

Project Assignment Fairtrade Coffee Price Review (2nd October 2025)

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

Rationale for and justification of need for the project:

In 2024 Fairtrade coffee stakeholders agreed on a four-year coffee price review cycle. The objective was to make the coffee Cost of Sustainable Production (COSP) data collection and price review more regular, following a pre-defined period of time. Pricing Unit collected last year primary data on the COSP for Fairtrade coffee and it is now analysing this data to inform the upcoming review, following the agreement for regular coffee price reviews. This coffee price review intends to ensure that coffee farmers receive reliable FMP values that reflect their production costs and still align with the market landscape.

The Coffee Price Review project will be conducted by Standards and Pricing unit (S&P), with close collaboration and coordination with the Coffee Team and the Living Income team of the Global Product, Partnerships and Policy Unit (GPPP), representatives from National Fairtrade Organizations (NFOs), as well as the corresponding Producer Networks: CLAC (Red Café CLAC, and relevant national platforms), the Network of Asia Pacific Producers (NAPP) and Fairtrade Africa (FTA) to obtain feedback from coffee SPOs (Small Producer Organizations).

Risk assessment:

1. Potential Confusion Between FMP and LIRP concepts

- **Risk:** There may be confusion between the concepts of Fairtrade Minimum Price (FMP) and Living Income Reference Price (LIRP), especially since any Fairtrade LIRP calculation and consultation are outside the scope of this project.

Mitigation Plan: Clarify that the FMP serves as a floor mechanism to provide a safety net for producers when market prices are low, while the LIRP represents an ideal reference price level that is not mandatory under Fairtrade Standards and comes effective only on a voluntary basis. It is therefore excluded from the consultation process. Project Team discussions can address how the LIRP will interact solely as an aspirational reference price. Fairtrade will communicate actively the difference and synergies of the two different mechanisms with all stakeholders to avoid any misinterpretation.

2. Scope Limitation of the Review

- **Risk:** The review is limited to the current price setting for Arabica and Robusta coffee species, with differentiation for natural and washed, conventional, and organic production. There is a risk that stakeholders may want to address other coffee species, processing types, quality, presentations (secondary) or elements of the living income approach, adding complexity that is unsupported by data and difficult to manage within the project's timeline.

Mitigation Plan: The Project Team will manage different expectations by leveraging their roles as representatives of National Fairtrade Organizations, Producer Networks, or Fairtrade International. They will utilize other forums where coffee stakeholders discuss to manage expectations, inform, and bring elements to the Project Team's deliberation and decision-making process.

3. Divergent Proposals and Extended Timelines

- **Risk:** Multiple expectations and divergent proposals to review the current price model may significantly extend the project's timeline and scope.

Mitigation Plan: The Project Team will define the scope of the current project and strategically decide on specific topics to address within this project. Topics outside the scope will be discussed in other forums with appropriate timelines and identified outcomes.

4. Low Participation in Consultation

- **Risk:** There may be low participation in the consultation due to a lack of understanding, possibly stemming from insufficient resources for Producer Networks (PNs) or National Fairtrade Organizations (NFOs) to explain the new price proposals, their context, and rationale in in-person workshops.

Mitigation Plan: Identify innovative resources to engage participants in the consultation process, enabling virtual or physical support from the Standards and Pricing Unit (SPU) and GPPP unit. Engage early with local PNs' staff to ensure resources and capacity are allocated and prioritized for organizing workshops to explain the price proposals and their rationale.

5. Project Team Composition Representation and Potential Diverging Interests Leading to Deadlock

- **Risk:** The complexity and extent of PNs and NFOs make it challenging for a single representative to bring a unified voice to project team decisions. In addition, diverging interests among Project Team members might limit agreement on price proposals, leading to a deadlock.

Mitigation Plan: i) The Project Team's composition aims to balance commercial and producer perspectives (diverse perspective). Project team representatives will encourage open communication to foster honest dialogue and collaboration by identifying additional spaces and timelines to engage with their local stakeholders, gather their positions, and bring these elements to the Project Team discussions allocated in the scope of this Project Assignment. ii) The purpose of the consultation, as defined by the ISEAL Code, is to "listen and learn" the reasons behind preferences on specific topics. The Project Team will carefully frame the consultation questions to ensure that the qualitative feedback gathered provides the necessary elements to reach a conclusive outcome and avoid deadlock situations.

