

DRAFT Project Assignment Banana Price Review 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 our [website](#).

Rationale for and justification of need for the project:

The Fairtrade Minimum Prices for banana are annually revised since 2009 as part of Fairtrade offer for banana. In 2025, the Fairtrade Minimum Prices will be revised again based on data collected on costs of banana production of HLs and SPOs and Consultation of stakeholders in all regions with Banana Fairtrade certified producers, traders and licensees.

Risk assessment:

- The collection of Form 314 data is not finalized before June and / or does not result in enough data points per country for calculating Labour Costs.
Mitigation: Simplify 3.1.4 form sheet in order to speed up the delivery of the data and actively communicate and engage with producers for reporting the data by mid-April 2025. In case data collected and validate data are not available on time, the Project Team defines a strategy for using the cost of production data combined with 314 data for the calculation of labour costs.
- The costs of inputs and services of banana production has been increasing steadily and variation occur during the year, and are not always properly reflected in the costs reported at the beginning of the year. This might create the need of a last minute update of inputs and services rates, as it has occurred in 2024 and 2023, postponing the date for announcement the SC decision regarding the price proposal for banana that will be valid for 2026.
Mitigation plan: Due to there is no an option for running a second round of cost data collection, the work with the technical round tables of banana is crucial to update the cost rates.
- Banana offer and services are not part of the scope of the banana price review 2025. However, the banana offer and services might require additional support and resources from PU; The Banana price Review and the Banana service are competing on same resources, expertise and with the same level of priority. No additional resources are available.
Mitigation plan: Set up capacity building plan in FI (inside and outside PU) and in relevant PNs, through training of other FI and PNs staff, to address request outside the scope of the regular Banana Price Review.

Project Start Event:

Development of Project Assignment kick off meeting

Project Start Date:

December 2024

Project End Event:

Announcement of SC decision on the price proposal 2025 for Fairtrade banana.

Project End Date:

October 2025

Project Goal and Objectives

Goal:

Update the Fairtrade Minimum Prices for banana based on full data collection of costs of production in all regions with Banana Fairtrade certified producers or in process of application for certification and run a broad consultation with all Banana stakeholders.

Objectives:

- Collect and identify inconsistencies on the Cost of Production reported by Fairtrade producers and calculate the cost of production at country level.
- Assess the incorporation into the cost of production sheet of indicators to enable country LIRP calculation
- Define the price proposal for consultation together with the banana project team, starting from the cost of production
- Consult all banana stakeholders, receive their feedback and adjust the consulted price proposal following the stakeholders feedback in the consultation accordingly.
- Develop with the project team the price proposals that will be recommended to the Standards Committee
- Define the cost of the eight key inputs and services of the banana production
- Update the prorate tool for Fairtrade Minimum Prices and Fairtrade Premium for banana

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:

- Fresh Banana; quality conventional and organic
- Price levels: Ex works, FOB-EXW differential (ports) and FOB (ports)
- Producer set-up: SPO and HL
- Geographical scope: cover all origins with certified producer and in process of certification.
- Geographical scope; cover all origins with Fairtrade certified banana HLOs and SPOs

Out of scope:

- LWD/LWRP/FLWD/FLWRP and LIRP Calculation and consultation with stakeholders. These prices are addressed in a different project.
- Attending bespoke services on LW/LI
- Incorporate external costs of banana production in the price proposal for consultation or in the recommended price proposal to the SC
- Set or review the Fairtrade Premium
- Set or review Fairtrade Minimum Prices for domestic sales of banana
- Compare production costs of banana between Fairtrade and non-Fairtrade banana
- Human Rights and Environmental Due Diligence costs are not collected, not taken into account in the calculation of the cost of production
- Revise calculations for prorating FMP to IFCO box and/or to special cardboard box

<p>Project timelines and information on opportunities to contribute:</p> <ul style="list-style-type: none"> • JAN-FEB: Project Assignment approval and publication • 01.MAR-06.JUN: Cost data collection • JUN Analysis and preparation of price proposal for consultation • 01 to 31.JUL: Consultation period • AUG-SEP: Analysis, preparation of price proposal to the SC, write paper and PPT to the SC, and presentation to the SC • SEPT: SC decision • OCT: Price Announcement • 01.JAN.2026: Start validity of announced Fairtrade Minimum Prices <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>Decision making process:</p> <p>The Standards Committee will decide on the recommended price proposal for Fairtrade banana.</p>
<p>Project Owner (Unit): Ricardo Guimaraes, Head of Pricing</p>	<p>Project Manager (contact point for the project): Project Manager, José Paredes, Senior Project Manager Pricing j.paredes@fairtrade.net</p>
<p>Project team:</p> <ul style="list-style-type: none"> - Silvia Campos (Fairtrade International) - Marike de Peña (CLAC) - Cyrielle Digout (MHFR) - Anna Pierides (FTF) - (FTDE) - Dr. Kouassi Konan (FTA) - José Paredes (Project manager) 	<p>Project Environment (Stakeholder groups not part of the project team):</p> <ul style="list-style-type: none"> - CLAC - Fairtrade Africa - NFOs - Exporters - Importers - Retailers - National banana chambers - Banana industry