



Fee System Hired Labour

Explanatory Document

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Certifier for



FAIRTRADE
INTERNATIONAL



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Appendix 1: Product List

1 Introduction

Initial and annual producer certification fees are applicable for all producers applying for FLOCERT certification and for all producers certified by FLOCERT respectively. The *Initial and Annual Certification Fees* cover a period of 12 months from the date of the initial invoice and are payable regardless of whether an audit has been conducted and the Certification Decision taken. The fee covers the cost for auditing including the travel to the main address. However, this excludes the internal travel within the different audit sites, which should be organized by the customer.

1.1 Definitions

Plantations	are companies which structurally depend on hired labour and are prepared to promote workers development. A plantation is a single-estate which has one single production site, where one central management is responsible for the labour conditions of their workers.
Multi Estates	are companies which structurally depend on hired labour and are prepared to promote workers development. A multi estate has more than one plantation/production site, but one central management is responsible for the labour conditions of the workers on all of the production sites.
Factories^{1,2}	are companies which structurally depend on hired labour and are prepared to promote workers development. A factory is one production site where a raw product is transformed into a product with higher value.
Process Installations	are in the ownership of or subcontracted by the plantation where the raw or intermediate product is transformed into a product with higher value. Processing Installations relevant in these circumstances are listed in CERT Certification SOP.
Product	is the goods which is produced or harvested by a plantation or factory.
Central Structure	is the central (umbrella) organization of a multi estate which is audited by FLOCERT.
Number of Workers	is the number of permanent employees of a plantation, multi estate or factory plus the maximum number of temporal or casual employees working for the organization in peak season. Workers also include employees working in administration.

2 Application Fee

2.1 Application for Fairtrade Certification

Hired labour setups applying for a Fairtrade certification are charged **€ 565** for the application service. Please note that application fees are non-refundable.

2.2 Application for an exception from Fairtrade Standards and respective Certification Requirements

For the application evaluation regarding an exception from the Fairtrade Standards and respective Certification Requirements FLOCERT charges a fee of **€ 215**.

¹ Only applicable for the product category sports balls.

² For simplification reasons, factories fall under the category plantation

3 Initial Certification Fee (First 12 Months)

The Initial Certification Fee is charged once and has to be paid before any service is delivered (including the Initial Audit).

The amount of the Initial Certification Fee depends on

- the kind of organization (single plantation or multi estate),
- the number of workers or estates,
- the number of products to be sold under Fairtrade conditions

3.1 Plantation³

Table 3.1.1 Initial Basic Fee

Type of organization	Cat	Indicator	Total fee charged
Plantation		Workers ⁴	
	A	< 50	€ 1545
	B	50 - 100	€ 2200
	C	101 - 500	€ 2865
	D	501 - 1000	€ 3520
	E	> 1000	€ 4175

Table 3.1.2 Initial Additional Product Fee

The initial fee calculated includes the first product. Additional product to be traded under Fairtrade conditions will be invoiced per Product Standard set by Fairtrade International.

Type of organization	Cat	Indicator	Total fee charged
Plantation	A	Additional product	€ 195

Table 3.1.3 Initial Processing Installation Fee

If the Plantation runs a processing installation as defined in CERT Certification SOP, the following is charged per processing installation:

Type of organization	Cat	Indicator	Total fee charged
Plantation	A	1 - 10 workers	€ 225
	B	11 - 100 workers	€ 440
	C	> 100 workers	€ 665

³ Also factories

⁴ Workers include permanent, seasonal and casual workers (seasonal and casual workers are considered as temporary workers)

Table 3.1.4 Initial Fee for Subcontracted Entities

If the Plantation has subcontractors that are involved with the Fairtrade products of the Certified Operator and whose activities are controlled by contract the following is charged per subcontracted entity. Please note that only a maximum amount of 3 subcontractors is charged. Certified customers that act as subcontractors will be exempt.

Type of organization	Cat	Indicator	Total fee charged
Plantation		Subcontracted entity	
	A	+ 1	€ 325

Example:

A flower plantation with 250 workers is applying for 1 additional product (e.g. tea) to be traded under Fairtrade conditions. Furthermore, the plantation runs 1 processing installation with 50 workers.

