

# Commercial Information Pack



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## Introduction

Fairtrade works to develop markets and establish collaborative trade relations between producer organisations and businesses.

Companies seeking sustainable supply chains are a critical component of the Fairtrade system – by sourcing Fairtrade products and licensing the FAIRTRADE Marks, they support farmers and workers at Fairtrade producer organisations to take more control over their own futures.

Fairtrade changes lives by changing trade. We transfer wealth back to farmers and workers in developing countries who deserve a decent income and decent work. We are a leading independent global movement for trade justice, and we are still the most recognised and trusted sustainable trading standard in many leading markets.

Fairtrade is far more than a certification scheme. Behind the famous Fairtrade label is one of the largest and most diverse global movements for change, working with 1.7 million farmers and workers, as well as a global grassroots supporter base of more than 2000 Fair Trade Towns in 28 countries, and countless schools, universities and faith groups.

We provide an essential safety net for producers by setting minimum prices for all major commodities, while the unique Fairtrade Premium provides additional funds for farmers and workers to invest as they see fit. In 2019 farmers and workers around the world earned about EUR190 million in extra premiums through sales of Fairtrade products globally – [see here for Fairtrade International's annual report for 2020](#)

Fairtrade believes the best way to eliminate poverty is to pay farmers a fair price for their produce and workers a fair wage for their labour. We put fair prices first because farmers and workers in developing countries deserve a decent income and decent work.

We are the only global sustainability standard which is equally owned and managed by producers, for producers, while Fairtrade workers are protected by strong, transparent standards. We support women to set up their own businesses and we train them to become entrepreneurs and community leaders.

Fairtrade is helping to deliver the Sustainable Development Goals. The overarching goal, to end poverty in all its forms everywhere, is central to Fairtrade. Our standards are an essential development tool which go way beyond certification.

The FAIRTRADE Mark currently appears on a range of products including coffee, tea, cocoa, fresh fruit, juice, honey, wine, dried fruit, nuts and sugar, and non-food products such as flowers, sports balls and cotton. . Over the past 25 years, with the support of Irish consumers and businesses Fairtrade sales have grown

exponentially. Since 1996, work with businesses to promote the availability of Fairtrade certified products in Ireland has been the main activity of Fairtrade Ireland; in November that year Bewley's Ltd imported the first two tons of Fairtrade certified coffee to Ireland.

The FAIRTRADE Mark on a product is independent certification that it meets internationally agreed Fairtrade standards and that the farmer or worker who produce it receive a fair return for their work. Fairtrade certified products are now widely available in shops, restaurants and cafes throughout Ireland and in all the main supermarkets. The range of products continues to grow, and includes coffee, tea, sugar, bananas, chocolate, cocoa, confectionery, cosmetics, biscuits, fresh and dried fruit, cut flowers, ice cream, nuts, spices, fruit juice, honey, jams, rice, wine, oils, cotton and gold.

Irish consumers spent an estimated €392 million on Fairtrade certified products in 2019, a small increase of 3% on consumer spend on 2018. Both Bewleys and Insomnia who are serving 100% Fairtrade coffee and Starbucks' whose main espresso coffee is Fairtrade - maintained their strong Fairtrade offerings. Lidl saw significant growth in particular in their Fairtrade sourced cocoa product range. Fairtrade bananas are sold in all the main retailers and sales also grew by about 3% during the year.

## 2. The FAIRTRADE Mark

### 2.1 Why Fairtrade?

Small-scale farmers and workers are among the most marginalized by the global trade system. At Fairtrade, they are at the heart of everything we do. Unique among certification schemes, producers have an equal say in how Fairtrade is run and are included in all our decision-making.

