

# WHAT IS SPP? INFORMATION FOR BUYERS







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CLAC\* launched **SPP** as an international distinction for small organized fair-trade producers in 2006.



\*Latin American and Caribbean Coordinator of Small Fair-Trade Producers







**SPP** is launched to give identity to small producers and their values in a Fair Trade movement.

Fair trade had also incorporated transnational companies, private plantations and small producers not organized under contract.









Between 2006 and 2010, market and feasibility studies and participatory workshops were conducted to develop the SPP with a full certification and label system.

The IV CLAC General Assembly in 2010 approved the general rules and procedures of the SPP system.

At the beginning of 2011, first SPP products are launched in the Canadian and French markets









In 2012 CLAC becomes a formal member of the Fairtrade International system and decides to make the SPP and its legal structure, FUNDEPPO, independent.









In 2015, FUNDEPPO is reconstituted and the certified small producers' organizations become **SPP** owners. SPP companies become Solidarity Associates.



In 2016 the name of FUNDEPPO (Foundation of Small Organized Producers) is changed to SPP Global (Global Small Producers' Symbol, Civil Association).



**FUNDEPPO** Fundación de Pequeños Productores Organizados, A.C.











We work in partnership with committed companies and consumers.



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We promote the high quality products and values of small producers.





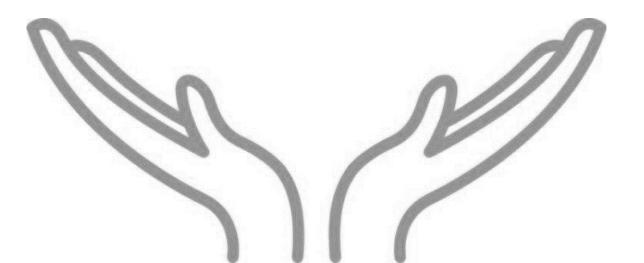
We work for a dignified life and a healthy planet for all.







The **SPP** label is independently certified by independent certification entities.







## **SPP IN NUMBERS**







## SPP FINISHED PRODUCTS: EUROPE





## SPP FINISHED PRODUCTS: NORTH AMERICA















## SPP FINISHED PRODUCTS: LATIN AMERICA









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## **GLOBAL CONTRIBUTIONS**





## GLOBAL CONTRIBUTIONS SPP SMALL PRODUCERS



Small producers' organizations, in alliance with companies and consumers, make great contributions to vital issues for consumers and producers.

Global Contributions SPP: <u>https://spp.coop/aportes-spp/?lang=en</u>





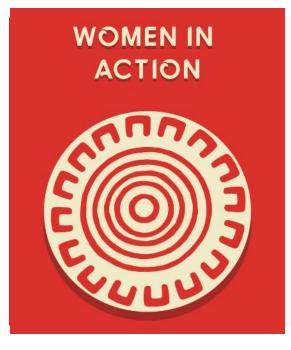


## **SPP** is stopping Climate Change

SPP small producers are contributing to curbing climate change by producing in a sustainable manner and preserving natural areas.





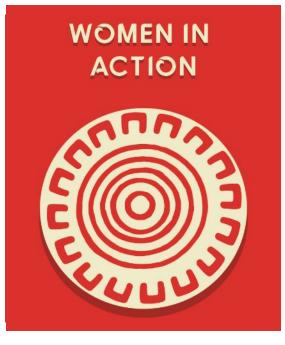


#### With **SPP** women strengthen their autonomy

 SPP small producers' organizations strengthen women's position through various projects and activities in their organization and localities.







## With **SPP** women strengthen their autonomy

 By strengthening women, a better gender balance and respect is achieved.







### **SPP** is High Quality Craftsmanship

 Small SPP producers produce naturally and on a small scale.

Families carefully handcraft a very high selected quality product, with the final consumer in mind.







#### **SPP** strengthens local economies

By receiving prices that cover production costs and a living income, small producers increase their capacity to invest in local economies and thereby create direct and indirect employment.







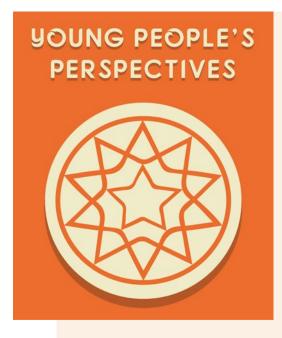
#### **SPP** strengthens local economies

 SPP generates direct and indirect local employment, thereby leading to better local prospects and preventing migration.

 Increases producers' capacity to influence public policies and projects.





