Interpretation Notes Fairtrade Standard for Cocoa

Version 27.09.2023_v.2.14

Change history

Date of publication of Interpretation Notes	Changes in the Interpretation Notes
24 July 2019	Included Interpretation Notes for Trader Standard requirement *5.8.1 Unfair trading practices*
16 May 2023	Included Interpretation Notes for requirement *4.5.3 Transparent Processes for Fairtrade Volume Allocation*
4 December 2023	Included Interpretation Notes for requirement 3.*3.3 Supporting Producers to Address and Remediate Child Labour and Forced Labour* Included Interpretation Notes for requirement *3.4.1 Protection of forests and ecosystems* Included Interpretation Notes for requirement *3.4.5 Geolocation Data*
19 February 2024	Included Interpretation Notes for requirement *3.2.7 Supporting Producers with Action Plans*
28 March 2024	Amended Interpretation Notes for requirement *1.1.1 Entry requirement for producer organizations*
28 August 2024	Amended Interpretation Notes for requirement *2.1.1 Recording Member and Organization Production* Amended Interpretation Notes for requirement *3.4.6 Sharing geolocation data*
27 September 2024	Included Interpretation Notes for requirement *3.4.4 Supporting producers to prevent and mitigate deforestation*
11 December 2024	Amended Interpretation Notes for requirement *3.4.7 Reporting on Deforestation Prevention* (applies to SPOs) Amended Interpretation Notes for requirement *3.4.8 Reporting on Deforestation Prevention* (applies to payers and conveyors)
10 April 2025	Amended Interpretation Notes for requirements 1.1.1 (clarification specific for Ghana included), 2.1.1 (links updated), 3.2.7(text improvement and clarification added on thresholds to assess applicability), 3.3.3 (text improvement and clarification added on thresholds to assess applicability), and 3.4.4, 3.4.5, 3.4.7 and 3.4.8 (minor re-wording).
14 May 2025	Exchanged screenshots for requirements 3.2.7, 3.3.3; 3.4.1 timeline on alert resolution added
19 August 2025	Exchanged screenshot for requirement 3.2.7 Exchanged terminology in interpretation notes for requirement 3.3.3 Added to interpretation notes for requirement 1.1.1
30 October 2025	Added text for requirement 1.1.1 on how market potential or demand are demonstrated.

	Wording change from farm to plot in geolocation data related requirements in section 3.4 and changes in data of implementation in requirements 3.4.5; 3.4.7 and 3.4.8: Amended text for requirement 3.4.1, 3.4.5, 3.4.6, 3.4.7 and 3.4.8 exchanged screenshot
24 November 2025	Removed requirement 3.4.8 Reporting on Deforestation Prevention from the Interpretation Notes as it was suspended Exchanged screenshot of requirements 3.4.7
24 March 2026	Updated text of Interpretation Notes for Cocoa Standard requirement 3.2.7 Updated text of Interpretation Notes for Cocoa Standard requirement 3.3.3 Updated text of Interpretation Notes for Trader Standard requirement 5.8.1 Unfair Trading Practices

<table>
<tr><td>Date</td><td>28 March 2024</td></tr>
<tr><td>Reference</td><td>Fairtrade Standard for Cocoa for SPOs</td></tr>
<tr><td>Affected standard requirement(s)</td><td>
1.1.1 Entry requirement for producer organizations
<table>
<tr><td colspan="2">Applies to: SPOs</td></tr>
<tr><td>Core</td><td rowspan="2">You demonstrate that you are an established organisation of at least two years prior to requesting certification, with administrative, technical, commercial and financial capacity by providing all of the following documents:
• legal registration,
• financial statements,
• records of commercialization,
• business development plan,
• General Assembly records
You demonstrate that there is Fairtrade market potential for your product of at least two years. Market potential or demand can be demonstrated through a letter of intent or a similar document from an (prospect) end buyer that indicates a two years' commitment and estimated volumes to be bought under Fairtrade terms.
Please check the Interpretation Note for the Fairtrade Standard for Cocoa here.</td></tr>
<tr><td>Year 0</td></tr>
<tr><td colspan="2">Guidance: This requirement replaces requirements 1.1.3 and 1.1.4 in the SPO standard. The certification body will check this requirement during the application process.</td></tr>
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<tr><td>Interpretation</td><td>
What does a business development plan include?
The business development plan is expected to include all information related to technical assistance capacities and priorities, work plans, membership development plan and information on production and sales estimates. This document can also serve as the business plan, if sales estimates and buyers' name are included, demonstrating the aforementioned market potential.

Who is an end buyer ("End Buyer") in the context of this requirement?
Here is a list of End Buyers according to the context of the requirement:
- Licensees - to the extent that they are the end buyers in a supply chain.
- Manufacturers - which are manufacturing finished products.
- Retailers buying (or planning to buy) Fairtrade from certified manufacturers or licensees.

How is market potential or demand demonstrated in the letter of intent when the market is in the country of SPO origin?
Fairtrade welcomes and encourages the development of consumer demand for Fairtrade certified consumer products in the country of SPO origin. The following measures are in place so that SPOs that apply and invest time and resources in Fairtrade certification are reassured that there is a real and sustainable market opportunity for their Fairtrade certified cocoa.

End Buyers targeting placing Fairtrade labelled consumer ready products in the country of origin of the SPO must substantiate the market potential.
For the Certification Body to be able to demonstrate if there is market potential for Fairtrade consumer ready packaged products to be sold in the country of origin of the SPO, evidence submitted by the applicant SPO has to contain sufficient information in the LOI for the Certification Body.

The Certification Body has the right to reject applications if the information submitted
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</table>

