SPECIFIC STANDARDS FOR SEED COTTON FROM FLO INTERNATIONAL

1 Social Development

1.4 Non-Discrimination

Progress requirements

Appropriate measures are being taken to ensure equal representation and membership of women growers. It has to be ensured that payments are given to the woman growers directly (not to the husband).

2 Economic Development

2.3 Economic Strengthening of the Organisation

Cotton production is often the only source of cash for the farmer. Efforts to promote the growing of other crops, both for home consumption and joint marketing (local market but also export) has a positive effect on a sustainable soil and water management. This also results in improved farmers livelihood and decreases their economic dependence on cotton.

Progress requirements

The producer organisation shows efforts to also promote the marketing of other crops in the farmer's rotation pattern in order to decrease economic dependency on one single crop and to give the farmers additional sources of income. Alternative sources of income (e.g production of biological pest control formulations) shall also be explored.

3 Environmental Development

3.1 Integrated Crop Management

Environmental Protection

The producers' organisation ensures that its members protect the natural environment and makes environmental protection a part of farm management. The organisation is expected to facilitate the development, implementation and monitoring of operations plans by producers with the aim of establishing a balance between environmental protection and business results through the use of a combination of measures including crop rotation, cultivation options, crop selection, careful use of inputs, and, as relevant, shade production. The organisation ensures that its members minimize the use of synthetic fertilizers, pesticides and other inputs, and partially or gradually replace them with organic inputs and biological pest and disease control methods. FLO encourages small producers to work towards organic practices. Producers are encouraged to minimize the use of energy, especially energy from non-renewable sources.

The organisation is expected to maintain a management system consistent with its size in order to insure organisational control of those areas for which it is responsible and to monitor the production by its members through the use of recognized sampling methodologies. ICM on small farmers level is an ongoing process that must be initiated and closely supported by appropriate research, experimentation and technology development as well as extension services. Farmers shall be encouraged to experiment and identify appropriate solutions for adapted production methods that are compatible with the farmers' own level of risk handling and optimal management of the crop (example: Farmer Field Schools).

FLO strongly encourages farmers to work towards organic practise.

Therefore if an organic certification is anticipated, the promoted production methods shall be adapted to organic production standards and the extension system and internal monitoring system shall be designed so as to also fulfil the requirements for organic smallholder group certification.

Minimum requirements

The organisation must present activities or at least a project plan to support farmers in

developing and using integrated crop management methods.

Progress requirements

- The implementation of ICM monitoring, analysis and consequent adaptation of agricultural practices is a constant process on which continuous progress must be demonstrated. Progress shall be reported in the annual report.
- The ICM system promotes appropriate pest monitoring processes/instruments by the farmers in order to concentrate their pest management on economically harmful levels of specific pests.
 Farmers shall be in the position to distinguish harmful and beneficial insects and promote natural enemies of pests.
- Progress is demonstrated on agricultural diversification by an adapted crop rotation pattern and/or intercropping.

3.2. Farming Inputs

The use of agrochemicals, which constitute a risk for humans and the environment, should be minimised and replaced by cultural, organic and/or biological methods. The basis for natural pest control is a sustainable soil management (use of manure or compost instead of chemical fertilizers, appropriate crop rotation and green manuring, prevention of erosion, etc. The guidelines of FAO's International Code of Conduct on the Distribution and Use of Pesticides (FAO Code) should be followed. Products used shall be appropriate and of good quality and means of disposing with the used containers shall be available. The use of genetically modified cotton varieties shall be avoided as far as possible.

Minimum requirements

If agrochemicals or other off-farm inputs are being distributed by the organisation, diligence in choosing appropriate, non-harmful chemicals or biological alternative wherever possible must be demonstrated. The farmers need to receive appropriate training on the correct use of the agrochemicals as well as the disposal of containers by the distributor.

