



FAIRTRADE STANDARDS

FOR

Tea

FOR

Small Farmers' Organisations

PART A Generic Fairtrade Standards for Small Farmers' Organisations
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Refer to the generic standard for Small Farmers' Organisations as a separate document as updated by FLO on its website. Note that the following parts B and C are only applicable in connection with the generic standard.

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The product specific standards for tea apply to the following species of tea:

- Tea from the Camellia plant
- Herbal teas (Rooibos, Camomile, Mint, Hibiscus)

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PART B Product Specific Standards for Tea

The product specific standards for tea apply to the following species of tea:

- Tea from the Camellia plant
- Herbal teas (Rooibos, Camomile, Mint, Hibiscus)

1 Social Development

There are no additional social standards specific to tea producers.

2 Economic Development

There are no additional economic standards specific to tea producers.

3 Environmental Development

There are no additional environmental standards specific to tea producers.

PART C Trade Standards for Tea

1 Product Description

Fairtrade tea is tea and products derived from tea which has been produced, traded, processed and marketed according to the standards and contracts laid down by Fairtrade Labelling Organizations International e.V.

2 Qualities

All teas to be sold with the Fairtrade label must be purchased as directly as possible from producers certified as Fairtrade by FLO.

3 International Customary Conditions

All international customary conditions apply unless overruled by any of the special FLO conditions as specified in the FLO standards.

4 Procure a Long Term and Stable Relationship

In order to allow both sides a better planning and preparation of all business agreed upon buyers and sellers will procure to establish a long term and stable relationship in which the rights and interests of both are mutually respected. These long term agreements should be confirmed by the exchange of binding Letters of Intent not later than three months prior to harvesting time. Annual renewals should be confirmed at least three months prior to the expiry of the previous Letter of Intent.

5 Prefinancing / Credit

On request of the seller, the buyer shall make available up to 60 % of the minimum value of the contract in credit facilities in favour of the seller upon the signing of a Letter of Intent, or at any date thereafter at the wishes of the seller, however at least six weeks prior to shipment. The corresponding interest charges shall be covered by the seller at current commercial interest rates (or better) in the country of destination.

Payment and reimbursement of the loan as well as the interest rates shall be according to the terms and conditions mutually agreed upon in the separate credit contract.

6 Pricing and Premium

- 6.1 All Fair Trade tea prices are calculated on market price quotation and must at least cover cost of production.
- 6.2 There will be a “premium” on top of the market price (i.e. the price the trading partners agree upon). This premium will go into a fund specifically set up and managed jointly by the management of the tea estate as well as the representatives of the workers. In the case of associations of smallholders the use of the fund has to be decided upon by all members through direct or indirect democratic procedures.

The price premium will be fixed for all teas produced with the CTC production method, as well as for orthodox fannings and dust, at Euro 0,50 per kg of made tea. All other teas manufactured with the orthodox method will carry a Fair Trade premium of Euro 1/kg, independent of the market price mentioned above.

The Fairtrade premium for **Rooibos, Camomile, Mint and Hibiscus** is set at Euro 0,50 per kg.