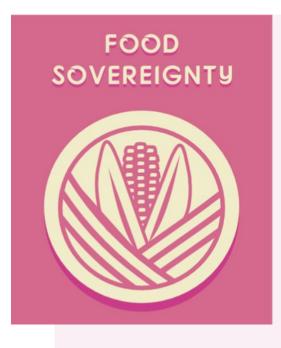


**SPP** seeks to improve prospects for young people

- SPP small producers' organizations strengthen young people's position with productive innovation and diversification projects, and the processing and selling of finished products.
- SPP encourages young people to participate at different operational and managerial levels of their organizations.







# **SPP** strengthens local Food Sovereignty

Small SPP producers not only produce products for marketing, but also produce food for self-consumption and for local markets, which guarantees greater food security and sovereignty, in contrast to the monoculture practiced by large producers.



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## THE DIFFERENCE





## SPP ONLY WORKS WITH SMALL PRODUCER ORGANIZATIONS



**SPP** works exclusively to strengthen organized small producers.

**SPP** does not certify or promote the work of small individual producers, small unorganized producers or large private producers.







**SPP** only certifies products that, in addition to complying with SPP regulations, have a certificate recognized as an organic product.









# **SPP** IS 100% OWNED BY THE SMALL PRODUCERS OF THE SOUTH.

Certified organizations are **SPP** Global's Owner Members. They are the only ones who have right to vote in **SPP** Global's General Assembly.









AT **SPP**, PRODUCERS DECIDE FOR THEMSELVES, RATHER THAN BEING MERE BENEFICIARIES

Producer representatives have a majority in governing bodies.

**SPP** rules and policies are based on realities and needs of producers themselves.

At **SPP** producers are managers of their own processes, not mere beneficiaries

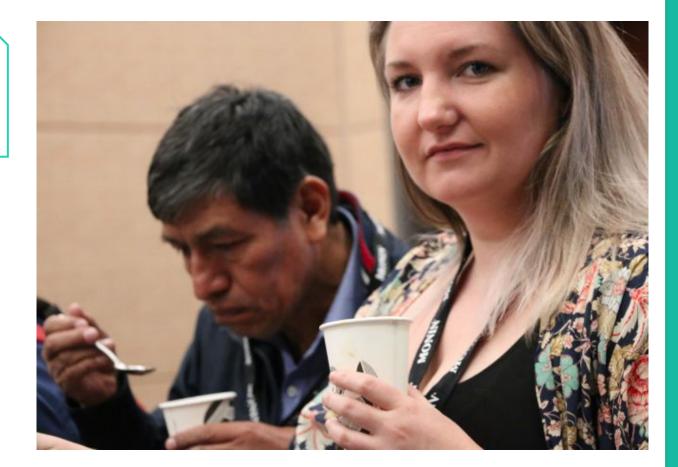




### SPP BUYERS PARTICIPATE AS STRATEGIC AND SUPPORTIVE ALLIES OF PRODUCERS

Final buyers' representatives and allies participate in governing bodies.

Buyer companies' opinion is considered to reach more consumers.









SPP PRICES ARE BASED ON REAL COSTS OF SUSTAINABLE PRODUCTION

Our minimum prices cover real costs of sustainable production, an inclusive economy and a dignified life, even when markets and other certifications set lower prices.







**SPP** products must have independent organic certification in all cases.

At **SPP** taking care of the environment and economic justice always go hand in hand.







SPP GUARANTEES TO CONSUMERS PHYSICAL TRACEABILITY OF THE PRODUCT BACK TO THE PRODUCER

**SPP** products must be physically traceable to their origin. **SPP** does not allow any products to have only accounting traceability ("mass-balance").





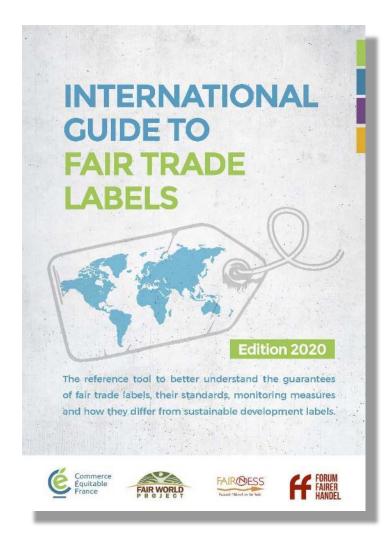
## **SPP** GIVES CONSUMER SAFETY ABOUT MIXED PRODUCT INGREDIENTS

In the case of mixed products, which contain different ingredients, a high percentage of these ingredients must be **SPP** certified.









