Standards Committee Minutes
Meeting 120: November 24-26, 2025
(Teleconference Meeting)

SC members: Stijn Decoene (Chair), Arun Ambatipudi, Ben Huyghe, Gustavo Lopez, Emilie Sarrazin, Nicholas Kadiri and Selene Scotton Observers: Fairtrade International and FLOCERT staff members have permanent observer status. Other Observers: We do not display the full names of observers and contributing observers to comply with 'The General Data Protection Regulation (GDPR)[1]'. If you need additional information about the observers or contributing observers of this meeting, please contact standards-pricing@fairtrade.net
Disclaimer: The Fairtrade International Standards Committee (SC) aims to reach consensus, but decisions may not always reflect the opinions of all people. The section to introduce the topic (background information) has been written by the Standards & Pricing and may not have been discussed by the SC in full. Sections listing action points are an outcome of discussions of the SC but are not part of the decisions made.
Abbreviations CCC Conseil du Café-Cacao CEO Chief Executive Officer CLAC The Latin American and Caribbean Network of Fairtrade Small Producers and Workers CoE Centre of Excellence COSP Cost of Sustainable Production DRC The Democratic Republic of the Congo EC Exceptions Committee EUDR European deforestation regulation FET Fairtrade Executive Team FTO Fairtrade Organizations FI Fairtrade International FMP Fairtrade Minimum Price FOB Free on Board FP Fairtrade Premium FPC Fairtrade Premium Committee FSI Fairtrade Sourcing Ingredient FBW Fairtrade Base Wage GA General Assembly GOTS Global Organic Textile Standard GPM Global Product Manager GPPP Global Products, Programs & Policy

[1] Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation). https://eur-lex.europa.eu/eli/reg/2016/679/oj

HL	Hired Labour
HML	Hazardous Materials List
HOC	Head of Oversight and Compliance
HREDD	Human Rights and Environmental Due Diligence
IDH	The Sustainable Trade Initiative
LAC	Latin America and the Caribbean
LB	Licensing Bodies
LI	Living Income
LIRP	Living Income Reference Price
LW	Living Wage
MHFR	Max Havelaar France
MEL	Monitoring, Evaluation, and Learning
NAPP	Network of Asia & Pacific Producers
NEM	New Economic Mechanism
OC	Oversight Committee
O2B	Offer to Business
PC	People's Committee
PB	Producer Body
PEB	Producer Executive Body
PM	Project Manager
PN	Producer Networks
PT	Project Team
PU	Pricing Unit
SA	Senior Advisor
S&P	Standards and Pricing Unit
SC	Standards Committee
SM	Salary Matrix
SOP	Standards Operating Procedure
SPO	Small-scale Producer Organizations
STEP	Standard Evolution Project
SU	Standard Unit
ToR	Terms of Reference
WRAC	Workers Rights Advisory Committee

Item 1 – Opening

Meeting Started Meeting Started 13:30

Agenda: Chair officially opened, the agenda read and approved and ground rules read.

Action Items

In Progress.

- Reporting requirements monitoring: Proposed schedule bi-annual.
  Next report: EUDR/deforestation reporting – moved to Q1 2026 SC meeting.

- Entry requirements assessment: Assessment report to be submitted to the EMT and not to the Board as previously announced

- Coffee Price review: PU to provide more information about the data analysis and clarify pricing model options to be consulted

- Cocoa Price Review phase 2 and LIRP: Start phase 2 two for regulated markets (Ghana and Cote Ivoire)

- Seed Cotton: It was recommended that PU provide an update in early 2026 regarding the effects of this decision on supply chains and market performance.

- Withdrawal of the Fairtrade Climate standard (FCS) and Exit Strategy: Dissemination of decisions and updates across Fairtrade units and partners and Review of FCS associated documentation for compliance with EU directives.

- Trader Standard: Bring back to the SC for final decisions the topics that remained pending from last SC meeting (i.e. pre-finance, etc.). An update session is scheduled for this meeting.

Item 2 – News session

News from the CEO
The CEO presented updates from Governance and Project Simple. For more details, see the presentation.

News from the OC
The OC was delayed until next week and new will be shared during the next SC.

News from SC
Updates were shared as presented in the overview table.

News from S&P
Updates were shared on the projects that will be presented during the SC.

On the new Strategy
The director of Global Impact presented the background of the current strategy review and priorities from phase 1 to phase 3. See presentation for more details.