#### **For farmers and workers, Fairtrade means:**

- Prices that aim to cover the average costs of producing their crop sustainably – a vital safety net when market prices drop
- The Fairtrade Premium – an extra sum of money paid on top of the selling price to invest in business or community projects of their choice
- Decent working conditions and a ban on discrimination, forced labour and child labour
- Access to advance credit ahead of harvest time
- Being able to plan more for the future with more security and stronger relationships with buyers

## 2.2 Roles & Responsibilities in Fairtrade System

Fairtrade has four organizational components: -

1. National/Regional Fairtrade Organisations
2. Producer Networks
3. Fairtrade International
4. FLOCERT

## 2.3 National Fairtrade Organisations, Fairtrade in the Irish Market

Fairtrade Ireland is one of the 21 national Fairtrade Organisations. Fairtrade Ireland is supported by major developmental organisations in Ireland and the Irish Congress of Trade Unions. All our member organisations and their supporters help to increase awareness of the FAIRTRADE Mark through events such as the annual Fairtrade Fortnight campaign, which also involves the participation of many other organisations who share our vision.

Fairtrade Ireland collaborates with Fairtrade certified product suppliers, with national retailers and many wholesalers to promote Fairtrade at the point-of-sale. Independent surveys have shown that there is a steady increase in the public's recognition of the Fairtrade logo in Ireland, and sales figures have revealed that such identification is carried forward to actual purchase of Fairtrade products. In 2015, an independent survey carried out by Globescan reported that 88% of Irish consumers would purchase a Fairtrade product with trust being identified as a driver amongst 95% of the consumer audience. The report also showed that Fairtrade continue to lead the way in the ethical food product market with over 57% more awareness compared to the second highest ethical brand.

A range of materials including posters, leaflets and badges are available from Fairtrade Ireland. You may also be interested to find out more about the Fairtrade Town and Cities Initiative – further information is available at [www.fairtrade.ie](http://www.fairtrade.ie).

Other National Fairtrade organisations license the Fairtrade Mark on products and promote Fairtrade in their territory. National Fairtrade Organization are established in 21 countries (Austria, Australia and New Zealand, Belgium, Canada, Denmark, Finland, France, Germany, Ireland, Italy, Japan, Luxembourg, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, U.K., U.S.A) organisation –

The role of the national Fairtrade organisations is:-

- License Fairtrade Marks for use on specific products
- Help companies develop new Fairtrade certified products

- Work with others to raise consumer awareness and support

Additionally, Fairtrade Marketing Organisations market and promote Fairtrade in their territory, with Fairtrade International licensing the marks in 7 countries (Czech Republic, Hong Kong, India, Poland, Slovakia, South Korea and Taiwan)

## 2.4 Fairtrade International

Fairtrade Ireland is a member of Fairtrade International, the umbrella NGO that:

- Creates the internationally agreed Fairtrade Standards and coordinates Fairtrade worldwide.
- Facilitates and developing Fairtrade business
- Liaises with Fairtrade certified producers to assist in strengthening their organisations and improve their production and market access
- Conducts lobbying and advocacy – promoting the case for trade justice.

## 2.5 Producer Networks and Producer Organisations

Producer Networks are regional associations that Fairtrade certified producer organisations may join if they wish. They represent small-scale producers, workers and other producer stakeholders.

There are producer networks in three regions: Africa and the Middle East, Asia-Pacific, and Latin America and the Caribbean.

## 2.6 FLOCERT

FLOCERT is the main independent certifier for Fairtrade, which inspects producers and traders to ensure they comply with Fairtrade Standards.

In the interests of ensuring efficiency and transparency, all certification is carried out by FLOCERT Ltd, a separate legal entity. FLOCERT is the world's largest social certifier and is responsible for:

- Inspecting and certifying production according to the defined Fairtrade standards
- Monitoring the trade in primary and semi-finished products to ensure compliance

## 2.7 Fairtrade Standards

Producer standards apply to organisations representing farmers and workers and ensure that such organisations are:

- Democratic and accountable to their members
- Capable of ensuring compliance with social and economic criteria and committed to a programme of ongoing improvement.
- Able to apply Fairtrade premiums for the benefit of their members

Producer standards also ensure:

- Respect for basic human rights as defined in ILO conventions
- Decent wages and employment conditions for employed workers
- Ongoing improvements in worker health & safety and environmental protection by control and reduction of chemical inputs.

