



## Regulations on Costs

Small Producers' Symbol

Version 6. 12-Dec-2014

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## 1. INTRODUCTION

1. The official language for all documents associated with the Small Producers' Symbol is Spanish. In the case of any doubt arising from a translated version, the Spanish document shall be used as the only valid version.
2. This edition of the document cancels and replaces any previous edition.
3. The content of this edition was approved by FUNDEPPO's Board of Directors.
4. If you would like to see the changes between this new edition and the previous one, please consult the chart listing the changes, presented at the end of this document, and including the date effective.
5. These procedures fulfill the ISO/IEC Guide 65: 1996 General Requirements for Bodies Operating Product Certification Systems and the Guidelines from the International Accreditation Forum (IAF).
6. This document specifies the regulations, fees and basis for calculating certification and registration costs for the Small Producers' Symbol, with regard to the costs involved in certification, registration, annual enrollment and the use of the Small Producers' Symbol certification.
7. This document should be applied together with the "Guidelines for defining the Work Plan for Evaluating Compliance."
8. The fees for Small Producers' Symbol certification and registration services depend on the specific fees of the Certification Entities authorized by FUNDEPPO.
9. These regulations apply to Small Producers' Organizations as well as Buyers, Collective Trading Companies owned by Small Producers' Organizations, and also Intermediaries and Maquila Companies, associated with the Small Producers' Symbol.
10. These regulations have been approved by the Board of Directors of FUNDEPPO (*Fundación de Pequeños Productores Organizados*/Foundation of Organized Small Producers, a Civil Association) and are subject to changes.
11. All the necessary information for understanding the functioning of the Small Producers' Symbol, the terminology used, the moments in which payments must be made, the requirements for compliance, and the rights obtained after payments are made, can be found in the Small Producers' Symbol Handbook and its annexes.
12. Section 3 of this document presents the fees and basis for calculating costs for Small Producers' Organizations, and Section 4 includes the fees and basis for calculating costs for Final Buyers, Collective Trading Companies owned by Small Producers' Organizations, Intermediaries and Maquila Companies. Section 5 presents specifications regarding the general provisions for payments to be made.

## 2. REFERENCES

In the application of these procedures, it is necessary to consult the current versions of the following documents:

### 2.1 Certification Procedures for Small Producers' Organizations

2.2 Registration Procedures for Final Buyers and other stakeholders

2.3 Guidelines for defining the Work Plan for Evaluating Compliance

2.4 Small Producers' Symbol handbook

### 3. COSTS FOR SMALL PRODUCERS' ORGANIZATIONS

#### 3.1. Introduction

Small Producers' Organizations pay two fees:

- a. **Certification Fee:** This fee covers all incurred expenses of the Certification Entity when conducting the certification process.
- b. **Annual Enrollment Fee:** This fee covers all of FUNDEPPO's expenses for the maintenance, development and quality control of the standards and certification and registration system, and the dissemination and promotion of the Small Producers' Symbol.

#### 3.2. Certification Costs

- a. The following table shall be used for calculating work days in the Normal Document-based Evaluation:

	Until 100 producers	From 101 to 250 producers	From 251 to 500 producers	From 501 to 1000 producers	More than 1000 producers
<b>Total Work Days</b>	<b>2.5</b>	<b>2.75</b>	<b>3.0</b>	<b>3.5</b>	<b>3.75</b>

- b. The following table shall be used for calculating work days in the Short Document-based Procedure:

	Until 100 producers	From 101 to 250 producers	From 251 to 500 producers	From 501 to 1000 producers	More than 1000 producers
<b>Total Work Days</b>	<b>0.65</b>	<b>0.7</b>	<b>0.75</b>	<b>0.9</b>	<b>1</b>

- c. The following activities must be conducted for certification through the Normal Document-based Procedures as well the Shortened Document-based Procedure:

- i. Document based-evaluation
- ii. Evaluation Report
- iii. Examination
- iv. Control Evaluation Costs

- d. The following activities must be conducted for certification through the Remote Complete Procedure.