Item 3 – Strategy 2026-2028

Information

Arisbe Mendoza, Director of Global Impact, Partnerships and Advocacy (GIPA) explained that Fairtrade is at an inflection point driven by geopolitical instability, increased regulatory pressures, climate crisis and higher stakeholder expectations. The 2026-2028 Strategy focuses on resilience (ability to adapt and grow under uncertainty) and relevance (meeting stakeholder needs and delivering value).

The GIPA Director emphasised that Fairtrade's purpose and unique value proposition remain valid: driving systemic change to make trade fair and keeping producers at the centre. This commitment to systemic change aligns with the strategic approach described in Phase 1, where cross-cutting priorities were framed

around major stakeholder groups, focusing on building resilient, adaptive supply chains. These priorities ensure the strategy remains relevant and adaptable to the "new normal", driving long-term impact**.**

- Strategy structured around pillars, each pillar with its own goals, objective(s), rationale, outcomes, and indicative KPIs. An example was provided on how each pillar is structured. The GIPA Director explained that detailed pillar presentations exist and will be shared post-board review.

Next Steps

1) Supervisory Board meeting for endorsement of the strategic framework (November 2025)
2) Finalisation of Strategic Framework 2026-2028 (December 2025–January 2026)
3) Supervisory Board approval (January 2026)
4) General Assembly approval (February 2026)
5) Implementation plan and socialisation across the system (March–May 2026)
6) Monitoring and mid-term review (June 2026)

Discussion

An SC member thanked the presenter for clearly explaining what is happening outside the SC and how these developments could affect them.

The CEO emphasized that STEP is essential for creating impact for farmers and workers and staying relevant in the market and asked for the SC's support.

Item 4 – Cocoa Price Review

Information

The outcome of the Cocoa price review discussed for decision today is the result of the 2nd phase. The 1st phases scope was for non-regulated countries (all countries except Côte d'Ivoire and Ghana) from November 2023 – March 2025 with the outcome of a new minimum price for non-regulated countries: 3,500 USD/MT (45 % increase). The current 2nd phase scope was for regulated countries (Côte d'Ivoire and Ghana), plus the final decisions for FP and Fairtrade organic differential for all countries.

Sector context: Historically high Cocoa prices since mid-2023. Due to shortages in production in West Africa, prices have tripled/quadrupled during the past 2 years, global inflation has increased leading to higher cost of production prices for farmers, and the EU Organic Regulation has increased costs further. The market situation is uncertain and delicate.

Discussion

On Decision 1 - Fairtrade Minimum Price (FMP) for regulated countries only - Côte d'Ivoire and Ghana

Most stakeholders preferred the weighted average of 3,500 USD/MT for Ghana and 3,200 EUR/MT for Côte d'Ivoire and this also enables the implementation of one global minimum price in cocoa, hence this was the project team's recommendation.

On Decision 2 – Fairtrade Premium (FP) Allocation for regulated countries only - Côte d'Ivoire and Ghana

FP allocation proposed due to expectations from regulators in Côte d'Ivoire and Ghana – the proposal gained support from the majority of producers in Africa due to reasons of transparency and producer loyalty/motivation.

Project team recommended 40% FP allocation to cash payouts and minimum 10% for investment in three other areas of: Producer organisations, farm services to members and community needs. Project team arguments were: 1) To respond to the expectation of regulators because FT's work is dependent upon the license to operate, and 2) To improve transparency of premium investment.

Questions from SC members:

A question was raised about how sharecroppers would be impacted, and it was explained that FP payments would be only to SPO members and that typically this constitutes landowners but that sharecroppers would be impacted by the recent cocoa standard requirements that SPO members must have agreements with their sharecroppers that detail how Fairtrade benefits are shared.

A question was raised if the 40% must be paid as cash or if prefinancing/inputs are also considered included, to which the response was that the requirement only covers cash payments, not in-kind payments.

A question was raised on follow up/control of the requirement and if this would be complex for FLOCERT. It was explained that draft requirements had been shared with FLOCERT and premium categories were discussed with colleagues from Global Impact Unit for reporting.

A question was asked if the 40% is fixed and non-negotiable which was confirmed.

A change was requested to the decision text from "farmers" to "members" which was agreed.

A question was asked if the West African cocoa regulators would consider 40% to be sufficient for farmer impact, the response to which included the direct response from one regulator in support of the proposal and indications from the other regulator via other interactions that the proposal is heading in right direction.

A comment was made that current premium reporting/monitoring via Fair Insight can be labour intensive so necessary resources are needed.

A concern was raised about maintaining the Fairtrade principle of General Assembly (GA) decision making regarding FP investment vs prescribing this in standards and to be cautious not to expand this model outside of regulated markets and across different product commodities.

Confirmation was requested that this decision will not impact the payment of the FMP differential to farmers in regulated markets, which was confirmed.