Type of organization	Cat	Indicator	Factor	Individual Fee	Total fee charged
Plantation		Workers			
	C	101 - 500	x 1	€ 2865	€ 2865
	A	Additional product	x 1	€ 195	€ 195
	B	11 – 100 workers	x 1	€ 440	€ 440
			Sum:		€ 3500

3.2 Multi Estate

The Initial Certification Fee for Multi Estates is calculated on the basis of the number of estates affiliated. In the initial certification phase, all affiliated estates are audited and certified. Furthermore, the fee charged by FLOCERT depends on the number of products, processing installations and additional entities. The fee comprises the following components:

Table 3.2.1 Initial Central Structure Fee

Type of organization	Cat	Indicator	Total fee charged
Multi Estate	A	Central Structure	€ 1645

If the central structure is identical with the organization of one estate the fee for the audit of the respective estate is not charged.

Table 3.2.2 Initial Basic Fee per Estate

The fee per affiliated estate is as follows:

Type of organization	Cat	Indicator	Total fee charged
Multi Estate		Workers ⁵ per Estate	
	A	< 50	€ 880
	B	50 - 100	€ 1095
	C	101 - 500	€ 1325
	D	501 - 1000	€ 1645
	E	> 1000	€ 1985

The fees above are calculated for one product. The following is charged per additional product to be traded under Fairtrade conditions:

Table 3.2.3 Initial Additional Product Fee

The initial fee calculated includes the first product. Additional product to be traded under Fairtrade conditions will be invoiced per Product Standard set by Fairtrade International.

Type of organization	Cat	Indicator	Total fee charged
Multi Estate	A	Additional product	€ 195

Table 3.2.4 Initial Processing Installation Fee

If the Multi Estate runs a processing installation as defined in the CERT Certification SOP, the following is charged per processing installation:

Type of organization	Cat	Indicator	Total fee charged
Multi Estate	A	1 - 10 workers	€ 225
	B	11 - 100 workers	€ 440
	C	> 100 workers	€ 665

Table 3.2.5 Initial Fee for Subcontracted Entities

If the Multi Estate has subcontractors that are involved with the Fairtrade products of the Certified Operator and whose activities are controlled by contract the following is charged per subcontracted entity. Please note that only a maximum amount of 3 subcontractors is charged. Certified customers that act as subcontractors will be exempt.

⁵ Workers include permanent, seasonal and casual workers (seasonal and casual workers are considered as temporary workers)

Type of organization	Cat	Indicator	Total fee charged
Multi Estate		Subcontracted entity	
	A	+ 1	€ 325

Example:

A citrus multi estate with 5 affiliated estates (all 500 – 1000 workers) applies for 2 additional products (e.g. flowers and tea) to be traded under Fairtrade conditions. Furthermore, the multi estate runs 2 processing installations with 20 workers each.

Type of organization	Cat	Indicator	Factor	Individual fee	Total fee charged
Multi Estate	A	Central Structure	x 1	€ 1645	€ 1645
	D	Workers 501 - 1000	x 5	€ 1645	€ 8225
	A	Additional product	x 2	€ 195	€ 390
	B	11 - 100 workers	x 2	€ 440	€ 880
			Sum:		€ 11140

4 Annual Certification Fee

The annual certification fee will be invoiced using the **initial invoice date** as reference.

4.1 Plantation⁶

Depending on the number of workers, products and additional entities, FLOCERT charges the following fees:

Table 4.1.1 Annual Basic Fee

Type of organization	Cat	Indicator	Total fee charged
Plantation		Workers ⁷	
	A	< 50	€ 1260
	B	50 - 100	€ 1730
	C	101 - 500	€ 2315
	D	501 - 1000	€ 2790
	E	> 1000	€ 3370

⁶ Also factories

⁷ Workers include permanent, seasonal and casual workers (seasonal and casual workers are considered as temporary workers)

Table 4.1.2 Annual Additional Product Fee

The annual fee calculated includes the first product. Additional product to be traded under Fairtrade conditions will be invoiced per Product Standard set by Fairtrade International.