- i. Documents based-evaluation
- ii. Evaluation Report

- iii. Examination
- iv. Control Evaluation Costs

e. The following activities have been established for the Complete Procedure On Site:

- i. Preparation for visit
- ii. Inspection of Main Offices
- iii. Inspection of complementary sites (offices, warehouses, processing plants)
- iv. Sample of Small Producers' Organizations
- v. Inspection of Production Units
- vi. Preparation of Inspection Report
- vii. Examination
- viii. Days may be added or subtracted in accordance with various Complementary Factors

f. To verify the days required for each type of work, the information in the Annex 1 Table should be applied in the calculation of work days involved in the Complete Procedures (Remote or On Site), from the "Guidelines for defining the Work Plan for Evaluating Compliance."

g. In specific cases, if an organization produces different products but is interested in only including one product in its certification, it may report this in its request to the Certification Entity, for the payment corresponding to the number of partners that produce the product to be included in the certification, exclusively when the Document-based Procedure is applicable<sup>1</sup>.

h. Payment made under this heading is not refundable, regardless of the outcomes of the document-based evaluation and/or field evaluation.

i. When it is necessary for a Document-based Procedure to be complemented by a field visit, the CE will make a proposal for the costs involved, based exclusively on the work days involved in the complementary field visit for corroborating the missing information.

j. The final cost of certification will depend on the rates<sup>2</sup> charged by the specific Certification Entity for an evaluation of the Small Producers' Symbol standards and the possible combination of this evaluation with a review of other certification programs<sup>3</sup>.

k. The work days for the evaluation do not include the Evaluator's<sup>4</sup> daily expenses (transportation, lodging, and food). These expenses are to be negotiated separately between the organization that is to be certified and the Certification Entity. It is possible that these

<sup>1</sup> This does not exempt the SPO overall from meeting all the criteria in the General Standard.

<sup>2</sup> This rates must be approved by FUNDEPPO

<sup>3</sup> References for Certification Entities authorized by FUNDEPPO can be found in [www.spp.coop](http://www.spp.coop)

<sup>4</sup> Evaluator or Evaluators, according to the amount of work to be carried out.

expenses are, in common agreement, partially or completely covered by the organization to be certified.

- I. The costs of the certification are to be paid to the Certification Entity in question. Please confirm the necessary information for this Certification Entity before making a bank deposit.

### 3.3. Annual Membership Fee

- a. Depending on the number of producers that produce products included in the certification of a particular Small Producers' Organization, the following Annual Enrollment Fee is to be paid (in USD)<sup>5</sup>:

Up to 100 producers	From 101 to 250	251 to 500 producers	From 500 to 1000	More than 1000
\$ 150.00	\$ 187.50	\$ 375.00	\$ 562.50	\$ 750.00

- b. In specific cases, if an organization produces different products but is interested in only including one product in the certification, it may ask FUNDEPPO that its payment correspond to the number of partners that produce the product to be included in the certification.
- c. The Annual Enrollment Fee is to be paid to FUNDEPPO (see annexed bank details).

## 4. COSTS FOR BUYERS, COLLECTIVE TRADING COMPANIES OWNED BY SMALL PRODUCERS' ORGANIZATIONS, INTERMEDIARIES AND MAQUILA COMPANIES.

### 4.1. Introduction

Buyers, Collective Trading Companies owned by Small Producers' Organizations, Intermediaries and Maquila Companies pay two types of fees:

- a. **Registration fee.** This fee covers all expenses incurred by the Certification Entity when conducting the registration process.
- b. **Fee for using the Small Producers' Symbol.** "Using" the Symbol refers to both using the Small Producers' Symbol logo in any of its presentations, as well as using certification under the Small Producers' Symbol as a reference. The User's Fee is paid in relation to the value of the certified products purchased.

### 4.2. Registration Fee

- a. The following table should be used when calculating work days for the Normal Document-based Procedure:

<sup>5</sup> Subject to changes.

