



SAMPLE  
DIRECT FAIR TRADE COMMITMENT BETWEEN:  
Level Ground Trading and \_\_\_\_\_ Coffee Farmers Cooperative

**Level Ground Trading is committed to:**

**1. Focusing on Farmers by:**

a. Paying a Fair Price

Fair price covers not only the costs of production but enables production that is socially just and environmentally sound. Level Ground commits to paying a fair price to farmers and producers; we are committed to meeting or exceeding the FLO Fair Trade price standards and seek to ensure farmers receive at least 65% of the price we pay per lb of green coffee FOB, including a Direct Fair Trade Premium.

b. Creating Opportunities for Economically Disadvantaged Producers

Level Ground Trading commits to supporting small scale producers\* and coffee growers that live in remote rural areas, who live on their farm and/or are dependent on their farm income for a living. Small-scale farmers are defined as farmers who have 5 hectares (12 acres) of land or less.

c. Building direct and long term relationships

Level Ground Trading commits to building and sustaining long term trade relationships that are founded on dialogue, trust and mutual respect and have a goal of continual improvement.

d. Supporting independence, education and positive work conditions

Level Ground seeks to work with producer organizations who: offer capacity building opportunities to staff and farmers; promote equal opportunities and pay for both men and women; promote independence and positive work conditions that meet and respect international conventions on labour standards; and respect ILO legislation and local laws and customs on employment of children and workers.

e. Supporting sustainable environmental practices

Level Ground Trading commits to supporting organic growing practices and other forms of environmentally sustainable production.

**2. Valuing Quality by:**

a. Purchasing the highest quality products

Level Ground commits to paying high prices for high quality products.

b. Working directly with farmers and their co-ops, associations and trading partners

Level Ground seeks to work with farmers and producer groups who are invested in their quality practices and programs.

**3. Operating with Transparency and Accountability by:**

a. Publishing Transactions

Level Ground Trading commits to reporting trading arrangements on our [website](#), publishing initiatives and updates with producer groups, and making these documents accessible to both producers and consumers.

b. Producer visits

Level Ground commits to visiting producer groups to ensure product prices are translating to direct payment to farmers.

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Level Ground Trading Ltd.

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Date



Coffee Farmers Cooperative are committed to:

**1. Focusing on Famers by:**

- a. Creating Opportunities for Economically Disadvantaged Producers  
Purchase and collect parchment coffee at its buying stations from small-scale coffee farmers, whose farms are at least 1600m above sea level and no larger than 5 hectares.
- b. Paying a Fair Price  
Pay workers fair and legal wages and for every shipment, pay farmers at least 65% of the price Level Ground pays per lb of green coffee FOB, including a Direct Fair Trade Premium.
- c. Supporting independence, education and positive work conditions  
Offer capacity building opportunities to staff and farmers, including technical assistance and training to stimulate production and enhance relationships with coffee growers; promote equal opportunities and pay for both men and women; promote independence and positive work conditions that meet and respect international conventions on labour standards; and respect ILO legislation and local laws and customs on employment of children and workers.
- d. Supporting sustainable environmental practices  
Invest in environmentally responsible practices, including organic, at the co-op and farmer level.

**2. Valuing Quality by:**

- a. Value Quality  
Determine the up-front cash price for parchment coffee by the quality of the coffee at the time of purchase.
- b. Selling quality  
Select coffee for sale to Level Ground Trading that is above screen 15 (European Preparation) with a maximum of 8 defects of the first group and 22 of the second group in a sample of 500 grams; and provide Level Ground Trading a sample of coffee prior to sale (coffee must pass cupping before shipping).

**3. Operating with Transparency and Accountability by:**

- a. Fair Trade Premiums and Price  
Be accountable to and transparent in the distribution of Fair Trade Premiums paid by Level Ground Trading; and be transparent in the amount paid to farmers per lb of green bean purchased by Level Ground Trading.
- b. Monitor Compliance  
Maintain records on traceability to origin for each coffee farmer selling coffee to the co-op/organization and maintain direct contact with small-scale coffee farmers' associations; monitor the compliance of farmer associations according to the social and environmental principles listed in this document.

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Coffee Farmers Cooperative

Date



Small-Scale Coffee Farmers commit to:

**1. Focusing on Farmers by:**

- a. Paying a Fair Price  
Pay farm workers fair and legal wages.
- b. Supporting independence, education and positive work conditions  
Respect the ILO Legislation, local laws and customs on the employment of children and workers.
- c. Supporting sustainable environmental practices  
Meet organic standards, or where standards are not yet in place:
  - 1) Farm land practicing crop diversification;
  - 2) Avoid the use of harmful chemical fungicides, pesticides and herbicides. Pest control products must not pose a threat to human or animal health. These products should preferably be made on the farm using proven remedies;
  - 1) Use compost made on the farm or of known origin and organic composition;
  - 2) Plant coffee trees in the shade of other native trees;
  - 3) Protect soil and water in and around the farm;
  - 4) Use water-wise and environmentally friendly coffee wet mills;
  - 5) Properly manage wastewater.

**2. Valuing Quality by:**

- a. Growing quality  
Endeavour to produce a superior cup by choosing to grow traditional varieties of coffee arabica, such as bourbon, caturra or typica.

**3. Operating with Transparency and Accountability by:**

- a. Certifications  
Comply with all certifications to obtain premium prices for farm crops.

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Representative of Small-Scale Coffee Farmers

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Date



January 2011

Dear \_\_\_\_\_:

Level Ground Trading Ltd. is pleased to submit this letter of intent to purchase green coffee this year and to uphold our commitment to maintain long-term relationships with coffee farming communities. Coffee will be purchased under Level Ground Trading's Direct Fair Trade practices and commitments as described above. This letter is not a contract to purchase green coffee. Level Ground Trading will finalize intent to purchase green coffee by submitting contractual Purchase Orders for every shipment based on current prices for the months of shipment.

INTENT TO PURCHASE GREEN COFFEE IN 2011:

Origin, Certifications, Specialty Coffee, REF #		
SHIP MONTH *	PO	QTY BAGS
January	ORG-#	300
February	ORG-#	320
March	ORG-#	320
November	ORG-#	320

\* Sea Freight should be scheduled for the first half of each shipping month.

We trust that coffee farmers and their community will continue to benefit from our Direct Fair Trade relationship.

Sincerely yours,

Hugo Giro  
CEO & Director, Level Ground Trading Ltd.