	by the applicant for market potential cannot be demonstrated, regardless of the existence of an LOI. ***How is the veracity of the demand documentation to be checked when the End Buyer is selling in the country of origin of SPO?*** The Certification Body will check the veracity of said market potential or demand documentation presented by SPOs when applying for Fairtrade certification. If the Certification Body identifies that the End Buyer had issued more than one LOI (in the last 2 years from the time of the application), the Certification Body will notify the applicant SPO to ensure the following information is included in the LOI: All LOIs must include the following information: - The End Buyer must disclose in each LOI how many SPOs the End Buyer has issued LOIs to in the last two years from the date of this SPO application, regardless if the SPOs are certified or applicant. - The End Buyer must disclose in each LOI the total volume in tonnes of cocoa beans that all of the issued LOIs contain for the period during the last two years from the date of SPO application. - Each LOI must contain factual evidence of the production capacities in place to produce the equivalent Fairtrade consumer ready packaged products indicated from total volumes of cocoa beans stated in the LOI issued by the End Buyer. - The LOI has to contain information on the total of the intended volumes to be purchased by the End Buyer and where they are planned to be sold. If the total planned volume to be sold is significantly higher than a reasonable expected growth in a given country in the consumption of Fairtrade consumer products, this means that there is no real market potential for the volumes in the LOI. The LOI is invalid. See guidance from Fairtrade International for comparing consumption of cocoa products and FAIRTRADE market share. This further assessment should be conducted only for countries where Fairtrade International has issued specific guidance. The volume limit should be understood as the total of all volumes indicated in the LOIs submitted by all end buyers. Once this total volume exceeds the real market potential as defined by the Fairtrade International guidance, all subsequent applications shall be rejected. ***How should the requirements 1.1.1 for producers in the Fairtrade Standards for cocoa be interpreted when Fairtrade certified SPOs decide to set up new legal entities within the existing structure or divide into complete separate legal entities to be in compliance with the EU organic regulation?"*** In 2018 the EU published the "Organic Regulation (EU) 2018/848. It has a key section talking about „Groups of operators ": Art. 36. Also, several secondary acts were published. In the Regulation (EU) 2021/279 „Control "(Jan 2021,) clarifies several conditions for the newly defined concept of "Groups of Operators (GoO)". There are a few elements that are relevant and thus may have an implication for Fairtrade certified organizations. These are: ✓ Legal entity composed only of organic or in-conversion farmers ✓ All must be within the newly defined farm size or organic turnover limit and ✓ Up to a maximum of 2000 members per Group of Operators are allowed This might lead to Fairtrade certified SPOs creating new legal entities within the SPO or dividing into separate SPOs to comply with the new organic regulation.

	In case some members of the SPO decide to create a new legal entity or more for the purpose of managing the Group of Operators and commercialize the product through the original SPO, the Group of Operators structure(s) will not affect the existing Fairtrade certification and will not be considered as a new producer organization under Fairtrade Standards. In cases, where the original SPO decides to split into a new organization(s), taking up responsibilities beyond managing the Group of Operators, including the commercialization of the product and managing the Fairtrade certification, the new organization(s) need to apply for certification and should be exempted of the need to show the documents named in the entry requirement 1.1.1. and instead submit to FLOCERT the following: - Organic certificate - The ID of the Fairtrade certified SPO - The list of members of the original Fairtrade certified SPO and the list of members of the newly created SPO. Whereby at least 90% of the members should also be in the list of the original Fairtrade certified SPO. The purpose of this is to make sure that Fairtrade certified SPOs are able to continue with their organic certification following the new EU regulations. All other requirements relevant to the SPO certification remain applicable. ***How should producer organizations in Ghana comply with 1.1.1 considering they do not trade cocoa?*** In Ghana's unique trading environment producer organizations do not trade cocoa, but rather licensed buying companies (LBCs) mobilize cocoa on behalf of the state. Fairtrade Ghanaian producer organizations are therefore not required to submit evidence demonstrating the receipt of funds from selling cocoa to comply with this requirement. Instead, Ghanaian producer organizations can submit bank account/statements indicating financial capacity that does not include income from cocoa sales and waybills from an LBC for cocoa sourced from the SPO, Quality Control certificate from Cocobod issued to the LBC for cocoa sourced from the SPO or records of cocoa sales of individual members of the SPO. Note: LBCs are not certified under the Fairtrade Trader Standard, because LBCs do not take legal ownership of the cocoa they mobilize on behalf of COCOBOD.
Date	***28 August 2024***
Reference	***Fairtrade Standard for Cocoa for SPOs***

<table>
<tr><td>Affected standard requirement(s)</td><td>

2.1.1 NEW JULY 2023 Recording Member and Organization Production

Applies to: SPOs	
Core **Year 1**	Once a year you record individual member production and the total production of your organization. This includes both estimated and actual production. When estimating member yield you use a consistent and credible methodology that uses farm level data. You compare estimated production with actual production and/or sales at both member and organisational level to check there are no significant differences. If significant differences are recorded at either the individual member or organizational level, you investigate why and take measures to prevent recurrence as applicable.
	A definition for "credible methodology" and "significant difference" is included in the interpretation note to the Fairtrade Standard for Cocoa, which can be found here.
Guidance: Having accurate information on member production is essential for an organization to operate as a successful farmer business with clear oversight of its cocoa supply. Accurate member production records enable organizations to: forecast their total available supply of Fairtrade certified volumes for the next cocoa trading season, target training and support needs to members for cocoa productivity improvement and provide confidence to buyers of Fairtrade cocoa supply and legitimacy. Members' production and sales information are embedded in the SPOs' internal regulations, therefore there are measures in place in case a member is detected selling more than its estimated production volumes. "Significant difference" refers to a deviation of no more than 20% from the originally estimated production to the actual production and/or sales to the SPO. A guidance document on yield estimation can be found here.	

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<tr><td>Interpretation</td><td>

What is a consistent and credible methodology when estimating member production?

To comply with requirement 2.1.1, you need to estimate yields, and you need to analyse the results and take action if necessary.
It is also strongly advised to develop procedures in which you describe the methodology used, who will do the estimates, when the estimates are done, and how results are reported. You can use information from this document to develop your procedures.
Yield estimates are useful if they reflect as close as possible the expected yield. A consistent and credible methodology will help to get accurate estimates.
For a methodology to be consistent, it means that every year the same steps are used to estimate yields and that those estimating yields all follow the same procedures.
For a methodology to be credible, it means that it is based on data and not guesses, data used is collected in a reliable and impartial way, and sample sizes, in case they are used, are representative.
For more information regarding a consistent and credible methodology, see Guidance Document Yield Estimates.

What is a significant difference?

"Significant difference" refers to a deviation of no more than 20% from the original estimated production to the actual production and/or sales to the producer organization. Productivity improvements due to targeted interventions along with changing weather conditions were considered when determining this threshold.

For more information regarding comparing estimated and actual yields, see Guidance Document Yield Estimates.

