

## APPENDIX B: ROYALTY

Participation royalties are based upon the weight listed on the transaction certificates issued to the organization paying the royalty and are invoiced as follows, only once in each supply chain:

Certified Farm Product	Description	Royalty Calculation Event	Organization Paying Royalty	Royalty Rate <sup>1</sup>
<b>Bananas</b>	Bananas for Export	Transaction Certificate for Volumes Sold to Importer <sup>2</sup>	Importer	US\$0.02 per 18.14 kilogram box of Bananas (US\$1.10/metric ton)
	Branded Bananas for Export or Local Consumption	Transaction Certificate for Volumes Sold by Brand Owners <sup>3</sup>	Brand Owner	
<b>Cocoa</b>	Cocoa Beans for Export	Transaction Certificate to Exporter <sup>4</sup> for Volumes Sold by Producer	Exporter	US\$0.0129 per kilogram of Cocoa Beans
	Cocoa Beans for Local Processing	Transaction Certificate to First Buyers <sup>5</sup> for Volumes Purchased	First Buyer	
<b>Coconut</b>	Crude Coconut Oil	Transaction Certificate to First Buyer of Crude Coconut Oil <sup>6</sup>	Exporter/Crusher	US\$32.00 per metric ton of Crude Coconut Oil
<b>Coffee</b>	Green Coffee Beans for Export	Transaction Certificate for Volumes Sold to Importer <sup>7</sup>	Importer	US\$0.015 per pound of Green Coffee Beans
	Green Coffee Beans for Local Processing	Transaction Certificate for Volumes Sold to First Buyers <sup>8</sup>	First Buyer	
<b>Orange</b>	Orange Juice Soluble Solids for Processing	Transaction Certificate for Volumes of Solids Sold by First Processer <sup>9</sup>	Importer/First Buyer of processed orange products	US\$0.015 per pound of Soluble Solids <sup>10</sup>
<b>Tea</b>	Made Leaf Tea	Transaction Certificate to Blender <sup>11</sup> for Volumes Processed or Blended	Blender	US\$0.0125 per kilogram of Made Leaf Tea

### NOTES:

1 Where applicable, 2.20462 pounds in a kilogram is used in all calculations.

2 Importer is the organization outside country of origin that first buys Bananas for sale or processing, including retailers or other organizations that import Bananas directly. Royalty to Importer will be charged on the incoming TC volumes of certified bananas purchased, less any volumes declared as "Sold as non RAC", "Loss" or commercial waste.

3 Brand Owners may elect to pay for volumes of Bananas bearing their own brand and carrying the RAC claim or seal. Buyers of branded Bananas will not be charged when the Brand Owner has already paid the royalty.

4 Exporter is the organization inside country of origin that exports Cocoa Beans for onward sale or processing. Exporter may also be the producer or farm/group certificate holder. *Note: In the case of export by a government body (e.g. in Ghana, Cocoa Marketing Company Ltd.), Exporter is the organization that buys Cocoa Beans from farmers and arranges sale through the government body (e.g. in Ghana, Licensed Buying Company).*

5 First Buyer is the organization inside country of origin that first buys Cocoa Beans for local processing.

6 The organization (or refinery) that buys the crude coconut oil inside or outside the country of origin.

7 Importer is the organization outside country of origin that first buys Green Coffee Beans for onward sale or processing.

8 First Buyer is the organization inside country of origin that first buys Green Coffee Beans for local processing.

10 Soluble Solids are calculated using Corrected Brix.

11 Blender is the organization that mixes different packages of Made Leaf Tea (or Made Leaf Tea equivalent weight for instant tea), breaking up the original garden invoice/chop number into a blend.