



FAIRTRADE
INTERNATIONAL

New Fairtrade Living Income Reference Prices for Cocoa in Côte d'Ivoire and Ghana

Frequently Asked Questions

30 April 2026

1. What are the new Living Income Reference Prices and when do they come into effect?

The prices per kilogramme of cocoa at farmgate are:

Côte d'Ivoire: 1,758 CFA franc (XOF) (equivalent to EUR 2.68 or USD 3.11)

Ghana: 45.4 Ghanaian cedi (GHS) (equivalent to USD 3.95)

Because of exchange rate fluctuations, we publish price equivalents for Côte d'Ivoire in euros instead of U.S. dollars as we do for Ghana.

The prices will come into effect at the start of the next harvest season when the Ivorian and Ghanaian governments announce their regulated prices. This is expected in September or October 2026.

2. What changed since the last update of these prices in January 2025?

Over the past year, we have conducted an in-depth, multi-stakeholder review process with key cocoa industry stakeholders, including companies, producers, civil society and advocates. The review process included an analysis of the core principles of the Living Income Reference Price model and sector applicability, followed by a comprehensive data analysis and then deliberation on specific numeric values that are part of the price calculation.

The review process resulted in changes to the price model, as well as adjustment to the numerical values in the price calculation.

Key aspects of the model review were:

Co-responsibility of companies and producers: The price model will continue to use a realistically attainable yield, assuming adoption of a reasonable set of good agricultural practices within the given circumstances. However, research insights show that productivity tends to go down with increased farm size and therefore the **total average production volume** is used as a threshold.

Fair return on labour for farmers and hired workers: Income from cocoa should deliver a living income proportional to the time farmers spend on cocoa production. In the original LIRP calculation, this principle was linked to a viable farm size to absorb all the household labour, in order to generate a full living income, but this proved to be difficult to understand, as the so-called viable farm size did not reflect the reality of mostly smaller cocoa farms. The new calculations are based on the actual average cocoa area of fairtrade farmers linked to a proportional share of a living income from cocoa.

3. What is the basis of the calculation of this reference price?

Our adjusted Living Income Reference Price model is based on three related key variables: costs of a decent standard of living (based on third-party living income benchmarks and a typical household size),

a realistic production volume threshold, and the costs of cocoa production (meaning farm investments needed to produce the volume threshold and pay hired workers a living wage).

The main changes to the original Living Income Reference Price (LIRP) model are:

- **Farm size:** The reference price is now based on the average cocoa-growing area of Fairtrade farmers (instead of an extrapolated “viable farm size” for farmers to depend entirely on cocoa income).
- **Proportionality approach:** The diversified income reality of cocoa farming households is also factored in by applying a [“labour share” approach](#). This is the share of a living income that should be generated from cocoa based on the proportion of time dedicated to cocoa farming and upholds the principle of just remuneration for work as a human right: both household labour and hired labour effectively deployed in cocoa should be remunerated with a living wage.
- **Co-responsibility:** The LIRP model still builds on a principle of co-responsibility, in which farmers are responsible for adopting good agricultural practices (GAP). The price model will continue to assume adoption of a reasonable set of good agricultural practices within the given circumstances. However, a more realistic expectation of farmers’ adoption levels is determined and the current average productivity of Fairtrade farmers is considered as the corresponding attainable yield level.
- **Volume threshold:** The actual average total cocoa volume produced by Fairtrade farmers (rather than a yield target multiplied by a specific farm size), as well as the actual average total cost of production, is used as the leading volume threshold in the LIRP calculation. This offsets the relatively high productivity that can be achieved on small farms with higher investment versus the lower yielding, low-cost larger cocoa areas. Following analysis and consultation, the volume threshold is 1,566 kg for Côte d’Ivoire and 780 kg for Ghana.
- **In kind income:** In-kind income from food produced on the cocoa farm is taken out of the equation to simplify the model.

For details, see the explanatory note.

