



## Call for Tender Consultancy Assignment Review of Fairtrade's Cotton Price

### OVERVIEW:

The world market prices for seed cotton have risen during the past years, resulting from a series of environmental and political events, long-term effects of the Covid-19 pandemic and worldwide inflation. Considering these reasons, the Fairtrade Minimum Prices (FMP) for seed cotton are now due for a review.

In 2023, Fairtrade International reviewed the methodological approach, data collection procedures and calculation of the costs of sustainable production (COSP) for all Fairtrade products. The [new COSP guidelines](#) identify areas where costs related to sustainable production are incurred, such as costs of compliance with Fairtrade standards (i.e., environmental costs and HREDD). The new COSP template needs to be reviewed to fit the specific needs of seed cotton production.

For the review of the seed cotton price, a general assessment of the pricing model and specifics for seed cotton production will be conducted.

### OBJECTIVE:

Fairtrade International is searching for a consultant/ consultancy with expertise in the area of seed cotton production and prices, as well as Fairtrade methodologies and ways of working on prices and premiums definitions. For the first step of the price review, a consultant shall study and advice on the best pricing model for seed cotton, taking into account different government pricing systems in relevant cotton origins, market price setting and current practices in different origins, as well as an evaluation of strengths, weaknesses and limitations of the current pricing model for seed cotton.

Following the outcome of the new COSP guidelines, the second objective of this consultancy assignment is to translate the new general COSP template into a product-specific COSP template for seed cotton that can be used to carry out the data collection for the cost of sustainable production of seed cotton.

## TASKS/DELIVERABLES:

### Overall tasks:

The consultant will evaluate if the current pricing model is fit for purpose with the intention to increase Fairtrade sales, farmer's income and commercial partners' willingness to pay. The review or the pricing model should entail:

- To identify the biggest seed cotton producing regions and future trends
- To assess whether a global, country specific or regional FMP is the best solution
- To identify how to handle local prices set by governments (e.g. India and Pakistan)
- To review the Fairtrade Premium of Seed cotton: Including the decision between a fixed Fairtrade Premium or percentage and review of the Premium value.
- Revising the above-mentioned COSP template by following the structure specified in the COSP guidance document.
- Presenting the final COSP template.
- Provide training on the cost items of the COSP template for FTA and NAPP
- Be available for validation expertise on Seed Cotton COSP data reported by Fairtrade producers

### Key deliverables:

- Description of the project design, including project team, desk research, project activities, milestones, and timelines.
- Update the COSP template for seed cotton incorporating environmental and HREDD based on the above-mentioned COSP template.
- A well-documented report explaining the proposed new COSP items.
- Develop a report with different scenarios on seed cotton pricing models. The report must analyse strengths and weaknesses of different pricing models for seed cotton taking into account future trends in the cotton market, local realities, market dynamics as well as Fairtrade Minimum Price and Premium models.
- A well-documented report summarizing the research, analysis and results for the seed cotton price models.
- Final presentation to Fairtrade on the deliverables.
- Train field staff (for FTA and NAPP each) on the specifics of the COSP template for each cost item.
- Provide expertise on COSP data collection and validation with regional knowledge as well as experience with costs seed cotton production.

Please note: All deliverables should be provided in English.



### Timelines:

The consultancy contract is scheduled to start as soon as possible, and the main report and COSP template should be finished before the **31<sup>st</sup> of August 2024**. The contract might run longer.

### REQUIREMENTS:

The consultant/consulting firm for this assignment should have the following expertise:

- Proven experience in agricultural research, measurement of agricultural production costs, particularly in relation to Seed Cotton.
- Affinity with the context and challenges of sustainable development in the cotton sector.
- Excellent data analysis skills.
- Very good understanding of the seed cotton production system and how the product is marketed globally
- Fluency in English. Good knowledge of French is preferred.
- Knowledge on the Fairtrade methodologies and ways of working on prices and premiums definitions is a plus.

### TERMS AND CONDITIONS:

#### How to apply:

Interested parties can present their proposals by sending an e-mail to [l.roubas@maxhavelaarfrance.org](mailto:l.roubas@maxhavelaarfrance.org) and [m.wolf@fairtrade.net](mailto:m.wolf@fairtrade.net), indicating "**Review of Fairtrade's Cotton Price**" in the subject line. The proposal should include the following information:

- Professional expertise: A brief description of the research team and the relevant expertise of the team members, focussing on the requirements presented in this document.
- Project plan: A description of the methodological approach proposed for this project, specifying timelines and deliverables.
- Budget breakdown: Consultancy fees and all additional costs.

**Deadline to submit applications: 30<sup>th</sup> of June 2024.**

#### Budget indication:

The maximum budget for this project is €20,000, including a compulsory 19% VAT payable in Germany (where Fairtrade International is based). This means that the amount payable before VAT



is €16,200. This estimated budget is subject to change if the applicant submits a proposal with a justified budget.

**Criteria for evaluation:**

Proposals will be evaluated based on the following criteria:

- Relevant expertise of the research team.
- The quality of the proposed methodology and approach.
- Familiarity with the topic and regions.
- Proposed budget for consultancy and other costs.
- Proposed timetable for the project.

**Questions:**

Interested parties can send their questions regarding this assignment to Mona Wolf :  
[m.wolf@fairtrade.net](mailto:m.wolf@fairtrade.net)