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<tr><td>Date</td><td>19 February 2024</td></tr>
<tr><td>Reference</td><td>Fairtrade Standard for Cocoa/ Traders</td></tr>
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<tr>
<td>Affected Standard requirements</td>
<td>
3.2.7 NEW JULY 2024 for traders sourcing from Africa and Asia
NEW JULY 2025 for traders sourcing from Latin America and the Caribbean
Supporting Producers with Action Plans
Applies to: Traders
Core
This requirement applies to traders purchasing above a certain three year average of annual volume of cocoa products (beans, liquor, butter, powder): 200 MT cocoa beans, or 164 MT cocoa liquor/mass, or 82 MT cocoa butter, or 82 MT cocoa powder. It is the responsibility of the trader to evidence that the average of the last three years' annual purchases fall below the product thresholds.
You support the action plans of producer organizations by collaborating on at least one activity that supports the prevention and mitigation of the most serious risks identified.
Your support is either direct or through a partnership. It is in the form of funding, training, facilitation of partnerships, advocacy with government, or other ways.
Please check the Interpretation Note for the Fairtrade Standard for Cocoa here.
Guidance: See requirements 3.2.6 and 3.3.1/3.3.2 for more detail on Action Plans and Monitoring and Remediation Systems as well as Guidance Document "Implementing Human Rights and Environmental Due Diligence (HREDD) – Guide for Smallholder Farmer Organizations".
This requirement complements Trader Standard requirements 3.3.2 and 3.3.3 and replaces requirement 3.3.6.
Further guidance on how to assess eligibility of traders are found in the explanatory note.
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<td>Interpretation</td>
<td>
What is the rule?
Traders, defined as exporters, importers, manufacturers, brands and certified retailers, whose annual purchase volumes exceed the specified cocoa product thresholds, are required to support Fairtrade producer organizations to implement an action plan that supports the prevention and mitigation of the most serious risks identified. This contribution is in addition to the Fairtrade Premium. Support can be direct or through a partnership and in the form of funding, training, advocacy with government, or other ways.
Product Thresholds: Traders purchasing below certain three year average of annual volume of cocoa products (beans, liquor, butter, powder), will be exempt from 3.2.7, 3.3.3 and reporting requirement 3.3.4. The thresholds are as follows: 200 MT cocoa beans, or 164 MT cocoa liquor/mass/paste, or 82 MT cocoa butter, or 82 MT cocoa powder.
Traders purchasing chocolate/cocoa composite products, convert the cocoa content of their products back to liquor, butter and/or powder to confirm their eligibility. It is the responsibility of the trader to evidence that their annual purchases fall under the product thresholds.

How does it work?
Support to producer organizations is evidenced annually either via direct interventions or via partner initiatives with relevant government agencies, expert human rights NGOs, traders or similar. Support can also take the form of contributions to Fairtrade's Child Labour and Forced Labour Prevention and Remediation Programme in Ghana and Côte d'Ivoire and to CLAC's HREDD Remediation or Climate Contingencies and Catastrophic Events Programmes in Latin America and the Caribbean, in case SPOs which supply the trader have identified such risks. For further information, please contact the local National Fairtrade Organisation/Fairtrade Marketing Organisation – contact details can be found at this link Fairtrade organisations and businesses If there is no such organization in your country of operation, please contract Fairtrade International via cocoa@fairtrade.net
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	Traders can fulfil the requirement by funding a Fairtrade International or CLAC facilitated programme, directly contributing funds to the SPOs or contributing to a supplier/partner programme; by providing training, facilitating a partnership, advocacy with governments or any other ways. It is important that evidence is available at the time of audit, detailing the amount and frequency as well as confirming that the support has been provided. **Mass Balance:** When traders operate under mass balance it is necessary that the trader can evidence payment(s) to a programme that supports either the country of origin of the Fairtrade certified SPOs they source from, or narrow it down further to a group of Fairtrade certified SPOs. Identifying the group of SPOs or the origin should be supported by the trader (supplier) that operates in the country of origin. **HREDD Collaboration Challenges:** When traders do not have a local presence in the country of origin and/or when their local suppliers (traders) are not engaged in sustainability initiatives with Fairtrade certified SPOs, the first step is to seek dialogue on human rights and environmental issues with suppliers, and also seek information on the most high risks identified via Fairtrade International's Risk Map. If the origin from which the trader sources is within the scope of the Fairtrade/CLAC programmes (e.g. Cote d'Ivoire, Ghana, Ecuador, Dominican Republic, Peru Bolivia, Brazil, Colombia, Costa Rica, Guatemala, Haiti, Honduras, Nicaragua, Panama) the trader can contribute to one of these programmes to comply with 3.2.7, in alignment with the highest risks identified for the specific origin in Fairtrade International's Risk Map. For traders sourcing from origins beyond the scope of the programmes listed above (e.g. Madagascar, Sao Tome & Principe, Sierra Leone, Togo, Uganda, India and Sri Lanka), who are unable to collaborate with their supply chain partners, it will be necessary to show the certification body that concrete efforts were made to engage. In addition, these traders should contact Fairtrade International via cocoa@fairtrade.net When SPOs are not ready for trader support as their action plan is not yet finalized, or the SPOs have not responded to the trader seeking to support, traders will need to show the certification body that these concrete efforts were made to support the SPO. Contribution to one of the Fairtrade/CLAC programmes can be an alternative means of compliance, if the sourcing origin is within scope. ***Vertically integrated traders, meaning a company that exports, imports, processes and manufactures cocoa:*** For Fairtrade cocoa sourced via vertically integrated supply chains, one certified entity of the vertically integrated trader can contribute on behalf of another certified entity as both belong to the same multi-national company. The certified entity providing support to producer organizations shares evidence of support with all the other certified entities within the vertically integrated supply chain. Please contact cocoa@fairtrade.net to discuss further. ***How can a trader fulfil the requirement to support producers with action plans?*** Fairtrade Cocoa Standard requirement 3.2.7 lists a number of methodologies that the trader can use to fulfil the requirement. This interpretation note provides further details on how each of the methodologies can be enacted by the trader. 1. **Funding** - a defined amount paid by a trader to Fairtrade certified SPOs. The amount can be paid in the following ways: To the following Fairtrade Programmes directly to Fairtrade International: • For traders sourcing from Ghana and Cote d'Ivoire, the Fairtrade Child Labour and Forced Labour Prevention and Remediation Programme; • For traders sourcing from Ecuador, Dominican Republic, Peru (or other Latin American countries), the CLAC HREDD Remediation Programme and/or the CLAC Climate Contingencies and Catastrophic Events Programme

