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Fairtrade Standard for Tea

Applies to: Small-scale Producer Organizations and traders

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Contact for comments: standards-pricing@fairtrade.net

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



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Introduction

How to use this Standard

The Fairtrade Standard for Tea covers the requirements which are specific to tea small scale producer organizations and traders.

Fairtrade tea producers must comply both with the [Fairtrade Standard for Small-scale Producer Organizations](#) and the Fairtrade Standard for Tea. For producers this standard complements, and should be read together with, the [Fairtrade Standard for Small-scale Producer Organizations](#).

Fairtrade tea traders must comply with both the [Fairtrade Trader Standard](#) and Fairtrade Standard for Tea. For traders this standard complements, and should be read together with, the Fairtrade Trader Standard.

In cases where this standard differs from the Fairtrade Standard for Small-scale Producer Organizations or the Fairtrade Trader Standard on the same topic, the requirements presented in this standard apply.

Product description

This Standard covers the purchase and sale of tea and instant tea from the *Camellia* plant.

This standard also covers secondary products and their derivatives. A secondary product can be a by-product, a co-product or a residue produced in the country of origin.

The definition of secondary products is included in the [Fairtrade Trader Standard](#). An explanatory note for secondary products and a non-exhaustive list of products fitting in the secondary products definition is available on the [Fairtrade International website](#).

Price and Fairtrade Premium

Fairtrade Minimum Prices (FMP) and Premium levels for Fairtrade products are [published separately](#) to the product Standards.

There are no Fairtrade Minimum Prices defined for secondary products and their derivatives. Sellers of the product and its next buyers negotiate prices for secondary products and their derivatives. A default Fairtrade premium of 15% of the negotiated price is paid in addition.

Structure

The Fairtrade Standard for Tea has four chapters: General Requirements, Trade, Production and Business and Development.

In each chapter and section of the standard you will find:

- The **intent** and scope which introduces and describes the objective and defines the scope of application of that chapter or section;
- The **requirements** which specify the rules that you must adhere to. You will be audited according to these requirements; and
- The **guidance** provided to help you to interpret the requirements. The guidance offers best practices, suggestions and examples of how to comply with the requirement. It also gives you further explanation on the requirement with the rationale and/or intention behind the requirement. You will not be audited against guidance.



Requirements

In this standard you will find one type of requirement:

- **Core requirements** which reflect Fairtrade principles and must be complied with. These are indicated with the term 'Core' found in the column on the left throughout the standard.

Scope

This standard applies to all Fairtrade tea producer organizations and all companies that buy and sell Fairtrade tea. All operators taking ownership of Fairtrade certified products and/or handling the Price and Fairtrade Premium are audited and certified.

For tea from the *Camellia* plant from India, the geographical regions are defined as follows:

'North India' refers to teas grown in Assam, West Bengal, Tripura, Bihar, Uttaranchal, Himachal Pradesh, Manipur, Sikkim, Arunachal Pradesh, Nagaland, Meghalaya, Mizoram, Orissa states, with the exception of Darjeeling teas.

'South India' refers to teas grown in Kerala, Tamil Nadu and Karnataka states, with the exception of Nilgiri teas.

'Nilgiri' refers to teas of that name, grown in the Nilgiris mountains of Kerala and Tamil Nadu at altitudes broadly ranging between 1000-2500m.

Different requirements apply to different companies depending on their role in the supply chain. You can find if a requirement is applicable to you in the column "**Applies to**".

Application

This version of the Fairtrade Standard for Tea was published on 23.07.2021 and is applicable from 1 April 2022. This version supersedes all previous versions and includes new and changed requirements. New requirements are identified in this Standard by the word "**NEW 2022**". The guidance of various requirements was also revised; details about these changes can be found in the [main changes](#) document

Organizations that start their certification on or after the 1 April 2022 will need to comply with all applicable requirements following their regular certification cycle.

Definitions

Crush, tear, curl (CTC) is a method of processing tea in which the leaves are passed through a series of cylindrical rollers with hundreds of sharp teeth that crush, tear, and curl the tea into small, hard pellets. CTC grades are: Broken, Fannings and Dust.

Exporter: is an organization that buys, sells and/or manufactures/processes the tea in the country of origin. In Fairtrade tea supply chain an exporter may act as Fairtrade price and premium conveyor.

Orthodox tea refers to loose-leaf tea that is produced using traditional (or orthodox) methods of tea production, which involve plucking, withering, rolling, oxidation/fermentation and drying. Orthodox grades are: Whole leaves, Broken, Fannings and Dust.



