Fairtrade Minimum Price for Coffee
Update July 2026
Frequently Asked Questions

1. **What is changing about the Fairtrade Minimum Price for coffee?**

The Fairtrade Minimum Price for coffee is adjusting to reflect the realities of farmers' production costs. As of 1 December 2026, the new Fairtrade Minimum Price for washed Arabica beans is $2.00 per pound, an increase of 20 cents or 12 percent over the previous price of $1.80 per pound. More than 80 percent of all Fairtrade coffee sold is washed Arabica. The Fairtrade Minimum Price for natural Arabica will also increase by 20 cents, to $1.95 per pound.

The price for washed Robusta will also increase by 10 cents, to $1.35 per pound. For natural Robusta beans, which represent less than 10 percent of all Fairtrade coffee sold, the price will increase by 10 cents to $1.30 per pound (an increase of about eight percent).

The Fairtrade organic differential and Fairtrade Premium – the additional amount on top of selling price that cooperatives choose how to invest in their businesses and communities – are remaining the same.

2. **What is the rationale for the change to the Fairtrade Minimum Price?**

The adjustment reflects the real increase in production costs and is necessary to maintain the Fairtrade Minimum Price as a proper safety net for farmers and cooperatives when market prices drop. While coffee prices have recently been higher than the minimum price, market conditions remain volatile and many farmers lack the tools to protect themselves when prices fall. The updated Fairtrade Minimum Price aims to provide greater protection, while helping maintain stable Fairtrade trade relationships and market opportunities for farmers.

3. What is the rationale for maintaining the Fairtrade Premium level (US$0.20 /lb)?

The consultation showed a diversity of opinion on whether to increase the Fairtrade Premium or retain its current level. While farmers highly value the contribution of the Fairtrade Premium in supporting farm, cooperative and community investments, many expressed that strengthening the safety net provided by the Fairtrade Minimum Price to better reflect their production costs was a higher priority for them in the current volatile market.

In 2024, Fairtrade coffee cooperatives earned €57 million in Fairtrade Premium, representing significant investment in building resilience and securing livelihoods.

4. What is the rationale for maintaining the organic differential (US$0.40 /lb)?

The decision took into account the actual cost differences (both average and median) between organic and conventional coffee production. The cost differences closely align with the existing organic differential, within a few cents. The majority of respondents in the consultation survey expressed satisfaction with keeping maintaining the organic differential. Factoring in the current market context as well, which is characterised by high international coffee prices and volatility, the Standards Committee decided that maintaining the value offers stability, avoids disruption in existing buyer commitments, and provides farmers with a known differential that aligns with their cost realities and is already established and understood in the market.

5. When will the new prices take effect?

For all types of contracts (including fixed price contracts and price-to-be-fixed contracts) signed on or after **1 December 2026**, the new Fairtrade prices must be respected.

For price-to-be-fixed contracts signed <u>before</u> 1 December 2026 but where the price fixation date is <u>on or after</u> 1 December 2026, the previous Fairtrade prices are considered to be in effect. For example, a price-to-be-fixed contract for conventional washed Arabica signed on 1 November 2026, where the price is fixed on 1 January 2027, will respect the Fairtrade Minimum Price of $1.80/lb, not the new price of $2.00/lb.

6. How does the Fairtrade Minimum Price work in times when the global market price is higher?

The Fairtrade Minimum Price is a floor price that serves as a safety net to protect farmers from price drops and market volatility. The Minimum Price is set using data on costs of sustainable production and through stakeholder consultation and dialogue.

When market prices are above the Fairtrade Minimum Price – as now – the market price prevails.

7. I am a buyer further along the supply chain (e.g. roaster/retailer/brand). When will my supplier start charging me the new Fairtrade prices?

This will happen after 1 December 2026 when contracts based on the new Fairtrade prices will start to be signed, but exact timing will vary based on a supplier's available stock purchased at current Fairtrade prices.

Charging customers at the new Fairtrade Minimum Price for stock delivered by Fairtrade producer organisations at the current Fairtrade prices is an example of "Unfair Trading Practices" (Requirement 5.8.1) that is prohibited in the Fairtrade Trader Standard.