	The trader will provide certification body with evidence of payment. Any payment would be valid as meeting compliance for the 12 months stated by Fairtrade International. It is possible that a National Fairtrade Organisation makes this payment on behalf of the trader and provides the trader with a proof of payment to the programme. This option applies in case the SPOs supplying the trader have identified this risk. • Funding can be paid by a trader to another trader for passing onto a Fairtrade SPO. The trader receiving the funding must issue a receipt detailing the following: which SPO received the funding; the value; the 12-months period for which the payment was due; and the date it was paid. This can be submitted as evidence to the certification body by the traders. 2. **Training** – a defined training activity provided to specific Fairtrade certified SPOs. • Where the trader is delivering the training to the SPO the trader must name the SPO and date of training, and the cost of the training, as evidence that the activity was conducted. This could be valid as meeting compliance 12 months from date of training, there is a minimum of one training per year. • Where a trader has instructed another trader or third party to provide training to the SPO the trader or third party providing the training must provide the name of the SPO and the date of the training, as well as the cost. This could be valid as meeting compliance 12 months from date of the training. There is a minimum of one training per year. 3. **Facilitation of partnerships** - a partnership is where funding or training has been delivered to a Fairtrade certified SPO via a third party. The trader provides proof of the partnership and related activities. The cost of the activities must be stated. 4. **Advocacy with government** – Advocacy activities must be around tangible actions on how the trader is taking responsibility to address child labour and forced labour, gender inequity and discrimination or other high risks identified and the cost of these activities have to be mentioned. As part of the advocacy work, proposals should aim to seek a specific change for the sector to the governments. There should be a minimum 1 public proposal per year. This could be valid as meeting compliance 12-months from date of communication to the governments. The trader should present evidence to the auditor about the interaction with the governments of the country of production and/or country of consumption. 5. **Other ways** –other forms of interventions where quantifiable resources have passed from the trader to the Fairtrade certified SPO that are not part of the above possible methods. For example, a trader is supporting improvements in educational facilities within farming communities in partnership with an SPO. The resources must have a defined monetary value for each year of implementation. There must be evidence from the trader that the resources have been received. ***Is a minimum financial contribution or the equivalent thereof required for 3.2.7?*** Fairtrade does not require a minimum contribution; however, it is recommended that a minimum of $19 per tonne of cocoa beans for prevention and remediation is paid to Small Producer Organisations. While there is no published data on the average cost of addressing and remediating child labour in Côte d'Ivoire and Ghana, sector experts such as the International Cocoa Initiative have observed the minimum cost for remediation is $30 per farmer, per year, spread across all farmers in a Small Producer Organisation regardless of the presence or absence of child labour in the household. To convert this into a per tonne of cocoa beans figure Fairtrade divided $30 per farmer by the median volume of cocoa beans produced per annum by an Ivorian cocoa farmer,

<table>
<tr><td></td><td>1.570 tonnes.
I already support a Child Labour Programme in Ghana/ Cote d'Ivoire. Does this mean I meet requirement 3.2.7 or will I be expected to fund Fairtrade's Programme?
If traders sourcing from Ghana/ Côte d'Ivoire are able to demonstrate annually via evidence that they are supporting/contributing to a child labour programme, that benefits Fairtrade producer organizations, requirement 3.2.7 will be met.
I am currently unable to identify the specific SPOs I source my Fairtrade cocoa from. In this instance, how can I meet requirement 3.2.7?
Not all traders will be able to directly support the specific SPOs they source from due to mass balance or other reasons. Some operators will be able to verify via their traders the country of origin of their SPOs and potentially narrow it down to a group of Fairtrade certified SPOs. So long as a certified trader can evidence, they pay into a programme that supports either, the group of Fairtrade certified SPOs they source from, or Fairtrade certified SPOs in the country of origin they source from then requirement 3.2.7. will be met.
The Fairtrade/CLAC programmes mentioned above enable traders who are not connected to the Fairtrade certified SPOs they purchase from to channel money to Fairtrade certified SPOs who have successfully applied to the programmes. Traders can choose this intervention if they are not already engaged in a programme to meet requirement 3.2.7.
For more information on how the programmes operate and how to contribute, see the Fairtrade Cocoa Standard explanatory note</td></tr>
<tr><td>Date</td><td>04 December 2023</td></tr>
<tr><td>Reference</td><td>Fairtrade Standard for Cocoa/ Traders</td></tr>
<tr><td>Affected Standard requirements</td><td>3.3.3 NEW JULY 2024 for traders sourcing from Africa and Asia
NEW JANUARY 2025 for traders sourcing from Latin America and the Caribbean
Supporting Producers to Address and Remediate Child Labour and Forced Labour
Applies to: Traders
Core
This requirement applies to traders purchasing above a certain three year average of annual volume of cocoa products (beans, liquor, butter, powder): 200 MT cocoa beans, or 164 MT cocoa liquor/mass, or 82 MT cocoa butter, or 82 MT cocoa powder. It is the responsibility of the trader to evidence that the average of the last three years annual purchases fall below the product thresholds.
You provide resource and support to producer organizations who have identified they are operating in areas of high risk of child labour and/or forced labour. This contribution is in addition to the Fairtrade Premium paid to the producers. Your support is either direct or through a partnership. It is in the form of funding, training, facilitation of partnerships, advocacy with government, or other ways.
Please check the Interpretation Note for the Fairtrade Standard for Cocoa here.
Guidance: See requirements 3.2.6 and 3.3.1/3.3.2 for more detail on Action Plans and Monitoring and Remediation Systems and Guidance Document "Implementing Human Rights and Environmental Due Diligence (HREDD) – Guide for Smallholder Farmer Organizations".
This requirement replaces Trader Standard requirement 3.3.6.
Further guidance on how to assess eligibility of traders are found in the explanatory note.</td></tr>
<tr><td>Interpretation</td><td>What is the rule?
Traders, defined as exporters, importers, manufacturers, brands and certified retailers, whose annual purchase volumes exceed the specified cocoa product thresholds, are required to support Fairtrade producer organizations to address and</td></tr>
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	remediate child labour and forced labour when sourcing from producers located in a high-risk area. This contribution is in addition to the Fairtrade Premium. Support can be direct or through a partnership and in the form of funding, training, advocacy with government, or other ways. **Product Thresholds:** Traders purchasing below certain three year average of annual volume of cocoa products (beans, liquor, butter, powder), will be exempt from 3.2.7, 3.3.3 and reporting requirement 3.3.4. The thresholds are as follows: 200 MT cocoa beans, or 164 MT cocoa liquor/mass/paste, or 82 MT cocoa butter, or 82 MT cocoa powder. Traders purchasing chocolate/cocoa composite products, convert the cocoa content of their products back to liquor, butter and/or powder to confirm their eligibility. It is the responsibility of the trader to evidence that their annual purchases fall under the product thresholds. ***How does it work?*** Support to Fairtrade producer organizations is evidenced annually either via direct interventions or via partner initiatives with relevant government agencies, expert human rights NGOs, traders or similar. Support can also take the form of contributions to Fairtrade's Child Labour and Forced Labour Prevention and Remediation Programme in Ghana and Côte d'Ivoire and CLAC's HREDD Programme in Latin America and the Caribbean in case SPOs which supply the trader have identified child labour/forced labour as a risk, or if this is indicated in Fairtrade International's Risk Map. For further information, please contact the local National Fairtrade Organisation/Fairtrade Marketing Organisation – contact details can be found at this link Fairtrade organisations and businesses. If there is no such organization in your country of operation, please contract Fairtrade International via cocoa@fairtrade.net. Traders can fulfil the requirement by funding a Fairtrade International or CLAC facilitated programme, directly contributing funds to the SPOs or contributing to a supplier/partner programme; by providing training, facilitating a partnership, advocacy with governments or any other ways. It is important that evidence is available at the time of audit, detailing the amount and frequency as well as confirming that the support has been provided. **Mass Balance:** When traders operate under mass balance it is necessary that the trader can evidence payment(s) to a programme that supports either the country of origin of the Fairtrade certified SPOs they source from, or narrow it down further to a group of Fairtrade certified SPOs. Identifying the group of SPOs or the origin should be supported by the trader (supplier) that operates in the country of origin. **HREDD Collaboration Challenges:** When traders do not have a local presence in the country of origin and/or when their local suppliers (traders) are not engaged in child and/or forced labour prevention initiatives with Fairtrade certified SPOs, the first step is to seek dialogue on these issues with suppliers, and also seek information on the highest risks identified via Fairtrade International's Risk Map. If the origin from which the trader sources is within the scope of the Fairtrade/CLAC programmes (e.g. Cote d'Ivoire, Ghana, Ecuador, Dominican Republic, Peru Bolivia, Brazil, Colombia, Costa Rica, Guatemala, Haiti, Honduras, Nicaragua, Panama) the trader can contribute to one of these programmes to comply with 3.3.3 when child labour and/or forced labour is identified as a high risk for the specific origin in Fairtrade International's Risk Map. For traders sourcing from origins with high risk of child and or forced labour, beyond the scope of the programmes listed above (e.g. Madagascar, Sao Tome & Principe, Sierra