4. Who provided input to the price model review?

We consulted a broad range of stakeholders and data sources, in addition to focus group discussions in the countries of origin with producer representatives. An independent Expert Advisory Council – including representatives of farmers, civil society, origin country governments, NGOs, companies and independent experts – was set up to provide critical guidance throughout the process. Research evidence and producer inputs from focus group discussions were jointly analysed to arrive at realistic values for each variable. Validation committees, comprised of four producer representatives per country, conducted final validation of the LIRP proposals, and final prices based on the revised variables with unanimous agreement.

5. Are these Living Income Reference Prices for the cocoa sector generally, or just Fairtrade farmers?

The updated prices are based on Fairtrade farmer realities and support that may not be in place for non-Fairtrade farmers. Reference price levels may need to be adjusted or reinterpreted based on different supply chain realities in order to be effective. The advantage of sourcing Fairtrade as a basis for paying the LIRP is that certain conditions and support are built in.

Specifically, Fairtrade cocoa cooperatives in West Africa benefit from:

- robust standards requiring transparent, democratic producer organizations at its core. Fairtrade certification serves as a solid foundation upon which the LIRP builds;
- support from producer network Fairtrade Africa via the West Africa Cocoa Programme to strengthen producer cooperatives, their capacity to comply with standards and serve their members' needs, for instance to adopt a certain level of good agriculture practices, so they can achieve a higher productivity;
- the Fairtrade Minimum Price, which acts as a mandatory price floor and protects against market price volatility;
- the Fairtrade Premium, a mandatory payment on top of selling price that cooperatives democratically decide how to invest. Premium can support cooperatives to provide services, subsidise farm inputs, invest in productivity or income diversification, or fund community projects. With updated rules, a minimum of 40 percent of the Premium is paid out directly to farmer households in cash. The remainder is invested collectively, strengthening long-term resilience and development.

While recognising the value of sector-wide reference prices that reflect the reality of all cocoa farmers, we decided to continue to base the Living Income Reference Prices on the reality of Fairtrade farmers, in part because access to inputs and quality data from non-Fairtrade farmers is limited. In addition, it is important for Fairtrade partners committed to paying the LIRP that the values reflect the realities of their specific supply chains to sustain long term engagement.

We recognise that Fairtrade farmers may be in a better position relative to non-Fairtrade farmers. That's why we also analysed data from non-Fairtrade farmers who participate in programmes that receive support in relevant areas, such as productivity. The Fairtrade reference price may also be applicable to committed farmers receiving comparable support, but the underlying variables and conditions should be checked if using the LIRP in a non-Fairtrade supply chain.

6. How does the Fairtrade Premium work in relation to the Living Income Reference Price?

The two pricing tools serve different and complementary purposes.

Living Income Reference Prices are calculated at farmgate level to indicate the price individual farmers need to receive in order to earn a share on a living income in proportion to their time invested in cocoa farming. The reference price makes the concept of a living income concrete and actionable in the cocoa market.

In addition to this price, farmers also need technical assistance, access to quality inputs and specialised labour, or affordable loans. These are things that a well-run cooperative can provide for its members — and which can be paid for by the Fairtrade Premium.

- **Living Income Reference Price:** Focuses on closing individual farmer income gaps. Costs associated with implementing the required Good Agricultural Practices are factored in, allowing farmers to earn a proportional living income share for their time dedicated to the crop. Yet, many farmers still need support from their organisations to improve productivity and achieve the volume thresholds.
- **Fairtrade Premium:** Supports cooperatives by covering operational and compliance costs, as well as funding business or community investments through collective decision-making. The

Fairtrade Premium also plays a vital role in addressing complementary needs for support that farmers have, such as productivity improvement, climate resilience, and diversification efforts. Newly introduced Premium rules require that cooperatives distribute at least 40 percent of their Premium funds as cash to farmer members to top up incomes. This amount can be counted towards reaching the Living Income Reference Price.

7. Why is the Living Income Reference Price set at farmgate level and the Fairtrade Minimum Price at FOB level?

The Fairtrade Minimum Price applies to transactions between farmer cooperatives and traders at the point of export (known as “Free on Board,” or FOB), which means it accounts for costs to transport the goods to port and pay relevant export taxes. Fairtrade Minimum Prices are set in US dollars, except in Côte d'Ivoire for cocoa where it is set in euros to reduce the impact of currency exchange rates.