SPP IS INTERNATIONALLY RECOGNIZED AS A FAIR-TRADE LABEL FOR SMALL PRODUCERS

**SPP** is a recognized fair-trade label by different national and international organizations. It has been positively evaluated in different guides of fair-trade labels.





#### WE WORK WITH INDEPENDENT CERTIFICATION ENTITIES TO CERTIFY **SPP** PRODUCTS

The **SPP** label and regulations are owned by the small producers, but compliance is guaranteed by certification entities independent of the **SPP** and the producers, to give greater guarantee to consumers.





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### WHY PARTICIPATE? ENTERPRISES





To be part of **SPP** as a great alliance to safeguard the sustainable future of small producers and their communities, their cultures and their projects.





To practice and stand out in the **SPP** market for being part of a scheme for authentic trade - one that is based on the situation, needs and values of small producers.





To strengthen the credibility of the enterprise and its brands in the market versus brands and labels with less backing and credibility than **SPP**.





#### **SPP** uses third-party certification for a truly fair and sustainable commercial relationship with small producers.





To be able to actively participate in **SPP** decision-making processes in terms of policies, strategies, standards and pricing.



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### **STEPS FOR PARTICIPATION**





## STEPS TO FOLLOW

- I.A- GENERAL INFORMATION
- I.B- REVIEWING PRODUCER COMPATIBILITY
- 2- APPLICATION
- 3- ELIGIBILITY
- 4- OFFER
- 5- PAYMENT





## **STEPS TO FOLLOW**

6- SELF-EVALUATION

- 7- EXTERNAL EVALUATION
- 8- CERTIFICATE OR REGISTER
- 9- ANNUAL MEMBERSHIP FEE
- I0- MARKETING UNDER THE SPP
- 11- AUTHORIZATION OF LABELS, REPORTS AND VOLUME FEES
- 12- SHARED REGISTRATION FOR SMALL BUYERS





1. A

#### **GENERAL INFORMATION**

 Knowing and standing by SPP principles, values, criteria and minimum prices stipulated in the <u>Declaration of SPP</u>
<u>Principles</u>, <u>SPP Code of Conduct</u>, and <u>SPP Standards</u>.





#### REVIEWING BUYERS COMPATIBILITY

- Companies must be certified at the level of the parent company.
- Final SPP buyers must commit to marketing under SPP, after the first two years, at least 5% of the business value of the product in question.
- After the first two years, Final Buyers must increase the SPP business value in the certified product items to a minimum of 25%, as a criterion for continuous improvement.

SPP General Standard: https://spp.coop/wp-content/uploads/2020/06/2.1-EN Gene Stan SPP.pdf





- Apply for Certification (Producers) or Registration (Final Buyers or intermediaries) using the online form: <u>www.d-spp.coop</u>.
- The "Application Fee" (specified in the <u>Regulations on Costs</u>) must be paid in order to proceed.





# 3 ELIGIBILITY

Wait during the 21-day eligibility evaluation period and expect positive results. The evaluation includes a publication of the intention to certify or register and the possibility of other SPP actors to present a supported objection.





## OFFER

- Once SPP Global has declared Eligibility, the authorized Certification Entity(ies) will provide a work offer and a quote for initial evaluation.
- The first and second evaluation can be remote, if the low risk criteria are met. An on-site evaluation is carried out every three years.





# 5 PAYMENT

The Certification Entity's quote must be accepted and payment must be made.





# 6 SELF-EVALUATION

The Certification Entity will send a self-evaluation form, to be filled out by the applicant and sent along with the required supporting documents.





### **EXTERNAL EVALUATION**

The Certification Entity will assess the documentation received and request additional information if necessary. It will prepare an Evaluation Report and issue a positive or negative opinion.





## 8 CERTIFICATE OR REGISTRATION

 If the result is positive, the OC will have the SPP User Agreement signed and send the Certificate (Producers) or Register (Companies).





ANNUAL MEMBERSHIP FEE

- Final Buyers and Small Producer Organizations pay a mandatory annual membership to SPP Global in accordance with current Regulations on Costs.
- Intermediaries and Maquiladoras do not pay annual membership

Regulations on Costs: https://spp.coop/wp-content/uploads/2020/09/4.3-EN Reg Cost SPP.pdf





#### **MARKETING UNDER THE SPP**

SPP transactions can be made between producers and SPP companies. Products marketed under SPP must meet all SPP requirements at the time they reach the final consumer. At least SPP minimum prices must always be paid for products in question.

SPP General Standard: https://spp.coop/wp-content/uploads/2020/06/2.1-EN Gene Stan SPP.pdf





#### AUTHORIZATION OF LABELS, REPORTS AND VOLUME FEES

When marketing, approval of labels on final products, submission of periodic purchase reports and payment of a quarterly usage fee (based on volume purchased) are required.

