

FAIRTRADE LICENSEE INFORMATION KIT



CONTENTS

PART ONE

Why become a Fairtrade Licensee

What is Fairtrade?	03
Fairtrade 101	04
Fairtrade ANZ	05
Fairtrade Income and Expenditure	06
Working with Fairtrade Certified Products	07

PART TWO

a) Becoming a Fairtrade Licensee

Fairtrade Product Categories	08
Step by Step Process	09
Supply Chain Submission	10

b) Responsibilities as a Licensee

Licensee Fees	11
Reporting	12
Compliance with Fairtrade Standards	13
Use of the Fairtrade Mark	14
Product Registration	15
Artwork Guide	16

PART THREE

Fairtrade Sourcing Programs

Step by Step Process	14
Supply Chain Submission	x15
License Fees and Certification	16
Compliance with Fairtrade Standards	17
Artwork Guide	18

What is Fairtrade?



A Global System

Fairtrade is a global system that works with businesses, consumers, NGOs and producers to ensure trade delivers positive results for farmers and workers in developing countries. When farmers can sell on Fairtrade terms, it provides them with a better deal and improved terms of trade. This allows them the opportunity to strengthen their negotiating position, improve their lives and plan their future.

Business to Business

Businesses partner with Fairtrade to connect with positive supply chains, to actively demonstrate their commitment to ethical and sustainable business. Fairtrade offers consumers a powerful way to create positive change and reduce poverty through their everyday shopping.

The Fairtrade Mark

When a product carries the Fairtrade Mark it means that the Fairtrade ingredients in the product have been produced in accordance with Fairtrade's social, economic and environmental standards and the Fairtrade farmers or workers receive the fair price and premium.

1.5 MILLION
FARMERS AND WORKERS
 **ACROSS 74**
COUNTRIES

\$300
MILLION
RETAIL SALES (AUD) OF
FAIRTRADE
CERTIFIED
PRODUCTS

203

LICENSEES
& TRADERS
IN AUSTRALIA
48 IN NZ

Fairtrade 101

Fair Price

The Fairtrade system ensures farmers and workers receive a fair price, the *Fairtrade Minimum Price*, for their produce, helping to protect them from damaging fluctuations in world market prices. The Fairtrade Minimum Price is set to cover the cost of sustainable production in a set region.

Fairtrade Premium

In addition to the minimum price, the *Fairtrade Premium* is paid. This allows farmers and workers to invest in social, economic and environmental development in their community. The community democratically decides what projects they will invest the Fairtrade Premium in, depending on the needs and priorities of their community, such as educational and medical facilities.

Producer Ownership and Empowerment

The Fairtrade system is based on transparent and democratic principles, from the farm level right through to our international board. Fairtrade producers are 50% stakeholders in the global system, ensuring they have an equal voice and say in decision-making in the general assembly and on Fairtrade International's Board of Directors. This allows producers to be involved in decisions and determine their own future.

Sustainability

Creating profitable, transparent and sustainable supply chains is a key focus of Fairtrade's work. It is critical that producers have an ongoing ability to trade successfully. This begins at the farm level, where Fairtrade helps producers to implement good practices to protect farmers, workers, their communities and the environment. These sustainable principles extend throughout the whole length of the Fairtrade supply chain.

For more information about Fairtrade Standards, Minimum Prices and Premium, visit: <http://www.fairtrade.net/standards.html>

78%
OF KIWIS AND
50% OF AUSSIES
RECOGNISE
THE FAIRTRADE MARK

Fairtrade ANZ

Fairtrade Australia & New Zealand (Fairtrade ANZ) is a member of Fairtrade International and has the sole right to license the use of the international Fairtrade Mark in Australia and New Zealand. Fairtrade International sets the international standards for Fairtrade and governs the use of the Fairtrade Mark worldwide.

Our work

Fairtrade ANZ is responsible for increasing demand for Fairtrade products and growing the Fairtrade market in Australia and New Zealand. Working with our partners, we promote the Fairtrade concept and products carrying the Fairtrade Mark. Through education, awareness raising and commercial campaigns, we seek to inspire individuals and businesses to take action.

Fairtrade ANZ's work is divided into three key areas in order to grow the Fairtrade market:

- Promote, position and protect the Fairtrade Mark.
- Increase the range, availability and sales of Fairtrade Certified products.
- Provide effective licensing, labelling and certification services.

