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To: Fairtrade Members

cc: Standards Committee,
Producer Networks,
Fairtrade International staff,
FLOCERT staff

Ricardo Guimaraes
Head of the Pricing Unit
r.guimaraes@fairtrade.net

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Subject: Announcement – New guidance document for the Cost of Sustainable Production

Dear partners,

The Pricing Unit is glad to announce and publish **the new guidance document** for the methodology and collection of the **Cost of Sustainable Production (COSP)**. The new COSP guidelines are adapted to capture new compliance costs that producers face because of HREDD regulation and environmental costs.

The COSP guidance document provides guidance for calculating and reporting the production costs of Fairtrade certified producers as part of the collection of the COSP data. COSP data is one of the key sources of information for the development of Fairtrade Minimum Prices (FMP), which intends to cover the average production costs of all producers within the system. The FMP is a tool to protect producers from market instabilities, providing a safety net in case of low market prices. This guide aims at supporting Fairtrade personal and Producer Organizations in the COSP data collection process and explaining transparently to Fairtrade stakeholders, how the Fairtrade COSP data is obtained.

Over the last year, an extensive review of the old methodology and guidance document has taken place, resulting in the presentation and acceptance of the Standards Committee of the new COSP guidance document and template.

The new COSP guidance document can be found on our website [here](#) and the new COSP templates [here](#). Additional versions in French and Spanish will be available soon.

For more information, please contact Mona Wolf (m.wolf@fairtrade.net).

Best regards,

Ricardo Guimaraes
Head of the Pricing Unit
R.guimaraes@fairtrade.net