

STATEMENT

FLO-CERT has received several complaints that valid contracts for the sale of Fairtrade coffee are not being honoured by certified Fairtrade partners. NO doubt this is related to the current scarcity of Fairtrade certified coffee of several origins and qualities. FLO-CERT would like to make it clear that

- FLO-CERT expects all valid contracts for the sale or purchase of Fairtrade certified products to be honoured.
- Illegal breach of contract (such as failure to deliver coffee according to a valid contract in the absence of a legal reason for such failure) not only goes against the principles of Fairtrade, but is also a breach of the Fairtrade standards.
- Therefore if it is found that a certified Fairtrade operator failed to honour a valid contract for Fairtrade products without a legal reason, FLO-CERT will have grounds to sanction the operator. The sanctions that can be issued include suspension of the Fairtrade certificate.

The specific Fairtrade standard that is breached in such circumstances is Section 2 of Part C of the Fairtrade Standards for Coffee. According to this section, both producers and traders must conduct themselves in a way so as to facilitate a **long term and stable trade relationship**. The stability of the Fairtrade market and the ability of Fairtrade to continue to provide benefits to producers will be in serious peril if contracts for the sale of Fairtrade products are not being honoured.

With kind regards,

RUEDIGER MEYER
MANAGING DIRECTOR FLO-CERT