

### Costs for SPOs

General Certification Procedure and Regulations on Costs





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- ✓ Cost examples





### 1. Certification Costs

First-time





1. If this is your first time applying for SPP Certification, you will need to pay SPP Global a **150 USD Application Fee**.

Once your payment is confirmed, you will undergo an **Eligibility Check Process**. This means, SPP Global will verify if your organization qualifies for the certification process.



2. If you achieve a Positive Resolution for your Eligibility Process, the Certification Entity(-ies) you selected will send you a **Cost Proposal for your evaluation**.





3. Your Certification Entity will calculate the number of days needed to conduct your evaluation based on how many producers your organization has.





4. Considering an average rate of 380 USD per evaluation day, here is an estimate of what organizations will have to pay to Certification Entities:

Number of producers	0 to 100	101 to 250	251 to 500	501 to 1000	+ 1000
Approximate cost (USD)	\$950	\$1,045	\$1,140	\$1,330	\$1,425



5. Once you accept one cost proposal, you will pay your evaluation fee to the Certification Entity (CE), so that they start your Document-based Evaluation.





6. Upon completion of your evaluation, the CE will prepare and submit an Evaluation Report featuring either a Positive or a Negative Resolution. If the Resolution is positive, you will pay SPP Global your SPP Basic Membership Fee.



#### Basic Membership Fee

This fee is determined according to the number of producers your organization has.

Number of producers	0 to 100	101 to 250	251 to 500	501 to 1000	+ 1000
Cost (USD)	\$150	\$187.50	\$375	\$562.50	\$750



#### Recap

In sum, you will need to pay these fees to obtain your first SPP Certificate:

Payment to SPP Global:

Membership Application Fee (Basic Fee)

Payment to CE:
 Evaluation conducted by Certification Entity
 (CE)





# 2. Costs to keep your SPP certificate current

Renewal



# Costs to keep your SPP certificate current

1. Every year, you will have to undergo a followup evaluation conducted by your CE.

Likewise, You must pay your annual Basic Membership Fee and your annual User Fee to SPP Global.





# Costs to keep your SPP certificate current

2. Throughout the year, you must prepare and submit required SPP Sales Reports.

This information will be used to calculate your Volume Fee, which is to be paid before starting your Annual Follow-up Evaluation.





#### Volume Fee

The Volume Fee (VF) is a component of the SPP Membership Fee and is equivalent to 0.15% of the amount you sold to SPP Final Buyers during the previous year.

If your Organization sells finished products nationally and under its own brand, this fee does not apply.



#### Volume Fee

To calculate the Volume Fee, two elements are considered: sold quantity and SPP Minimum Sustainable Price (MSP) for each product:

**VOLUME FEE** 

QUANTITY SOLD

**X** MSP **X** 0.15%

For example,

Example: If you sold 100 tons of cocoa to a Final Buyer in France under SPP conditions, your Volume Fee would be 540 USD.

**100** TON **X 3,600** USD/ TON **X** 0.15% **=** \$540 USD



So...

Before starting your annual evaluation, you must pay SPP Global your SPP membership fee.

The **SPP membership fee** is calculated by adding my Basic Fee and my Volume Fee.



#### **Basic Fee**

1. This will be calculated according to the number of producers in your SPO.

Number of producers	0 to 100	101 to 250	251 to 500	501 to 1000	+ 1000
Cost (USD)	\$150	\$187.50	\$375	\$562.50	\$750



1. Your **Volume Fee** will be equivalent to 0.15% of the total amount you sold to Final Buyers under SPP conditions.





2. Subsequently, you must pay your Certification Entity for them to conduct your annual evaluation. Evaluation cost will depend on the type of evaluation you are due for and the number of producers your Organization has.





3. Every three-year cycle, you will have to undergo a Document-based Evaluation in years 1 and 2; as for year 3, you will be due for a Complete On-Site Evaluation to renew your certificate.





4. If you're due for a Document-based Evaluation, its cost will depend on the number of Producers your organization has:

Number of producers	0 to 100	101 to 250	251 to 500	501 to 1000	+ 1000
Approximate cost (USD)	\$950	\$1,045	\$1,140	\$1,330	\$1,425



4.1 When it comes to On-Site Evaluations, the approximate cost for this is 2,200 to 2,600 USD plus travel expenses, considering an organization having more than 1,000 producers and a daily CE charge of 500 USD.