Progress requirements

- The built-up of pest resistance to pesticides is avoided through appropriate crop rotation, a short production cycle and choice of appropriate varieties.
- Management measures (tilling, cultivation time and length, intercropping, crop rotation, picking up fallen buds, etc.) as well as natural pest control methods (insect monitoring, insectattracting intercrops, promotion/release of predators, biological or botanical pesticides etc.) the number of chemical pesticide application cycles and the dose applied is gradually decreased to the very minimum.
- The optimal use and application methods of agrochemicals and fertilisers are demonstrated to farmers with the aim to reduce water contamination and ensure optimum pest-control and fertilising.
- Agrochemicals are chosen following criteria such as low environmental impact, low hazard to human health, appropriateness for the climatic zone/soil on which being used. All pesticides should be registered in the producing country for use on cotton

Progress requirements (cont'd)

- If still substantial quantities of pesticides are being used, farmers or extensionists keep simple records of spraying activities (time, product, application rate, reasons for use)
- Toxic agrochemicals used by individual farmers are stored in separate and locked places (best outside home, away from food storage and without access for children), protected against the rain.
- Unused agrochemicals are returned to the supplier if possible.
 Otherwise agrochemicals and non reusable pesticide containers shall be disposed of so as to minimise environmental impact. If burying is the only alternative, depots are to be located at least 200 meters from open water bodies, drinking water sources and other protected areas.

1. Product Description

Fairtrade seed cotton is the harvested cotton crop (seeds and fibre), sold by small farmers of a FLO certified smallholder organisation.

2. Product Sourcing

Except where specifically provided in these standards, all cotton in FLO Fairtrade Cotton products must be sourced originally from FLO Certified Producers.

Where there is no availability of FLO Fairtrade cotton combers, it is permitted to make cotton wool pads out of up to 20% non FLO Fairtrade sourced cotton combers, provided that the manufacturer purchases an equivalent volume FLO Fairtrade cotton and uses it in the manufacture of a non-FLO Fairtrade product. Any such substitution must be clearly reported in the quarterly flow of goods report. This special allowance expires 1 April 2006.

3. Procure a Long Term and Stable Relationship

Buyer and seller are interested in a long term relation, fair and stable prices; to that behalf buying/sales commitments are negotiated at the beginning of the harvest season among the parties and fixed in a letter of intend that specifies quantities, quality and price with respect to the conditions for Fair Trade transactions.

4. Pricing and Premium

- 4.1 The Fairtrade Minimum price for seed-cotton is set at farm-gate level. For Burkina Faso, Cameroon, Mali and Senegal the prices are indicated in FCFA, the € prices are given as a reference. For India and Pakistan the prices are indicated in US\$.
- 4.2 If the market price is higher than the Fairtrade minimum price, the market price shall apply.
- 4.3 In addition to the Fairtrade Minimum price the buyers shall pay a Fairtrade Investment Premium as set by FLO.

Fairtrade Minimum Price and Premium Information			
Туре	Country	Fairtrade Minimum farm-gate price per kg	Fairtrade Investment Premium per kg
Conventional	Burkina Faso Cameroon Mali Senegal	0,36 €	0,05€
Organic	Burkina Faso Cameroon Mali Senegal	0,41 €	0,05€
Conventional & Organic	India	\$0,487	\$0,05
Conventional	Pakistan	\$0,517	\$0,06

5. Pre-financing

On request of the seller the buyer has to make available pre-finance for the buyer up to 60% of the contract value. Pre-finance is meant for the financing of buying operation of the producers' organisation on local level. The involved parties arrange the details of prefinancing arrangements in the respective contracts on mutual agreement.

6. Information rights and obligations

- **6.1** There exist clear written agreements for the Fairtrade transactions with all involved parties on all levels of processing and marketing unto the export level.
- **6.2** All involved parties undersign the respective agreements with FLO that guarantee the required transparency for all Fairtrade transactions.

7. International Customary Conditions

7.1 All international customary conditions apply unless overruled by any of the special FLO conditions as specified in these criteria or other agreements with FLO.