Fairtrade product standards require buyers to:

- In most cases pay a guaranteed price covering the sustainable cost of production
- Help develop more direct and transparent supply chains
- Commit to long-term relationships with producers

## 2.8 Product Certification

The FAIRTRADE Mark is licensed for use on specific products that meet international Fairtrade standards. Some companies sell only Fairtrade certified products, while others offer some Fairtrade lines within a larger product offering. It's therefore important to remember that it's the FAIRTRADE Mark on the product that denotes the product is Fairtrade, not the brand name or the supplier.

There is an enormous variety of products covered by the Fairtrade Standards Each purchase of a Fairtrade product can make a real difference for farmers and workers around the world. Some of these products are bananas, cocoa, coffee, honey, juices, rice, sugar, tea, biscuits, cakes, confectionery, jams, sauces, flowers, sports balls and gold.

Learn more about the leading Fairtrade products, from food products to composite ingredients and non food items, the list can be accessed here . [Fairtrade Products -](#)

### 3. Compliance and Monitoring

#### 3.1 Why the FAIRTRADE Mark?

Across both food and non-food products, the FAIRTRADE Mark aims to make more visible in consumer's minds the importance of raw commodities, the many livelihoods dependent on them and the origins of the final products that they buy. The FAIRTRADE Mark not only assures consumers that the products meet Fairtrade standards but also protects companies who invest in meeting these standards from being "undercut" by less rigorous schemes and those that are not independently monitored.

#### 3.2 Supply Chain Monitoring

The monitoring and audit of Fairtrade certified products is designed to provide an effective independent assurance as efficiently as possible.

- Companies selling Fairtrade certified products provide quarterly reports to verify their supply chain and trading terms for labelled products. These reports are audited annually by a physical inspection
- Intermediary traders and processors are accredited by Fairtrade International to supply primary and semi-finished products, and help to maintain an auditable supply chain
- FLOCERT inspects producer organisations on behalf of all its members – so producers need only one certification to supply all Fairtrade markets

Neither Fairtrade Ireland nor FAIRTRADE INTERNATIONAL trades in Fairtrade products – one of our role is to certify products against Fairtrade standards. We aim to provide a robust and credible international certification system as efficiently as possible. To this end, the monitoring and audit process for Fairtrade labelling recognises a number of distinct actors –

- **Licensees** – suppliers of finished products bearing the FAIRTRADE Mark under a licence agreement with Fairtrade Ireland or another member of FAIRTRADE International
- **Manufacturers & Processors** – traders of the primary Fairtrade commodity and/or semi-finished products are accredited by FAIRTRADE to maintain an auditable supply chain
- **Exporters & Importers** – traders in the primary Fairtrade commodity between countries are accredited by FAIRTRADE to maintain an auditable supply chain

- **Fairtrade Producers** – the primary producing organisation, certified by Fairtrade International against the Fairtrade producer standards

Not all products go through all of these stages while some have more than one processing stage e.g. bananas have a very short supply chain, while that for cocoa and chocolate is more complex.

When a single company fulfils more than one of these roles - for example a coffee company that imports and roasts green beans and then markets the finished product – it will have a contractual and reporting relationship with both Fairtrade Ireland and with FLOCERT.

Every product that carries the FAIRTRADE Mark requires a licensee to have overall responsibility for compliance with Fairtrade standards. The licensee should be the last supplier in the wholesale supply chain - in the case of proprietary brands this will usually be the brand owner, while for private label products the licence may be held by the brand owner or their immediate supplier. Licensees sign just one contract with Fairtrade Ireland that covers all their Fairtrade products sold in Ireland.