Ranges per values of SPP purchases in the previous cycle (in usd)		Work Days
Until	3,000,000.00	1.6
3,000,000.00	10,000,000.00	1.8
10,000,000.00	25,000,000.00	2
25,000,000.00	35,000,000.00	2.2
More than 35,000,000.00		2.4

- b. The following table should be used when calculating work days for the Short Document-based Procedure

Ranges per values of SPP purchases in the previous cycle (in usd)		Work Days
Until	3,000,000.00	0.8
3,000,000.00	10,000,000.00	0.9
10,000,000.00	25,000,000.00	1.0
25,000,000.00	35,000,000.00	1.1
More than 35,000,000.00		1.2

- c. The following activities must be conducted for registration through the Normal Document-based Procedure as well the Short Document-based Procedure:

- i. Evaluation of Documents
- ii. Preparation of Evaluation Report
- iii. Examination
- iv. Control Evaluation Costs

- d. The following activities must be conducted for certification through the Remote Complete Procedure.

- i. Documents based-evaluation
- ii. Evaluation Report
- iii. Examination
- iv. Control Evaluation Costs

- e. The following factors are established for the Complete Procedure On-Site:

- v. Preparation for visit

- vi. Inspection of main offices
- vii. Inspection of complementary sites (offices, warehouses, processing plants)
- viii. Preparation of Inspection Report
- ix. Examination
- x. Days may be added or subtracted in accordance with various Complementary Factors

- f. To establish the number of days required for each of the various types of work, the Table in Annex 1 in the "Guidelines for defining the Work Plan for Evaluating Compliance" should be used to calculate the work days involved in the Complete Procedure (Remote or On Site).
- g. When it is necessary for a Document-based Procedure to be complemented by a field visit, the CE will make a proposal for the costs involved, based exclusively on the expenses incurred in the complementary field visit for corroborating the missing information.
- h. The final cost of registration may vary due to different factors, such as the rate of a specific Certification Entity<sup>6</sup> for an evaluation of the Small Producers' Symbol standards, and the possible combination of this evaluation with a review of other registration processes<sup>7</sup>.
- i. The Basic Rates do not include the Evaluator's<sup>8</sup> daily expenses (transportation, lodging, and food). These expenses are to be negotiated separately between the organization that is to be registered and the Certification Entity. It is possible that these expenses are, in common agreement, partially or completely covered by the organization to be registered.
- j. The costs of the registration are to be paid to the Certification Entity in question. Please confirm the necessary information for this Certification Entity before making a bank deposit.

#### **4.3. User's Fee**

- a. For final buyers, the User's Fee for the Small Producers' Symbol is a fixed fee by volume of 1%<sup>9</sup> of the value (including surcharges and taxes) of products purchased for sale under the Small Producers' Symbol certification, except in those cases when a specific fee has been established:
  - i. For green coffee, 3 US cents per pound.
- b. In the case of finished products processed in the country of origin, the following user's fee must be paid:
  - i. 0.75% of the purchase value of all SPP-certified ingredients (without considering packaging, crating, processing, etc.) in the case of buying the product directly from a certified SPO.
  - ii. 1% of the purchase value of all SPP-certified ingredients (without considering packaging, crating, processing, etc.) in the case of buying the product from an Intermediary or a Maquila Company.

<sup>6</sup> These rates must be approved by FUNDEPPO.

<sup>7</sup> References for the various Certification Entities authorized by FUNDEPPO can be found in [www.spp.coop](http://www.spp.coop)

<sup>8</sup> Evaluator or Evaluators, according to the amount of work to be carried out.

<sup>9</sup> Subject to changes.



- c. In France, the Final Buyers pay an additional fee to *SPP-France* of 25% of the total amount of the users' fee due to FUNDEPPO.
- d. In the specific case of banana, the payment of the fees will be according the following scheme of progressive payments :
  - 1. The first year since the Registration is got, the 33% is paid of the total fee<sup>10</sup>.
  - 2. The first year since the Registration is got, the 66% is paid of the total fee<sup>10</sup>.
  - 3. After the second year since the Registration is got, the 66% is paid of the total fee.
- e. Only in the case in which it is not completely clear for what part of the product purchased is the Small Producers' Symbol to be used, the fee paid will be based on an estimate of the part for which the Small Producers' Symbol (SPP) will be used. Such estimates may only be used after obtaining authorization, in response to a request made with due justification. If authorization is granted, a tentative payment will be made, and when the final amount of the product for which the SPP will be used is determined, an adjustment will be made on the next payment corresponding to actual use.
- f. Payment of the User's Fee is to be made every three months, with respect to the volume of the product purchased to be sold under the Small Producers' Symbol during the period.
- g. The User's Fee is to be paid to FUNDEPPO (see bank details annexed).

