



Fairtrade Trader Standard

Current version: **01.03.2015 v1.5**

Expected date of full review: 2020

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



Change history

Version number	Date of publication	Changes
01.05.2011_v1.0	01.05.2011	New Standards Framework (NSF) changes: (1) reorganization of the standard into 4 chapters, (2) inclusion of requirements on composite products and ingredients, (3) new section defining physical traceability, single site mass balance and group mass balance and (4) additional of requirements of the use of the FAIRTRADE Mark.
01.05.2011_v1.1	30.01.2013	Amendment of requirement 2.1.13 on group mass balance and intent section of 2.1.
01.05.2011_v1.2	13.12.2013	Amendments of sections 1.2 Use of the mark, 2.2 Product composition and of Definitions to cover the Fairtrade Sourcing Program and any reference to Fairtrade beyond use of the Mark on final product. Application of requirement 4.3.6 also for dried fruits and fruits juices where there is no Fairtrade Minimum Price.
01.05.2011_v1.3	01.07.2014	Amendments of section 2.1 Traceability to cover the Fairtrade Sourcing Program for Cotton.
01.03.2015_v1.0	01.03.2015	Full review of the standard. Addition of voluntary best practices. Addition of chapters Labour rights, Environmental protection, Capacity building and Trading with Integrity. Simplification of wording, reorganisation, deletion of redundancies, added or improved guidance.
01.03.2015_v1.1	30.07.2015	Correction of who the requirement applies to (4.1.8, 4.2.1, 4.2.3, 4.5.1), rewording of the intent of the sections, rewording of the introduction to Annex 1, deletion of requirement on contracts for operators along the supply chain.
01.03.2015_v1.2	1.12.2016	Revised Hazardous Materials List (HML), formerly the Prohibited Materials List, and related requirements. The transition period for compliance to the standards related to HML has been extended from 1/1/2017 to 1/1/2018. Definition of rotational crops added as well as the price and premium payer for rotational crops under contract production in Annex 1.
01.03.2015_v1.3	01.05.2017	Extension of the deadline for phasing out Group Mass Balance (GMB) for cocoa and sugar. Additional requirements on conditions for GMB and transparency on traceability models.
01.03.2015_v1.4	22.01.2018	Extension of FSP to all commodities except coffee and bananas. It includes amendments in scope, FSP definition, intent of traceability section and requirements 2.1.14 and 2.2.5. Fairtrade Sourcing Program (FSP) renamed as Fairtrade Sourced Ingredient (FSI).
01.03.2015_v1.5	01.08.2018	Deletion of Group Mass Balance deadline.



Mass balance

Intent: To ensure that for each product sold as Fairtrade on the consumer market, an equivalent volume has been sold by producers under Fairtrade terms.

Fairtrade differentiates between two types of mass balance practices:

Single site mass balance is audited per site (requirement 2.1.10): Fairtrade inputs must be delivered to and processed at the same site where the Fairtrade output is processed. Traders should aim to use Fairtrade inputs to process or sell Fairtrade outputs.

Group mass balance is audited per group of sites (requirement 2.1.12): Fairtrade inputs do not need to be delivered to the same site that the Fairtrade output is processed. Group mass balance is only allowed in cocoa and cane sugar.

~~The aim of Fairtrade is to achieve single site mass balance in the mid-term and to achieve physical traceability in all its products in the long term. Group mass balance is however allowed for cocoa and sugar to allow flexibility in the trade and maximise producers' Fairtrade sales until end 2020. Please note that this time limitation does not apply to Fairtrade cane sugar and cocoa producers and their first buyers in countries of origin.~~

The following requirements apply to traders with NO physical traceability whether trading under FSI model or not.

2.1.12 **NEW 2018** Group mass balance

Applies to: Cocoa and sugar traders that apply group mass balance

Core

If you want to implement group mass balance, then you obtain permission from the certification body **before** implementing it. Any change in the sites involved in the group mass balance also requires permission of the certification body.

The certification body will grant permission to apply group mass balance only if the following conditions below are met:

- a. All sites involved in group mass balance belong to the same group.
- b. One site needs to be designated as the central administration site, where all relevant information on all purchases and sales of the entities of the group is available.
- c. The group has an adequate system in place, common to all entities of the group that centralizes all Fairtrade purchases and sales information. This system enables checking that the volume of Fairtrade output sold by the group is not more than the volume of Fairtrade input purchased by the group.

~~**Guidance:** In the case of cocoa and sugar, where single site mass balance may not be sufficient to maximize the producers' ability to sell cocoa or sugar under Fairtrade terms, group mass balance is allowed currently until 31 December 2020.~~