

The Oversight Committee decision – To be filled by the Oversight Committee

This section confirms whether an application for an exception has been granted or rejected by the Oversight Committee (OC) and provides the rationale for the decision.

Please contact the (OC) at assurance@fairtrade.net, in case of any questions

Applicant name: Senior Advisor Sugar	Date of issue: 30.10.2024
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Oversight Committee's decision

Decision	<input checked="" type="checkbox"/> Approved <input type="checkbox"/> Not approved The OC approves the extension of the Category B Collective* Exception until 27 November 2025, originally granted September 19, 2023 *Collective Exceptions can be granted in cases when there are circumstances or a situation that affects all the operators in a region/country/product category and makes the full application of a Fairtrade standard requirement or requirements temporarily impossible (Exceptions Policy v2.0 ; section 1.2.3)
Date of approval	08/08/2024
Reasons for decision	<p>The OC approves the extension of two Category B Collective Exceptions until 27 November 2025, for all certified clients producing and trading sugar:</p> <p>Collective exception 1. 'Flexible' Like-for-like rule for the exchange of types of sugar when mass balancing. Since the price of white sugar has increased, it is justified to temporarily allow the sourcing of white refined sugar to mass balance with unrefined brown sugar without the need for traders to demonstrate that the transaction was NOT disadvantaging producers. The assumption is, that since there is high demand for Fairtrade sugar, and the price of the white sugar has gone up, allowing this exchange will be to the benefit of the producer after all.</p> <p>Collective exception 2. Temporarily lifting the physical delivery rule in the single site mass balance requirement (TS 2.1.10). The Trader Standard requires certified operators trading in single site mass balance, that the 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. The collective exception aims to relax this rule for sugar to allow certified traders to buy</p>

	<p>Fairtrade sugar without the physical delivery of this same Fairtrade sugar to the processing unit. The exceptions are extended for another year and cannot be extended anymore. In case the learning shows that this measure could be beneficial long term, the measure should be reviewed in a subsequent Cane Sugar Standard review.</p>
Conditions	<p>The exceptions are extended until 27 November 2025 and cannot be renewed nor extended.</p> <p>Collective exception 1. ‘Flexible’ Like-for-like rule for the exchange of types of sugar when mass balancing. No additional condition.</p> <p>Collective exception 2. Temporarily lifting the physical delivery rule in the single site mass balance requirement (TS 2.1.10). The certified buyer must legally buy the Fairtrade product from the Fairtrade supplier but then will be permitted to sell it to a non-Fairtrade buyer, while at the same time, certified trader would buy non-Fairtrade and sell it on as Fairtrade under the mass balance rule without the need to have the product physically delivered to the processing site. The buyer would need to take legal ownership of the product before selling on but would not take delivery i.e. possession. All the other requirements related to mass balance set out in the standard apply. The overall balance must be always positive.</p>
Validity	<p>until including 27 November 2025.</p> <p>Certified customers have to proactively inform FLOCERT about the intention to utilise this exception.</p>
Next Steps	<p>The Oversight Committee to forward the conditions for the exception to FLOCERT, for compliance check during audits.</p>



On behalf of the OC
Ben Huyghe
Chair