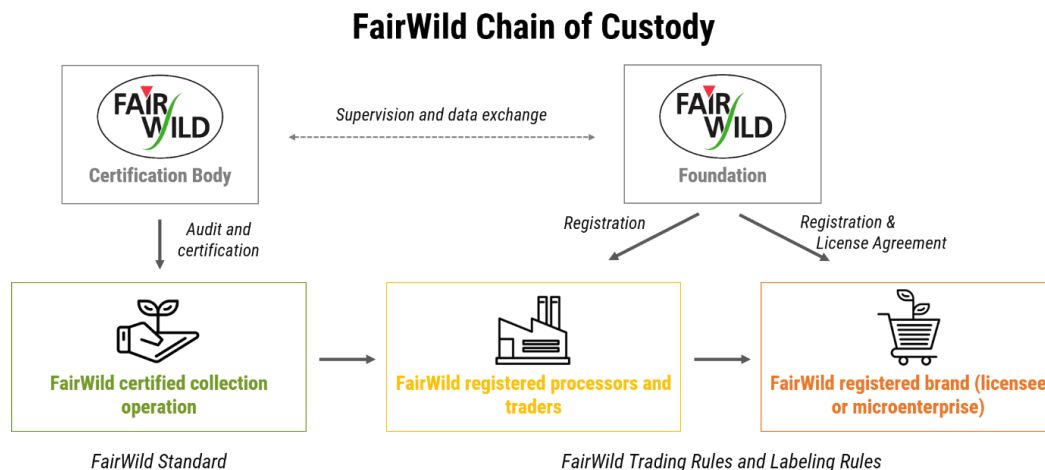


## FairWild Certification – Explanation of Costs

FairWild certification is an excellent way to implement the principles of the FairWild Standard in practice. The costs involved differ depending on the role of the company concerned in the value chain for wild harvested products, and the scale and complexity of their operation. This document outlines the main costs involved for the three different types of business defined in the “FairWild Trading Rules”, as indicated in the diagram below.



### I: FairWild Certified Collection Operations

#### Preparation and technical support costs

Meeting the requirements of the FairWild Standard may have costs attached – depending on your baseline situation and how much improvement and/or effort needs to be invested into improving your document systems to show evidence of compliance.

We recommend that all wild collection operations conduct a self-assessment against the FairWild requirements, as outlined in the guidance note [Implementing FairWild Certification](#). This will help to understand if there are gaps in performance and what would be required to meet them. It is important to consider that FairWild is a continuous improvement system, and some requirements only come in during later years of the scheme (Years 2, 3). The total score needed also increases year-on-year for the first five years.

A factor to consider is whether you can manage the preparation yourself, or you need technical assistance from a consultant. FairWild can provide some contacts in this regard. As well as technical aspects of implementing the Standard (developing a harvest management plan, conducting resource assessment, improving traceability etc.), it is important to consider market links and whether any investment is needed into making contacts with fair trade buyers and meeting any other specifications they may have (in addition to FairWild certification).

#### Fair trade costs

Under the FairWild certification scheme, certified wild collection operations commit to **pay harvesters a fair price** for their products. This is usually calculated on a farm gate basis (i.e., price paid per kg), relating to the raw or semi-processed products. In the early years of the scheme, it is sufficient to pay a mark-up as compared to conventionally collected products in the region (at least 5%); by Year 3 you should have calculated whether the income is sufficient to meet the basic needs of the collectors and their families and adjusted accordingly. Usually, this involves comparing the income that can be generated through wild collection with equivalent minimum wages applicable to related sectors (e.g. agriculture). Relevant living wage calculations must also be taken into account; especially in the event that it is clear that these salaries are too low to support cost of living. More guidance on this topic is given in the [FairWild Social and Fair Trade](#) manual.

In addition to the fair price paid to individual harvesters, certified wild collection operations also ensure contributions are made to the **FairWild Premium fund**. This is calculated by the wild collection operation and charged to the fair trade buyer. It is usually calculated as an additional 10% of the individual selling price of the harvesters. The fund is used for social development projects in the collectors’ communities. In the first five years of implementation, it may also be used to improve the sustainability of collection.



The higher prices paid to harvesters – as well as other implementation costs such as resource management, etc. – should be built into the final sales price of the FairWild-certified collection operation, so that the fair trade buyers will be contributing to covering these costs. These are not usually broken down separately in the sales price – only the FairWild Premium is kept separate as a ring-fenced amount (separate line item on invoices).

### **Audit and certification costs**

FairWild certification requires an annual on-site audit from an accredited control body. Fees for audit and certification are paid directly to the control body. Calculations of the cost of the certification audit are made individually. They depend on the location, size and complexity of operations - the main cost factor being the number of days needed for the audit, and whether a local inspector is available (reducing travel costs). Pricing structures vary between control bodies, but typically include audit (including travel time), evaluation, certification and office costs, as well as the direct travel and subsistence costs of the auditor.

To obtain a cost estimate, we recommend contacting a control body at least four months prior to your planned audit date. However, costs can only be estimated once some initial information is known about the scope of your operation.

In parallel to planning the audit with the control body of your choice, applicants need to contact the FairWild Foundation to arrange a desk review and risk classification of the target species, for which a fee is payable directly to the FairWild Foundation (300 EUR / species, plus 200 EUR application fee). This is only payable in the first year (at application stage), or when adding new species to the certificate.

## **II: Registered Processors and Traders**

For those companies involved in trading and processing of FairWild certified ingredients, trader registration fees are applicable. These are charged by the FairWild Foundation, as outlined in the [FairWild Trading Rules](#). Traders must declare their sales of products containing FairWild-certified ingredients by submitting a turnover declaration form annually, in January. A trader fee is calculated by the FairWild Foundation based on the turnover declaration.

Fees consist of an annual registration fee (tiered, based on annual turnover from trade in wild plant products) plus annual product registration fees (200 EUR/product for the first five FairWild products; 100 EUR/product for each additional FairWild product). For more information, see [Trading Rules Annex 5 – registration and license fees](#).

First buyers from FairWild-certified collection operations (usually registered Processors / Traders, but may also be a Licensee) commit to establish mutually beneficial long-term trade relations with their FairWild suppliers, as described in Principle 11 of the FairWild Standard, and in the FairWild Trading Rules. They must offer favourable terms of trade and agree on a fair price and a FairWild Premium to be paid.

## **III: Registered Licensee (Brand Manufacturer)**

Companies that would like to communicate about their purchase of FairWild certified ingredients may either do so as a general statement related to their sustainable sourcing strategy (“general claims”, or use the FairWild mark in labelling and/or marketing of the final packaged products (“product associated claims”). In both cases, companies register with the FairWild Foundation and pay annual fees. These consist of an annual registration fee (2000 EUR / year), plus either a tiered fee based on total annual turnover from sales of wild plant products for “general claims”, or a percentage of turnover for sales of products with FairWild associate claims. For more information, see [Trading Rules Annex 5 – registration and license fees](#).

Licensees must declare their sales of products containing FairWild-certified ingredients by submitting a turnover declaration form. This is carried out annually, in January. Fees are calculated by the FairWild Foundation based on the turnover declaration.

In addition to factoring in costs of license fees and revisions to product packaging or websites (to include the FairWild mark), Licensees may also wish to establish a budget line on communications and marketing to support the sharing of information on FairWild with their customer base. FairWild Foundation and partners organise an annual “FairWild Week” where participating companies are encouraged to publish information on FairWild and their efforts to support sustainable wild harvesting and fair trade.