

**Standards Committee  
Minutes  
Meeting 106: 13 February 2023  
Teleconference**

SC members: Richard Kwarteng, Gustavo Lopez, Marike de Peña, Iresha Sanjeewanie (Chair, proxy vote from Martin de la Harpe), Stijn Decoene (proxy vote from Martin Boon), Richard Kwarteng, Emilie Sarrazin

Excused: Martin de la Harpe, Martin Boon

Contributing observers: Samantha Dormer - GPM Cocoa, Johanna Schmidt, Jon Walker - Sr. Adv. Cocoa, Abubakar Afful - Regional Cocoa Manager FTA

Other Observers: We do not display the full names of observers and contributing observers to comply with 'The General Data Protection Regulation (GDPR)<sup>1</sup>'. If you need additional information about the observers or contributing observers of this meeting, please contact [standards-pricing@fairtrade.net](mailto:standards-pricing@fairtrade.net)

**Disclaimer:**

The Fairtrade International Standards Committee (SC) aims to reach consensus, but decisions may not always reflect the opinions of all people.

The section to introduce the topic (background information) has been written by the Standards & Pricing and may not have been discussed by the SC in full. Sections listing action points are an outcome of discussions of the SC but are not part of the decisions made.

**Abbreviations**

CDI	Côte d'Ivoire
CEO	Chief Executive Officer
CLAC	The Latin American and Caribbean Network of Fairtrade Small Producers and Workers
CoE	Centre of Excellence
COSP	Cost of Sustainable Production
DRC	The Democratic Republic of the Congo
EC	Exceptions Committee
FET	Fairtrade Executive Team
FI	Fairtrade International
FMP	Fairtrade Minimum Price
FOB	Free on Board
FP	Fairtrade Premium
FPC	Fairtrade Premium Committee
FSI	Fairtrade Sourcing Ingredient
FT	Fairtrade

<sup>1</sup> Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation). <https://eur-lex.europa.eu/eli/reg/2016/679/oj>



FBW	Fairtrade Base Wage
GPM	Global Product Manager
GPPP	Global Products, Programs & Policy
HL	Hired Labour
HML	Hazardous Materials List
HREDD	Human Rights and Environmental Due Diligence
IDH	The Sustainable Trade Initiative
LAC	Latin America and the Caribbean
LI	Living Income
LIRP	Living Income Reference Price
LW	Living Wage
NAPP	Network of Asia & Pacific Producers
OC	Oversight Committee
O2B	Offer to Business
PM	Project Manager
PN	Producer Networks
PT	Project Team
SA	Senior Advisor
S&P	Standards and Pricing Unit
SC	Standards Committee
SM	Salary Matrix
SOP	Standards Operating Procedure
SPO	Small-scale Producer Organizations
ToR	Terms of Reference

### **Item 1 – Opening**

The Chair officially opened the meeting.

**Agenda:** The Agenda was approved, and ground rules were read.

**Declaration of conflict of interests:** No conflict of interests.

### **Item 02 - Fairtrade Minimum Price Differential for Cocoa from CDI**

Inflation and rising labour costs have increased farmers' costs dramatically. At the same time, a strong dollar in October 2022 meant that the Fairtrade Minimum Price differential (in US dollars) reached a historic high for a main harvest season, making Fairtrade cocoa relatively more expensive than in the previous season. This led to a significant risk to continued market access on Fairtrade terms for Ivorian farmers.

This led FI to develop potential short-term measures for the next cocoa season that were presented by the Cocoa Team.

Overall consultation feedback strongly urged Fairtrade International to take action. Results from the consultation feedback show that most members support a measure to stabilise the exchange rate for the

upcoming cocoa season starting in April 2023. Many members as well as Ivorian producers suggested and supported additional alternative measures.

### **Discussion**

The SC discussed the proposals put forward for decision, the implications of the feedback received from members and Ivorian producers and the most suitable next steps and gave guidance.

### **Decisions**

**Decision 1:** Do you approve Measure 1, Cap on the differential value due to exchange rate/stabilisation of the exchange rate, as a short-term measure for the light cocoa season (light season beginning 1 April 2023 ending 30 September 2023) as of 1 April 2023?

The SC unanimously voted in favour as a short-term measure (6 votes + 2 proxies).

**Decision 2:** Do you agree with an early communication of the decision made on 13 February, that is, before the approval of the SC minutes?

The SC unanimously voted in favour as a short-term measure (6 votes + 2 proxies).

The communication will be shared with NFOs before publishing so that Q&As for partners be prepared on time.

### **Next steps:**

1. Stabilisation of the exchange rate for the FMP differential calculation and targeted B2B communication
2. Explore and consult average exchange rate for FMP differential and FMP in EUR
3. Regular cocoa price and premium review, including the review of LIRP.

### **Item 03 – AOB**

#### **AOB**

The Director of S&P reminded the SC members about the next SC meeting in March, and pointed out that the agenda will be timely shared.

#### **Next meeting date:**

- March 22-23-24

**The meeting was formally closed**