Licensee Support

The Fairtrade ANZ team offers support to Fairtrade licensees in a variety of ways:

Certification and Licensing

- certification and licensing of products
- artwork approvals
- reporting assistance

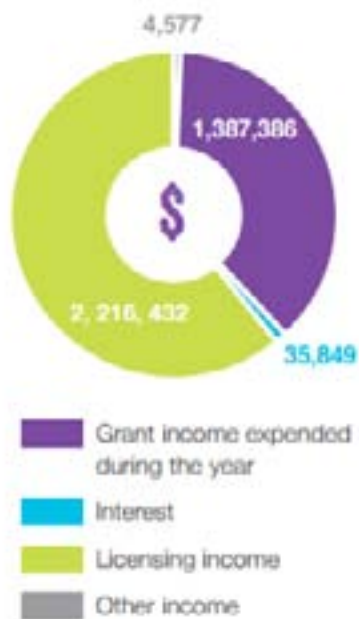
Communication and Promotional Opportunities

- promotion through Fairtrade's website and social media channels
- provision of Fairtrade spokesperson quotes for media releases
- media messaging support and story ideas for media releases
- provision of materials promoting Fairtrade and how it work, as well as information on specific Fairtrade product categories

Business Development

- support to source ingredients (for new product development)
- connections to supply chain actors
- impact stories and producer profiles
- research results and analysis of Fairtrade products
- case studies of Fairtrade Premium use
- access to promotional materials
- point of sale support

Fairtrade ANZ's Income and Expenditure



INCOME

The total revenue for Fairtrade ANZ has increased by 20% in the 14/15 financial year. The commencement of the DFAT grant resulted in an increase of 38% in the donor funds that we acquitted in the 14/15 year and the licensing income also experienced a growth of 14% on the back of this increased exposure in the market place.

The partnership in Australia with DFAT has been a significant milestone for the growth within the market and we continue to be supported by our NZ donors as an experienced provider that is able to reach the outcomes using an established process and strong experience in the Pacific.



EXPENDITURE

In line with the increase in income our expenses have conformed as we relocate to new premises in Melbourne having outgrown the existing accommodation and skilled up to ensure that we had the personnel best equipped to manage the business through change and growth.

Fairtrade ANZ has provided an increased level of support back to the international operations to finance some significant projects that benefit the system as a whole.

WORKING WITH FAIRTRADE CERTIFIED

There are 2 ways that companies can engage with Fairtrade certified products

Fairtrade Product Certification and Labelling (All That Can Be)

All available Fairtrade certified commodities in a product must be Fairtrade: 'All That Can Be'. The original FAIRTRADE Mark is the most well-known and recognized symbol of Fairtrade. When someone buys a product carrying the FAIRTRADE Mark they know their purchase is supporting farmers and workers to get a better deal for their products and to improve their lives. The rules for a product to carry the FAIRTRADE Mark are:

- If the FAIRTRADE Mark is on a single-ingredient end-product - like coffee or bananas - it means that product is 100% Fairtrade.
- If the FAIRTRADE Mark is on a product with multiple ingredients - like ice cream - it means every ingredient that can be sourced Fairtrade, is Fairtrade.
- For cotton, 100% of the cotton in an item has to be Fairtrade for it to carry the FAIRTRADE Cotton Mark and cotton must compose 50% of the product.



Fairtrade Cocoa, Sugar and Cotton Sourcing Programs (Ingredient certification)

The Fairtrade producers that we work with asked for new ways to sell more of their product as Fairtrade. At the same time, more businesses told us they want to focus on the sustainable sourcing of their key commodities without necessarily certifying consumer facing products.

Therefore the Fairtrade Sourcing Programs for cocoa, sugar and cotton were created. They connect Fairtrade farmers with companies wanting to buy these specific commodities on Fairtrade terms. Rather than focusing on all the ingredients for one final product,

Fairtrade Sourcing Programs means companies can make big commitments to sourcing one or more specific commodities for use across ranges, or even their whole business. Composite products containing Fairtrade cocoa, sugar or cotton may therefore use the FAIRTRADE Program Mark, without other ingredients being Fairtrade Certified.



