

## Fairtrade Cane Sugar Standard, version 1.10.2015\_v1.5

### Interpretation Notes

Date	November 11, 2025
Reference	Trader Standard requirement on Group mass balance
Affected standard requirement (s)	<p>2.1.12 Group mass balance</p> <div> <p><b>Applies to:</b> Cocoa and sugar traders that apply group mass balance</p> <p><b>Core</b> If you want to implement group mass balance, then you obtain permission from the certification body <b>before</b> implementing it. Any change in the sites involved in the group mass balance also requires permission of the certification body.</p> <p>The certification body will grant permission to apply group mass balance only if the following conditions below are met:</p> <ol style="list-style-type: none"> <li>All sites involved in group mass balance belong to the same group.</li> <li>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.</li> <li>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.</li> </ol> <p>See <a href="#">the interpretation note</a> for more information on how the compliance to this requirement will be checked.</p> </div>
Interpretation	<p><b>Please note: The below interpretation is specific to certified organizations that would like to apply Group Mass Balance (GMB) in Costa Rica. For certified organizations in other countries and regions, <a href="#">the Trader Standard Interpretation Note to 2.1.12 requirement applies</a>.</b></p> <p>The requirement stipulates that for Sugar traders that apply group mass balance, organizations need to ensure meeting specific conditions. However in the context of Costa Rica, Cane Sugar supply chain has a particular structure where stipulated conditions can be met following the adaption outlined below.</p> <p>According to Law No. 7818 of 1998<sup>1</sup>, the Liga Agrícola Industrial de la Caña de Azúcar (LAICA)<sup>2</sup>, the national sugar producers' association, is authorized to regulate all activities involved in the supply chain, from the purchase, import, export, storage to the commercialisation at retail level of sugar in Costa Rica. This arrangement creates a legal monopoly in all sugar exports in Costa Rica. Therefore, in the context of Costa Rica, in order to be granted the permission to trade under GMB, LAICA as a Fairtrade certified exporter organization must meet the following conditions:</p> <ul style="list-style-type: none"> <li>The group* is represented by the certified SPOs and non-certified producers and participating private mills that are contractually bound to comply with the Fairtrade Group Mass Balance (GMB) with interpreted conditions below and administered by LAICA.</li> </ul>

<sup>1</sup> Law 7818, published in 1998 provides the legal framework for the production of sugar in Costa Rica

<sup>2</sup> LAICA was established by Law No. 3579 of 1965 as a non-governmental public corporation

	<ul style="list-style-type: none"> <li>○ LAICA is the central administration site where all relevant information on all purchases and sales of the entities of the group is available. This means as an organization it is responsible for record-keeping, reporting, and administration of Fairtrade sugar flows from producers and mills. This includes managing internal traceability to carry out mass balance related calculations</li> <li>○ LAICA ensures that all Fairtrade transactions are verifiable at the sites, including sites belonging to LAICA as well as sites belonging to the SPOs and the mills.</li> <li>○ LAICA has a system in place that centralizes all Fairtrade purchases and sales information, and this system enables the certification body checking that the volume of Fairtrade output sold by the sites involved is not more than the volume of Fairtrade input purchased from those sites.</li> </ul> <p><i>Fairtrade International will evaluate the implementation of the interpreted conditions for situation in Costa Rica which are subject to change following the review of Cane Sugar standard</i></p>
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