



To: Fairtrade Cocoa producers and traders
Fairtrade members
cc: Standards Committee
Fairtrade International staff
FLOCERT staff

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Cocoa Price Differential announcement from Fairtrade International Standards & Pricing- October 2020

Dear Partners,

The Fairtrade Standard for Cocoa requires traders to pay a price differential for Fairtrade cocoa beans if the reference price in Ivory Coast or in Ghana falls below the Fairtrade Minimum Price (FMP) at FOB. The Fairtrade Premium of 240 USD/MT has to be paid in addition to the FMP differential.

For deliveries between 01 October 2020 and 31 March 2021, the reference price for **Ivory Coast** ('valeur FOB garanti' + Living Income Differential) is 1,457,748 (1,228,748 + 229,000) XOF/MT, which is equal to 2,605.41 USD/MT (using the exchange rate valid on 30 September¹ 2020, 1 XOF = 0.001787283 USD²). Considering the FMP of 2,400 USD/MT no Fairtrade FMP differential is payable.

The national regulation in Ivory Coast requires contracts with producers and buying centres to include details of the sustainability premium paid, such as the amount stated in local currency (XOF). For complete clarity, contract parties are instructed to use the same exchange rate as detailed above to calculate the FMP differential payment to producers in XOF, when a FMP differential is payable. It is also recommended to use the same exchange rate to calculate the Fairtrade Premium payment to producers in XOF.

No FOB reference value is published for **Ghana**. Whether or not a FMP differential needs to be paid thus needs to be defined individually, i.e. per contract.

For non-regulated markets (worldwide except Ivory Coast and Ghana), the FMP of 2,400 USD/MT at FOB and Fairtrade Premium of 240 USD/MT must be paid when sourcing under Fairtrade terms.

For more information, please contact Standards & Pricing at standards-pricing@fairtrade.net

Best regards,

Ricardo Guimaraes

¹ XOF/USD for the 24-hour period ending Wednesday, Sep 30, 2020 22:00 UTC

² Source : <https://www1.oanda.com/currency/converter/>