FAIRTRADE PRODUCT CATEGORIES

SINGLE INGREDIENT	COMPOSITE PRODUCT	GOLD	COTTON	BEAUTY & PERSONAL CARE PRODUCTS
<p>Single ingredient products are made from one ingredient only and must be 100% Fairtrade certified.</p> <p>For example, you can create a Fairtrade Coffee blend however all origins within the blend must be Fairtrade certified.</p> <p>Examples of Fairtrade single ingredient products:</p> <ul style="list-style-type: none"> • Bananas • Coffee • Tea (non-blended) 	<p>Composite products are products made from more than one ingredient. For example a chocolate bar is made from cocoa, cocoa butter, sugar and other ingredients such as vanilla.</p> <p>For a food composite product, at least 20 percent of the content must be Fairtrade certified. If a Fairtrade certified ingredient is available, it must be used, regardless of what percentage it makes up in the final product.</p> <p>Examples of Fairtrade composite products :</p> <ul style="list-style-type: none"> • Blended Teas • Chocolate • Soft Drinks <p>Please refer to the requirements for food composite products and the generic trade standard at the FLO website: www.fairtrade.net/composite_products.html</p>	<p>Fairtrade certified gold must constitute 100% of the gold used in the product.</p>	<p>The FAIRTRADE Cotton Mark can be applied to the following Cotton Product Compositions.</p> <ul style="list-style-type: none"> • 100% Cotton Products • Blended cotton products must contain 50% or more of the finished weight of the product. • Blended textile fabrics manufactured for workwear or uniforms must contain 30% or more of the finished weight of the fabric • products made with cotton combined with other textile parts (eg textile filled cushion) - a significant part of the product and its essential character is cotton and all cotton in the product is Fairtrade • Mixed textile and non-textile products, a significant part or all of the product must be Fairtrade Certified Cotton, For example, cotton canvas sneakers with rubber sole. 	<p>There are two classes of Fairtrade Personal Care Products – Leave On & Wash Off</p> <ul style="list-style-type: none"> • Leave On products <p>Not less than 5% of Fairtrade ingredients as a percentage of the whole formulation including water.</p> <p>Examples of Leave On products:</p> <ul style="list-style-type: none"> • Lotions & Creams • Body butters • Cosmetics <ul style="list-style-type: none"> • Wash Off products <p>Not less than 2% % of Fairtrade ingredients as a percentage of the whole formulation including water.</p> <p>Examples of Wash Off products:</p> <ul style="list-style-type: none"> • Shampoos and Conditioners • Body washes and Soap • Toothpaste

FAIRTRADE PRODUCT STANDARDS All operators in the supply chain, from the certified farmers through to manufacturers of finished labelled product must be certified by FLOCERT or Fairtrade ANZ and get a unique FLO-ID number which allows/enables them to trade Fairtrade ingredients. The first operator that buys the Fairtrade PRODUCT from the farmer cooperative pays the Fairtrade minimum price and premium to the farmers.

The Fairtrade Standards for producers and traders apply to all volumes sourced. These transparent global standards are easily accessible on the Fairtrade International website and reviewed as market and social needs determine. For products that contain both Fairtrade and non-Fairtrade ingredients, we have composition rules to reassure consumers about the level of Fairtrade ingredients within a particular product. You will need to submit your recipe, formula or composition to Fairtrade ANZ showing the percentage or by weight (100 grams/mls) per ingredient.

WHICH FAIRTRADE STANDARD? All licensees must be able to meet and demonstrate compliance with the Fairtrade Standards. We recommend you:download and familiarise yourself with the Fairtrade Trader Standard and familiarise yourself with the relevant standards for the raw ingredients in your product (for example, a Chocolate with Fruit and Nuts would come under the Standards for: Cocoa, Sugar, Prepared and Preserved Fruit and Vegetables, Oilseeds and Oleaginous Fruit): <http://www.fairtrade.net/trade-standard.html>.

STEP BY STEP PROCESS- ALL THAT CAN BE

1. Complete and submit the Application Form

- Pay the non-refundable application fee
- Ask your supplier for their Fairtrade FLO ID.
- Gather your supply chain information for submission
- Determine if your product is a single ingredient product or composite product . For composite products, submit your recipe including the the percentage and grams/mls per 100g of each ingredient, see next page more information.

2. Become a licensee

- Once we confirm your supply chain details and approve the product, we will send your Certification Agreement and your Licence Agreement by email. When you have reviewed and signed them, return to us for signature. Your business becomes a Fairtrade Licensee once the agreements are signed by both parties.
- We will issue your FLO ID - a unique identification number to put on your commercial documents and a Permission to Trade Certificate valid for 6 months that can be shared with your suppliers and customers
- We will send you the Guidelines for the use of the Fairtrade Mark and the Artwork files, and the Guidelines for Fairtrade Sales Reporting.
- You will need to submit all new or revised Fairtrade products and artwork for approval and provide regular sales reports on an ongoing basis.

3. Certification

- Fairtrade ANZ will schedule an audit within 6 months to ensure compliance with the Fairtrade Standards, after which a Certificate will be issued. You can download and familiarise yourself with the Fairtrade Trader Standard and find an outline of the compliance criteria here. The cost of audits is covered by the certification fee (unless exceptional follow-up audits outside the normal cycle are required)..

