

D. Sample letter and questionnaire from retailers to suppliers

This sample letter and questionnaire may be used by retailers to find out which of their suppliers is sourcing from smallholders and what the likely issues are on the smallholdings. It also informs suppliers of these guidelines. It is for use between retailers and their suppliers and may not be appropriate for use at the next level of the supply chain, between exporters and importers. However, it can serve as a model for such communication.



D.1 Sample letter

Dear Supplier,

I am writing to you on behalf of (Company X) trader and product technologist.

We are aware that smallholders and managed outgrowers are increasingly prevalent in retailers' international supply chains, and we recognise that they have an important part to play, both in the UK and worldwide. However, the experience of certain companies is that smallholders and managed outgrowers frequently have poor terms and conditions of work. As a company we are therefore keen to work with those producers within our supply chain who source products from smallholders and managed outgrowers, in order to ensure that decent working conditions are met.

Because of their valuable role within the supply chain, we want to ensure that smallholders and managed outgrowers are able to maintain supply to us, and are not excluded from providing products to us. Instead, we need to understand more about their working needs. We also need to find ways to work with our suppliers and their smallholders and outgrowers to ensure that they remain an integral part of the supply chain, while ensuring that their working conditions (and those of their workers where relevant) are not being neglected. This forms part of our overall approach to improving labour standards of all workers in our supply chains.

The Ethical Trading Initiative

We are members [delete if not applicable] of the Ethical Trading Initiative (www.ethicaltrade.org), which is a UK, membership-based organisation that brings together businesses, trade union organisations and non-governmental organisations (NGOs). ETI works to help improve working conditions in the supply chains of member companies by applying international labour standards. Members develop and promote good practice in the credible implementation of ethical codes of conduct.

ETI has developed guidelines on the practical implementation of the ETI Base Code with smallholders and outgrowers. This document is available to all our suppliers who have smallholders and managed outgrowers within their supply chains. It can be downloaded from the ETI website at www.ethicaltrade.org

What we want you to do

As an initial step, we need to know which of our suppliers are currently sourcing products through smallholders and outgrowers, and the controls that are currently in place to ensure that they are treated fairly and are paid an acceptable price for their produce.

We are also interested in understanding more about what you see as your priorities, issues and concerns for the smallholders and managed outgrowers within your supply chain.

You will find a questionnaire attached to this letter regarding the use of smallholders in your supply chains. Please could you complete the questionnaire and return it to: [name] [job title] at [contact details] by [date]. Please also let me know if you would like a copy of the 'ETI smallholder guidelines' mentioned above.

The issue of smallholders is an important one to our company and I therefore look forward to receiving your questionnaires and comments.

Yours sincerely



D.2 Sample questionnaire for suppliers

1. Supplier name	
2. Contact name, e-mail address and phone number	
3. Do you have smallholders in your supply chain?	
4. Which products do they supply?	
5. Which country/ies do they supply from?	
6. How do the smallholders fit into your supply chain? For example, do they sell directly to you, an exporter/processor, third party trader or agent, via a farmers' co-operative or association?	
7. How long have you had a buying relationship with these smallholders?	
8. Do you have a manager with responsibility for managing the smallholders?	
9. How are retailer quality, technical, safety and ethical requirements made known to the smallholders?	
10. What support is given to the smallholders to achieve these requirements?	
11. What commitments do you have with the smallholders if you wish to end the relationship (eg, notice period, contract with time specifications, phase-out process)?	
12. How are the smallholders organised, ie, co-operative, buying centres, on-delivery payment only?	
13. What percentage of the product supplied to our company is from smallholders?	
14. How many smallholders supply product X?	
15. What is the seasonal production pattern of product X?	
16. What other produce do the smallholders providing product X sell to the export market?	
17. How much of their land (%) is tied up with producing product X for buyers per year?	
18. What percentage of product X is sold to other retail buyers?	
19. Is product X in demand at local markets/is it eaten locally?	
20. Can it be sold elsewhere?	
21. What other produce do the smallholders grow?	
22. What in general are the hired labour practices for smallholders?	
23. Please provide a general overview of labour practices, ie permanent, part-time, temporary, tied, family, shared labour.	
24. How do you ensure there is no forced or bonded labour within your smallholders?	
25. Is the labour local or migrant? (Please give details for all products and countries from which you supply to us.)	
26. What is the local agricultural wage? (Please give details for all products and countries from which you supply us.)	
27. Are any of the smallholders and/or their workers members of unions?	



9. The Toolkit

28. What do the smallholders know of the UK/retail/customer end of the supply chain?	
29. What do the smallholders understand about the export market and the pricing systems?	
30. How are the costs for the smallholders built into price negotiations between you and the retailers?	
31. What are the main problems and issues for the smallholders in supplying products to our company?	
32. What impact do currency fluctuations or other global market changes have on your purchasing from smallholders?	
33. What support can we provide to manage the problems and issues identified?	