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FAIRTRADE ADDS NEW CERTIFICATION REQUIREMENT FOR COCOA AND COFFEE TO BOOST FARMER INCOMES

In a move to deepen benefits for farmers, Fairtrade International has announced a new requirement for cooperatives and traders applying for cocoa or coffee certification.

The requirement, which takes effect 1 June 2020, obligates cooperative and trader applicants to have commitments in place for new Fairtrade sales volumes in order to be eligible for certification. The commitments must be confirmed by the end buyer, whose products bear the FAIRTRADE Mark, and validated by the respective national Fairtrade organization. It will also be possible for new producer organizations to become certified, if necessary, to ensure supply continuity of an existing contract for Fairtrade certified cocoa or coffee.

The decision comes as part of Fairtrade's commitment to enable farmers to earn a living income. The requirement is one of several measures being developed by Fairtrade International, with the input of cooperatives and stakeholders.

"This change aims to ensure that newly certified coffee or cocoa cooperatives will immediately be able to sell on Fairtrade terms and provide benefit to their farmer members, and that existing Fairtrade cooperatives also continue to build their Fairtrade sales as demand grows," said Gelkha Buitrago, Director of Standards and Pricing of Fairtrade International. "Farmers deserve to earn a decent living for the work they do. Being able to sell their crop on Fairtrade terms – with the Fairtrade Minimum Price and Premium that go with it – is a key part of that equation."

Coffee producers face the challenge of historically low global coffee prices, which have averaged below US\$1 per pound for more than a year. The prices are significantly below the cost of production for nearly all smallholder coffee farmers. The Fairtrade Minimum Price of US\$1.40 per pound and the Fairtrade Premium on top serve as a safety net for Fairtrade coffee farmers during these lows, but the amount sold on Fairtrade terms depends on end buyer commitments.

Challenges in the West African cocoa sector are also significant, with the majority of cocoa farming households in Côte d'Ivoire living in extreme poverty. Starting October 2019, Fairtrade increased its Minimum Price and Premium for cocoa by 20 percent as a step towards living incomes. Although preliminary 2019 sales figures indicate a decrease of Ivorian Fairtrade cocoa sales of more than 11 percent from 2018, the overall financial value to Ivorian Fairtrade cocoa cooperatives and their farmer members still increased by almost 35 percent in 2019, according to Jon Walker, Fairtrade International's Senior Advisor for Cocoa.

"On an individual level, however, some farmers will not have seen this benefit. Working collectively with committed industry partners, we must return to the growth in Fairtrade volumes sold by cooperatives and their members seen in prior years," said Walker.



The new requirement will be in effect for 14 months or until it is superseded by revised Fairtrade Standards for coffee and cocoa, which are currently in review. Producers and other supply chain stakeholders will provide their input on various options and measures as part of the consultations for the Fairtrade Standards reviews.

Additional information for producer organizations and traders is available on the [Fairtrade International website](#), as well as from [FLOCERT](#), Fairtrade's independent certifier.

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Q&A: Fairtrade certification requirement for cocoa and coffee producer organizations and traders