Retro-certification occurs when a Fairtrade payer buys tea from a Fairtrade producer or exporter under ordinary, conventional market conditions (non-Fairtrade), and at a later stage converts it into a Fairtrade product.

For a comprehensive list of definitions see the [Fairtrade Standard for Small-scale Producer Organizations](#) and the [Fairtrade Trader Standard](#).

Monitoring of Amendments

Fairtrade International reserves the right to amend Fairtrade Standards in accordance with Fairtrade International's Standard Operating Procedures (www.fairtrade.net/setting_the_standards.html). Requirements of Fairtrade Standards may be added, deleted, or otherwise modified. Those who have to meet Fairtrade Standards are required to monitor pending and finalized revisions on Fairtrade International's website.

Fairtrade Certification ensures the compliance with Fairtrade Standards. Revision of Fairtrade Standards may lead to a change in the requirements of Fairtrade Certification. Those who wish to be certified or have already undergone certification are required to monitor pending and finalized certification policies and compliance criteria on the certification body's website www.flo-cert.net.

Change history

Version number	Date of publication	Changes
23.07.2021_v2.0	23.07.2021	Full review of the standard, alignment with the Small-scale Producer Organization and Trader Standard. New requirements added on purchase and sale of green tea leaves and records-keeping of retro-certified volumes by exporter. Requirement on pre-finance is deleted. Addition of definition section, simplification of wording, reorganization of requirements, deletion of redundancies, added or improved guidance, new standard design.



1. General Requirements

There are no additional requirements.

2. Trade

There are no additional requirements.

3. Production

There are no additional requirements.

4. Business and Development

Intent and scope: To ensure that Fairtrade transactions are carried out under transparent and fair conditions, in a way that lays the foundations for producer empowerment and development.

4.1 Price and Fairtrade Premium

Fairtrade Minimum Prices and Fairtrade Premium levels for Fairtrade products are published separately to the product standards.

4.1.1 Fairtrade minimum price and premium for instant tea

Applies to: Fairtrade payers and conveyors	
Core	You clearly indicate 'Instant Tea'/'Organic Instant Tea' as applicable on sales invoices and detail the Commercial price and the Fairtrade premium as separate items for the purpose of clarity and transparency.
Year 0	



Guidance: The beneficiaries of the Instant tea Fairtrade premium are the made tea certified producers. Fairtrade Instant Tea has no Fairtrade Minimum Price; it receives the negotiated commercial price. Conventional instant tea receives a Fairtrade Premium of 15% of the commercial price. Organic instant tea receives a Fairtrade Premium of 10% of the commercial price.

4.2 Timely payment

4.2.1 Timely payments of price and Premium

Applies to: Fairtrade payers	
Core	You pay the producer no later than 30 days after receipt of standard industry documents transferring ownership. You present the documents that are stipulated in the contract and customary in the tea trade.

4.2.2 Timely transfer of price and Premium

Applies to: Fairtrade conveyors	
Core	You pay the producer no later than 15 days after receipt of the payment from the Fairtrade payer.

4.2.1 Payment flexibility

Applies to: Fairtrade payers and conveyors	
Core	Upon producer agreement, payment of the Fairtrade Premium can be made by the end of the following month after receipt of the invoice or confirmation of Retro Advice Note (see 4.5.2)
Year 0	

4.3 Pre-finance

There are no additional requirements

4.4 Sourcing plans

4.4.1 Sourcing plans

Applies to: Fairtrade payers and conveyors	
Core	You provide sourcing plans for at least a quarterly period. Sourcing plans are renewed a minimum of two weeks before they expire.



	<p>Where Fairtrade tea is sold through auctions, such sales shall be subject to conditions supporting greater transparency, better communication and faster payment of the Fairtrade Premium and Fairtrade Minimum Price where this applies.</p> <p>You achieve this through the application of the following conditions</p> <ul style="list-style-type: none"> – as the buyer you communicate to the producer your intention to buy at auction using a Quarterly Sourcing Plan; – within one week of the auction you as a buyer communicate comprehensive information relating to the sale to the producer, including an indication of all outstanding Fairtrade-related payments; – on a regular quarterly basis you make all outstanding Fairtrade-related payments. <p>You declare purchases of tea as Fairtrade at the time of purchase, or by exception you retro-certify (as per requirements 4.5.1, 4.5.2).</p>
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4.4.2 **NEW 2022** Purchase and sale of green tea leaves