#### Recap

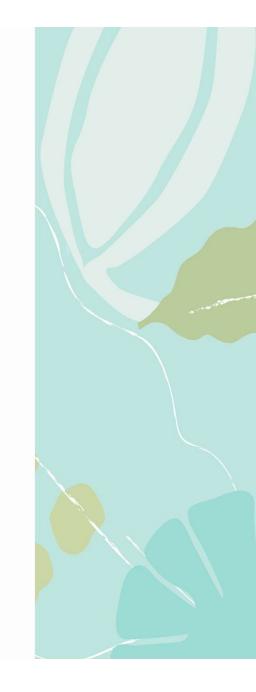
Once certified, these are the costs you'll have to pay to keep your certificate current:

- Payment to SPP Global:
   Membership Fee (Basic Fee + Volume Fee)
- Payment to CE:
   Evaluation conducted by Certification Entity
   (CE)





## Cost examples





#### Recap

To illustrate total SPP cost calculation method, consider examples coming up next.

\* To make **Volume Fee** calculation easier, purchased quantity is expressed in corresponding unit of measurement used in the SPP Minimum Sustainable Price List.

Here we go!







must pay a Volume Fee

A first-time SPO has 200 producers and it will sell ten tons of cocoa to a Final Buyer in Spain.



APPLICATION FEE



CERTIFICATION COST



MEMBERSHIP FEE



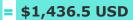
VOLUME FEE

\$150 USD	\$150
Approximate Cost for a Document-based Evaluation, according to number of producers and considering a CE daily charge of 380 USD	\$1,045
Since the Organization has 200 producers, it has to pay a 187.5 USD <u>Basic Fee</u>	\$187.5
Since these are export sales to a Final Buyer, the organization	<b>\$54</b>

PRODUCT	TOTAL QUANTITY	SUSTAINABLE PRICE	% ACCORDING TO	VOLUME FEE
	PURCHASED (Q)	SPP (MSP)	BUYER (%)	(Q*MSP%)
Cocoa	10 tons	3,600 USD/ton	0.15%	\$54

**TOTAL COSTS** 

Application Fee + Certification Fee + Volume Fee + Membership Fee



SUBTOTAL





A first-time SPO has 100 producers and sells ten tons of cocoa under its own brand nationally.

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APPLICATION FEE

\$150 USD

\$150



CERTIFICATION COST

Approximate Cost for a Document-based Evaluation, <u>according to</u> <u>number of producers</u> and considering a CE daily charge of 380 USD

\$950



MEMBERSHIP FEE Since the Organization has 100 producers, it has to pay a 150 USD <u>Basic Fee</u>

\$150



VOLUME FEE As these are domestic sales made under SPO's own brand, SPO does not have to pay a Volume Fee. However, SPO must report these sales for statistical purposes

**TOTAL COSTS** 

Application Fee + Certification Cost + Membership Fee

= \$1,250 USD





A first-time SPO has 200 producers and sells ten tons of mango to a Final Buyer located in its domestic market ( product country of origin)

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APPLICATION FEE

CERTIFICATION COST



MEMBERSHIP FEE

VOLUME FEE

\$150 USD	\$150
Approximate Cost for a Document-based Evaluation, <u>according to</u> <u>number of producers</u> and considering a CE daily charge of 380 USD	\$1,045
Since the Organization has 200 producers, it has to pay a 187.5 USD Basic Fee	\$187.5

Even if these are domestic sales, if the SPO sells to a Final Buyer, it must pay a Volume Fee \$14.18

PRODUCT	TOTAL QUANTITY PURCHASED (Q)	SUSTAINABLE PRICE SPP (MSP)	% ACCORDING TO BUYER (%)	VOLUME FEE (Q*MSP%)
Mango	30 tons	315 USD/ton	0.15%	\$14.18

**TOTAL COSTS** 

Application Fee + Certification Cost + Membership Fee + Volume Fee

= \$1,396.7 USD

SUBTOTAL





A 500-member SPO having obtained its first SPP Certificate is due for its second year evaluation. It sells ten tons of Quinoa to a Final Buyer in France.



CERTIFICATION COST

Because it is its second year, it is due to undergo a Document-based Evaluation. Approximate cost, <u>according to number of producers</u> and considering a daily CE charge of 380 USD is:

\$1,140



MEMBERSHIP FEE Since the Organization has 500 producers, it has to pay a 375 USD Basic Fee.

\$375



VOLUME FEE Since these are export sales, SPO must pay a Volume Fee.

\$238.5

PRODUCT	TOTAL QUANTITY	SUSTAINABLE PRICE	% ACCORDING TO	VOLUME FEE
	PURCHASED (Q)	SPP (MSP)	BUYER (%)	(Q*MSP%)
Quinoa	50 tons	3,180 USD/ton	0.15%	\$238.5

**TOTAL COSTS** 

Certification Cost + Membership Fee + Volume Fee

= \$1,753.5 USD



#### Please let us know if you have any questions!











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