In other words, for coffee beans that traders have purchased at the current Fairtrade prices, the sales onward to customers should reflect the current Fairtrade prices. The amount of time that a trader continues to offer current Fairtrade prices will depend on their available stock purchased at those prices. Following the Interpretation Note from the Coffee Standard (Requirement 4.1.1), it is recommended as a best practice that traders list the price breakdown in all contracts, i.e. the C market price, the organic differential, the Premium and the agreed prevailing differential is mentioned explicitly and separately also in the price fixation confirmation.

8. Why was a new price review being undertaken, given that the price was updated only three years ago (1 August 2023)?

Fairtrade International committed to conducting a regular review of the Fairtrade Minimum Price and Fairtrade Premium for coffee every four years. The previous review took place over 2022-2023, based on cost of production data from 2016 that was updated for inflation at the time. The current review was not intended as a response to short-term market developments but rather addresses the need to collect new and updated cost of production data, and fulfils the commitment to regularly monitor and collect input to inform Fairtrade prices.

Our anticipated schedule is that halfway through each four-year cycle, Fairtrade International will review and update the prices based on inflation and exchange rates – meaning toward the end of 2028 in this case. These will be announced publicly.

9. What was the process and the factors considered to make this decision?

The process involved collection of expert advice from the coffee industry, collection and validation of data on coffee production costs, stakeholder feedback via a two-month consultation period, and analysis by a team with equal participation from coffee experts from Fairtrade Producer Networks and from national Fairtrade organisations.

The cost of production data came from the 2023–2024 crop period, provided by 57 cooperatives producing commercial coffee in 13 countries.

The updated dataset provided a reliable representation of current production costs, ensuring that the resulting analysis was robust and that the price proposals presented in the consultation were well substantiated. In addition, the project team gathered and analysed external data sources to validate and sense-check the findings derived from the cost of coffee production collected within the Fairtrade system.

A total of 610 responses were collected during the consultation period (467 producers and 117 commercial partners), a participation rate of 42%. Based on the consultation feedback, the project team of coffee experts took into account a balance of factors including fairness, accountability, impact, market conditions, and the interaction between different elements of the Fairtrade pricing model (Fairtrade Minimum Price, Premium, and organic differential). This team worked with Fairtrade International to develop a proposal for the decision of the Fairtrade Standards Committee.

The Fairtrade Standards Committee, a multi-stakeholder body with equal producer and commercial representation, democratically made the final decision.

10. How did production costs change since the last price review / last cost of production study?

Costs have increased globally, driven mainly by higher fertiliser prices and higher labour costs. There were regional differences between Latin America (highest cost levels), Africa (lowest cost levels), and Asia (mixed, with lower costs for Robusta-dominated systems such as Vietnam and India, and more moderate costs for Arabica, for instance in Indonesia).

Organic production cost increases were linked to higher labour demands at the farm level, while operational expenses such as cost of organic certification affect the cooperative level.

11. What's the difference between the Fairtrade Minimum Prices and Living Income Reference Prices?

The Fairtrade Minimum Prices and Living Income Reference Prices serve different purposes and are based on different calculations.

The Fairtrade Minimum Price is a safety net that supports Fairtrade certified producer organisations to absorb market shocks and is calculated based on a cost of production methodology and comprehensive stakeholder consultation process.

Fairtrade establishes the voluntary Living Income Reference Prices through a separate process, to reflect what a farmer would need to be paid to enable a living income, based on cost of production, living income benchmarks, a viable farm size and sustainable yields. Any company can commit to paying these prices to pay their fair share toward decent livelihoods for farmers and supply chain resilience. In addition to price, other important factors in achieving a living income include productivity, income diversification, and quality.

The Fairtrade Minimum Price and Premium are always the mandatory valid prices in effect for Fairtrade coffee, whereas companies can voluntarily commit to paying a Living Income Reference Price.

Fairtrade currently has 13 Living Income Reference Prices for coffee, updated most recently in 2025. For further questions about Living Income Reference Prices, visit https://reference-prices.fairtrade.net/faq.