SPP Regulations on Graphics: <u>https://spp.coop/wp-content/uploads/2020/09/4.2-EN\_Regu\_Grap\_SPP.pdf</u>





#### SHARED REGISTRATION FOR SMALL BUYERS

There is the possibility for micro businesses to participate through a registered SPP Final Buyer, through the "Shared Small Buyer Registration Procedure".

Guidelines for Shared Use of Registration with Small Buyers: https://spp.coop/wp-content/uploads/2020/06/3.11-EN Guide Registr Small Buy.pdf



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### SPP COSTS





#### BUYER'S COSTS: REGISTRATION

Application Fee (First Time Only): Corresponds to one \$150

Certification Cost (Payment to the Certification Entity): Covers costs incurred by the Certification Entity (CB) when performing the type of certification procedure.

<u>E</u>	Example: Approximate cost for a company						
Evaluation Type	Documentary	On Site					
Approximate cost	If your SPP purchases are less than USD 3 million, it will take at least 2 working days, (USD 1,000 approximately).	It requires about 3-4 working days, approximately US \$ 3,000 (excluding transportation costs and auditor's stay).					

If you want to see examples of the total cost of participation, open this brochure.

What would be the total SPP participation cost? <u>Click here</u>

Regulations on Costs: https://spp.coop/wp-content/uploads/2020/06/4.3-EN Reg Cost SPP V11-E1 2020-06-03.pdf





#### BUYER'S COSTS: MEMBERSHIP

Membership Fee is the sum of a Basic Fee plus a Volume Fee

If you want to see examples of the total cost of participation, open this brochure.

What would be the total SPP participation cost?

Value in SPP USD Transactions (previous year)	Annual Membership Dues Due (USD)
> \$ 100, 000.00	\$ 500
More than \$ 80,000.00 up to \$ 100,000.00	\$ 400
More than \$ 60,000.00 up to \$ 80,000.00	\$ 300
More than \$ 30,000.00 up to \$ 60,000.00	\$ 200
Less than or equal to \$ 30,000.00	\$ 150
Less than or equal to \$ 20,000.00	\$ 100
Less than or equal to \$ 10,000.00	\$ 75

Regulations on Costs: https://spp.coop/wp-content/uploads/2020/09/4.3-EN Reg Cost SPP.pdf





#### BUYER COSTS: USER FEE

User Fee: Final Buyers must report their SPP purchases on a quarterly basis, where the User Fee for the Small Producers' Symbol will be calculated as follows:

Product Type	Raw material	Finished products				
User Fee	<b>Pr Fee</b> 1.75% of the value of the SPP minimum price (including SPP Incentive and Organic Recognition) of purchases made from SPOs and sold under the Small Producers' Symbol certification	Bought from Small Producers' Organizations: 1.31% of the purchase value of all SPP-certified ingredients*				
		Purchased from Intermediaries and/or Maquiladoras: 1.75% of the purchase value of all SPP certified ingredients <u>*</u>				
Final Buyers who choose not to put the SPP logo on their products must pay a fee to promote SPP, in addition to the user fee, equivalent to <b>0.25% of the purchase value</b> .						

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SPP has a system of standards and certification that guarantees a fair price to producers and healthy products from small democratic producers to consumers





**SPP** has networks of producers and buyers in different countries and regions of the world and makes decisions on its rules and functioning in a participatory manner.