Type of organization	Cat	Indicator	Total fee charged
Plantation		Additional product	
	A	+ 1	€ 195

Table 4.1.3 Annual Processing Installation Fee

If the Plantation runs a processing installation as defined in the CERT Certification SOP, the following is charged per processing installation.

Type of organization	Cat	Indicator	Total fee charged
Plantation		Processing Installation	
	A	1 - 10 workers ⁷	€ 100
	B	11 - 100 workers	€ 195
	C	> 100 workers	€ 390

Table 4.1.4 Annual Fee for Subcontracted Entities

If the Plantation has subcontractors that are involved with the Fairtrade products of the Certified Operator and whose activities are controlled by contract the following is charged per subcontracted entity. Please note that only a maximum amount of 3 subcontractors is charged per organization.

Certified customers that act as subcontractors will be exempt.

Type of organization	Cat	Indicator	Total fee charged
Plantation		Subcontracted entity	
	A	+ 1	€ 325

Example:

A flower plantation with 250 workers is certified for 1 additional product (e.g. tea) to be traded under Fairtrade conditions. Furthermore, the plantation runs 1 processing installation with 30 workers.

Type of organization	Cat	Indicator	Factor	Individual Fee	Total fee charged
Plantation		Workers ⁷			
	C	101 - 500	x 1	€ 2316	€ 2316
	A	Additional product	x 1	€ 190	€ 195
	B	11 - 100 workers	x 1	€ 190	€ 195

			<i>Sum:</i>		€ 2705
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4.2 Multi Estates

The Annual Certification Fee for Multi Estates is calculated on the basis of the number of estates included in the Fairtrade certification. Furthermore, the fee charged by FLOCERT depends on the number of products and additional entities. The fee comprises the following components:

Table 4.2.1 Annual Central Structure Fee

Type of organization	Cat	Indicator	Total fee charged
Multi Estate	A	Central Structure	€ 1260

If one organization acts as the central structure, only the central structure fee will be charged for this organization.

Table 4.2.2 Annual Basic Fee for additional Estates

The fee per additional estate is as follows:

Type of organization	Cat	Indicator	Total fee charged
Multi Estate		Number of Workers ⁸ per Estate	
	A	< 50	€ 665
	B	50 - 100	€ 830
	C	101 - 500	€ 990
	D	501 - 1000	€ 1230
	E	> 1000	€ 1485

Table 4.2.3 Annual Additional Product fee

The annual fee calculated includes the first product. Additional product to be traded under Fairtrade conditions will be invoiced per Product Standard set by Fairtrade International.

Type of organization	Cat	Indicator	Total fee charged
Multi Estate			
	A	Additional product	€ 195

⁸ Workers include permanent, seasonal and casual workers (seasonal and casual workers are considered as temporary workers)

Table 4.2.4 Annual Processing Installation Fee

If the Multi Estate runs a processing installation as defined in the CERT Certification SOP, the following is charged per processing installation:

Type of organization	Cat	Indicator	Total fee charged
Multi Estate		Processing Installation	
	A	1 - 10 workers	€ 100
	B	11 - 100 workers	€ 195
	C	> 100 workers	€ 390

Table 4.2.5 Annual Fee for Subcontracted Entities

If the Multi Estate has subcontractors that are involved with the Fairtrade products of the Certified Operator and whose activities are controlled by contract the following is charged per subcontracted entity. Please note that only a maximum amount of 3 subcontractors is charged per Contract Production Project. Certified customers that act as subcontractors will be exempt

Type of organization	Cat	Indicator	Total fee charged
Multi Estate		Subcontracted entity	
	A	+ 1	€ 325

Example:

A citrus multi estate with 5 affiliated estates (all between 501 and 1000 workers) is certified for 2 additional products (e.g. flowers and tea) to be traded under Fairtrade conditions. Furthermore, the multi estate runs 2 processing installations with 50 workers each.

