Rainforest Alliance/UTZ and Fairtrade comparison

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| Rainforest Alliance /UTZ | Fairtrade |
| Ownership and Accountability |  |
| Not available | Producers hold 50% of the votes in the Fairtrade International general assembly. Producers are represented at Board level |
| Objectives |  |
| Rainforest Alliance is an NGO founded in 1986 which aims to preserve biodiversity and improve working conditions. The UTZ program was founded in 1999 to promote responsible trade, especially oriented on social and environmental criteria. In 2020, Rainforest Alliance and UTZ published a single, new agriculture certification program with a new labelling policy for companies sourcing certified products. They will continue under the Rainforest Alliance name. | Developing international standards, global product management, bringing together producers and buyers, corporate communications, advocacy, monitoring and evaluation and global rules for using the label. Producer networks represent small-scale producers, workers and other producer stakeholders: They support producers’ organizations in the South. Continental networks of producers and workers represent small producers and workers within Fairtrade International decision-making bodies |
| Products |  |
| Cocoa, tea, coffee, rooibos, palm oil, hazelnuts, bananas, seeds, flowers and foliage, vegetables and spices | Over 6,000 products, mainly crops but also including products made in other ways such as gold and sports balls |
| Monitoring measures |  |
| Rainforest Alliance and UTZ are working with independent certification bodies. | Fairtrade International and the Fairtrade Labelling Organisation (FLO) employ their own monitoring staff |
| Traceability |  |
| UTZ Certified and Rainforest Alliance allow mixing between certified and non-certified ingredients as long as they use percentage-based claims. They both use a mass balance model. UTZ has elaborated two standards. Only the first requires documentary and physical traceability. | Each step of the supply chain of a certified product is audited and must comply with the requirements of the Fairtrade standard. Certification of supply chain actors (other than the producer organization) is required for companies that buy and sell a Fairtrade product until the product is in its final packaging. This is also true for companies that buy directly from producers and/or are responsible for paying or conveying the Fairtrade Price or Premium. Verification is required for companies that have signed a license agreement to use one of the Fairtrade Marks or make a reference to Fairtrade and do not fall under any of the two categories where certification is required, and for companies working under the Fairtrade Sourced Ingredient (FSI) model for cotton after the Fairtrade payer, or after the ginning stage (if this comes earlier). |
| Standards available online |  |
| Yes | Yes |
| International Labor Organisation’s Conventions |  |
| Yes | Yes |
| Additional Social Benefits: (social security, pensions, parental leave). |  |
| There are no requirements with regard to social security and pensions.  Pregnant permanent workers are entitled to paid maternity leave of at least 14 weeks, of which maximum six weeks before the expected due date and at least six weeks after giving birth, and receive maternity rights and benefits. They can return to their job after maternity leave on the same terms and conditions and without discrimination, loss of seniority or deduction of wages. Workers who are pregnant, nursing or have recently given birth are offered flexible working schedules and work site arrangements. Breastfeeding women have two additional 30-minute breaks per day and an appropriate space for breastfeeding to nurture the child. | Small scale producers: These criteria are applicable to permanent workers and for those organizations employing more than 10 workers, working for more than 30 hours per week and which are present for one month or more during a year: - By the 1st year of certification, the workers should have a legally binding written contract of employment including the protection of the worker from loss of pay in the case of illness, disability or accident. - By the 6th year of certification, the members and the organization must have set maternity leaves, social security provisions and non-mandatory benefits according to national laws or according to collective bargaining agreement regulations.  Hired Labour/ Plantations Upon certification the company has to: - Put in place a regulation to ensure that workers are protected and paid during sick leaves. - For maternity leave, a minimum of 8 weeks must be provided. Pay is 2/3 of regular pay or based on national legislation. - Provide legal social security for all workers. - By the 3rd year of the certification the organization must provide a pension or fund scheme.  Contract Farming/ Production By the 6th year of certification the producers and the trade partner are expected to improve the labour conditions of workers. - Workers must benefit from at least one activity of the Fairtrade development plan by the 3rd year of certification. |
| Fair price / Fair compensation to workers |  |
| There is no minimum price.  Workers receive at least the applicable minimum wage or the wage negotiated in a Collective Bargaining Agreement (CBA), whichever is higher. For production, quota or piece work, the payment must be at least the minimum wage based on a 48-hour working week or national legal working hours limit, whichever is lower. In countries where the minimum wage is not adjusted yearly or regulated in a CBA, it is adjusted yearly for inflation based on the national inflation rate. | The minimum prices are set by Fairtrade International (after a consultation of all stakeholders) and are regularly updated and available online. These minimum prices are the starting point for price negotiations between the producers and the buyer. When the market price for a product is higher than the minimum price, the market price has to be paid. The price for organic Fairtrade products is mostly higher than conventional Fairtrade products but sometimes there is no difference. Cane sugar and some other products do not have a Fairtrade minimum price and the market price is applied. Also there are no Fairtrade minimum prices defined for secondary products and their derivatives. Prices for secondary products and their derivatives produced in the country of origin are negotiated between the Fairtrade producer and its next buyer (Fairtrade payer). |