Project Start Event:

Kick off meeting

Project Start Date:

December 2024

Project End Event:

Announcement of Fairtrade Price values for coffee.

Project End Date:

July 2026

Project Goal and Objectives

Goal:

Reviewing the Fairtrade Minimum Price, the organic price differential, and the Fairtrade Premium for coffee with the aim to cover average costs of production while enabling market access for producers. The review will be based on collected data about the cost of production, as well as broad consultation with coffee stakeholders.

Objectives:

1. Conduct a global analysis of coffee production costs, considering coffee varieties and processes relevant to the Fairtrade market.

2. Develop price proposals to be recommended to the Standards Committee. Decision set to be based on the principle of closing the gap between costs of sustainable production, while enabling the average producer to produce in an economically and financially sustainable way without systematic economic losses.
3. Consult Fairtrade stakeholders on the new Fairtrade coffee price values, collect their qualitative and quantitative feedback, and adjust the consulted price accordingly.
4. Assess the relevance of Fairtrade coffee price values, explore, and consult with Fairtrade stakeholders on the values and alternative pricing models that provide improved scenarios for conventional and organic production under Fairtrade terms in both high and low-market price periods.
5. Understand the importance of setting a Fairtrade Minimum Price as a baseline price for small-scale producer organisations, coffee farmers, and traders, and how it relates to long-term market prices.
6. Analyse the long term behaviour of international coffee market prices and assess the implications from the producer and market perspective.

NEW: Connection with Theory of Change (ToC):

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

Project scope:

- Review FMP and FP worldwide
- Explore alternative feasible price setting for Fairtrade organic coffee
- Primary form (green beans)
- Arabica and Robusta coffee for both conventional and organic coffee
- Washed and natural processes

Out of scope:

- LIRP calculation and consultation with stakeholders.
- Coffee farmers net income or living income benchmark calculations
- Incorporate additional cost items which are beyond the elements collected during COSP 2024 project
- Review values for FOB deductions
- Set prices for other coffee species, coffee varieties, secondary products and their derivatives

Project timelines and information on opportunities to contribute:

- August – September 2025: Confirmation final global COSP report
- September 2025: Development initial price proposals
- October-November 2025: Discussion on price proposals
- October-November 2025: Draft consultation document
- January 2026: Preparation to launch public consultation

Decision making process:

The Standard Committee will decide on the new prices for Fairtrade Coffee.

<ul style="list-style-type: none"> February – March 2026: Global public consultation April 2026: Compile and analyse consultation results April - May 2026: Project Team revise the outcome of the consultation and prepares a proposal for SC approval May-June 2026: Draft SC paper June - July 2026: Decision making by SC July 2026: Communication and publication of revised Fairtrade prices for coffee The date of implementation will be communicated with the announcement <p>* More information will be provided closer to the consultation period on our website. If you are identified as key stakeholders, you will receive an invitation to participate.</p>	
<p>Project Owner (Unit): Ricardo Guimaraes, Head of Pricing</p>	<p>Project Manager (contact point for the project): Andrea Urioste Estenssoro, Senior Project Manager a.urioste@fairtrade.net</p> <p>Tatiana Casagua Diaz, Project Manager Pricing t.casagua@fairtrade.net</p>
<p>Project Team (Unit):</p> <ul style="list-style-type: none"> GPPP Coffee – Colleen Anunu, Alexandra Urban Red Café/CLAC – Maria Trinidad, Luis Martínez FTA – Kubasu Agapeters, Lawrence Baithili NAPP – Hagung Hendrawan, Hung Tran Fairtrade Germany – Ana Maria Fasen Fairtrade Canada – Julie Francoeur Fairtrade Foundation – Max Milward, Jason Archie-Acheampong 	<p>Project Environment (Stakeholder groups not part of the project team):</p> <ul style="list-style-type: none"> Standards Unit GPPP Living Income FLOCERT Other NFO