Type	Cat	Indicator	Factor	Individual Fee	Total fee charged
Multi Estate	A	Central Structure	x 1	€ 1260	€ 1260
	D	Workers 501 - 1000	x 5	€ 1230	€ 6150
	A	Additional product	x 2	€ 195	€ 390
	B	11 – 100 workers	x 2	€ 195	€ 390
			Sum:		

5 Modification of Certification Fee

Certification Fees may be increased or decreased by the following factors:

- Producers exporting for other producers will be charged an additional 15% on top of their certification fee. If the customer chooses to have the TC Initial audit separately to the PC regular audit the fee is calculated as if it were a follow-up audit.

- FLOCERT reserves the right to charge additional costs to the certification fees if established audit costs are exceeded. This might be additional audit days (daily rate is €375) and/or audit related travel costs (estimated travel costs plus 20% contingency).
- On submission of organic certificate for surveillance and renewal audits, a 12% fee reduction will apply.

In the event that any invoice adjustments are made pursuant to this section, such adjustments will be clearly indicated on the invoice.

6 Product specific Fees

Cotton Social Compliance: In case of a Cotton Trader related setup/structure (e.g. subcontracted ginner) for which the requirements for Social Compliance apply, please also refer to the following documents.

- TC FeeSys ED
- TC SocialIndicatorCotton ED

7 Cancellation Fees

If an audit is cancelled or postponed by an operator less than 10 calendar days prior to the mutually-agreed (between the auditor and the operator) audit date, the operator will be required to pay another invoice equal to the amount of the initial/annual certification fee prior to the date of the next audit. The cancellation fee applies to both announced and unannounced audits.

If an audit is cancelled by an operator within 30 calendar days but 10 or more calendar days before the mutually-agreed (between the auditor and the operator) audit date, the operator will be required to pay another invoice equal to 50% of the amount of the initial/annual certification fee prior to the date of the next audit.

In the event of force majeure, the responsible Regional Manager will decide whether the conditions justify a cancellation of the audit. If justified, the operator will not be required to pay any costs.

8 Follow-up Audit Fee

As part of the certification process of FLOCERT, it may be necessary to verify fundamental breaches and major non-compliances of the Fairtrade Standards by an onsite Follow-Up Audit.

The Follow-Up Audits focus solely on the non-compliances identified during a precedent audit and are charged in addition to the respective Annual Certification Fee.

A Follow-Up Audit is charged on a time and expense basis.

The invoiced amount is **€375** per day (incl. travel and reporting days) plus travel costs. The travel costs are the estimated travel costs plus 20% contingency.

Should you have questions regarding the Producer Certification Fee System of FLOCERT, please contact us at info@flocert.net.

Appendix 1

Product List

1. Adding a product category to the Fairtrade certification

For example if you want to add the product honey to your Fairtrade Certification and you are currently certified for the product coffee, you add a new product category to your certificate. For this you have to notify and get confirmation from FLOCERT before you can sell the product under Fairtrade conditions.

2. Adding a product type from the same product category to the Fairtrade certification

In the case of certain product types you have to get confirmation from FLOCERT if you want to add a product to your Fairtrade certification even if it belongs to the same product category you are currently certified for. The respective product types are listed below:

Product Category:	Product Type:	Application necessary
Dried Fruit	Apricot, Banana, Date, Mango, Pineapple, Raisin, Sultana, Tomato, Wild Apricot	Yes
Fresh Fruit	Apple, Avocado, Coconut, Grapefruit, Lemon, Lime, Lychee, Mango, Melon, Orange, Papaya, Passion Fruit, Peach and Nectarine, Pear, Pineapple, Plum, Soft Citrus, Table Grapes	Yes
Fresh Vegetables	Green Beans, Green Pepper, New Potato, Peas, Red Yellow Pepper, Sweet Potatoes	Yes
Fruit Juice	Apple, Araza Pulp, Banana, Grapefruit, Guava Pulp, Lime, Lychee Pulp, Mandarin, Mango Pulp, Mangos for Pulp, Orange, Passion Fruit, Pineapple	Yes
Nuts and Oil Seeds	Almond, Amazonian Nut, Apricot Seeds, Brazil Nut, Cashew Nut, Macadamia Nut, Olive Oil, Olives, Peanut, Sesame Seeds, Shea Butter, Walnut	Yes