	Leone, Togo, Uganda, India and Sri Lanka) who are unable to collaborate with their supply chain partners, it will be necessary to show the certification body that concrete efforts were made to engage. In addition, these traders should contact cocoa@fairtrade.net for additional information. When Fairtrade certified SPOs are not ready for trader support, or the SPOs have not responded to the trader seeking to support, traders will need to show the certification body that these concrete efforts were made to support the SPO. Contribution to one of the Fairtrade/CLAC programmes can be an alternative means of compliance, if the sourcing origin is within scope and has a high risk of child and or forced labour. ***Vertically integrated traders, meaning a company that exports, imports, processes and manufactures cocoa:*** For Fairtrade cocoa sourced via vertically integrated supply chains, one certified entity of the vertically integrated trader can contribute on behalf of another certified entity as both belong to the same multi-national company. The certified entity providing support to producer organizations shares evidence of support with all the other certified entities within the vertically integrated supply chain. Please contact cocoa@fairtrade.net to discuss further. ***How can a trader fulfil the requirement to support producers to address and remediate Child Labour and Forced Labour?*** Fairtrade Cocoa Standard requirement 3.3.3 lists a number of methodologies that the trader can use to fulfil the requirement. This interpretation note provides further details on how each of the methodologies can be enacted by the trader. 1. **Funding** - a defined amount paid by a trader to Fairtrade certified SPOs. The amount can be paid in the following ways: To the following Fairtrade Programmes directly to Fairtrade International: • For traders sourcing from Ghana and Cote d'Ivoire, the Fairtrade Child Labour and Forced Labour Prevention and Remediation Programme; • For traders sourcing from Ecuador, Dominican Republic, Peru (or other Latin American countries), the CLAC HREDD Remediation Programme and/or the CLAC Climate Contingencies and Catastrophic Events Programme The trader will provide certification body with evidence of payment. Any payment would be valid as meeting compliance for the 12 months stated by Fairtrade International. It is possible that a National Fairtrade Organisation makes this payment on behalf of the trader and provides the trader with a proof of payment to the programme. This option applies in case the SPOs supplying the trader have identified this risk. • Funding can be paid by a trader to another trader for passing onto a Fairtrade certified SPO. The trader receiving the funding must issue a receipt detailing the following: which SPO received the funding; the value; the 12-months period for which the payment was due; and the date it was paid. This can be submitted as evidence to the certification body by the traders. 2. **Training** – a defined training activity provided to specific Fairtrade certified SPOs. • Where the trader is delivering the training to the SPO the trader must name the Fairtrade certified SPO and date of training, and the cost of the training, as evidence that the activity was conducted. This could be valid as meeting compliance 12 months from date of training, there is a minimum of one training per year.

	• Where a trader has instructed another trader or third party to provide training to the Fairtrade certified SPO the trader or third party providing the training must provide the name of the SPO and the date of the training, as well as the cost. This could be valid as meeting compliance 12 months from date of the training. There is a minimum of one training per year. 3. **Advocacy with government** – Advocacy activities must be around tangible actions on how the trader is taking responsibility to address child labour and forced labour, and the cost of these activities have to be mentioned. As part of the advocacy work, proposals should aim to seek a specific change for the sector to the governments. There should be a minimum 1 public proposal per year. This could be valid as meeting compliance 12-months from date of communication to the governments. The trader should present evidence to the auditor about the interaction with the governments of the country of production and/or country of consumption. 4. **Facilitation of partnerships** - a partnership is where funding or training has been delivered to a Fairtrade certified SPO via a third party. The trader provides proof of the partnership and related activities. The cost of the activities must be stated. 5. **Other ways** –other forms of interventions where quantifiable resources have passed from the trader to the Fairtrade certified SPO that are not part of the above possible methods. For example, a trader is supporting improvements in educational facilities within farming communities in partnership with an SPO. The resources must have a defined monetary value for each year of implementation. There must be evidence from the trader that the resources have been received. ***Is a minimum financial contribution or the equivalent thereof required for 3.3.3?*** Fairtrade does not require a minimum contribution; however, it is recommended that a minimum of $19 per tonne of cocoa beans for prevention and remediation is paid to Small Producer Organisations. While there is no published data on the average cost of addressing and remediating child labour in Côte d'Ivoire and Ghana, sector experts such as the International Cocoa Initiative have observed the minimum cost for remediation is $30 per farmer, per year, spread across all farmers in a Small Producer Organisation regardless of the presence or absence of child labour in the household. To convert this into a per tonne of cocoa beans figure Fairtrade divided $30 per farmer by the median volume of cocoa beans produced per annum by an Ivorian cocoa farmer, 1.570 tonnes. ***I already support a Child Labour Programme in Ghana/ Cote d'Ivoire. Does this mean I meet requirement 3.3.3 or will I be expected to fund Fairtrade's Programme?*** If traders are able to demonstrate annually via evidence that they are supporting/contributing to a child labour programme that benefits Fairtrade producer organizations, requirement 3.3.3 will be met. ***I am currently unable to identify the specific SPOs I source my Fairtrade cocoa from. In this instance, how can I meet requirement 3.3.3?*** Not all traders will be able to directly support the specific SPOs they source from due to mass balance or other reasons. Some operators will be able to verify via their traders

<table>
<tr><td></td><td>the country of origin of their SPOs and potentially narrow it down to a group of Fairtrade certified SPOs. So long as a certified trader can evidence, they pay into a programme that supports either, the group of Fairtrade certified SPOs they source from, or Fairtrade certified SPOs in the country of origin they source from (Cote d'Ivoire and/or Ghana) then requirement 3.3.3. will be met.
The Fairtrade/CLAC programmes mentioned above enable traders who are not connected to the Fairtrade certified SPOs they purchase from to channel money to Fairtrade certified SPOs who have successfully applied to the programme. Traders can choose this intervention if they are not already engaged in a Child Labour programme to meet requirement 3.3.3.

