



# Distribution standards for the Demeter license for traders and processors

## Introduction

Countries with an independently certifying Demeter organisation and a market where organic products are widely available, can introduce rules for a distribution strategy for their area of activity in order to give substance to the quality and distinctiveness on a socio-economic level. All Demeter trade that exports to a country with distribution terms must comply with these, provided that the terms are available in English on the website of the country in question and on the website of Demeter International.

*All entrepreneurs/companies that process, trade or sell Demeter products - with the exception of all individual shops and web shops with an annual turnover of less than EUR 5000 - are required to have a licence agreement with Demeter-Netherlands.*

## Article 1: Purpose of the distribution terms

- To guarantee adequate communication for the consumer.
- To ensure that Demeter products are presented as quality products.
- To promote fair relations in the supply chain.
- To ensure that biodynamic agriculture can continue to develop.

## Article 2: Minimum requirements

- The licensee respects the mission statement of Stichting Demeter, at least as far as the handling of Demeter products is concerned. <sup>1</sup>
- The licensee has proven experience in working with organic products: Sale is at least 2% above the average of the turnover organic in retail. <sup>2</sup>
- The licensee works in accordance with all Demeter terms and conditions.
- Purchaser(s) and all relevant persons within the organization (quality, assortment, sales) must have/acquire relevant knowledge about Demeter.
- There is at least 1 person within the organisation who has knowledge of the general principles and guidelines and Demeter's company-specific conditions.

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<sup>1</sup> See text at the bottom of this document.

<sup>2</sup> This average percentage is now 3.4% (based on the year 2018) and is adjusted annually depending on the data measured / collected on behalf of Bionext. It concerns the average of the total organic food market.



- This primary contact person is the first point of contact. He / she is also responsible for the periodic reporting regarding the licensee's interpretation and development of the distribution terms.
- To draw up and to submit a multi-year development plan (see Article 3). To participate in evaluation and development interviews (see Article 5).
- The availability of Demeter raw materials and ingredients cannot always be guaranteed. Contracts may not punish or penalise the inability to deliver due to the aforementioned shortages of raw materials.
- The licence agreement is signed by the person legally representing the company.

### Article 3: Development targets

With regard to the following subjects, targets (where applicable) will be set on which the licensee must demonstrate a positive development over time, a.o. in line with the purpose described in Article 1 and the mission of the Demeter organisation:

- To achieve a certain share of Demeter products in relation to the turnover in organic products.
- To increase the number of Demeter products.
- To work towards a trade flow that is as regional as possible.
- To work on the development of packaging and processing that is as sustainable as possible.
- To ensure a premium position of the Demeter products in the store.
- The licensee supports initiatives that contribute to the development and profiling of biodynamic agriculture.
- The licensee strives for lasting, long-term relationships in the supply chain.
- The licensee respects Demeter's premium aspect in pricing and rewards; from producer to consumer.
- At the points of sale, adequate information about Demeter's background and content is directly or indirectly available to consumers, in line with the manual and the information on website [www.stichtingdemeter.nl](http://www.stichtingdemeter.nl).

### Article 4: Use of the certification mark

Demeter products under private labels with the name of the retailer are in principle not allowed. Exceptions to this are only possible with written permission from the national Demeter organisation and - if applicable - Demeter International.

### Article 5: Accountability and sanctions policy



- The responsibility for compliance and accountability/reporting lies with the licensee. New applications will be considered upon receipt of the checklist/application form, followed by a company visit and reporting to the Demeter Licensing Committee (DLC).
- Existing licensees will have a maximum period of 2 years to comply with these distribution terms as of 1 April 2020 when these terms come into force.
- Each licensee will participate in evaluation and development talks. The frequency depends on the nature of the company and varies from annually to once every three years. This frequency is determined by Demeter and can also be adjusted in the interim.
- In the event of two consecutive negative evaluations, Stichting Demeter has the discretionary authority to terminate the license.
- If Demeter has the impression that a license application of a certain company may be harmful to Demeter's image and/or reputation, Stichting Demeter may reject it without further explanation.

## Mission Statement Stichting Demeter

Agriculture of the future

Stichting Demeter considers building a 'living agriculture' as an essential basis for both personal and social development.

This will become increasingly important as it offers solutions to the burning issues of our time, concerning socio-economic equality and development, cultural freedom and the ecological sustainability of our food supply.

We approach earth, plants and animals with respect and open consciousness. We work on a biodynamic agriculture that ensures a future-sustainable world and a living earth. Producing vital products that nourish body and mind for us and future generations.