

## **Project Assignment - Draft Banana Price Review 2024**

This project assignment contains the most important information about the project. For additional information on the project, please contact the Project Manager (contact details below). The project will be carried out according to the Standard Operating Procedures for the Development of Fairtrade Standards/Minimum Prices and Premiums. More information on these procedures can be found on the website: <http://www.fairtrade.net/standards/setting-the-standards.html>

### **Rationale for and justification of need for the project:**

The Fairtrade Minimum Prices for banana are annually revised, as part of the offer for banana, since 2009. In 2024, the Fairtrade Minimum Prices will be revised based on data collected on costs of banana production of HLs and SPOs.

### **Risk assessment:**

- There are different pricing work streams for banana offer and services running in parallel to the banana price review 2024; all of them competing on same resources and with the same level of priority. No additional resources are available.

Mitigation plan: Some human resources have been reassigned to support the banana work.

- The costs of inputs and services of banana production has been increasing steadily. This might create the need of a last-minute update of inputs and services rates, as it has occurred in 2022 and 2021, postponing the date for announcement the SC decision regarding the price proposal for banana that will be valid for 2025.

Mitigation plan: Since there is no option to run a second round of cost data collection, the work with the technical round tables of banana is crucial to update the cost rates.

<b>Project Start Event:</b>	<b>Project Start Date:</b>
Development of Project Assignment	January 2024
<b>Project End Event:</b>	<b>Project End Date:</b>
Announcement of SC decision on the price proposal 2024 for Fairtrade banana.	October 2024

### **Project Goal and Objectives**

#### **Goal:**

Update the Fairtrade Minimum Prices for banana based on full data collection of costs of production.

#### **Objectives:**

- Collect and identify inconsistencies on data of production costs and calculate the cost of production at country level

- Define the price proposal for consultation together with the banana project team, starting from the cost of production
- Consult all banana stakeholders, receive their feedback and adjust the consulted price proposal accordingly
- Develop price proposals that will be recommended to the Standards Committee
- Define the cost of the eight key inputs and services of the banana production
- Update the prorated tool for Fairtrade Minimum Prices and Fairtrade Premium for banana

**NEW: Connection with Theory of Change (ToC):**

This project relates to the first goal of Fairtrade International, which is to make Trade Fair, and that is by providing the tools to enable Fairtrade Minimum Price and Premium payment compliance. This is specifically, the intervention related to standards & certification for supply chain business.

**Project scope:**

- Banana quality: conventional and organic
- Price levels: Ex works and FOB-EXW differential
- Producer set-up: SPO and HL
- Geographical scope: worldwide

**Out of scope:**

- Incorporate the living wage and living income components in the price proposal for consultation or in the recommended price proposal to the Standards Committee (SC)
- Incorporate external costs of banana production in the price proposal for consultation or in the recommended price proposal to the SC
- Set or review the Fairtrade Premium
- Set or review Fairtrade Minimum Prices for domestic sales of banana
- Compare production costs of banana between Fairtrade and non-Fairtrade banana
- Review or improve the exchange rate and consumer price index procedure
- Human Rights and Environmental Due Diligence costs are not collected, not taken into account in the calculation of the cost of production

**Project timelines and information on opportunities to contribute:**

- Jan - Apr: Project Assignment
- 12 Apr - 21Jun: Cost data collection
- Jun: Analysis and preparation of price proposal for consultation
- 8 Jul - 28 Jul: Consultation period
- Aug - Sep: Analysis, preparation of price proposal to the SC, wording of paper and PPT to the SC, delivery to the SC

**Decision making process:**

The Standards Committee will decide on the recommended price proposal for Fairtrade banana.

<ul style="list-style-type: none"> <li>• Sep: SC decision</li> <li>• Oct: Price Announcement</li> <li>• 1 Jan 2025: Start validity of announced Fairtrade Minimum Prices</li> </ul> <p><b>* More information will be provided closer to the consultation period on our <a href="#">website</a>. If you are identified as key stakeholders, you will receive an invitation to participate.</b></p>	
<p><b>Project Owner (Unit):</b></p> <p>Ricardo Guimaraes, Head of Pricing</p>	<p><b>Project Manager (contact point for the project):</b></p> <p>José Paredes, Senior Project Manager Pricing <a href="mailto:j.paredes@fairtrade.net">j.paredes@fairtrade.net</a></p>
<p><b>Project team:</b></p> <ul style="list-style-type: none"> <li>- Silvia Campos (Fairtrade International)</li> <li>- Marike de Peña (CLAC)</li> <li>- Cyrielle Digout (MHFR)</li> <li>- Anna Pierides (FTF)</li> <li>- Corina Nienhaus (FTDE)</li> <li>- Jonathan Lanidune (FTA)</li> <li>- José Paredes (Project manager)</li> </ul> <p><b>Technical Team:</b></p> <ul style="list-style-type: none"> <li>- José Madriz (CLAC)</li> <li>- José Marulanda (CLAC)</li> <li>- Marike de Peña (CLAC)</li> <li>- Red Banano and Mesas técnicas (CLAC)</li> <li>- José Paredes (Fairtrade International)</li> </ul>	<p><b>Project Environment (Stakeholder groups not part of the project team):</b></p> <ul style="list-style-type: none"> <li>- CLAC</li> <li>- Fairtrade Africa</li> <li>- NFOs</li> <li>- Exporters</li> <li>- Importers</li> <li>- Retailers</li> <li>- National banana chambers</li> <li>- Banana industry</li> </ul>