A question was asked if this would mean 40% payout to all members or only to those selling to the SPO. It was explained this is at the discretion of the GA to choose the appropriate distribution system for their organizations e.g. a quota system or a common value per member.

A question was asked if 40% is a minimum and could it be higher which was confirmed as possible, so long as the value selected respected the minimum 10% of the other three categories.

On Decision 3 – FP for all producing countries; Fairtrade Organic differential for all producing countries; Date of Validity for all producing countries

The Project team recommended managing the discussion and decision as a package due to the interlinkage between the different elements and because the value proposals were agreed upon by the different stakeholders present in the project team as a package.

- Fairtrade Premium for all producing countries:

All stakeholders rejected regional FPs due to concerns about competition and price transparency along the supply chain considering cocoa blending practices.

Stakeholder responses were split for the FP value: African producers preferred 290 USD/MT, LAC producers, 350 USD/MT, commercial partners preferred one of the two lower values (240/265 USD/MT).

After intensive discussions the project team aligned to set a global FP value at 275 USD/MT as a middle ground between producer and market preferences. The NFOs advised against increasing the FP to 290 USD/MT and estimated 20% of Fairtrade cocoa sales from Côte d'Ivoire would be at risk if this happened.

- Fairtrade Organic differential for all producing countries

Stakeholders rejected Fairtrade regional organic differentials for the same reasons stated for regional FP.

Stakeholder views were split on the organic differential value: Most producers voted for 500 USD/MT and PNs stressed that 500 USD/MT was needed to ensure future supply of organic cocoa, respond to EU Organic Regulation and prevent producers from shifting to conventional production. In a PN survey among 14 organic SPOs, 50% stated that their organic production would decrease, and 25% said they would give up organic, if the Organic Differential was not increased up to 500 USD/MT. In contrast, most commercial partners voted for 390 USD/MT, some abstained, some stated *390* was too high. NFOs stressed the Fairtrade organic differential needed to remain affordable with the current high-price market conditions but recognized the increased costs producers were facing. NFOs estimated 48% of Fairtrade cocoa organic sales would be at risk, should the organic differential value exceed 390 USD/MT.

The project team's recommendation was a middle ground of 450 USD/MT although this value still comes with the risks of losing organic production volume as well as losing Fairtrade organic sales.

- Date of Validity for all producing countries

For regulated countries the majority of African producers, commercial partners, NFOs and other organisations agreed to 1 October 2026, as in line with harvest and price announcement cycles. For non-regulated countries, producers voted for an earlier date for implementation varying between a one and six-month lead time.

The project team recommended 1st Oct 2026 for regulated countries. For nonregulated, the need for a short timeline was stressed by a PN so as not to lose SPOs, but NFOs requested more time (9 months) to prepare the market, hence the project team agreement to recommend a 6-month lead time for the implementation of non-regulated countries.

Questions from SC members:

A question was asked about possible sales losses if the premium increases to $275 USD/MT. Another SC member and cocoa market expert confirmed there is risk of sales loss considering the past 24 months, confirmed decline in demand, but also explained at the same time retailers are looking at certification schemes to prepare for EUDR, so Fairtrade needs to remain competitive, but that what is being proposed ($275 USD/MT) seemed a balanced proposal. An NFO representative confirmed the risk assessment was

carried out based on conversations with market partners throughout the consultation and considering past sales losses when Fairtrade prices have increased. Also, regarding date of validity, NFOs needed more than one month considering the Christmas holidays and the space to explain the decision to market partners. A global cocoa team representative confirmed there will likely be sales volume losses at 275 USD/MT FP and 450USD/MT Fairtrade organic differential value but that there was commitment to work with NFOs and PNs to ensure the best information is made available to minimize these losses.

A question was asked if the current more stable cocoa prices (around 5,000 USD/MT) compared to year ago, meant that it is easier for market partners to absorb the Fairtrade increases. A global cocoa team representative stated it is very difficult to predict due to the decrease in demand and that many businesses have been cutting costs and restructuring. It is clear that many businesses will remain nervous about the price of cocoa for some time.

Decisions

Decision 1 – Fairtrade Minimum Price: Do you agree with setting a Fairtrade Minimum Price value for conventional cocoa at 3,500 USD/MT for Ghana and at 3,200 EUR/MT for Côte d'Ivoire?

The SC approved decision 1 unanimously.

Decision 2 – Fairtrade Premium Allocation: Do you agree with the draft requirement for FP Planning, including a minimum of 40% of FP for cash payouts to members and a minimum of 10% for the categories of producer organisation, farm services to members and community needs?