Because the Fairtrade Living Income Reference Price is what an individual farmer actually needs to receive when selling their product, we set these prices at farmgate level, meaning the cost that cooperatives pay when they buy from their farmer members. The Fairtrade Living Income Reference Prices are also usually set in local currency.

8. Should the Fairtrade Premium be paid on top of the Living Income Reference Price?

New Premium allocation rules for cocoa in Ghana and Côte d'Ivoire require that 40 percent of the Premium amount must be paid directly to farmers in cash. This can be counted towards the Living Income Reference Price.

Of the remaining 60 percent, Fairtrade recommends that it be paid to the producer organisation on top of the Living Income Reference Price, so that the producer organisation can comply with Fairtrade Standard requirements and support its members to invest in farm productivity and quality, reduce costs, diversify incomes, for example by providing technical assistance, loans, subsidised inputs, etc.

However, this is not yet a mandatory requirement. In practice, we see that partners implement this in various ways, always in consultation with Fairtrade.

We are currently working on developing rules around Living Income Reference Price implementation and Fairtrade Premium accounting, in line with the Empowering Consumers for the Green Transition directive (“EmpCo”). This will result in a more standardised approach to ensure greater clarity and consistency in the near future.

9. Does paying a Living Income Reference Price guarantee that farmers earn a living income?

Not necessarily. A Living Income Reference Price is a critical enabler for living incomes and a precondition for many smallholder farmers to make the necessary investments for improving productivity and enhancing resilience of their farms. A commitment to paying the reference price provides assurance to farmers of a decent return on the required farm investments, without having to compromise expenditures on essential household needs.

However, the Living Income Reference Price is not the only factor needed to ensure that farmers effectively earn a living income. Other important factors are:

- sufficient farm productivity and cocoa growing area to achieve the volume threshold; and
- other income sources, especially for smaller farms.

The LIRP only accounts for the income earned from cocoa as part of the total household income, in proportion to the time farmers and their household members dedicate to the crop. The average farmer household dedicates approximately 45 percent of their available time to cocoa farming and would therefore expect it to generate 45 percent of a living income. Complementary sources of income are needed to make a full living income, whether on or off the farm.

10. What mechanism can companies use to pay the Living Income Reference Price given Côte d'Ivoire and Ghana are regulated markets?

In regulated markets where internal farmgate prices are set by the local government authorities, Fairtrade calculates a Living Income Reference Price differential. The reference price differential is the difference between the regulated farmgate price and the reference price (whenever the regulated farmgate price is below the reference price). Companies pay the differential on top of their regular contracts for the volume sourced. Usually this is transferred directly from the Living Income Reference Price payer to the cooperative.

These new Fairtrade reference prices are effective as of the start of the main crop in September or Oct 2026, and Fairtrade will publish a **Living Income Reference Price differential** – if applicable – based on the new government farmgate price as announced on that date, as the start of the main harvest season.

If Fairtrade Minimum Prices are applicable in the new season, then the Fairtrade Minimum Price differential plus the 40 percent of Fairtrade Premium that is paid in cash to farmers and can count toward the LIRP will be taken into account when establishing the LIRP differential.

For example, based on current regulated market prices of XOF 1200 at farmgate and XOF 1860 at FOB level, the LIRP differential would be €0.39/kg based on the Fairtrade Minimum Price, Premium and LIRP that will be in effect as of October 2026, as shown below.

Côte d'Ivoire	current regulated price	LIRP	Fairtrade Min. Price (FMP)	FMP differential	40% of Fairtrade Premium	total without LIRP	LIRP differential
FOB (EUR)	2.85		3.20		0.15	3.35	
Farmgate (EUR)	1,84	2.68		0.35	0.10	2.29	0.39

11. How can companies support farmers to increase their yields to reach the volume threshold if they are not already doing so?

Fairtrade has developed a holistic living income programme, which combines LIRP commitments and long-term sourcing relations with investments into productivity improvement, and farm and income resilience.

Because not all farmers meet the parameters of the reference prices today – particularly the volume threshold – Fairtrade works with commercial partners who invest in the programme to deliver enhanced services to farmers for adoption of Good Agricultural Practices to boost productivity and crop resilience, income diversification, and other interventions.