| Premium for group projects |  |
| There is currently no set requirement beyond the fact that a Sustainability Differential must be paid. The amount of this differential is up to the buyer to negotiate with farm management who are in charge of spending it.  Farm management must use the Rainforest Alliance Sustainability Differential to benefit workers and consult with a representation of workers on sustainability priorities and the allocation of the sustainability differential.  Farm management documents at least annually: • The Rainforest Alliance Sustainability Differential received per MT (per individual first buyer, not including other premiums, such as quality premiums) • How the Sustainability Differential has been spent according to the categories: wages, working conditions, health and safety, housing, other  Group management transfers the full amount of the Rainforest Alliance Sustainability Differential in cash or monetary payment to group members: • Pro-rata, based on volumes delivered • In a timely and convenient manner, at least before the next crop season, or at least once a year in case of continuous harvest Group management at least annually: • Documents prices paid by individual first buyers, and the Rainforest Alliance Sustainability Differential received per MT (per individual first buyer, not including other premiums, such as quality premiums or crop and country specific premiums such as the Living Income Differential) • Communicates to group members the price and Sustainability Differential received for the certified crop • Documents the payment of the Rainforest Alliance sustainability differential to the group members | The Fairtrade Premium Committee is set up to ensure that premiums are spent according to the democratic wishes of the farmers.  For each product the premium is set by Fairtrade International and the value of the Fairtrade premium per unit of weight of Fairtrade product is available online. For example, the current Fairtrade premium is 10% for cocoa which, under the minimum price of $2400 per tonne, gives a premium of $240 per tonne.  A default Fairtrade premium of 15% of the negotiated price for the secondary product and/or its derivatives must be paid in addition to the negotiated price.  The payer/conveyor of the Fairtrade premium must ensure that: - No deductions are made by the producers’ organization or plantation’s management to premium payments for producers or workers. - The premium is paid to the collective body in charge of the premium management, and not to the individual members. For small producers’ organization, payments must be paid directly to the organization. In hired labour set-ups, Fairtrade premium’s money must be transferred to the account of the Fairtrade Premium Committee once available. - In contract production projects, the promoting body receives the Fairtrade premium on behalf of the registered producers. |
| Access facilitated to finance/ prefinancing |  |
| No | Pre-financing must be offered. There is no information of maximum rate. The percentage of pre-finance that needs to be offered is stated in the product standards (60% in most cases). As the responsibility to offer pre-finance is with the trader, the percentage is understood as "at least 60%" of the contract value. |
| Long term commitment required from buyers |  |
| No | Fairtrade International suggests to all traders to have a long-term commitment with the producers or suppliers, but this is voluntary. The minimum of the long-term relationship is 2 years for all products (3 years for cocoa). |
| Physical traceability |  |
| Certified products are visually segregated from non-certified products at all stages, including transport, storage and processing | Producers always need to have physical traceability. All traders must physically segregate Fairtrade products from non-Fairtrade products at all stages of the supply chain.  Exceptions: Cocoa, cane sugar, juice or tea may be bought without physical traceability. In that cases, the requirement applied is the mass balance guarantee, with documentary traceability. |
| Documentary traceability |  |
| Management takes stock annually of: • The total harvested certified production (in kg, in stems for flowers) • The balance of products purchased, produced, sold and in stock In case the difference between estimated production and actual production is >15 %, a reasonable justification is given, and measures are taken to prevent such differences to occur. For groups, the differences is checked and justified both on the group level and for the individual members | In case of cocoa, cane sugar, juice or tea with mass balance guarantee  Documentary traceability is required at the producer and trader level. Requirements on documentary traceability demand that records are kept in a format that allows the certification body to trace back from ‘outputs’ to ‘inputs’.. |
| Accessible to marginalized producers and workers |  |
| No | To be certified, the organization of producers must ensure that at least 66% of their members are small producers, and at least 66% of the volume of a Fairtrade product that they sell as Fairtrade per year must be produced by small producers.  By the 3rd year of certification, the producers’ organization must identify disadvantaged/minority groups and by year 6, they must have programmes in place related to these disadvantaged/ minority groups. |
| Capacity building of producers |  |