The SC approved decision 2 unanimously.

Decision 3 – Fairtrade Premium for all producing countries - Fairtrade Organic differential for all producing countries - Date of Validity for all producing countries

a. Fairtrade Premium: Do you agree with setting a global Fairtrade Premium at 275 USD/MT (250 EUR/MT for Côte d'Ivoire)?

b. Organic Differential: Do you agree with setting a global Fairtrade Organic Differential at 450 USD/MT (410 EUR/MT for Côte d'Ivoire)?

c. Validity: Do you agree to implement new cocoa prices and the new requirements on Fairtrade Premium allocation as of 1 October 2026 for cocoa deliveries from regulated countries, Côte d'Ivoire and Ghana?

d. Validity: Do you agree to implement new cocoa prices six months after the date of the price announcement for new contracts agreed upon after that date for non-regulated countries?

The SC approved decision 3 unanimously.

Decision 4: - Do you approve the delegation of non-substantive changes to the Director of Standard & Pricing, including the updates of the semi-processed prices when purchased directly from Small Producer Organizations?

The SC approved decision 4 unanimously.

Next Steps

Calculation of new semi-processed cocoa prices according to the Cocoa Standard, preparation of price announcement, pricing table changes, comms material preparation and webinar for FT members to inform about SC decisions and price announcement – all to take place before 9th December.

Publication of price announcement and additional material (press release, Q&A) on 11th December.

Item 5 – STEP

The Standards Team presented updates on the STEP Project, making the Standards more consistent, clear and easy to use. The timeline was presented, highlighting the high priority and need to focus all resources on this to meet the tight timeframe. Guidance from the SC will be asked on the proposed structure of the Fairtrade Standards Framework presented today.

The change of the Standards does not mean changing its content. No topics will be removed or added. All current requirements of the generic standards will be included and cover the same actions and levels of ambition. The changes will focus on strengthening the link to purpose and consistency across different actors.

The framework is co-created with experts from each field.

STEP is based on targeting compliance criteria for SPOs and HLOs using the Fairtrade risk map, which indicates higher risks for specific crops and countries. Guided by the Fairtrade risk map, STEP enables producers to self-assess and focus compliance efforts following high- and medium-risk criteria.

An example was presented of how the self-assessment works for producers based on the Fairtrade risk map. It was noted that this assessment follows the flow of production activities and addresses specific risks arising from each activity.

At the end of the session, the outreach and communication plan for presenting STEP to Fairtrade partners was presented. It was mentioned that releasing STEP to external partners will be handled as a campaign, including a press announcement and other communication assets to show that Fairtrade is a credible partner.

Discussion

One SC member asked what if in the risk assessments risks are avoided because they don't want to do the next steps? The answer was given that this will be based on the Fairtrade risk map and there will be ways to make sure the assurance approach and assessments will be credible and audited.

Another SC member asked if the final result will only be online or also a paper document relating to the point that other schemes only have it online and this did not work well. It will be taken into consideration that the users will have easy access. It was debated where in the new Standards Pricing should fit in, splitting the actual behaviour of who pays what when and the general principles. A SC member commented to include diversification in the economic principles.

One SC member commented that on workers' rights, standards need to be more inclusive because there currently is not enough follow-up to ensure compliance. It should not be recommendations but criteria.
The discussion included the open question of where quality and increased productivity fit in best.
The concern was shared that the work for producers currently is not sustainable anymore and they withdraw because investments and work needed are higher than the benefits. There is the concern that just reorganising requirements will not make it easier for producers and adding the risk map and documentation of steps will come on top additionally. The feedback was acknowledged and it was explained that the applicability of requirements is yet to be addressed. Strengthening requirements is possible to a certain extend and it is important to keep it manageable.
The SC underlined the point that auditability should be strengthened. The new standards should be what matters on the ground, and the process should make them better. The whole approach of assurance stays at it is, triangulation with FLOCERT will always be there so not everything will be solved through documentation.

SC members are invited to look at the excel sheet to see in detail what requirements will be merged or rearranged.
SC members welcomed the idea of simplified verification, which would entail fewer auditing days and checking relevant criteria on a case-by-case basis. The idea of providing better assurance on the ground by showing evidence of proper risk management was also welcomed.

One SC member mentioned that, in order to implement STEP, it is essential to provide adequate training and capacity building, particularly for producers and auditors. The presenter mentioned that, beyond standards, successful STEP implementation will require good advocacy, producer support programs, and key partnerships.