Under the terms of their contract with Fairtrade Ireland, licensees must ensure they buy certified Fairtrade ingredients for use in their products that carry the Mark, and these must be supplied by a registered importer, manufacturer or processor. Similarly intermediary processors must buy from registered importers or be accredited as an importer in their own right.

The importer is responsible for ensuring that the primary Fairtrade certified product has been bought from a registered producer at the specified terms of trade. Both of these elements must apply for a product to be certified Fairtrade – neither products bought from registered producers at conventional market price, nor products bought from non-registered producers, even at the Fairtrade price, can be certified.

All **intermediary suppliers** are required to denote products as “Fairtrade Certified” only when they are sold to other accredited actors in the Fairtrade market in order to maintain the integrity of the Fairtrade Mark. As intermediary suppliers are accredited by FAIRTRADE International, they can buy from multiple producers and sell to multiple licensees under a single contract and reporting arrangement.

**Fairtrade producers** are monitored and inspected by FLOCERT and so need only one certification to supply to any of the 21 Fairtrade markets.

### 3.3 The Licensee Agreement

The international FAIRTRADE Mark is a registered trademark of FAIRTRADE International and Fairtrade Ireland is authorised to license its use on specific products intended primarily for the Irish market that are covered by a standard licensing contract.

Licensees provide quarterly reports to verify their supply chain and trading terms for labelled products.



Licensees are audited by FLOCERT Licensees also pay a fee for use of the FAIRTRADE Mark, based on the net wholesale value of their sales in the preceding quarter.

The licence fee contributes to the cost of the certification process and also contributes to the important awareness-raising work undertaken by Fairtrade Ireland.

### 3.4 International Sales of Fairtrade certified products

The international FAIRTRADE Mark that is licensed by Fairtrade Ireland enables Fairtrade certified products to be sold more easily across national borders. However, it will take some time for the new label to be adopted by all Fairtrade International members and systems to ensure adequate monitoring are still being developed. If you sell your products to overseas markets we will work with you to develop relationships with other members of FAIRTRADE International.

### 3.5 Licence Fees for Use of the Fairtrade Mark

The Fairtrade certification system is largely financed through fees paid by the final commercial operator in the supply chain, who pays a licence fee for use of the FAIRTRADE Mark on certified products. Fairtrade Ireland is responsible within the national market for:

- Verifying that product supply chains meet Fairtrade standards
- Developing the Fairtrade market through relationships with retailers and other business partners
- Raising awareness of the Mark among consumers
- Working with our partners in the international Fairtrade network to develop standards for new products

A proportion of licence fees, currently 36%, is paid to FAIRTRADE INTERNATIONAL as Fairtrade Ireland's contribution to the costs of maintaining and developing the core services of the Fairtrade system (including standards, certification and supporting the 3 Producer Networks).

Each member of FAIRTRADE INTERNATIONAL sets their own licence fees, and Fairtrade Ireland works on a value-based levy for all products, applied at the last point of wholesale supply.

Fairtrade Ireland's policy on licence fees is to operate a system that is transparent and consistent, and that balances the need for Fairtrade Ireland's work to be adequately resourced with the objective of maximising market opportunities for Fairtrade producer organisations. It is therefore important that the fee is set at a realistic level but that it does not act as a barrier to entry or a disincentive to increase sales. (Fees start at 1.8% of wholesale sales for all products and reduce on a sliding scale as turnover increases

### 3.6 FAIRTRADE Mark and Licence Fee

The FAIRTRADE Mark is the symbol of the international Fairtrade system – and the most globally recognized ethical label. When you buy products with any of the FAIRTRADE Marks, you support farmers and workers as they improve their lives and their communities.