TIMEFRAMES

The licensing process does not take more than three weeks and we endeavour to work to your deadlines. The total length of time between when we get your application and when we approve your product to go to market will be expedited if:

- you already know who you are going to be buying your Fairtrade ingredients from and
- they are already registered with us as a Fairtrade importer.

SUPPLY CHAIN SUBMISSION

GATHERING YOUR SUPPLY CHAIN DETAILS

The table on the right provides a summary of all the supply chain details that must be submitted for each product

For composite products, all products that are available as Fairtrade, must be Fairtrade.

- Check the Unavailable Fairtrade Ingredients list: <http://www.fairtrade.net/trade-standard.html>
- If ingredients are not on this list, show three attempts to source Fairtrade replacements for the Non-Fairtrade Ingredients
- If the ingredients are not easily sourced, unavailable or there are quality issues you must apply for an exception (to be reviewed every two years).

SUPPLY CHAIN INFORMATION CHECKLIST	SINGLE INGREDIENT	COMPOSITE, COTTON, GOLD & BEAUTY PRODUCTS
Registered product name	<input type="radio"/>	<input type="radio"/>
Product SKU	<input type="radio"/>	<input type="radio"/>
Organic Certification Mark on pack?	<input type="radio"/>	<input type="radio"/>
Pack sizes	<input type="radio"/>	<input type="radio"/>
List of Fairtrade and non-Fairtrade ingredients according to weight (per 100 grams/mls)*	N/A	<input type="radio"/>
Direct supplier name	<input type="radio"/>	<input type="radio"/>
Direct supplier role	<input type="radio"/>	<input type="radio"/>
Direct supplier FLO ID	<input type="radio"/>	<input type="radio"/>
Fairtrade Price & Premium Payer	<input type="radio"/>	<input type="radio"/>
Producer Group	<input type="radio"/>	<input type="radio"/>
Producer Group FLO ID	<input type="radio"/>	<input type="radio"/>
Are you manufacturing & packaging the product?	<input type="radio"/>	<input type="radio"/>
Are subcontractors used as part of processing & packaging the product?	<input type="radio"/>	<input type="radio"/>
Address of manufacturing & storage facilities	<input type="radio"/>	<input type="radio"/>

LICENSE FEES AND REPORTING - ALL THAT

Licence Fees and Reporting

As a licensee, you pay fees that cover the marketing use of the Fairtrade labels as well as the cost of auditing and certification. Fairtrade Licensees are required to submit a Flow of Goods Report based on their Fairtrade sales at the end of each calendar quarter. The Flow of Goods Report (FOG) outlines purchases of Fairtrade products, the volume (kgs or other unit) and net sales value of Fairtrade sales.

PRODUCT CATEGORY	LICENCE FEE
All Products (except Gold and Coffee Capsules)	The 2 % licence fee is calculated on the net Fairtrade sales value or \$500 annually, whichever is greater.
Gold	\$2.50 per gram of Fairtrade raw material in finished piece Raw materials do not include metals/alloys, stones, other components in the piece.
Coffee Capsules	The 1% licence fee is calculated on the net Fairtrade sales values or \$500 annually, whichever is greater.

Small Licensee

In recognition of the needs of small businesses, we have a category of Licensee for with a lower annual fee and annual sales reporting. To be eligible you need to :

- global turnover of all sales of less than \$1million;
- employ less than 10 staff, or equivalent of 400 paid hours/week.

Certification and Audit

To verify traceability of Fairtrade product, Fairtrade ANZ may conduct desk or on-site audits of record-keeping (such as purchase documents, invoices, stock records etc.) and procedures followed by the business. The details you provide in your Fairtrade Flow of Goods Report will also be sampled at audit. Ordinarily such audits are conducted once per annum. Your company will be contacted well in advance to organise these audits.

Certification has an annual fee of \$500 (\$250 for Small Licensees).

Fairtrade Price and Premium Payers

If you are responsible for paying the Fairtrade Price and Premium on the products or ingredients you purchase, then your Fairtrade Flow of Goods Report will also require details of all your Price and Premium transactions. We assess your Price and Premium report to confirm that payments have been made correctly as set out in the Standards.