One SC member noted that countries such as the Côte d'Ivoire st are identified as high-risk in multiple areas on the risk map, which could significantly burden producers who are already in challenging situations. Regarding this issue, the presenter emphasized the importance of devising strategies to support high-risk producers, as they are particularly vulnerable.

It was noted that STEP will build on a unique standard that integrates existing product-specific standards.

Endorsement
The SC members endorsed the project's progress and encouraged the STEP team to continue working in the direction presented. The SC members are enthusiastic about STEP's progress and its more concrete shape.

Next Steps
- Final structure of STEP standards will be available in Q3-Q4 in 2026.
- Outreach and communication plan will continue during the next 18 months.

Item 6 – Assessment on requirement 3.1.3 in Fresh Fruit Standards

Discussion

The PM presented the assessment of the requirement 3.1.3. He divided his presentation into the following steps for further discussion:

a) Background Requirement 3.1.3: It allows using up to 30% of the Fairtrade Premium for wage increases. Since 2023, these payments have been limited to workers earning below the living wage, and only until they reach that level.
SC members generally agreed that the requirement has evolved logically, though some questioned whether worker perceptions of fairness were fully considered when shifting from an "everyone receives something" model to a benchmark-based system.

b) Reasons for the 2023 revision: The change was meant to push wages up faster by directing premium money to those below the living wage. The Committee supported this aim but pointed out that workers often focus on comparing premium shares instead of wage levels.

c) Issues Identified in the Field: The PM noticed that some incentive-paid workers are unhappy since they now get little or no premium, and unions raised concerns about wage calculation errors and effects on bargaining. SC committee members agreed this could hurt morale and stressed the need to check wage classifications

d) Preliminary Assessment Results: The 2023 requirement is seen as better aligned with Fairtrade's living wage goals for all workers in the HLOs, needing about 10% less money to close LWG, with audits showing no major compliance problems. SC committee members welcomed this but stressed that missing plantation-level wage data makes it hard to track worker experiences and limits informed decisions.

e) Proposed Next Steps: The PM suggested addressing the gaps through surveys of HLOs and interviews with PN trainers to better understand the training provided and the challenges of implementation, including social unrest. He also proposed, together with the senior advisor for worker rights, engaging trade unions in banana-origin countries to gather their views and requesting FLOCERT auditing instructions for clarity and assurance.

Main Feedback: The feedback focused on improving data quality and premium distribution methods. SC members stressed the need to exclude "cesantías" (severance pay) from wage calculations, revise cash use to better support families, and ensure community investments are more effective. Concerns were raised about the reliability of data, with calls for stronger collaboration among the Pricing Unit, producer networks, and technical experts to enhance sampling and analysis. Suggestions included focusing on regions with wage gaps and using open questions to better capture worker realities. Overall, clearer methodology, better data, and stronger union and community input were seen as key elements.

The SC is asked to confirm whether it agrees that more evidence is needed before making any decision regarding revisions to Requirement 3.1.3. The Standards Unit recommends waiting for the results of the upcoming assessment and returning to the SC in March 2026 with evidence-based options.

Next Steps
The Standards Unit will finalise the survey and interview tools in December, collect data in January, and complete the assessment in February. The results and recommendations will be presented to the Standards Committee in March.

Item 7 – Assessment of the land size requirements for bananas HOs.

The PM presented an overview of the SPO-to-HLO market shift in Fairtrade bananas. The PM noted that the change is driven mainly by quality, reliability, and volume consistency rather than oversupply. Additionally, he summarised key comparison data: HLOs produce slightly more in total, while SPOs perform better in some countries; SPOs are larger on average. He confirmed that the 500-hectare limit could be applied legally to new HLOs, although previous consultations showed that the measure would have a low impact on the production of existing HLOs; there are not many plantations with more than 500ha, and the oversupply is not the main driver of the market shift. He ended by outlining the analytical approach and highlighting data gaps that still need to be addressed.
SPO to HLO Market Shift: The SC agreed that the shift is important to understand. Evidence from NFOs and traders suggests that sourcing patterns are driven mainly by quality and consistency issues within the SPO supply rather than oversupply alone. While several SPOs perform well, many struggle with reliability and communication.

500ha Limit: The discussion focused on the practical impact of the 500ha limit for HLOs. SC Member explained that the original concern was mainly about the entry of very large HLOs. Nevertheless, only a small number of HLOs exceed this size, and the measure might not be significant. SC members also noted that the total farm size often includes non-banana land and that the banana cultivated area is the more meaningful metric for understanding market impact.

Comparing SPO and HLO realities: SC members stated that there are structural differences between HLOs and SPOs. HLO operate more industrialised, whereas SPO face challenges in organisation and quality, but has a crucial role in rural development. SC members also suggested comparing by more meaningful metrics like social and environmental impact, workforce characteristics, etc.