I source Fairtrade cocoa from an SPO in Latin America who has not identified child labour as a high risk. Does 3.3.3 still apply to me?
Traders are required to provide support to producers to address and remediate child labour and forced labour when child labour/forced labour is identified as a high risk. This risk is defined either as an outcome of the SPOs own HREDD risk assessment process and/or via Fairtrade International's Risk Map for the country of origin. If the SPO and/or the Risk Map does not identify child labour as a high risk, then the trader is not required to demonstrate support in that instance to comply with 3.3.3.

For more information on how the programmes operate and how to contribute, see the Fairtrade Cocoa Standard explanatory note</td></tr>
<tr><td>Date</td><td>04 December 2023</td></tr>
<tr><td>Reference</td><td>Fairtrade Standard for Cocoa/ SPOs</td></tr>
<tr><td>Affected Standard requirements</td><td>3.4.1 NEW JANUARY 2024 Protection of forests and ecosystems

Applies to: SPOs

Core
Year 0
There has been no deforestation or degradation in primary or secondary forests, protected areas and areas of High Conservation Value or High Carbon Storage to convert land into agricultural production area since 31st December 2018.

Production does not occur in officially designated buffer zones, except where it complies with applicable law.

Please check the Interpretation Note for the Fairtrade Standard for Cocoa here.

Guidance: Deforestation is the conversion of forest to other land use or the permanent reduction of the tree canopy cover below the minimum 10 percent threshold (The Global Forest Resources Assessment, FAO, 2015).

The following activities are not considered 'deforestation':

• When a tree crop is replaced by another (for example cocoa, coffee or fruit tree);

• Tree management on agro-forestry or home-garden production systems.

Your members may identify protected areas with the help of local, regional, or national authorities.

Please note that this requirement complements SPO Standard requirement 3.2.31 "Protection of forests and vegetation".

Until requirement 3.4.5 becomes applicable in Latin America and Caribbean, this requirement will be audited similarly to SPO standard requirement 3.2.31 in this region.</td></tr>
<tr><td>Interpretation</td><td>What is the rule and how does it work?

All SPOs certified in Fairtrade cocoa are required to provide geolocation data for all members' plots to Fairtrade International according to the formats and templates provided on an annual basis to meet the Standard requirements (applicable to all SPOs excluding Latin America and Caribbean where the standard requirement will</td></tr>
</table>

<table>
<tr><td></td><td>apply from January 2027).

If alerts of deforestation and/or farming in protected areas are identified by Fairtrade International, the SPO assesses the alerts reported and takes action to resolve the alert. It is the responsibility of the SPO to share deforestation alerts with the relevant member of the SPO.
If an alert is determined to be false, the SPO must dispute the deforestation alert by submitting this information to Fairtrade International within 3 months of receiving the alert, using the provided template for alert disputes. If alerts are confirmed to be true, the SPO would need to take corrective actions according to the guidance provided by Fairtrade International in the following link: https://nextcloud.fairtrade.net/index.php/s/T9FF82xe25GF9Hs .
SPOs must submit to Fairtrade International the action taken for each alert within 3 months of receiving the alert.</td></tr>
<tr><td>Date</td><td>27 September 2024</td></tr>
<tr><td>Reference</td><td>Fairtrade Standard for Cocoa</td></tr>
<tr><td>Affected Standard requirement</td><td>3.4.4 NEW JANUARY 2025 Supporting producers to prevent and mitigate deforestation
Applies to: Payers and conveyors

Core
You support the SPOs you are sourcing from with their plan to prevent and mitigate any deforestation and degradation of forest, in order to conserve and restore forest and vegetation.

Please check the Interpretation Note for the Fairtrade Standard for Cocoa here.

Guidance: Your support is either direct or through a partnership. It is in the form of funding, data sharing, training, facilitation of partnerships, advocacy or other ways.
You may share any relevant data including deforestation monitoring data you have on the SPO membership or surrounding area to inform and support the SPO’s mitigation activities.
Implementation of the requirement does not depend on availability of geolocation data.
This requirement replaces Trader Standard requirement 3.3.6.</td></tr>
<tr><td>Interpretation</td><td>What is the rule?
From January 2025, payers and conveyors are required to support producers to implement a plan to prevent and mitigate any deforestation and degradation of forest, in order to conserve and restore forest and vegetation.

The support can be direct or through a partnership and in the form of funding, data sharing, training, facilitation of partnerships, advocacy or other ways. Traders may share any relevant data including deforestation monitoring data on the SPO membership or surrounding area to inform and support the SPO’s mitigation activities.

How does it work?
Support to producer organizations is evidenced annually either via direct interventions or via partner initiatives with relevant government agencies, environmental NGOs, traders or similar.</td></tr>
</table>

	How can a trader fulfil the requirement to support producers with deforestation prevention plans? 1. **Funding - a defined amount paid by a trader to SPOs. The amount can be paid in the following ways.** -Directly to SPOs. The trader will provide the certification body with evidence of payment. Any payment would be valid as meeting compliance for 12 months. The evidence must detail the following: which SPO received the funding; the value; the 12-months period for which the payment was due; and the date it was paid. - By a trader to another trader for passing onto an SPO. The trader receiving the funding must issue a receipt detailing the following: which SPO received the funding; the value; the 12-months period for which the payment was due; and the date it was paid. This can be submitted as evidence to the certification body by the traders. 2. **Training or other forms of material support – a defined training activity or other form of material support provided to specific SPOs.** - Where the trader is delivering the training to the SPO or other forms of material support* the trader must name the SPO and date of training, and the cost of the training, as evidence that the activity was conducted. This could be valid as meeting compliance 12 months from date of training, there is a minimum of one training per year. - Where a trader has instructed another trader or third party to provide training or other forms of material support to the SPO the trader or third party providing the training must provide the name of the SPO and the date of the training, as well as the cost. This could be valid as meeting compliance 12 months from date of the training. There is a minimum of one training per year. ***Material support** can mean assistance with, geolocation data collection or access to geolocation data collected for the trader. This can include supporting SPO with: - Access to SPOs of high quality satellite deforestation monitoring data. - The digital collection and management of geolocation data. - Access digital first mile digital traceability systems - Ground truthing - the validating and where necessary disputing satellite generating deforestation alerts - Reforestation 3. **Advocacy with government** - Advocacy activities must be around tangible actions on how the trader is taking responsibility to prevent and mitigate any deforestation and degradation of forest. The cost of these activities have to be mentioned. As part of the advocacy work, proposals should aim to seek a specific change for the sector to the governments. For example the trader could be engaged with Cocoa and Forests Initiative. There should be a minimum 1 public proposal per year. This could be valid as meeting

<table>
<tr><td></td><td>compliance 12-months from date of communication to the governments. The trader should present evidence to the auditor about the interaction with the governments of the country of production and/or country of consumption.

