	0.507	0.517	0.527	0.537	0.547	0.557	0.567	0.577	0.587	0.597	0.607	0.617	0.627	0.637	0.647

Organic

		KOR														
		44	45	46	47	48	49	50	51	52	53	54	55	56	57	58
Nut Count (per kg)	198	0.596	0.606	0.616	0.626	0.636	0.646	0.656	0.666	0.676	0.686	0.696	0.706	0.716	0.726	0.736
	199	0.595	0.605	0.615	0.625	0.635	0.645	0.655	0.665	0.675	0.685	0.695	0.705	0.715	0.725	0.735
	200	0.594	0.604	0.614	0.624	0.634	0.644	0.654	0.664	0.674	0.684	0.694	0.704	0.714	0.724	0.734
	201-210	0.593	0.603	0.613	0.623	0.633	0.643	0.653	0.663	0.673	0.683	0.693	0.703	0.713	0.723	0.733
	211	0.592	0.602	0.612	0.622	0.632	0.642	0.652	0.662	0.672	0.682	0.692	0.702	0.712	0.722	0.732
	212	0.591	0.601	0.611	0.621	0.631	0.641	0.651	0.661	0.671	0.681	0.691	0.701	0.711	0.721	0.731
	213	0.590	0.600	0.610	0.620	0.630	0.640	0.650	0.660	0.670	0.680	0.690	0.700	0.710	0.720	0.730

Example: Assuming a producer delivers 80 kg of Conventional RCN with an average nut count of 200 and a kernel output of 48, the FMP to be paid is (80 kg 0.551 USD/kg)=44.08 USD. In the case is Organic RCN the FMP to be paid is 0.634 USD/kg.*

¹ A complete table with all the FMP including all possible combination of KOR and nut count is available upon request.