Consultation results and standards consideration: Some SC members mentioned that producers do not generally support the proposed land limit. There are difficulties in applying a fixed numerical threshold across diverse countries. The SC manifested that this issue requires more evidence before decision-making.

Data and analytical gaps: Some SC members emphasised the need for better data on banana production area versus total farm size, workforce composition, yields, land distribution, etc. The PM acknowledged some of those gaps and confirmed that data clearing and verification are underway. One of SC Member offered support to help ensure clarity before the topic returns to the committee.

The committee agreed that the evidence does not yet justify the measure and that further analysis is needed to understand the SPO-to-HLO shift and the real impact of any structural requirement.

Next Steps
The PM will refine datasets, update conclusions, and incorporate systematic feedback from traders and NFOs. One SC member will collaborate on validating the analysis. The team will also explore alternatives beyond standard setting that could support SPO competitiveness, such as quality improvement and technical assistance.

Item 8 – Trader standard

Objective of the session: Trader standard review and update & follow up from 119 SC decision

Discussion

During this session, the recommendations collected for decision 7.1 were presented.

Topic 7: Sustainable trading relationships

7.1 Pre-finance
Regarding decision 7.1:

Do you agree to the following recommendations

- For Option 1:

5.4.1. pre-finance of contracts is modified to be required upon request from producers

5.4.2 pre-finance provision terms are modified to include Re-payment terms if (producer) certification is lost and applicable %

5.4.3 facilitation of pre-finance is required if pre-finance is not possible to provide

NEW requirement for SPO/HLO producers to participate and agree on terms in written agreement if pre-finance is provided by trader

Deletion of 5.4.4 and 5.4.5 VBP requirements

- for Option 2:

Deletion of 5.4.1. pre-finance of contracts

Deletion of 5.4.2 pre-finance provision terms

Modification of 5.4.3 facilitation of pre-finance to stipulate that this support is required upon request from producers

To not introduce NEW requirement for SPO/HLO producers on written agreement

Deletion of 5.4.4 and 5.4.5 VBP requirements

The following discussions and recommendations were collected:

- Concern about removing compulsory pre-finance. Making pre-finance optional for traders would weaken producer's bargaining power and risk producers not receiving needed support.
  Suggestion: Keeping pre-finance compulsory for traders, while allowing producers to decide whether to use it.
- Importance of pre-finance for producers. Many producers, specially some SPOs, depend on pre- finance to trade at all. Pre-finance is a core characteristic of Fairtrade; some regions banks do not provide sufficient agricultural loans.
- Legal and risk-based alternatives. National laws may restrict pre-finance alternatives and suggested options such as allowing pre-finance backed by collateral. They also proposed

developing guidance with risk assessment tool to help traders decide based on risk categories.

- Conditional provision and repayment issues. Trader should provide pre-finance when requested bus should not be obligated to provide it in every case. Consequences if a producer organization fails to repay the loan, such as possible decertification.
  Suggestion: pre-finance/other mechanism to support HLOs and SPOs ability to source.
- Need for further data and postponing decision. Request for data: how often pre-finance is used within Fairtrade, how many transactions rely on it, how HLOs manage pre-financing, and how pre-finance functions across key supply chains, including informal observations inputs.

Next Steps

January & February 2026

- Pre-finance further exchange with project team input from PNs.
- Finalize wording of approved requirements, including identity Preservation.
- Product composition (to factor in outcome from exceptions policy review).
- Role of trader (definition of payer and conveyor, definition of FOB/EXW prices).
- Verification scope (OOH)

March 2026: Final proposals shared to SC

Item 10 – Conflict affected areas

The project to adapt Fairtrade standards in conflict-affected areas, managed by MHFR under the oversight of Fairtrade International, aims to explore alternative audit methods and procedures to help SPOs maintain certification, supporting buyers like sourcing from countries such as DRC.

The consultant mandated by MHFR identified auditing challenges through document analysis, interviews, and field observations in DRC, Myanmar, and Palestine. Main issues include limited auditor access, insecurity, restricted mobility, and difficulty in organizing governance, leading to non-compliances caused by external constraints rather than unwillingness. Remote audits are also limited by poor internet access.