4. Facilitation of partnerships

- A partnership is where funding or training has been delivered to an SPO via a third party. The trader provides proof of the partnership and related activities. The cost of the activities must be stated.

5. Other ways

- Other forms of interventions where quantifiable resources have passed from the trader to the SPO that are not part of the above possible methods. For example, a trader is supporting reforestation of deforested areas in partnership with an SPO. The resources must have a defined monetary value for each year of implementation. There must be evidence from the trader that the SPO has received the resources through confirmation from the SPO.</td></tr>
<tr><td>Date</td><td>04 December 2023</td></tr>
<tr><td>Reference</td><td>Fairtrade Standard for Cocoa</td></tr>
<tr><td>Affected Standard requirement</td><td>3.4.5 NEW JANUARY 2024 for Africa and Asia

NEW JANUARY 2027 for Latin America and the Caribbean

Geolocation data

Applies to: SPOs

Core
Geolocation data is available for 100% of your member and farm operator plots cultivating cocoa as GPS location points or GPS polygons.

Year 0
As a minimum you have GPS polygons for plots over four hectares. You identify and prioritize which other plots should be polygon mapped, based upon area risk of deforestation and adopt a phased approach.

You use the data to further inform your procedures to prevent deforestation.

Please check the Interpretation Note for the Fairtrade Standard for Cocoa here.</td></tr>
</table>

<table>
<tr><td>Interpretation</td><td>What is the rule and how does it work?
Geolocation data is available of all plots of land for 100% of their member and farm operator units cultivating Fairtrade certified cocoa. The list below describes the types of geolocation data, either geolocation points or polygons, that will need to be available:
Polygon data are required for all plots defined as high risk, see below for definition.
Polygon data are required for any single plot of farmland growing Fairtrade certified cocoa 4 hectares or larger.
Point or polygon locations are acceptable for any single plot of farmland less than 4 hectares and not defined as high risk.
High risk plots are defined as plots that meet one of these criteria:
Evidence of deforestation within 500 meters of plot boundary, for example a deforestation alert from deforestation monitoring technology. Where this analysis is provided by Fairtrade International’s provider that analysis takes precedence over any other.
Plot boundary is within 200 meters of a protected area.</td></tr>
<tr><td>Date</td><td>28 August 2024</td></tr>
<tr><td>Reference</td><td>Fairtrade Standard for Cocoa/ payers and conveyors</td></tr>
<tr><td>Affected standard requirement</td><td>3.4.6 NEW JANUARY 2024 Sharing geolocation data
Applies to: payers, conveyors
Core
Geolocation data is available for 100% of the plots you are sourcing cocoa from as GPS location points or GPS polygons. As a minimum you have GPS polygons for plots over four hectares.
You share this data with SPOs so that they can use it to inform their procedures to further prevent deforestation.
Please check the Interpretation Note for the Fairtrade Standard for Cocoa here.
Guidance: Regarding 100% of the cocoa plots - in some cases, traceability systems may be in place that allow the Payer/Conveyor to identify specifically the cocoa plots supplying the cocoa they are purchasing. The payer/trader may wish to declare this and submit supporting evidence to the certifier. If no such traceability systems are in place, the Payer/Conveyor can
declare the geolocation data of all registered cocoa plots associated with the Fairtrade producer organizations they are sourcing from.
At the latest, the geolocation data should be collected upon arrival in port of destination.</td></tr>
</table>

<table>
<tr><td>Interpretation</td><td>What is the rule and how does it work?
Payers/conveyors are expected to have geolocation data of the cocoa plots they are sourcing cocoa from.
When geodata is collected from farmer members of a producer organization by the payer/conveyor, the payer/conveyor shares this information with the management of the producer organization. In Latin America and Caribbean, producers are not required to collect geolocation data before 2027.
This data should be shared using the formats defined by Fairtrade International. Evidence of the shared file should be available to FLOCERT at audit, e.g., by showing an email. The guidance document can be found here.
By default, the Payer/Conveyor declares the geolocation data of all registered plots associated with the Fairtrade producer organizations they are sourcing from. However, if the payer/conveyor is able to demonstrate via documentary evidence that they can identify the sub-section of plots supplying their cocoa (due to identity preserved/physical traceability system being in place) the payer/conveyor may declare the geolocation data of these cocoa plots only. This same logic applies to the trader reporting requirement 3.4.8 when reporting geolocation data to Fairtrade International.</td></tr>
<tr><td>Date</td><td>11 December 2024</td></tr>
<tr><td>Reference</td><td>Fairtrade Standard for Cocoa/ SPOs</td></tr>
<tr><td>Affected Standard requirement</td><td>3.4.7 NEW JANUARY 2024 for Africa and Asia
NEW JANUARY 2027 in Latin America and the Caribbean
Reporting on Deforestation Prevention
Applies to: SPOs
Core — You report data to Fairtrade International every year. You present the data in the templates and formats provided.
Year 1 — Please check the Interpretation Note for the Fairtrade Standard for Cocoa here.
• Geolocation and Forest Cover Loss Monitoring Data — - available geolocation data of member cocoa plots
• Deforestation Prevention and Mitigation Support — - type of support received during the past year, including its estimated monetary value, to prevent and mitigate any deforestation and degradation of forest</td></tr>
<tr><td>Interpretation</td><td>What is the rule and how does it work?
Data collected for the purpose of deforestation mitigation, including the geolocation data and the type of support received from traders etc. has to be submitted to Fairtrade International.

For geolocation data, guidance may be found here on how to prepare the geolocation data in the template provided and submit it to Fairtrade International: https://nextcloud.fairtrade.net/index.php/s/T9FF82xe25GF9Hs</td></tr>
</table>

	SPOs must submit a consent to release form with the geolocation data. The consent form can be found in multiple languages with the geolocation data templates here: https://nextcloud.fairtrade.net/index.php/s/T9FF82xe25GF9Hs. . Geolocation data will only be considered if it is submitted with a signed consent form. **Geolocation Data Reporting** Geolocation data is reported annually in the template provided by Fairtrade International and confirmed as valid by Fairtrade International. Evidence that the information has been provided to Fairtrade International, should be available during the audit. Where there has been no change to the plot size or location, annual data submission can include data collected in prior years. SPO geolocation data is shared with a third-party service provider. There are two possible outcomes of this data reporting process: the geolocation data is confirmed to be received and valid, or the geolocation data is confirmed to be received but considered not valid because it contains errors. 1.The geolocation data is confirmed to be valid by Fairtrade International: in this case, Fairtrade will notify the SPO that the data are valid, the information around data validity is all contained in the geolocation data validation form. Please keep this form for your records to produce at the next audit. This will serve as confirmation that your organization has successfully submitted your geolocation data to Fairtrade for Cocoa Standard requirement 3.4.7. 2.The geolocation data contains errors identified by Fairtrade International and/or the third-party service provider: in this case, Fairtrade will notify the SPO that the data are not valid, and corrections are needed, this is all contained in the geolocation data validation form. The SPO needs to correct the errors and re-submit the complete and corrected geolocation data according to the reporting instructions. Fairtrade re-checks the data and once the data are considered valid the SPO will receive a confirmation which is all contained in the geolocation data validation form, this will serve as a proof of compliance during the audit. Auditors need access to the geolocation data validation form during the audit to confirm if the geolocation data submitted is validated. **Reporting on deforestation prevention and mitigation support** SPOs report this information on an annual basis via the FairInsight online platform: (https://fairinsight.agunity.com). The survey form is available on the “My Surveys” page. After submitting your responses, please ensure you save proof of submission from the “My Surveys” by printing, exporting as a PDF or taking a screenshot as proof that you have completed the annual reporting.
Date	***16 May 2023***
Reference	***Fairtrade Standard for Cocoa/ SPOs***

