



## Clarification of Sales Value

### Sales Value as defined in the Licence Agreement:

The Sales Value is the combined invoice value of sales of **Red Tractor Assured Products** from the **Licensed site** excluding inter-company transfers/stock movements between **Licensed Sites**.

For clarification, the following are defined in the Licence Agreement as:

- Red Tractor Assured Products means products which comply with the Eligibility Criteria and are declared and approved by RTA at application and includes any new products added at renewal and/or throughout the licensing year;
- Eligibility Criteria means the criteria for products to be eligible to carry the Logos or to be the subject of a Red Tractor Assurance Claim, applicable at various stages of the whole production chain, as set out in the various documents published by RTA from time to time in the [guidance documents section of the licensing portal at ((as updated, amended or replaced from time to time): [http://checkers.redtractor.org.uk/rtassurance/services/licensee\\_services/guidance.eb](http://checkers.redtractor.org.uk/rtassurance/services/licensee_services/guidance.eb)
- Licensed Site means the site of the Licensee specifically referred to in the Application (it being the case that the Licence can only apply to a single site).

### Further explanation (not defined in the legal Licence Agreement):

The declared sales value at time of renewal should be for the preceding year *i.e.* for renewal in 2021 the declared value should be for the period 1<sup>st</sup> April 2020 – 31<sup>st</sup> March 2021. For new licensees joining during the licensing year, the sales value is a forecast of Red Tractor sales to 31<sup>st</sup> March in that year.