To address this, 68 criteria are proposed for modification, reflecting local constraints, and alternative methods for training and documentation are suggested to avoid penalizing SPOs for factors beyond their control.
The project managers presented a draft framework highlighting flexible procedures for governance, documentation, and participation, noting SPOs may shift between conflict-affected and normal contexts. They proposed a hybrid assurance model where FLOCERT retains certification authority, supported by a field partner and a third-party verifier, to maintain credibility despite limited auditor access.
Three implementation options were outlined: the preferred hybrid verification model, a complex model with exceptions to certification monopoly, and a last-resort full remote audit with lower assurance. The plan is to present the proposal to the Standards Committee for decision in March and pilot it in 2026.

Discussion

The SC acknowledged the significant operational constraints faced by SPOs in conflict-affected areas and agreed that non-compliances largely stem from insecurity, lack of mobility, and weakened governance structures rather than unwillingness to meet Fairtrade requirements. Members reiterated that maintaining Fairtrade certification is essential for producers in these regions, particularly given active interest from buyers whose sourcing depends on these certifications.

A central point of discussion was how to uphold the integrity and credibility of the assurance system while allowing flexibility. Limited access for auditors and poor connectivity make remote or standard audits insufficient, prompting the need for adapted verification and documentation methods. The committee recognized the value of a “local constraints” approach that clarifies how Fairtrade standards can apply under restricted movement, disrupted communication, or security risks.

There was broad support for exploring adjustments to the 68 criteria proposed in the presentation, as long as Fairtrade’s core principles remain intact. Members emphasized the importance of consistency—requiring clear definitions of what constitutes a conflict-affected area and when adapted procedures should apply. The discussion also underscored the need to integrate this work with ongoing processes under the STEP project and with the Assurance Unit, to maintain alignment between standards and audit practice.

Overall, the committee encouraged the continuation of this work, stressing the balance between protecting producers’ access to Fairtrade markets and maintaining a credible and transparent assurance system.

Next Steps

The project team will refine the adapted criteria, strengthen justification for each proposed change, and work with the Assurance Unit to define eligibility criteria for conflict-affected areas and credible alternative audit methods. Further consultation with SPOs and additional field insights will be incorporated. An updated proposal will be presented to the Standards Committee in March.

Item 11 - Report on changes to Coffee and Cocoa Standards on geolocation related requirements

The presenter, Carmel Rawhani (EUDR Programme Lead), provided an update on recent revisions to the coffee and cocoa geolocation requirements following decisions by the SC. The presenter updated on the latest regulatory context: the European Parliament has aligned with the European Commission on a likely one-year delay to the EUDR, with final legislative decisions expected in December 2025. This delay raises questions about market readiness and the relevance of certification schemes but also gives Fairtrade an opportunity to strengthen producer readiness, data ownership, and forest-protection commitments.
The presenter gave the background for the intervention. In summer 2025 CLAC sent an urgent request to adjust geolocation requirements and the SC voted in its 119 sessions to delay until 2027 several key requirements for coffee (globally) and cocoa (only in LAC). In October, the S&P Director subsequently approved a series of terminology changes (shifting from “farm” to “plot” to align with EUDR) and implementation date changes across multiple standard requirements. For both products, only requirements dependent on geolocation data are delayed, while general forest-protection requirements remain in force.

Jon Walker, Senior Advisor Cocoa, presented the results of the analysis for cocoa in Africa, explaining why the geolocation reporting standard requirement was only delayed in LAC. Most producers, including both certified and suspended, had submitted geolocation data, indicating no immediate risk of decertification if

the requirements are not delayed for African producers. He also outlined ongoing data-correction efforts and emphasized that satellite-based geolocation remains essential for credible deforestation monitoring, given the large scale of cocoa farming operations.

The session concluded with discussion of how to structure a wider consultation on market-based compliance and other proposals raised by CLAC and the SC. The SU plans to integrate this work into the broader STEP process to avoid duplication, ensure efficient use of resources, and align with Fairtrade's wider environmental and forest-protection strategy. Work is expected to begin in early 2026.

Discussion

An SC member asked for clarification on the suspension of reporting requirements for cocoa (req. 3.4.8), specifically reports from conveyors and payers, and requested updates on the actual support provided payers and conveyors to help producers prevent deforestation. The SC member raised a point regarding the suspension of certain standard requirements, questioning whether such decisions should generally be taken by the SC rather than by the S&P Director alone.

The SU head explained that the suspension followed a request from GPMs for Cocoa and Coffee due to legal and operational concerns raised by traders and FLOCERT. The requirement is already implemented at the producer organisation level, as they share already information with FI. The main change: traders, payers, and conveyors are no longer required to report directly to FI. Sharing geolocation data remains a requirement (standard 3.1.7 for coffee and 3.4.6 for cocoa. Payers and conveyers are required to collect geolocation data for 100% of the plots they source coffee or cocoa from, and to share that with producers.