Products bearing these Marks meet the internationally agreed social, environmental and economic Fairtrade Standards. The FAIRTRADE Marks are registered certification marks and trademarks owned and licensed by Fairtrade International. For further details see here: [Fairtrade products and ingredients –](#)

Fairtrade Ireland operates two business models that represent the Fairtrade Marks. The **two options** for businesses are:-

1. Licensing products to use the FAIRTRADE Mark by sourcing all the ingredients in that product that can be Fairtrade, as Fairtrade ('All That Can Be' – **ATCB**).
2. Sourcing a specific volume of a commodity through a Fairtrade Sourced Ingredient Model (**FSI**) which can be indicated on products by using the Fairtrade Program Mark and/or communicated through CSR channels.

Different fee rates and fee basis are applied for each engagement option, reflecting the differing nature of each model (end-product versus commodity focus).

### 3.7 Fairtrade ATCB Licence Fee



The original FAIRTRADE Mark has always stood for fairly produced and fairly traded products. It also means the product is fully traceable (kept separate from non-certified products) from farm to shelf. You see this Mark on single-ingredient products, such as bananas and coffee. Other marks will indicate which product ingredients are sourced on Fairtrade terms, these products are indicated using the FAIRTRADE Mark with a black arrow. For further detail see here [The Fairtrade Marks -](#)

#### **ATCB Fee Model**

Please find below our partnership fees as per wholesale value. You will note a sliding scale applies. This fund's Fairtrade Ireland and Fairtrade International work, our marketing of Fairtrade in Ireland, developing Fairtrade standards and helping our producer networks .

Wholesale value threshold	Licence fee rate at value level
Sales up to € 1 Million	1.8%
Sales between € 1 – 2 Million	1.4%
Sales between € 2 – 3 Million	1.0%
Sales between € 3 – 5 Million	0.75%
Sales between € 5 – 10 Million	0.6%
Sales between 10 – 20 Million	0.5%
All sales above 20 Million	0.25%

Fees are paid on a quarterly basis to Fairtrade Ireland

### 3.8 Fairtrade Sourced Ingredient Licence Fee

#### Fairtrade Sourced Ingredient Mark

These white Marks indicate that the ingredient named on the tab has been sourced as Fairtrade, such as Fairtrade cocoa in a breakfast cereal. (This is different from the black FAIRTRADE Mark, which signifies that all the ingredients that are available as Fairtrade are Fairtrade certified.). Some of ingredient categories are shown below, for list further listing see here [The Fairtrade Marks -](#)



In this sourcing model, the composite product carries these labels to indicate that the ingredient is Fairtrade certified, such as Fairtrade cashews used in a package of mixed nuts, or Fairtrade honey used in a cereal where the rest of the ingredients are not Fairtrade (even if they could be sourced as Fairtrade).

Up to two FSI Marks can be used on the front of the packaging. An arrow in a tab indicates that the ingredient was sourced using “mass balance” and points to more information on the back of the package.

Please find below our partnership fees as per volume of cocoa purchased. .You will note a sliding scale applies. This fund's Fairtrade Ireland and Fairtrade International work, our marketing of Fairtrade in Ireland, developing Fairtrade standards and helping our producer networks.

<b>Start of MT Band</b>	<b>End of MT Band</b>	<b>€ Rate per MT</b>
0	250	€330.00
250	500	€210.00
500	1,000	€150.00
1,000	1,500	€112.50
1,500	4,000	€82.50
4,000	10,000	€56.25
10,000	20,000	€37.50
20,000	40,000	€30.00
40,000	And above	€22.50

Fees are paid on a quarterly basis to Fairtrade Ireland.

## 5. Licensing Process

1. A license agreement will need to be signed for the company.
2. The Licensee is registered with FLOCERT
3. The products intended to be Fairtrade are registered online with Fairtrade Ireland.
4. Any packaging and artwork is approved online by Fairtrade Ireland.
5. On approval of the product registration and artwork design, a product certificate is issued, allowing the product to go to market.

See our full licensing Process in [Licensing Section of website here](#)