| The Sustainability Differential can be paid in kind by investment in training. | Small Producer Organisations: By the 1st year of certification producer organizations must plan and document at least one activity in relation to the capacity building of its members. Where this activity is funded by the Fairtrade premium it must be clearly explained in the Fairtrade development plan.  Hired Labour/ Plantations The company raises awareness of fair trade at all levels to ensure that workers understand the benefits of fair trade, in particular and especially it must explain to the workers the purpose of the Fairtrade premium, and must provide training to the Fairtrade Premium Committee. The training must take place during work time and is repeated for each newly elected or appointed representative. The company gives special attention to the empowerment of women by means of adequate training, capacity building, guidance, encouragement and assistance as necessary.  Contract Farming/ Production The Producer Executive Body must have at least one activity to promote their business and environment progress. By the 3rd year of certification the company and registered producers must develop an organizational development plan (timeline, activities, objective) in a democratic and transparent manner that aims to organize themselves into one or more producers’ organizations. The promoting body must carry out regular administrative and organizational capacity-building trainings with the representatives of the Producer Executive Body so that they are able to take over management of the Fairtrade Premium. |
| Rights of indigenous peoples |  |
| No | In case of conflict linked to land rights, water use and land tenure, it must be solved responsibly and transparently before certification can be granted.  Contract Farming/ Production The company which manages the plantations must have legal and legitimate right to land use and tenure, and respect the land rights of local and indigenous peoples. Fairtrade International requires plantations’ management team to adopt collaborative approach with local communities. |
| Democratic decision-making within producer organizations/ Collective bargaining rights for workers |  |
| Workers have the right to form and join a union or workers’ organization of their own choice and to take part in collective bargaining, without prior authorization from the employer, and in accordance with national law. Workers’ representatives are elected democratically among workers in regular, free elections. Management informs workers on these rights through a written policy in a language they understand, before the start of employment. The written policy on freedom of association and collective bargaining is visibly displayed at all times in the workplace. Where the right to freedom of association and collective bargaining is restricted under law, management does not hinder the development of parallel means for independent and free association, bargaining and dialogue with management | Small Producer Organisations: Every decision has to be taken in a democratic and transparent manner.  The auditor has to check minutes, reports, official document and organize interviews with producers.  The organization should explain to the members the ways they can participate in the organization so that they can have more control over it.  A yearly general assembly must be organized. All major decisions are discussed and voted in the general assembly in which each member can participate with an equal voting right.  The annual report, budgets and accounts must be voted in the general assembly.  Organisations must either be collectively run by democratically elected officials or by democratically elected Board members  Hired Labour/ Plantations Independent workers’ organization must be democratically elected by the workers. The company is expected to provide the necessary support to help furthering the capacity of those workers wishing to do so. This criterion is controlled by the auditors as a major criterion. The producers must develop the organization’s development plan with the company, and the producers have to take part in all occasions with the contracting company on fair trade-related issues. The objective of implementing the plan is to increase the producers’ participation in the community. Moreover, the company or producers’ organization must take ongoing measures to promote producers’ participation (training, education).  The company respects the right of all workers to form or join trade unions and the right of workers to bargain collectively in practice. The company is required to hold a meeting with elected worker representatives at least every 3 months to discuss workers’ grievances and management’s concerns. The meeting must be during working hours. Results of the meetings must be available to the workers. The company must implement measures to foster the workers’ participation.  Contract Farming/ Production The company must guarantee the democratic management of the Producer Executive Body and help the producers to build an internal control system for democratic participation for future producers’ organizations. Regarding formalization of the collective structure, a Producer Executive Body must be elected by producers. This Producer Executive Body is the intermediary between the company and the producers and the body in charge of the monitoring of the development premium. They must inform the producers about the decisions taken regarding fair trade matters. |
| Transparent information in the management of the producer organizations |  |
| There is a list of current subcontractors and suppliers of certified product that confirms their compliance to certification rules. For farms, this list of suppliers refers only to other farms they buy from. An up to date registry of group members is kept. | The members must be informed and take part in the general assembly. The annual report, budgets and accounts must be available to all members. Moreover, surveillance committee must oversee the overall administration of the organization (including the use of Premium) on behalf of the members, they can check all records, books, minutes and reports. Results from audits must be shared. Organizations ensure separate roles and responsibilities between the Board and management. |
| Non-discrimination within the producer organizations |  |
| Work of equal value is remunerated with equal pay without discrimination e.g. on gender or type of worker, ethnicity, age, colour, religion, political opinion, nationality, social origin or others. | All workers must be treated equally without discrimination. If the rules of the organization don’t fit this requirement, the certification can be withdrawn. A gender policy should be developed and implemented. |
| Monitoring of the democratic management of the development premiums |  |