### PARTICIPATION, PROMOTION AND COMPETITIONS AT TRADE FAIRS AND CONFERENCES

























#### ALLIANCE WITH SMALL PRODUCERS' FRIENDLY UNIVERSITIES





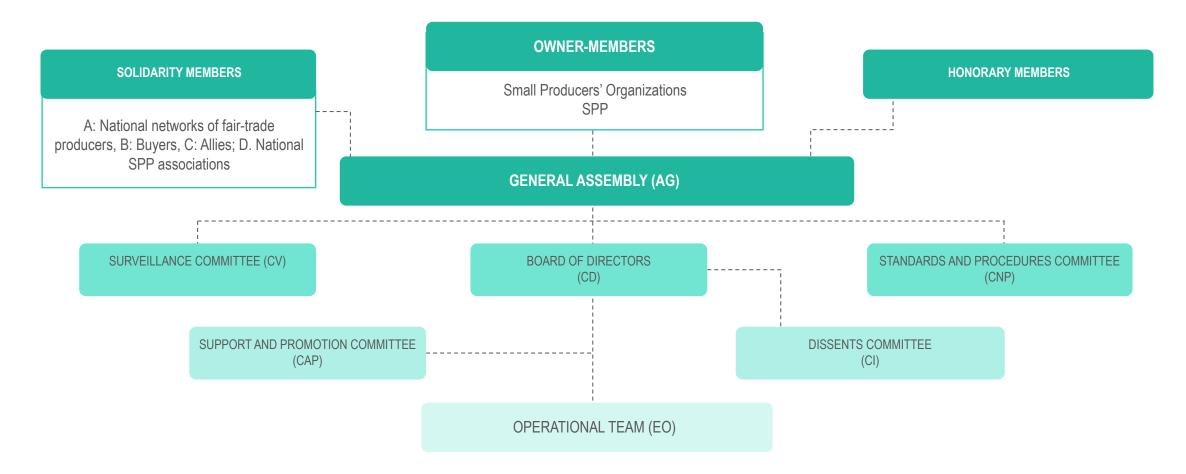








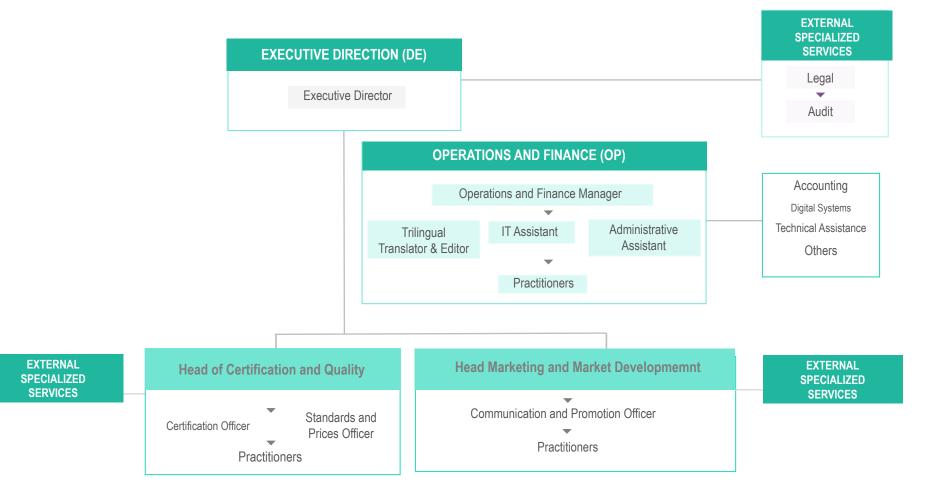
#### **GENERAL STRUCTURE**







#### **OPERATIONAL STRUCTURE**





SPP Global

## INTERNACIONAL STRUCTURE

2019 - 2021



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#### SPP PRICING SYSTEM

**SPP** has a Sustainable Price List that covers dozens of products.

PRODUCT	SPP BASE PRICE	ORGANIC RECOGNITION	SPP INCENTIVE	TOTAL ORGANIC SPP MINIMUM
Washed arabic coffee*	\$160 usd/100 lb	\$40 usd/100 lb	\$20 usd/100 lb	\$220 usd/100 lb
Cocoa**	\$2,750 usd/t	\$600 usd/t	\$250 usd/t	\$3,600 usd/t

#### SEE LIST HERE

List of Prices SPP: https://spp.coop/wp-content/uploads/2020/06/2.5-EN List Prices SPP.pdf





#### SPP PRICING SYSTEM

The price to be paid to the Small Producers' Organizations is, at least, the SPP Sustainable Price, which is the sum of 3 components:

- **1. SPP Base Price**, based on the production costs of both the producer and the Small Producers' Organization.
- **2. Organic Recognition**, based on the costs related to organic production in particular.
- **3. SPP Incentive**, aimed at strengthening organizational, productive, commercial and business aspects, as well as for activities that benefit the welfare of producer families and their communities collectively.





#### SPP PRICING SYSTEM

When the market price is above the "Minimum Sustainable Price" component, the price to be paid to the Small Producers' Organization is:

Market Price + SPP Organic Recognition + SPP Incentive

If you do not find the SPP Sustainable Price (in the SPP Price List) of the product or sub-product you wish to certify or register, please ask SPP Global for the prices or parameters to be applied.

> List of Prices SPP: <u>https://spp.coop/wp-content/uploads/2020/06/2.5-EN\_List\_Prices\_SPP.pdf</u> SPP General Standard: <u>https://spp.coop/wp-content/uploads/2020/06/2.1-EN\_Gene\_Stan\_SPP.pdf</u>





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## Thank you!

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