Commitment to Fairtrade Discount

Fairtrade ANZ recognises the contribution to the wider fair trade movement made by Licensees which are either members of the World Fair Trade Organisation (WFTO), or apply the Fairtrade Mark to all Fairtrade products that they sell in categories covered by Fairtrade Standards. Fairtrade ANZ believes such significant and long-term commitments should be acknowledged by offering discounts to the standard licence fee:

DISCOUNT	APPLICABLE LICENSEES
25% discount	Licensees which sell 100% of a product category carrying the FAIRTRADE Mark

COMPLIANCE, USE OF THE FAIRTRADE CERTIFICATION MARK, PRODUCT REGISTRATION

COMPLIANCE WITH THE FAIRTRADE STANDARDS

All licensees are responsible for ensuring that they are compliant with the Fairtrade Standards. The Certification Team is able to provide guidance on the requirements of the Standards. Fairtrade Australia and New Zealand monitors compliance with the Fairtrade Standards for Licensees through assessment of Flow of Goods reports, product registration and audits.

USE OF THE FAIRTRADE MARK

The FAIRTRADE Mark can be used only on products that are certified in accordance with Fairtrade standards. Any use of the FAIRTRADE Mark must be approved prior to printing or publishing. A quick guide to the packaging requirements is on the next page.

All packaging artwork applications should be sent to artwork@fairtrade.com.au for approval.

The team will endeavour to respond quickly, aiming to provide feedback within three business days from receipt of initial artwork, and then to complete the approval process within three weeks of the artwork's first submission. This timeline depends on the artwork fully complying with the FAIRTRADE Mark guidelines and the product being certified. It is good practice to allow sufficient time for the artwork approval process.

NEW PRODUCT REGISTRATIONS AND SUPPLY CHAIN INFORMATION

If you want to add new Fairtrade products to your range, you will need to register each individual product with us including the product's supply chain details. You will also need to notify us of all additions and changes to your product range and supply chain in advance before the product is released in market. This includes Fairtrade products manufactured on behalf of a client and private label products. Please allow two weeks for product and supply chain approval.

RECORD KEEPING REQUIREMENTS

Your business will need to keep adequate records of handling of Fairtrade products. The record-keeping should allow you to track the separation of Fairtrade product from receivables through storage, manufacture, packaging, to despatch of the finished, packaged product. We advise that you keep a separate folder of transactions relating to Fairtrade product, including contracts with suppliers, purchase orders and invoices, stock control and batch manufacturing records, and sales invoices.

EXPORTING FAIRTRADE PRODUCTS – CROSS BORDER SALES

You must inform us if you plan to export your products to ensure both that the FAIRTRADE Mark is registered in the country of destination, and that your Fairtrade product and packaging meets international requirements. Exports are then reported separately on your Flow of Goods reports.

ADDITIONAL COSTS

Any additional cost is likely to be the actual cost of the raw Fairtrade Certified ingredients. Because Fairtrade supply chains are shorter, very often this price may be no different from some of the others that you source, depending on international market conditions and agreed differentials paid with respect to those market prices. Importers pay the Fairtrade Price and Premium to producer organisations and these costs are often passed along the supply chain to licensees.

If you are already using products from a Fairtrade Certified producer group, then the only extra cost that you need to consider is the License Fee, plus a small allocation of staff time to Fairtrade reporting every three months. Many companies simply absorb the cost of being part of the international Fairtrade system into their pricing structures, and sell their Fairtrade Certified products at the same price point as their product lines.

Some companies pass on any additional cost to their customers, setting an end product price that is more expensive than their conventional products. Market research shows that consumers are prepared to spend more for Fairtrade Certified products.

Quick artwork guide



The word Fairtrade cannot be used on packaging, even if the ingredients are certified, without using the FAIRTRADE Mark as well. In order to use the FAIRTRADE Mark, a license contract is needed.

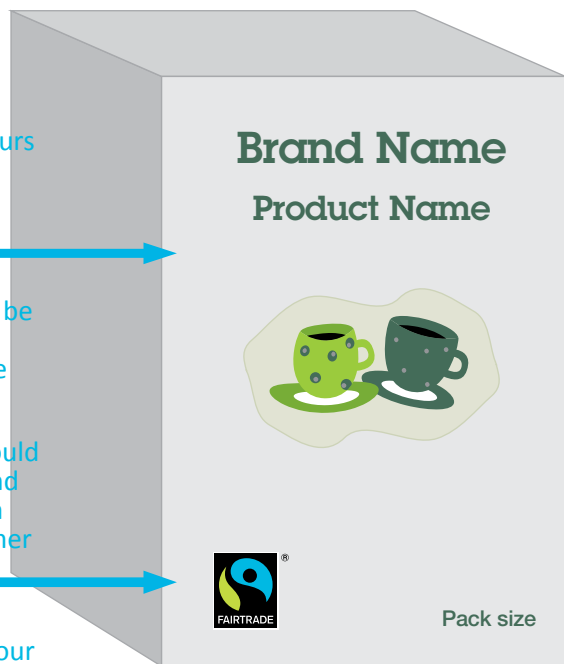
All packaging using the FAIRTRADE Mark must be approved by Fairtrade ANZ

Packaging and brand colours are not the same or visually similar to the Fairtrade colours.