Applies to: All traders buying and processing green leaves	
Core	If you buy green tea leaves, you buy as Fairtrade eligible to process and sell as Fairtrade, provided that the conditions below are met:
Year 0	<ul style="list-style-type: none"> – Fairtrade eligible means green leaves were produced as Fairtrade – You act as price and / or premium conveyor, the entity buying tea from you acts as a Fairtrade minimum price and premium payer and this arrangement is outlined in the contract between you and producer. – You purchase the Fairtrade eligible green tea leaves at least at the prevailing market prices and you pay the producer promptly but not later than 7 days from transfer of ownership. Any alternate arrangement can be made provided it is beneficial to the producers and agreed on in a contract. – When the processed/made tea is sold as Fairtrade you inform promptly (within 7 days of signing a sales contract with the buyer) each of the supplying producers of the volumes of their Fairtrade eligible green leaves tea sold as Fairtrade – You pay the producer price differential (if applicable) and the Fairtrade Premium no later than 15 days after receipt of payment from payer (see requirement 4.3.4) <p>When you sell only the percentage of total volume bought as Fairtrade eligible green tea leaves, this percentage is applied to each producer’s supplied volume and the Premium and price adjustment (if applicable) are calculated pro rata. If the second buyer (the buyer of processed/made tea) requests in writing for tea from a specific producer, the Fairtrade price adjustment and Premium is to be paid to that specific producer.</p>

4.5 Sharing risks

Intent and scope: To ensure that quality issues are dealt with in a transparent and equitable way



This section also covers any tea processed products and derivatives.

Retro-certification occurs when a buyer buys tea from a Fairtrade certified producer under ordinary conditions (non-Fairtrade) and at a later stage, converts it into a Fairtrade certified product. Buyers up to date with their Flow of Goods reports, may retro-certify provided that Retro-certification transactions fall within the agreed limits below (see 5.4.1.), the transaction is properly documented (see 5.4.2), and Fairtrade Premiums and any Fairtrade Price adjustments are made in full on due date. Abuse or misuse of Retro-certification will likely result in buyers losing permission to retro-certify.

4.5.1 Retro-certification limits for origins

Applies to: Fairtrade payers and conveyor who retro-certify	
Core	Prior to commencing initial Retro-Certification, you inform the Certifying body of the intent to do so.
Year 0	<p>For CTC African teas, buyers may Retro-certify up to 30% of volume purchased on the original invoice from a given Fairtrade certified producer. Teas may be retrospectively declared as Fairtrade up to 3 months after the month of the original purchase invoice.</p> <p>For Orthodox and non-African CTC teas, buyers may Retro-certify up to 100% of volume purchased on the original invoice from a given Fairtrade certified producer. Teas may be retrospectively declared as Fairtrade up to 6 months after the month of original purchase invoice.</p>

4.5.2 Retro Advice Note

Applies to: Fairtrade payers and conveyors who retro-certify	
Core	Prior to retro-certifying tea, you have sent a signed and coded Retro Advice note to the certified producer to approve the availability of requested volumes.
Year 0	<p>The Retro Advice Note includes all required information as outlined in the retro-advice form (see guidance).</p> <p>Each Retro Advice Note between two operators must be consecutively numbered, using Trader name and ID /Producer Name and ID/ Year/ transaction number (see example in guidance).</p> <p>You quote this code on all documents and Bank Transfers related to the specific retro transaction.</p> <p>The date the producer signs the Retro Advice Note is the 'declaration' date on which the Retro-certified volume becomes Fairtrade.</p> <p>You ensure to receive the signed retro-advice note prior to packing or selling the tea as Fairtrade.</p> <p>Due payment of the Fairtrade premium and any price adjustment are as per the tea Standard. If the original invoice price for the Tea was below the applicable Fairtrade minimum price for that country/region you pay the difference along with the due Fairtrade Premium.</p>



	If you are not the first buyer, you also inform the exporter of this transaction and receive a confirmation that the exporter is taking on the responsibility to convey the additional price and Premium for the retro-certified volume.
<p>Guidance: The Retro Advice Note is available for download on the website and it includes:</p> <ul style="list-style-type: none"> • a copy of the original invoice; • the code number of Retro advice note; • identification of producer,-buyer and exporter (when applicable); • the volume of tea being retro-certified; • the Fairtrade Premium amount due; • the Fairtrade Price adjustment (where applicable if original price paid is below applicable Fairtrade Minimum Price); • justification for retro-certifying; <p>Code example: <i>Smith824/TeaProducer9851/2021/12345, Smith824/TeaProducer9851/2021/12346, etc</i></p>	

4.5.3 **NEW 2022** Record-keeping

Applies to: Exporter (in the country of origin)	
Core	You keep track of volumes of retro-certified tea. If you are conveyor, you inform producers of the retro-certified transaction within 5 working days after the 'declaration date' and provide the copy of retro-advice note to the producer
Year 0	

