	<p style="text-align: center;">Guidance Document No. 6 Certification of Complex Beverages</p>	<p><b>CODE:</b></p>	<p>SSD-en-Producer-Premiums – GD-6</p>
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## Guidance Document No. 6

### Fair Price, Social Premium and Premiums for Specific Products

#### 1. Objective

The objective of this guidance document is to clarify FairTSA policy regarding producer premiums and set premiums for 2017 – 2018.

#### 2. Clarifying General Requirements per Standard Version 3.2


The current standard (version 3.2, section 32.4) stipulates that at least 7% on top of the producer price be paid as price premium to small farmers and at least 3% as Social Premium as investment capital for community development projects. This Guidance Document 6 takes into account multiple requests by stakeholders to amend this provision as follows:

- 2.1 The general split between producer premium will be 5% as Fair Price premium and 5% as Social Premium. In case there are no small farmers involved, the whole premium is regarded as Social Premium and must be used as capital investment for projects for the workers on the farm (plantation) or the processing facility or both, depending on the individual situation.
- 2.2 Management of Key Development Partners and Cooperatives must not use any part of the Fair Price Premium or the Social Premium for administrative cost, management salaries, overhead, or any other administrative costs except legally mandated taxes.

#### 3. Definition of Small Farms

Small farms are defined as farms with 15 hectares (37.5 acres) or less. For intensive agricultural crops and vegetables, FairTSA reserves the right to decrease the area for certain countries or regions if deemed appropriate. Specialized greenhouse operations are exempt from this definition and are not considered small farms under the standard.

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#### 4. Premiums for Specific Products

Below are the **total** premiums listed. 50% of the premium goes to small farmers, 50% to a community development fund.

<b>Product</b>	<b>Premium</b>
Coconut Water as by-product of coconut processing	\$80/1,000 liters (ex works)
Coconuts for processing	0.015 US-Dollar per kg coconuts (farm gate)
Orange Juice	\$75.00/metric ton (ex works)
Herbs and Spices	10% (ex works)

*Please note: This list will be updated on a regular basis. Please contact FairTSA directly in case of questions for specific products.*

#### 5. Premiums for Coffee, Tea, Cacao Beans and other Cacao Products, and Bananas

Due to the fact that there is a de facto Fair Trade market with many producers offering those products, the premiums of the Fair Trade Labeling Organization for such products valid as per January 1, 2017, are also applicable for such FairTSA certified products through December 31, 2018.

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