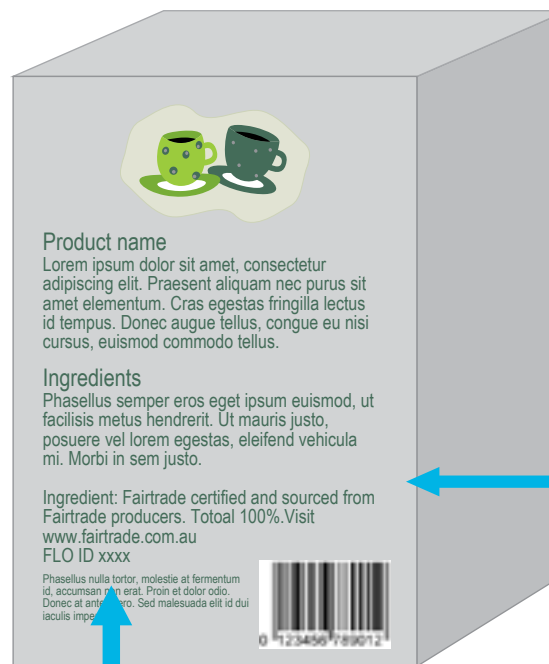
The Fairtrade Mark must be less prominent and positioned away from the Brand.

The FAIRTRADE Mark should always be on the front and preferably on the bottom left, visible to the consumer when placed on shelf.

The FAIRTRADE Mark should be used in full colour whenever possible, but is also available in black and white.



Front



Back

The appropriate Fairtrade Statement should be placed on the back of the pack and may be placed under the regulatory ingredient listing:

Ingredient(s): Fairtrade certified and sourced from Fairtrade producers. Total xx%. Visit www.fairtrade.com.au

For mass balance (cocoa, tea, sugar and fruit juice):
Ingredient(s): traded in compliance with Fairtrade Standards. Total xx%. Visit www.fairtrade.com.au

The FLO ID of your company should be mentioned on pack.

This is a quick guide only. Upon receipt of the signed Fairtrade ANZ Licence Agreement, licensees will be sent the complete guidelines.

Please note: Fairtrade ANZ is responsible for checking the Fairtrade elements and additional information relating to Fairtrade to ensure it is correctly represented. The licensee and/or brand owner must ensure that products comply with all applicable regulations, legislation and certification schemes, and that claims are verifiable and are not over-claiming or misleading.

STEP BY STEP PROCESS - SOURCING PROGRAM

1. Contact Fairtrade

- Discuss and agree on a Fairtrade sourcing commitment for your business, including total annual volumes and targets for your Fairtrade sourcing.

2. Complete and submit the Application Form

- Determine if your product is a single ingredient product or composite product. For composite products, submit your recipe including the percentage and grams/mls per 100g of each ingredient, see next page more information.
- Gather your supply chain information for submission, see page xx for checklist.
- Ask your supplier for their Fairtrade FLO ID
- Pay the non-refundable application feeAsk your supplier for their Fairtrade FLO ID

3. Become a licensee

- Once we confirm your supply chain details, we will send you a Certification Agreement and a Licence Agreement by email. When you have reviewed and signed them, return to us for signature and your business becomes a Fairtrade Licensee.
- We will issue your FLO ID - a unique identification number to put on your commercial documents and a Permission to Trade Certificate valid for 6 months that can be shared with your suppliers and customers
- We will send you the Guidelines for the use of the Fairtrade Sourcing Program Mark and the Artwork files, and the Guidelines for Fairtrade Sales Reporting.
- You will need to submit all new or revised Fairtrade products and artwork for approval and provide regular sales reports on an ongoing basis.

4. Certification

- Fairtrade ANZ will schedule an audit within 6 months to ensure compliance with the Fairtrade Standards, after which a Certificate will be issued. You can download and familiarise yourself with the Fairtrade Trader Standard and find an outline of the compliance criteria [here](#). The cost of audits is included in the certification fee (unless exceptional follow-up audits outside the normal cycle are required)..

TIMEFRAMES

The licensing process does not take more than three weeks and we endeavour to work to your deadlines. The total length of time between when we get your application and when we approve your product to go to market will be expedited if:

- you already know who you are going to be buying your Fairtrade ingredients from and
- they are already registered with us as a Fairtrade importer.

