

Licence Fee - Reduced Rates

The Foundation offers licensees who, by applying the Mark to all products that they sell in categories covered by Fairtrade standards, demonstrate a significant and long-term commitment to Fairtrade, a reduction of 50% in the licence fee for use of the Mark. The rationale for this reduction recognises the additional investment, over and above the minimum requirements of Fairtrade standards, made by companies committing their brand entirely to Fairtrade, in the following areas:

- **Producer Relations & Support (supply chain management)**

While the Fairtrade certification system enables all companies to participate in Fairtrade, by sourcing products from an open register of certified producer organisations and accredited exporters, importers and manufacturers, Fairtrade also encourages deeper engagement between producers and buyers. Along with a commitment to long-term equitable relationships, there is also a need for sharing of market information and assistance from buyers in developing the capacity of producer organisations to achieve the objective of empowering producer organisations; and businesses that deal exclusively in Fairtrade products will engage in these activities as part of their core operations.

- **Market Communications**

While the Fairtrade Foundation is primarily responsible for increasing consumer awareness of the Mark in the UK, licensees also have an important role to play in reinforcing the Foundation's messages and supporting the role of the Mark as the unique independent certification label for Fairtrade standards. Those licensees who fully commit to the Mark by applying it to all their products inevitably play the most prominent role in this. They also make it easier for the Foundation to highlight their brands as examples of products that consumers should look for, whereas this is more difficult when brands include only a small number of products certified by the Mark among a larger range of products.

The Foundation recognises that many licensees who trade in both Fairtrade and conventional products also invest in both of the above areas but to incorporate this into the licence fee structure would be extremely difficult and expensive to monitor, and it is the 100% commitment that is the single most important factor.

While in most cases a decision as to whether a licensee qualifies for the reduced rate will be routine, where it is not, advice will be taken from the Foundation's independent Certification Committee. The main requirements for licensees applying for the reduced fee rate are shown above but, as these involve some discretionary elements, the Foundation reserves the right to not grant the reduction to any licensee if, in its reasonable opinion, to do so would prejudice its reputation in any way or impair its relationships with other licensees.

To find out how to apply for a reduced rate, please contact the Commercial Team for an application form (commercial@fairtrade.org.uk). The Foundation will consider your application based on the above criteria and make a decision within seven working days. If you wish to appeal against a decision, you have 14 working days to do this.