

# **TransFair USA**

## **Composite Product Policy**

### ***Formulating and Labeling Products that Contain Fair Trade Certified™ Ingredients***

#### **Applicable Products**

- TransFair USA certifies certain products and their derivative forms which can be used as ingredients. This policy applies to TransFair USA's current certified products and their derivatives: coffee, cocoa, vanilla, tea, rice, sugar, herbs (mint, rooibos, hibiscus, and chamomile) and fresh fruit (bananas, mangoes, pineapples and grapes).
- In the future, TFUSA is likely to extend this list of certified products. Products that may be potentially certified can be found at [www.fairtrade.net/standards.html](http://www.fairtrade.net/standards.html).

#### **Requirements for Composite Product Certification**

- Companies seeking Fair Trade certification for such products and their derivatives must be TFUSA licensees and must apply to TFUSA for certification of each ingredient or product they manufacture or use. All licensees are required to follow chain of custody rules for Fair Trade certification as is stipulated in their certification and licensing agreements.
- Companies seeking Fair Trade certification for such ingredients must fill out a Product Profile Application for each new product as of March 1, 2007.

#### **TransFair USA Jurisdiction**

- This policy only covers products to be sold in the United States of America and its territories. It may or may not be applicable to products destined for other markets. Please contact TransFair USA to discuss composite products destined for international markets.

## **Definitions**

**Fair Trade Certified** when used to describe an ingredient means that such ingredient was produced, traded, processed, manufactured and marketed in accordance with applicable Fair Trade Criteria, as established by Fairtrade Labeling Organizations International (FLO) and/or TFUSA.

**Blended products** are defined as a mixed product containing ingredients which are all certifiable by TransFair USA (e.g. two origins of coffee, a mix of camellia sinensis and rooibos tea).

*Examples:* Tea Blend made with camellia sinensis and rooibos tea; “Breakfast Blend” coffee with Guatemalan and Sumatran coffees; Baking cocoa with Dominican and Bolivian cocoa.

**Composite products** are defined as manufactured (processed or semi-processed) products that are composed of more than one ingredient of which **at least one** is not certifiable by TFUSA.

*Examples:* Vanilla extract; chocolate bars; soluble cappuccino mix; vanilla soymilk; ready to drink iced tea; chai tea concentrate, energy drinks, energy bars

Composite products cannot be “Fair Trade Certified”. The *ingredients* in a composite are Fair Trade Certified, and as a result the composite product can be labeled with the appropriate “Fair Trade Certified” mark.

**Exemption** is a formal granting of permission by TFUSA for a licensee to use a non-certified ingredient in place of a certified ingredient in a product formulation. Conditions under which exemptions will be considered include: supply constraints, domestic production, or other extenuating circumstances. Exemptions must be applied for in writing.

**FTC Mark** refers to the “Fair Trade Certified” label. The term “mark” is synonymous with the words “logo” and “label.”

**FTC Ingredients Mark** refers to the “Fair Trade Certified” ingredients label.

**FTC Ingredient Specific Mark** refers to the “Fair Trade Certified” ingredients label that calls out a specific ingredient.

**Marginal Ingredient** is an ingredient that comprises less than 1% of the product’s total formulation by dry weight.

**Product Profile Application** is an application that a licensee is asked to complete that requires product formulation, sourcing, and packaging information. The application will be provided to licensees by TFUSA.

**Significant Ingredient** is one that meets at least one of the following requirements:

- i. eligible under appropriate trading standards to be part of the product’s name (e.g. “mango juice drink” of which the main ingredient is water, but the significant ingredient is mango juice);
- ii. an ingredient normally associated with the product (e.g. cocoa in chocolate ice cream);
- iii. an ingredient crucial to the formulation of the product, without which the product would not be viable (e.g. tea in chai);
- iv. is included in description of the product on the front-facing product description (e.g. the bananas in an ice cream named “Monkey Madness” that is described as “a banana ice cream with marshmallows”).