SUPPLY CHAIN SUBMISSION

GATHERING YOUR SUPPLY CHAIN DETAILS

The table on the right provides a summary of all the supply chain details that must be submitted for each product

SUPPLY CHAIN INFORMATION CHECKLIST	SINGLE INGREDIENT	COMPOSITE, COTTON, PRODUCTS
Registered product name	<input type="radio"/>	<input type="radio"/>
Product SKU	<input type="radio"/>	<input type="radio"/>
Organic Certification Mark on pack?	<input type="radio"/>	<input type="radio"/>
Pack sizes	<input type="radio"/>	<input type="radio"/>
List of Fairtrade and non-Fairtrade ingredients according to weight (per 100 grams/mls)*	N/A	<input type="radio"/>
Direct supplier name	<input type="radio"/>	<input type="radio"/>
Direct supplier role	<input type="radio"/>	<input type="radio"/>
Direct supplier FLO ID	<input type="radio"/>	<input type="radio"/>
Fairtrade Price & Premium Payer	<input type="radio"/>	<input type="radio"/>
Producer Group	<input type="radio"/>	<input type="radio"/>
Producer Group FLO ID	<input type="radio"/>	<input type="radio"/>
Are you manufacturing & packaging the product?	<input type="radio"/>	<input type="radio"/>
Are subcontractors used as part of processing & packaging the product?	<input type="radio"/>	<input type="radio"/>
Address of manufacturing & storage facilities	<input type="radio"/>	<input type="radio"/>

LICENCE FEES AND CERTIFICATION- SOURCING PROGRAM

Licence Fees and Reporting

As a licensee, you pay fees that cover the marketing use of the Fairtrade labels as well as the cost of auditing and certification. The Fairtrade Sourcing Program has an annual minimum fee of \$500, with a volume based fee model based on raw commodities sourced.

Fairtrade Licensees are required to submit a Flow of Goods Report at the end of each calendar quarter. The Flow of Goods Report (FOG) outlines purchases and the volume (kgs or other unit) of Fairtrade sales. This information will be used to calculate any additional license fee.

Fairtrade Price and Premium Payers

If you are responsible for paying the Fairtrade Price and Premium on the products or ingredients you purchase, then your Fairtrade Flow of Goods Report will also require details of all your Price and Premium transactions. We assess your Price and Premium report as a desk audit in order to confirm that payments have been made correctly as set out in the FLO Product Standards.

The details you provide in your Fairtrade Flow of Goods Report will also be sampled at audit.

Certification and Audit

To verify traceability of Fairtrade product, Fairtrade ANZ may conduct desk or on-site audits of record-keeping (such as purchase documents, invoices, stock records etc.) and procedures followed by the business. Ordinarily such audits are conducted once per annum. Your company will be contacted well in advance to organise these audits.

Your business will need to keep adequate records of handling of Fairtrade products. The record-keeping should allow you to track the separation of Fairtrade product from receivals through storage, manufacture, packaging, to despatch of the finished, packaged product. We advise that you keep a separate folder of transactions relating to Fairtrade product, including contracts with suppliers, purchase orders and invoices, stock control and batch manufacturing records, and sales invoices.

Certification has a fee of \$500 a year.

ADDITIONAL COSTS

Any additional cost is likely to be the actual cost of the raw Fairtrade Certified ingredients. Because Fairtrade supply chains are shorter, very often this price may be no different from some of the others that you source, depending on international market conditions and agreed differentials paid with respect to those market prices. Importers pay the Fairtrade Price and Premium to producer organisations and these costs are often passed along the supply chain to licensees.

If you are already using products from a Fairtrade Certified producer group, then the only extra cost that you need to consider is the License Fee, plus a small allocation of staff time to Fairtrade reporting every three months. Many companies simply absorb the cost of being part of the international Fairtrade system into their pricing structures, and sell their Fairtrade Certified products at the same price point as their product lines.

Some companies pass on any additional cost to their customers, setting an end product price that is more expensive than their conventional products. Market research shows that consumers are prepared to spend more for Fairtrade Certified products.

COMPLIANCE, USE OF THE FAIRTRADE PROGRAM MARK, PRODUCT REGISTRATION

COMPLIANCE WITH THE FAIRTRADE STANDARDS

All licensees are responsible for ensuring that they are compliant with the Fairtrade Standards. The Certification Team is able to provide guidance on the requirements of the Standards. Fairtrade Australia and New Zealand monitors compliance with the Fairtrade Standards for Licensees through assessment of Flow of Goods reports, product registration and audits.