| Development premiums are spent by farm management or traders and there is no democratic involvement in their allocation. | Small Producer Organisations The use of the Fairtrade premium is voted by the general assembly and follows the activities planned in the Fairtrade Development Plan and implemented by the second year. All the activities planned to be funded with the Fairtrade Premium are included in the Fairtrade Development Plan. For the 2nd or 3rd tier organization, they must have a system in place to distribute the Fairtrade Premium.  Hired Labour/ Plantations Workers elect representatives who constitute the Fairtrade Premium Committee. The Fairtrade Premium Committee must meet with and consult the workers to understand their needs and discuss project ideas, regularly and during working hours. The distribution principles of the Fairtrade premium are transparent. Managers of the company actively participate in the Fairtrade Premium. They have a non-voting advisory role but they have a right to block expenditure that would violate rules of the Fairtrade Premium.  Contract Farming/ Production A collective body must be elected by the producers to manage the premium. Every registered producer and every worker can suggest activities. An organizational development plan is designed to monitor the management of the premium. |
| Reduction of the environmental impacts of activities (energy, soil, water and waste management |  |
| Management conducts assessments for a representative sample of areas, and updates this at least once every three years.  Irrigation and water distribution systems are maintained to optimize crop productivity while minimizing water waste, erosion, and salinization.  Human sewage, sludge, and sewage water is not used for production and/or processing activities. Sewage is not discharged into aquatic ecosystems unless it has been treated. Treated discharge is demonstrated to meet legal wastewater quality parameters or, in the absence of these, the wastewater parameters (not applicable to smallholders).  Waste is stored, treated and disposed of in ways that do not pose health or safety risks to people, animals or natural ecosystems. Waste is stored and disposed of only in designated areas and not disposed of in natural or aquatic ecosystems. Non-organic waste is not left on the land. Producers do not burn waste, except in incinerators technically designed for the specific type of waste | Fairtrade International clearly encourages reduction of environmental impacts, waste of resources and taking measures not only on prevention of natural resource degradation but also on their restoration. Moreover, producers’ organizations should have procedures on prevention of deforestation and implement measures on adaptation to climate change. Criteria cover many sustainable aspects, but requirements deal with raising producers’ awareness and continuous improvement on this issue rather than on a comprehensive set of’ requirements. |
| Protection of biodiversity |  |
| Farms with shade-tolerant crops work towards agroforestry systems with optimal shade coverage and species diversity according to the Shade coverage and species diversity reference parameters.  Threatened animals and plants are not hunted, killed, fished, collected or trafficked. Additionally, producers and workers do not hunt other animals, with the following exceptions: • Producers of small farms may hunt non-threatened animals for non-commercial use only • Producers may hunt vertebrate wildlife pests on the farm only following the farm’s integrated pest management (IPM) plan, and only as a measure of last resort.  Explosives or toxic substances are never used for hunting, fishing, or control of wildlife pests. Producers do not hold wildlife in captivity. Captive wild animals that were present on the farm before the earliest certification date are sent to professional shelters or may be held only for non-commercial purposes for the remainder of their lives. Captive wild animals and farm animals are treated following the five freedoms of animal welfare.  Producers do not intentionally introduce or release invasive species. Producers do not dispose of existing invasive species or their parts in aquatic ecosystems.  Producers do not use wildlife for processing or harvesting of any crop (e.g. luwak for coffee, monkeys for coconut, etc).  Erosion by water and wind is reduced through practices such as re-vegetation of steep areas and terracing.  Fire is not used for preparing or cleaning fields, except when specifically justified in the IPM plan. | Activities of the small-scale producers’ organizations and hired labour certified must not jeopardize high conservation value area. Members are required not to cause deforestation or destroy vegetation, and producers’ organizations must have a procedure in place to prevent deforestation or degradation of vegetation by members. |
| Prohibition of hazardous substances |  |
| Persons handling pesticides are skilled in the preparation and application of pesticides, and receive annual training. Persons handling pesticides use the Personal Protective Equipment (PPE) as prescribed in the product’s label or Material Safety Data Sheet (MSDS). If there is no information, basic protective clothing with additional items are worn according to the potential risk and as recommended by a competent technician. The PPE is in good condition. Directly after use, PPE is washed and stored safely and does not enter the workers’ housing. Single-use items are disposed of after one use. PPE is provided to workers free of charge. Farm/group management has a system to record, monitor and enforce the use of PPE. Persons handling pesticides bathe, change and wash clothes after application. Management provides the agrochemical handlers at least a site that provides privacy, water and soap, and, when feasible bathing facilities. | The restricted use of pesticides is allowed and regulated through classification of pesticides in groups. The requirements in the standards are focused not only on protection of health of farmers and workers through prevention and awareness-raising on use of pesticides, but also on prohibition of pesticides use and promotion of alternative ways to control pests and diseases. Prohibited substances are indexed in various lists online, among which some chemicals listed in the Orange Group (Restricted Materials) are to be phased out by end of 2019. |
| Ban on GMOs |  |
| No | The certified production groups aren’t allowed to produce genetically-modified crops. |
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