## 5. GENERAL TERMS OF PAYMENT

- a. The costs mentioned in this document do not include possible value added taxes or other types of taxes.
- b. The money transfer commissions of the bank are to be paid by the payer.
- c. The time period during which payment may be made consists of a maximum of 21 calendar days, beginning on the date on which FUNDEPPO sends the form with the payment item and amount.
- d. After 21 calendar days have passed, a 5% monthly interest rate will be charged, although this does not signify an extension of the maximum time period established for making the payment.
- e. Expenses generated by erroneous transfers made to FUNDEPPO's bank account will be paid by the payer.
- f. Regarding payments to FUNDEPPO, they may be made in the following three currencies: US dollar, Mexican peso, or Euro.
- g. For transfers and deposits within Mexico, please use FUNDEPPO's bank account in Mexican pesos (see FUNDEPPO's bank details annexed).
- h. In the case of payments to FUNDEPPO through international bank transfers, FUNDEPPO's bank account in US dollars or its bank account in Euros may be used.
- i. If Euros are used to pay FUNDEPPO, the amount to be paid must be equivalent to the specified amount in dollars, using the exchange rate specified on the day the payment is made, as published by the European Commission (Inforeuro) at

<sup>10</sup> This rule is not retroactive and will begin implementing in calculating the fee for the 1st quarter of 2015.



[http://ec.europa.eu/budget/inforeuro/index.cfm?fuseaction=currency\\_historique&currency=201&Language=en](http://ec.europa.eu/budget/inforeuro/index.cfm?fuseaction=currency_historique&currency=201&Language=en).

- j. If Mexican pesos are used to pay FUNDEPPO, the amount to be paid must be equivalent to the specified amount in dollars, using the exchange rate specified on the day the payment is made, as published by the Bank of Mexico at: <http://www.banxico.org.mx/portal-mercado-cambiario/index.html>.

**Annex: FUNDEPPO's bank details**

<b>Complete Name of Account Holder:</b>	<b>FUNDACIÓN DE PEQUEÑOS PRODUCTORES ORGANIZADOS, ASOCIACIÓN CIVIL A.C.</b>	
<b>Complete Address of Account Holder:</b>	Guanajuato 131, interior 302, Colonia Roma Norte, Delegación Cuauhtémoc, C.P. 06700, México D.F., MÉXICO	
<b>Complete Name of Bank:</b>	<b>BBVA BANCOMER</b>	
<b>Complete Address of Bank:</b>	Durango 81, Colonia Roma Norte, Delegación Cuauhtémoc, C.P. 06700 México D.F., MÉXICO	
<b>SWIFT Code:</b>	BCMRMXMMPYM	
<b>ACCOUNT TYPE</b>	<b>ACCOUNT NUMBER</b>	<b>INTERBANK CODE</b>
ACCOUNT IN MEXICAN PESOS	168815402	012 180 001688154023
ACCOUNT IN DOLLARS	168858497	012 180 001688584978
ACCOUNT IN EUROS	178774951	012 180 001787749517



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### CHANGES REGARDING THE PREVIOUS EDITION OF THE DOCUMENT:

#### Regulations on Costs

Small Producers' Symbol

Version 6. 12-Dec-2014

Edition 1-Translation. 27-Feb-2015

#	Changes	Article	Reason	Type of Change	Date effective
1	This version specifies that in France the Final Buyers pay to SPP France an additional fee of 25% of the fee that the company must pay to FUNDEPPO.	4.3.c	Decision of the FUNDEPPO Board 11/XI/2015	Content	11/XI/2015