

Complete Procedure Title: Fair Trade Purchasing Policy for University Suppliers and Coffee Retailers	Policy Number:
Approved by: Presidents and Vice Presidents	Date of Most Recent Approval: August 7, 2015 Effective Date: September 1, 2015
Date of Original Approval: June 13, 2002	Supersedes/Amends Procedure dated: Fair Trade Purchasing Policy for University Suppliers and Licensees Policy - June 13, 2002
Responsible Executive: AVP Administration & CFO	Enquiries: Strategic Procurement
<i>DISCLAIMER: If there is a discrepancy between this electronic policy and the written copy held by the policy owner, the written copy prevails.</i>	

Purpose

To identify the Fairtrade Purchasing Policy for University Suppliers and Retailers Policy. The purpose of the policy is to ensure all coffee sold by retailers at McMaster meets the International Fairtrade standard.

Scope

This policy applies to not only retail coffee supplied directly to McMaster University's Hospitality Services; this policy shall apply to all retail coffee contracts at McMaster University.

Definitions

International Fairtrade Standard: When a good purchased carries the FAIRTRADE Mark it means the producers and traders have met Fairtrade Standards. Fairtrade Standards are designed to address all imbalances of power in trading relationships, unstable markets and the injustices of conventional trade.

Policy

Fairtrade Purchasing Policy for Coffee Suppliers and Retailers

It is preferred that all coffee sold by retailers at McMaster meets the International Fairtrade standard. At a minimum, each retailer shall provide its customers with a choice between coffee that meets International "fairtrade" standards and coffee that does not. In addition to retail coffee supplied directly by McMaster hospitality services, this policy shall apply to all new retail coffee contracts at McMaster. Certified Fairtrade coffee is coffee, sold by coffee retailers and roasters that meets the standards set by Fair Trade Canada (International Fairtrade standards), a non-profit monitoring organization that is a member of the Fair Trade Labelling Associations (FLO).

The International Fairtrade Standards for certified coffee are:

1. Coffee importers agree to purchase from the small farmers included in the FLO Fairtrade Coffee Register. The farmers listed in the register meet various criteria related to democratic organization, organic farming strategies, and commitment to a high quality product.

<Date of Most Recent Approval>

2. Pricing:

- a. A floor price of US\$1.40 per pound for Fairtrade certified washed Arabica coffee, and US\$1.35 for natural Arabica. The floor price for washed Robusta is US\$1.05, while that of natural Robusta is \$1.01. In all of these cases, if the market price is higher, farmers receive the market price.
 - b. A Fairtrade Premium of US\$0.20 per pound is added to the purchase price. The premium is used by producer organizations for social and economic investments at the community and organizational level.
 - c. An additional US\$0.30 differential is paid for coffee also purchased as organic
3. Producers are organized in co-operatives (or associations) which they own and govern. There is democratic decision-making and everybody has an equal right to vote.
 4. Importers and roasters agree to develop direct, long-term trade relationships with producer groups, thereby cutting out 'middlemen' and bringing greater commercial stability to an extremely unstable market.
 5. The application of environmental standards restricts the use of agrochemicals and promotes sustainable agriculture.
 6. Pre-harvest lines of credit are given to the co-operatives if requested, of up to 60% of the purchase price.

A list of Canadian coffee importers and roaster/retailers that meet the Fairtrade Canada criteria is available from Fair Trade Canada, 1145 Carling Avenue, Suite 7500, Ottawa ON K1Z 7K4 email: communications@fairtrade.ca ; web: www.fairtrade.ca).

The coffee that meets "fairtrade" standards shall be:

1. Clearly marked so that customers are aware of the "certified fair trade" standard that the coffee meets.
2. Available for sale by each retailer and by McMaster Hospitality Services. In other words, customers will have a choice.
3. Priced such that cost alone will not be an overriding factor in consumer selection.

II Administration

The Code of Labour Practices Advisory Committee (see Code of Labour Practices for University Suppliers and Licensees) shall advise the University on issues related to the Fairtrade Purchasing Policy for University Suppliers and Retailers, including its administration. It is intended that over time this purchasing policy will be extended to other "fair trade" commodities (e.g. cocoa, tea) where this becomes feasible.

Related Links

- FairTrade Canada:
<http://fairtrade.ca/>
- Canadian coffee importers and roaster/retailers
<http://fairtrade.ca/en/content/registered-companies>