



## CONSULTATION DOCUMENT

### Fairtrade Minimum Prices and Premiums for Gold and Associated precious metals from Artisanal and Small Scale Mining

- August 2009 -

#### 1. Introduction

##### 1.1 Purpose of the Price consultation

The purpose of this consultation document is to obtain stakeholders' point of view on Fairtrade Minimum Price (FTMP) and Fairtrade Premium (FTP) proposals for Artisanal Gold and Associated Silver and Platinum. It is important to precise that **these proposals are not definitive** and will probably be amended taking into account your comments and recommendations. The main objective is that the final FTMP and FTP is balancing the interest of all stakeholders. **This paper is consequently the best way to communicate your thoughts about the proposed prices and premiums.**

##### 1.2 Content of Consultation Document

In this document, you will find:

- Important definitions regarding Fairtrade prices
- The time frame for setting FTMP and FTP for gold and associated precious metals
- A table with the summary of the FTMP and FTP proposed for gold, silver and platinum
- The consultation questions where you could provide us your opinion and rationale on FTMP and FTP proposed for gold and associated precious metals from artisanal and small scale mining
- In the annex is attached a paper for explaining the reasons why the FTMP was not set based on Cost of Sustainable Production and rationale, and for explaining how FTP and Ecological Premium were set.

PLEASE: Before you respond the questions in part 3, **carefully read part 2.**

#### 2. Background information

##### 2.1 Important definitions

- FLO standards refer to a Fairtrade Minimum Price (FTMP). This is not the obligatory price to be paid to certified producers, but it is a minimum level under which producers cannot be paid. Price paid to certified producers must always be negotiated between traders and producers higher or equal to the FTMP. When the relevant market price is higher than the FTMP, the market price must be paid.

## 2.2 Time frame for setting prices

- Aug - Sep: Public consultation round on price proposals, involving main stakeholders
- Nov: Final price proposals presented to FLO Standards Committee for approval.
- Dec: FLO Board ratification of Standards Committee decision.

## 2.4 FTMP and FTP proposed

- The following table presents the summary of FTMP and FTP proposed for gold, silver and platinum.

PRODUCT		FTMP <sup>1</sup>	FTP <sup>2</sup>	Ecological Premium
GOLD	<u>FAIRTRADE® and FAIRMINED® Gold</u>	at least 95% of the LBMA <sup>3</sup> fix for the pure content, FOB export point	6% of LBMA fix for the pure content	
	<u>FAIRTRADE® and FAIRMINED® Ecological Premium Gold</u>	at least 95% of the LBMA fix for the pure content, FOB export point	6% of LBMA fix for the pure content	9% of LBMA fix for the pure content
SILVER	<u>FAIRTRADE® and FAIRMINED® Silver</u>	at least 95% of the LBMA fix for the pure content, FOB export point	6% of LBMA fix for the pure content	
	<u>FAIRTRADE® and FAIRMINED® Ecological Premium Silver</u>	at least 95% of the LBMA fix for the pure content, FOB export point	6% of LBMA fix for the pure content	9% of LBMA fix for the pure content
PLATINUM	<u>FAIRTRADE® and FAIRMINED® Platinum</u>	at least 95% of the LPPM <sup>4</sup> fix for the pure content, FOB export point	6% of LPPM fix for the pure content	
	<u>FAIRTRADE® and FAIRMINED® Ecological Premium Platinum</u>	at least 95% of the LPPM fix for the pure content, FOB export point	6% of LPPM fix for the pure content	9% of LPPM fix for the pure content

<sup>1</sup> FTMP. Fairtrade Minimum Price

<sup>2</sup> FTP. Fairtrade Premium

<sup>3</sup> LBMA. London Bullion Market Association

<sup>4</sup> LPPM. London Platinum and Palladium Market

Additional information can be requested to José Paredes at [j.paredes@fairtrade.net](mailto:j.paredes@fairtrade.net)

### 3. Consultation on proposed prices and premiums

The following section asks for your comments and recommendations to the proposed minimum prices and premiums. All information received by stakeholders during this consultation process will be kept confidential.

#### 3.1 Identification of participants in the consultation process

Please indicate the name of the person filling in this document
Please indicate the name of the organization and its country location
Please describe how you carried out the consultation with members of the organisation, with partners or with external sources of information in order to fill in this document

If you need more information do not hesitate to take contact to José Paredes: [j.paredes@fairtrade.net](mailto:j.paredes@fairtrade.net).

**IMPORTANT: Please send the completed document by email before September 14<sup>th</sup>.**

#### 3.2 Questions related to the proposed prices

##### 3.2.1 Fairtrade Minimum Prices (FTMP)

- a) Do you agree with setting FTMP for FAIRTRADE AND FAIRMINED Gold as at least 95% of the LBMA (London Bullion Market Association) gold fixing for the pure content, at FOB export point?

Yes                       No

Please, explain why:

- b) Do you agree with setting FTMP for FAIRTRADE AND FAIRMINED Silver as at least 95% of the LBMA (London Bullion Market Association) silver fixing for the pure content, at FOB export point?

Yes                       No

Please, explain why:

- c) Do you agree with setting FTMP for FAIRTRADE AND FAIRMINED Platinum as at least 95% of the LPPM (London Platinum and Palladium Market) platinum fixing for the pure content, at FOB export point?

Yes  No

Please, explain why:

- d) Please include any additional comment about Fairtrade Minimum Price proposals:

### 3.3.2 Fairtrade Premium (FTP)

- a) Do you agree with setting FTP for FAIRTRADE AND FAIRMINED Gold as 6% of the applicable LBMA (London Bullion Market Association) fixing?

Yes  No

Please, justify your answer:

- b) Do you agree with setting FTP for FAIRTRADE AND FAIRMINED Silver as 6% of the applicable LBMA (London Bullion Market Association) fixing?

Yes  No

Please, justify your answer:

- c) Do you agree with setting FTP for FAIRTRADE AND FAIRMINED Platinum as 6% of the applicable LPPM (London Platinum and Palladium Market) fixing?

Yes  No

Please, justify your answer:

- d) Please include any additional comment about Fairtrade Premium:

### 3.3.3 Ecological Premium

- a) Do you agree with setting an additional Ecological Premium for FAIRTRADE AND FAIRMINED Ecological Gold, as 9% of the applicable LBMA (London Bullion Market Association) fixing, on the top of FTP?

Yes  No

Please, justify your answer:

- b) Do you agree with setting an additional Ecological Premium for FAIRTRADE AND FAIRMINED Ecological Silver, as 9% of the applicable LBMA (London Bullion Market Association) fixing, on the top of FTP?

Yes  No

Please, justify your answer:

- c) Do you agree with setting an additional Ecological Premium for FAIRTRADE AND FAIRMINED Ecological Platinum, as 9% of the applicable LPPM (London Platinum and Palladium Market) fixing, on the top of FTP?

Yes  No

Please, justify your answer:

- d) Please include any additional comment about Ecological Premium: