



## Guidance Document No. 6

# Fair Price, Social Premium and Premiums for Specific Products

### 1. Objective

This guidance document clarifies FairTSA policy regarding producer premiums for the year 2022. This version supersedes all other versions of Guidance Document No. 6.

### 2. Fair Price per Standard Version 4.12

A buyer must pay a Fair Price for the producers' products. The Fair Price must cover the production costs plus a reasonable margin, typically about 25%.

### 3. The Social Premium

The Social Premium is typically at least 10% on top of the farm gate Fair Price, unless otherwise defined in this document (see below). Please note that due to the current supply situation and the high shipping costs we did not increase the Social Premiums as planned. We will follow the market situation closely.

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

Since there is a well-established Fair Trade market for these products, FairTSA applies the same premiums as the Fair Trade Labeling Organization  $\pm$  10% through December 31, 2022.

### 5. Social Premium for other Specific Products

Due to frequent requests by both producers and licensees we have simplified the premiums for some types of products for which:

- farm gate price calculation is too complex
- the price varies considerably in a short time frame.

Please see table below:



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

<b>Products</b>	<b>Premiums (ex works)</b>
Banana chips	\$40/mt
Coconut Water as by-product of coconut processing	\$70/1,000 liters
Virgin Coconut Oil	\$115/mt
RBD Coconut Oil	\$80/mt
Desiccated Coconut	\$70/mt
Coconut Milk	\$70/mt
Coconut Cream	\$70/mt
Coconut Specialty Products (sugar, nectar, etc.)	5% of ex works price
Orange Juice	\$75.00/1000 liters
Agave juice	7% of ex works price
Herbs, Spices and other specialty products	7-10% ex works price
Quinoa from Bolivia	\$200 per metric ton for ex works price below \$3,000, \$ 140 for ex works price between \$3,000 and \$4,000, and \$70 for ex works price between \$4,000 and \$5,000. If prices are above \$5,000, no fixed premium applies and the premium for each project must be negotiated separately.