NEW PRODUCT REGISTRATIONS AND SUPPLY CHAIN INFORMATION

If you want to add new Fairtrade products to your range, you will need to register each individual product with us including the product's supply chain details. You will also need to notify us of all additions and changes to your product range and supply chain in advance before the product is released in market. This includes Fairtrade products manufactured on behalf of a client and private label products. Please allow two weeks for product and supply chain approval.

EXPORTING FAIRTRADE Program PRODUCTS – CROSS BORDER SALES

You must inform us if you plan to export your products to ensure both that the FAIRTRADE Mark is registered in the country of destination, and that your Fairtrade product and packaging meets international requirements. Exports are then reported separately on your Flow of Goods reports.

USE OF THE FAIRTRADE Program MARK

The FAIRTRADE Program Mark can be used only on products that are certified in accordance with Fairtrade standards. Any use of the FAIRTRADE Program Mark must be approved prior to printing or publishing. A quick guide to the packaging requirements is on the next page.

The Fairtrade Program Mark can be used on pack when 100% of the relevant commodity in the product or an equivalent volume is Fairtrade certified.

The Program Mark can also be used in CSR and B2B communications. Prior to communicating externally on your agreed and achieved Fairtrade sourcing, you will need to arrange an audit with us. The audit will check:

- your company's compliance with the Fairtrade Standard;
- your communication claims of sourcing Fairtrade cocoa/sugar/cotton against your internal record keeping systems. If you are claiming a percentage of your purchases, you will need to provide access to records of both your Fairtrade and non-Fairtrade purchases.

All artwork applications should be sent to: artwork@fairtrade.com.au for approval.

PRODUCT PACKAGING

SUMMARY OF FAIRTRADE COCOA PROGRAM REQUIREMENTS

The Fairtrade Cocoa Program Mark can be used front of pack, back of pack and/or off-pack.

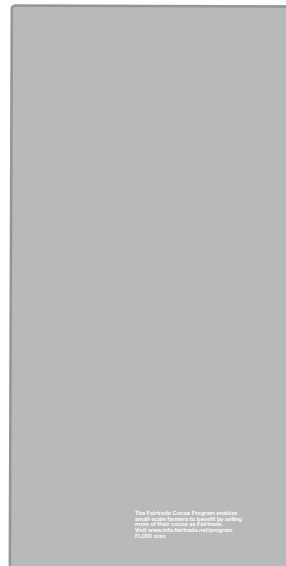


Front of pack



The Fairtrade Program Mark should be placed in the bottom left corner whenever possible. It should be visible to the customer when the product is placed on the shelf.

Back of pack



The Fairtrade Program Statement should be placed on the back of pack and may be placed under the regulatory ingredient listing. Your FLOID may be placed here.

Point of Sale



The Fairtrade Program Mark and Fairtrade Program Statement should appear together and may be placed under the regulatory ingredient listing. For products labelled on the on back of pack, point of sale promotions should include text to guide the consumer to look for the Program Mark on the back of the pack

Fairtrade Cocoa Program Mark

The Fairtrade Cocoa Program Mark is available in both colour and black and white.

Fairtrade Cocoa Program Statement

The Fairtrade Program Statement is compulsory on pack:

The Fairtrade Cocoa Program enables small-scale farmers to benefit by selling more of their cocoa as Fairtrade.

Visit www.info.fairtrade.net/program

FLO ID

Your FLO ID must be on pack

Product Naming (Product Title and Descriptor)

The term 'Fairtrade' cannot be used in product title, descriptor, ingredient list or as a brand or sub-brand.

At point of sale and CSR communications, not on product, Fairtrade Cocoa Program product or Fairtrade Sugar Program product can be used.

Brand hierarchy

When positioning the FAIRTRADE Program Mark it must be less prominent and positioned away from the brand.

REGISTERED TRADEMARK

® The FAIRTRADE Mark is the intellectual property of Fairtrade International (Fairtrade Labelling Organizations International e.V., FLO) and is internationally registered as a trademark. The Mark must not be altered, copied, reproduced or otherwise used without receiving prior written permission from Fairtrade International or its designated sub-licensing bodies; Labelling Initiatives – LIs.

© Fairtrade Australia & New Zealand 2016

CONTACT DETAILS

Fairtrade Australia & New Zealand
Australia:
Suite 312 Level 3
838 Collins Street
Docklands VIC 3008
Tel +61 3 9602 2225
www.fairtrade.com.au
info@fairtrade.com.au

New Zealand:
PO Box 33 1587
2-31 Hurstmere Rd Takapuna
Auckland 0740
T: +64 9 920 4950
F: +64 9 920 4951
www.fairtrade.org.nz
info@fairtrade.org.nz