<table>
<tr><td>Affected standard requirement(s)</td><td>
4.5.3 NEW JULY 2023 Transparent Processes for Fairtrade Volume Allocation
<table>
<tr><td colspan="2">Applies to: payers, conveyors</td></tr>
<tr><td>Core</td><td>You have a publicly available, documented process in place to allocate the purchase of Fairtrade cocoa volumes to producers supplying you. The document includes the principles and/or the conditions relevant for your purchase decisions. You share the document with producers at the beginning of the cocoa buying season.
Principles and conditions to be included in the document are outlined in the interpretation note to the Fairtrade Standard for Cocoa here.</td></tr>
<tr><td colspan="2">Guidance: Principles and/or conditions relevant for your purchase decisions could for example include volume of Fairtrade cocoa.
available, previous delivery records or specific customer needs..</td></tr>
</table>
</td></tr>
<tr><td>Interpretation</td><td>
What is the rule and how does it work?
Traders (payers and conveyors only) have a documented process in place to allocate the purchase of Fairtrade cocoa volumes to producer organizations. The document includes the principles and/or the conditions relevant for the purchase decisions. The document shall include the principles and/or the conditions relevant for the purchase decisions and who is authorised to make those decisions. For example, the document shall include:

-Who has the authority to decide the volume allocation for the trader
-A statement that no payment request shall be made to an SPO, by any person claiming to represent the trader, for allocation of Fairtrade volumes
-How an individual or group can anonymously raise a complaint of fraud, shall a person claiming to represent the trader request payment for Fairtrade volume allocation
-The factors the trader takes into account when allocating volumes to SPOs e.g. previous delivery history, customer specific needs etc

Traders share the document with the producers they have contracts with at the beginning of the cocoa buying season. The document can be shared on the traders' website but importantly it is available to any interested party on request.

We recommend the documents are also shared with Fairtrade Africa who can ensure SPOs have access.
</td></tr>
<tr><td>Date</td><td>24 March, 2026</td></tr>
<tr><td>Reference</td><td>Trader Standard</td></tr>
</table>

<table>
<tr>
<td>Affected standard requirement(s)</td>
<td>
5.8.1 Unfair trading practices
Applies to: All traders
Core Fairtrade does not accept unfair practices that clearly damage producers' or other traders' capacity to compete or the imposition of trading conditions on suppliers that would make it difficult for them to comply with Fairtrade standards. There are no indications that you engage in such practices.

See the interpretation note for more information on how the compliance to this requirement will be checked.

Guidance: The EU Green Paper on unfair trading practices describe them as "practices that grossly deviate from good commercial conduct, are contrary to good faith and fair dealing and are unilaterally imposed by one trading partner on another". Unfair trading practices refer to situations of abuse of a relative dominant position and/or abuse of economic dependency, when a stronger party imposes unfair conditions to an economically dependent (and thus weaker) party.
Some examples of such practices are:
• Abusive contract terms such as bonded contracts or exclusivity contracts (unless clearly beneficial to the other party) and non-competition clauses.
• Generally disadvantageous contracts imposed by abusing the position of creditor.
• Excessive transfer of costs or risks to its counterpart such as demanding prices below costs or charging fees for services that are not demanded or are above value.
• Misuse of unspecified, ambiguous or incomplete contract terms.
• Sudden unfair termination or disruption of a commercial relationship, used as a means to bully a contracting party.
• Misuse of confidential information.
• Interfering with partner's business such as poaching members from producer organizations or otherwise attempting to weaken existing organizations.
</td>
</tr>
<tr>
<td>Interpretation</td>
<td>
Should traders, at /or beyond the price and premium payer, start charging customers the new Fairtrade Minimum Price, Premium and Organic Differential from their dates of validity?

Fairtrade does not require that customer contracts further up the supply chain include the new Fairtrade Minimum Price , Premium and Organic Differential (if applicable) from the different dates of validity in regulated and non-regulated countries. For an overview of the new values and their dates of validity please consult the Fairtrade Pricing Table.

However, Fairtrade expects that Fairtrade payers will charge their customers the new Fairtrade Minimum Price, Premium and Organic Differential (if applicable) when the Fairtrade cocoa beans being sold to the customer include Fairtrade cocoa purchased from Small-scale Producer Organizations at the new Fairtrade Minimum Price, Premium and Organic Differential (if applicable).

Consequently, implementation of the new Fairtrade Minimum Price, Premium and Organic Differential (if applicable) for customers will vary depending on the certified trader's stock or mass balance volumes of Fairtrade cocoa products at the time when the new values become applicable.

Fairtrade recommends that suppliers adopt a Transparent Pricing Policy with their customers which details when beans were purchased from Small-scale Producer Organizations e.g. total volumes purchased pre and post the price increase and how this affects the prices of the cocoa products being charged during a particular time period.

Fairtrade considers charging customers at the new Fairtrade Minimum Price, Fairtrade Premium and Organic Differential for stock delivered by Fairtrade Small-scale
</td>
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</table>

	Producer Organizations before their dates of validity, to be an Unfair Trading Practice as it is an example of “Excessive transfer of costs or risks to its counterpart “. Given that price and premium payers have to pay the Fairtrade Minimum Price differential[1],the Fairtrade Premium and Organic Differential, it is equally considered an unfair trading practice to sell Fairtrade cocoa beans at a price below Fairtrade costs. To ensure fair and sustainable trading practices are applied throughout the whole supply chain and to avoid excessive pressure on suppliers, all traders at /or beyond the price and premium payer, should sell and purchase Fairtrade products covering at least the applicable Fairtrade Minimum Price differential defined by FLOCERT and Fairtrade Premium and Organic Differential.

1 The Fairtrade Minimum Price differential is applicable to cocoa sourced from regulated markets e.g. Cote d’Ivoire and Ghana.