



# Agricultural Production Standard Expansion of Scope into Dairy

Fair Trade USA

July 2020

## 1. Introduction

---

Fair Trade USA has long been a driver of sustainable livelihoods, social responsibility, and community development through the application of robust and credible social and economic standards that support farms, fisheries, and factories in a transition towards improved social welfare and environmental sustainability. Since 1998, fair trade producers in more than 45 countries have earned over \$400 million in Community Development Funds, which they have used to address their communities' greatest needs: often clean water, education, healthcare, and environmental protection. A cornerstone to this success has been Fair Trade USA's Agricultural Production Standard (APS) for crop production, which was designed to be applied to a variety of crops and farm settings.

Building upon the strong foundation of the APS, Fair Trade USA began an exploration of the U.S. dairy sector in early 2019 with the goal of determining how a fair trade certification program could be most relevant, impactful, and valuable. Coming out of that exploration, Fair Trade USA sees clear opportunity to complement existing initiatives within and surrounding the dairy industry and bring positive impact to the sector by applying their unique model of standards, premium, and producer services.

Fair Trade USA is moving forward to create the first ever fair trade certification in the U.S. dairy sector. This document summarizes the objectives, project activities, and decision-making process for the expansion of scope of the Agricultural Production Standard into a dairy context.

## 2. Background and Rationale

---

With milk prices at historic lows, American dairy farmers are facing a crisis. The number of dairy farms in the US has dropped by 69% in the last two decades alone. This downturn, prompted by overproduction, volatile export markets, and the rise of dairy alternatives, has been particularly devastating in top milk-producing communities. As a result, the dairy industry is rapidly changing. There is a trend of increasing herd sizes and heightened reliance on non-family labor. Reports of long hours, no overtime pay, wage theft, unsafe working conditions, workplace harassment, and inadequate housing have placed worker well-being at the forefront of industry concerns. Migrant workers, who make up an estimated half of the U.S. dairy workforce, are especially vulnerable to many of these issues and often do not have access to legal protections.

These challenges, particularly those faced by small-scale dairies and dairy workers, are similar to other agricultural contexts where Fair Trade USA operates, leading the organization to hypothesize that Fair

Trade USA programs would be a good fit for this industry. Fair Trade USA spent early 2019 conducting research and holding conversations to better understand the dairy industry and other sustainability and labor initiatives in the dairy space. The goal of the exploration was to determine whether and how the systems, operations, implementation, and auditing of the Agricultural Production Standard (APS) could be applicable in a dairy setting. The exploration confirmed that, through a blend of standards, premium, and supply chain services, fair trade presents a strong foundation to address the socio-economic, labor, and farm culture issues in the dairy sector in the United States.

Rather than create a new standard, Fair Trade USA will be applying the Agricultural Production Standard (APS) and certification process in the dairy context, with the needed definitions and clarification to make it interpretable and auditable in this sector. The APS was developed through a multi-stakeholder process in line with ISEAL's *Code of Good Practice for Setting Social and Environmental Standards*. As the dairy program is developed, Fair Trade USA will conduct additional consultation with dairy stakeholders and use learnings from the consultation in combination with learning from initial pilot certifications in dairy to finalize the modifications to the APS that are needed to ensure it is fit for purpose in the dairy sector.

### 3. Scope

---

Although the APS is globally applicable, only dairies in the United States will be eligible for fair trade certification, as the program is being developed initially to focus on driving benefits for U.S. supply chains, farmers, and workers.

Due to significant differences between the environmental issues and approaches to environmental stewardship in food crop production as compared to dairies, the environmental requirements of the APS will not be applied to dairies as the program is piloted. Specifically, criteria in Module 4 related to biodiversity, ecosystem function, and sustainable production will not be audited. Fair Trade USA will explore how best to address critical environmental sustainability issues in dairies in partnership with experts and organizations already working in the space over the course of the program development, consultation, and finalization.

### 4. Intended Outcomes of the Standard

---

The implementation of the dairy-adapted APS is intended to drive the same social and economic outcomes as the existing APS. As noted above, the expansion of the APS into dairies will not currently address environmental issues and impacts. The dairy program intends to support lasting, positive change in the impact areas of income sustainability, community and individual well-being, and empowerment. The APS compliance requirements are grouped thematically into modules on empowerment; fundamental rights and work; wages, working conditions and access to services; traceability and transparency; and, internal management system. For more information, see the current APS and Fair Trade USA's Impact Management System, available on the website.

## 5. Project Activities

Step	Timeline	Description
<b>Initiate standard review and pilot process</b>	Q2 – Q4 2019	Determine approach to expanding the scope of the APS into dairies based on learnings from research and exploration. Develop necessary documentation to pilot test the APS in the field with dairies.
<b>Conduct pilots alongside targeted outreach &amp; consultation</b>	Q3 2019 – Q2 2020	<p>Select stakeholders including, but not limited to, experts, NGOs, and industry representatives within the fields of dairying and sustainable certification schemes to be consulted regarding: 1) the overall program strategy; 2) applicability and comprehensiveness of the APS in addressing relevant dairying specific issues and in providing value to the dairy supply chains; and, 3) identifying areas of concern which should receive special emphasis and attention during the pilots.</p> <p>Pilots are carried out to test the applicability of the APS in a dairy context, beginning in 2020.</p>
<b>Public consultation &amp; ongoing pilots</b>	Q2 – Q4 2020	Full draft of a Dairy Amendment to the APS is drafted based on early consultation and initial learnings from pilots. The APS with draft amendments applicable to dairy is published on Fair Trade USA’s website for a 60-day public consultation period where all interested stakeholders will have the opportunity to provide feedback. Fair Trade USA will actively solicit feedback on specific areas and questions raised during initial program development and will conduct outreach to ensure input from a broad range of stakeholders as well as from the farmers, workers, and other partners involved in the pilots.
<b>Analysis of feedback and revision</b>	Q4 2020 – Q1 2021	<p>The Standards team reviews, analyzes, synthesizes, and incorporates the feedback from consultation and ongoing learnings from pilots into the dairy-amended APS.</p> <p>A public summary of the feedback from the consultation period, as well as how feedback was incorporated, is made public along with an announcement of the plan for publication</p>

**Approval and publication**

	and translation of the updated requirements of the scope expansion.
Q1 2021	Fair Trade USA's Standards Committee and Executive team approve the expanded scope of the APS. The document is translated into additional languages as needed, and plan for transition to updated requirements in published. Announcements are sent to partners and stakeholders.

## 6. Decision-making Process

---

Fair Trade USA's Standards and Implementation Resources Team works with the Standards Committee to review stakeholder feedback, discuss core strategic issues, and ensure all Fair Trade USA standards' content is consistent with the organization's vision, strategy, theory of change, and impact goals.

The Standards Committee is responsible for approving final standard content. Once the standard's content has been approved, the Executive Team will review adherence to Fair Trade USA's Standards Development and Revision Procedure. The Executive Team's final approval closes the standard development or revision process.

## 7. How to Get Involved

---

During this project, Fair Trade USA will hold opportunities to comment on the draft dairy amendment. There will be at least one public comment period. Please inform us at [standards@fairtradeusa.org](mailto:standards@fairtradeusa.org) if you would like to receive notice when the public comment period is open. Summary of the comments received and Fair Trade USA responses will be publicly shared. Please visit our [revision website](#) for updates and associated supporting materials.

To comment on this Project Plan, the standard development and revision process and/or goals please email us at [standards@fairtradeusa.org](mailto:standards@fairtradeusa.org).