The presenter added that, for example, req. 3.4.6 and 3.4.7 for cocoa remain, covering reporting on deforestation mitigation and type of support provided, partially duplicating the now-suspended requirement.

The S&P Director confirmed the team will explore efficient ways to collect this information. He clarified that suspension of requirements is regulated by the SOP mandating the Director and is intended to reduce duplication and minimise decertification risk, safeguarding supply chains without overburdening producers or traders.

A contributing observer raised two questions: (1) the ongoing internal planning for alert management and evidence for lifting false alerts; and (2) implications of EmpCo legislation on claims and standards to avoid restricting producer organisations beyond what international legislation requires.

The S&P Director noted that EmpCo implications will be addressed during the EmpCo session later. On alert management, consultations are ongoing with FLOCERT, led by Brenda Huerta, Senior Advisor Climate and Environment, with the aim of reaching a resolution in Q1 2026.

Next Steps

- An update on alert management after resolution is reached.

Item 12 – Director's Decision

Some decisions regarding the criteria for flowers and plants were mentioned:
Requirement 3.2.3 New Jan 2027 Partial distribution of Fairtrade Premium as cash: Postponing the implementation of requirement 3.2.3 to 01 Jan 2027 and making it non applicable for Ethiopia.

Requirement 5.5.1 NEW JAN 2024 Auction contracts with companies and agreements: The definition of regional auctions has been amended to include the term 'clock system' to make sure that the difference between clock systems and direct sales is clear.
Requirement 5.5.1 has also been amended to clarify the scope of auctions and clarify that Auctions are the Fairtrade payer.
A section of the guidance has been moved to the requirement to ensure that it is binding and can be checked by FLOCERT.

Requirement 3.2.1 Floor wages: The exclusion of cash allowances from counting towards floor wages (requirements 3.2.1) was extended until 28 February 2027.

Some decisions regarding the criteria for Climate standard and Trader standards were mentioned:

Climate Standard:
In the document Fairtrade Carbon Credits - Approved carbon calculation methodologies, associated with the Fairtrade Climate Standard, 4 Gold Standard methodologies we are referring to are replaced by the corresponding updated version. The Gold Standard methodologies we are referring to are outdated and new versions have been published by Gold Standard.

Trader Standard:
Publish an interpretation note for the requirement 2.1.12 in the trader standard to apply to the specific situation of value chains of sugar in Costa Rica, allowing for a deviation of the regular concept of Group Mass Balance.

In the comments, it was requested that the names of the requirements be included in the presentation for the next time; however, they are included in this presentation also.

Item 13: Coffee Pricing Update

The PMs outline recent updates to cost-of-production data, which was originally gathered during the 2023/24 harvest and later adjusted for inflation and exchange rate fluctuations. PMs also notes that the project team reached full consensus during discussions, enabling the development of several proposals for the Consultation phase covering values for conventional coffee categories, organic differentials, and premiums. The analysis of organic production indicates higher production costs, while the premium discussion focuses on adjustments derived from cost of production percentage-based increases rather than inflation-based updated of the FP.

Several consultation options are presented across different coffee types, each offering multiple adjustment scenarios. The proposals include keeping the current organic differential to reduce risk related to shifting demand. A timeline for next steps is provided, including preparation for consultation, the public consultation period, and the expected decision by the Standards Committee.

Item 14: Vice Chair Election.

The SC elected a new vice chair, and after 6 votes, Emilie Sarrazin was elected vice chair starting immediately.

Item 15: Empowering Consumer Directive

The EU Empowerment Consumers Directive seeks to bring more clarity into an increasingly crowded sustainability landscape, reduce greenwashing, and distinguish trustworthy certification schemes from labels with limited impact. It stipulates that all EU Member States must transpose its provisions into national law by 27 September 2026. The EU Directive is relevant to Fairtrade as our Certification Marks are classified as sustainability labels under the Directive's definition.

Fairtrade International is continuing to analyse in detail the implications of the Directive, as to make sure its Certification system including the collaboration with FLOCERT GmbH and the Certification Marks fully meet all the requirements. If necessary, adjustments will be made.

Item 16 - AOB

The Heads of Standard and Pricing Units introduced to the SC the work plan of the team with emphasizes of prioritizing the STEP project. Which would be presented to the SC at the end of the year 2026 as it would require a lot of decision making to be made and voted on.

Next Meeting Dates for 2026.

- ✓ 23-27 March 2026 (Online)
- ✓ 13-17 July 2026 (Online)
- ✓ 21-25 September 2026 (Online)
- ✓ 30 November - 4 December 2026. (Onsite)

The meeting formally closed.