## Rules

### **Product Composition**

- For all TFUSA-labeled **blended products**, all sources of Fair Trade certifiable ingredients in the blend must be certified. The product must be 99% certifiable by dry weight. TransFair provides for a 1% provision to allow for flavor washes, scents, and other flavor-enhancing processes in a blended product. (Added flavor extracts are not eligible under this 1% provision. Any blended product with a flavor extract added would be considered a composite product.)
- For all TFUSA-labeled **composite products**, all sources of Fair Trade eligible ingredients in the product formulation must be certified.

### **Formulation Exemptions for Composite Products**

*Formulation exemptions* for composite products may be allowed when one or more of the below conditions exist:

- The TFUSA certified ingredient is produced and sourced domestically. This could apply to sugar, rice and/or herbs.
- The FTC ingredient is sourced from a country which is not eligible for FLO certification.
- The ingredient is considered a “Marginal Ingredient” and comprises less than 1% of the composite product by dry weight.
- Supply constraints and case-by-case exemptions should be submitted to TransFair USA for consideration.

Any and all exemptions require the written approval of TFUSA.

### **Composite Product Ineligibility**

Some composite products using Fair Trade Certified Ingredients may NOT be eligible to use any of the Fair Trade Certified Marks. These cases include:

- If and when TransFair USA denies an exemption request.
- If a product contains an ingredient(s) which constitute(s) less than 50% of the aggregate dry weight of the product, and the ingredient(s) is not deemed “significant” by the definition provided above, the product will not be eligible for using any of the Fair Trade Certified Marks.

## Labeling

An FTC Mark must be used on all FTC products; which Mark is used is dictated by the product's formulation and if an exemption was granted.

		
<p><b>Fair Trade Certified “Mark”</b></p>	<p><b>Fair Trade Certified “Ingredient Specific Mark”</b> (for cocoa)</p> <p>**Ingredient Specific Marks are available for all FTC ingredients and ingredient combinations (such as cocoa and sugar)</p>	<p><b>Fair Trade Certified “Ingredients Mark”</b></p>
<p>All blended products</p>		
<p>Composite products with <i>no exemptions</i> (all ingredients that can be certified are Fair Trade Certified) <i>and</i> the product contains an aggregate of 50% or more of FTC ingredients by dry weight</p>	<p>Composite products with less than an aggregate of 50% if the significant ingredient is certified and no exemptions are necessary.</p>	<p>See rules for the “Ingredient Specific Mark”. Products that qualify for the “Ingredient Specific Mark” and contain more than one ingredient may bear the “Ingredients Mark”.</p>
	<p>Composite products where a formulation exemption has been granted (irregardless if the product has an aggregate of 50% or more FTC ingredients by dry weight)</p>	

Furthermore, all FTC ingredients must be clearly indicated in the ingredients panel on the product.

## Labeling Exemptions

*Labeling exemptions* will only be given in very extreme cases that do not harm the integrity of the Fair Trade Mark. All labeling exemptions require the written approval of TFUSA.

## Process and Timeline

Please note there is a lead time for certification of composite products. Each step and a timeframe for approval are detailed below.

1. The licensee must first complete a Product Profile Application. The licensee will have a reply from TransFair within 10 business days.
  - A) If the product is approved upon review of the Product Profile Application, TransFair will release the appropriate Fair Trade Certified mark artwork file.
  - B) If the product requires an exemption, TransFair USA will send the applicant an Exemption Request form.
2. If an exemption is being requested, the licensee must submit an exemption request. A reply will be given within 10 business days.
  - A) If the exemption is approved upon review, TransFair will inform the licensee in writing and will release the appropriate Fair Trade Certified mark artwork file.
  - B) If the exemption is denied upon review, TransFair will inform the licensee in writing. Any use of the Fair Trade Certified Mark on packaging for a product that has been denied an exemption would be considered a violation of the certification and licensing agreement and could result in the termination of the agreement or further legal action.
3. Licensees must submit artwork for packaging and promotion of the product using the Fair Trade Certified Mark. Feedback/approval will be given within 5 business days.

## Questions or Comments

Questions or comments on this policy can be addressed to [ingredients@transfairusa.org](mailto:ingredients@transfairusa.org).