



To: Fairtrade Cocoa producers and traders
Fairtrade members
cc: Standards Committee
Fairtrade International staff
FLOCERT staff

Gelkha Buitrago
Director of Standards & Pricing
g.buitrago@fairtrade.net

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Price announcement from Fairtrade International Standards & Pricing for cocoa

Dear Partners,

During the meeting that took place on 22 November 2018 the Standards Committee (SC) decided on changes to the Fairtrade Cocoa pricing model. For details on the decision please refer to the minutes of the Standards Committee meeting, available on our website, please click [here](#)

Firstly, the changes include increasing the Fairtrade Minimum Price and Fairtrade Premium for conventional and organic cocoa, with the aim of maximising income for Fairtrade cocoa farmers whilst building strong and viable producer organisations that can respond to their members needs. Secondly, to provide transparency about farmer prices whilst providing adequate benefits to producers, the full amount of the Fairtrade minimum price differential¹ should be distributed by the producer organisation to the members in price regulated markets (Ghana, Côte d'Ivoire). Thirdly, in order to promote transparency of Fairtrade Prices along the supply chain, purchase contracts between suppliers and buyers must specify the amount of Fairtrade Premium to be paid and Fairtrade organic differential² when applicable, separately from the agreed purchase price of the Fairtrade cocoa products (including cocoa beans, cocoa liquor/mass, cocoa butter and cocoa powder). Lastly, to provide stability and clarity on the value of the Fairtrade Minimum Price and Fairtrade Premium payment, the exchange rate between USD to Euros will be fixed twice a year which is applicable to sourcing from Côte d'Ivoire.

The new Fairtrade Minimum Prices and Premium are presented in the table below. The Fairtrade Premium is paid in addition to the Fairtrade Minimum Price or market price. The Fairtrade Prices are also available on our website under: <http://www.fairtrade.net/price-and-premium-info.html>.

¹ **Fairtrade minimum price differential** is defined as the difference between the Fairtrade Minimum Price and the market reference price. It is only applicable when the Fairtrade Minimum Price is above the market price.

² **Fairtrade organic differential** is the price paid on top of the FMP for conventional or the market price whichever is highest, when purchasing Fairtrade organic cocoa.



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Specific Product Standard	Product Variety	Price applies to	Currency / Quantity x unit	Price Level ³	Fairtrade Minimum Price value	Fairtrade Premium value	Valid from
Cocoa	Conventional	Worldwide (SPO/ CP in Pacific)	USD/MT	FOB	2400	240	01/10/2019
Cocoa	Organic	Worldwide (SPO/ CP in Pacific)	USD/MT	FOB	organic differential: +300	240	01/10/2019

For price regulated markets (Ghana, Côte d'Ivoire), the new Fairtrade Minimum Price and Premium is to be paid on deliveries from producer organisations as of 1 October 2019.

For non-regulated markets (worldwide except Ghana, Côte d'Ivoire), the new Fairtrade Minimum Price and Premium is to be paid on producer contracts signed as of 1 October 2019. For producer contracts signed between 1 March and 30 September 2019 in non-regulated markets, cocoa deliveries at the current Fairtrade Minimum Price and Premium are to be made by 31 December 2019. Otherwise the new Fairtrade Minimum Price and Premium applies.

For other changes and implementation dates, please refer to the Fairtrade Standard for cocoa.

The revised Cocoa Standard applies to all Fairtrade certified cocoa operators and replaces the previous version. You can find the revised Fairtrade Cocoa Standard on our website:

https://www.fairtrade.net/fileadmin/user_upload/content/2009/standards/documents/Cocoa_SPO_EN.pdf.

An explanatory note providing technical details and common questions and answers can be found under the Cocoa section: <https://www.fairtrade.net/standards/our-standards/small-producer-standards.html>.

For more information, please contact Yun-Chu Chiu at: y.chiu@fairtrade.net

Best regards,

Gelkha Buitrago

³ **Free on Board (FOB)** means that the seller delivers when the goods pass the ship's rail at the named port of shipment. From that point forward, the buyer has to bear all costs and risks of loss or damage to the goods. Under FOB terms, the seller is required to clear the goods for export