

Calculating Base Wages in the Fairtrade Standard for Fresh Fruits, applicable to banana companies only

Currently, the Fairtrade Standard for Fresh Fruits defines the **Fairtrade Base Wage (FBW)** as a value set at the level of 70 percent of the Cash Living Wage benchmark based on the Anker methodology without considering in-kind benefits.

3.1.2 NEW 2021** Fairtrade Base Wage

Applies to: Banana producing companies

Your company ensures that no worker is paid a wage, in cash after taxes and mandatory deductions, lower than the Fairtrade Base Wage as defined at the level of 70 percent of the Cash Living Wage applicable for your country. You ensure that no remuneration is worsened/reduced after the introduction of this requirement, except when formally agreed with a trade union that has the right to bargain. The Fairtrade Base Wage is applicable from the 1 July 2021.

Guidance: Fairtrade, as a member of the Global Living Wage Coalition, defines a 'living wage' as the remuneration received for standard work week by a worker in a particular place sufficient for the worker and her or his family to afford a decent standard of living. Elements of a decent standard of living include food, water, housing, education, health care, transport, clothing, and other essential needs including provision for unexpected events. Workers are defined as waged employees (permanent or seasonal/temporary, migrant, or local, sub-contracted or directly employed) whether they work in the field, in processing sites, or in administration. The term is restricted to personnel who can be unionised, meaning middle and senior management and other professionals are generally not considered workers. Cash Living Wages are periodically updated by Fairtrade International and available at the Calculating wages in the Fresh Fruit Standard section. Requirements 3.4.11, 3.5.4, 3.5.9 and all other relevant sections of the Hired Labour Standard continue to apply.

The following table shows updated values with Living Wage Benchmark at Gross, Net and Basic level for each banana producing country.

Table 1
Living Wage Benchmark (LWB) 2025

Basic LWB applicable as of 2 February 2026 for Fairtrade banana producing companies

| Country | Unit/month/worker | Gross LWB | Net LWB | Basic LWB |
|-----------------------|-------------------|-----------|-----------|-----------|
| Cameroon ¹ | CFA francs | 148,448 | 128,983 | 137,587 |
| Colombia | Pesos | 2,371,766 | 2,179,933 | 1,754,688 |
| Dominican Rep | Pesos | 29,121 | 27,400 | 24,077 |
| Ecuador | US dollars | 503 | 462 | 421 |
| Ghana | Cedis | 4,131 | 3,227 | 3,828 |
| Cote d'Ivoire | CFA francs | 180,177 | 161,887 | 183,216 |
| Mexico | Pesos | 15,194 | 13,196 | 12,329 |
| Nicaragua | Cordobas | 13,733 | 12,106 | 10,806 |
| Peru | Soles | 2,049 | 1,598 | 937 |

Source: Fairtrade compilation based on values published in September 2025 by the Anker Research Institute².

¹ The Anker Research Institute (ARI) published the Anker Reference Value Annual Update (2025) for Rural Cameroon, Living Wage (West, Southwest and Littoral, Sans Douala Regions) where the upper confidence bound of the Anker *Living Wage Reference Value—CFA 148,448 (USD 261)—is recommended to be used for rural areas in the West, Southwest, and Littoral sans Douala regions where banana production is concentrated.*

² ARI Benchmark studies can be consulted in <https://www.globallivingwage.org/resource-library>

Comparing wages

Fairtrade International draws comparisons between the wage usually paid in each payroll and the FBW, both at the level of the Basic Wage. **The Basic Wage serves as a reference point for both workers and employers. It represents the amount that workers earn and is reflected in their payrolls. This wage also forms the basis for calculating statutory withholdings and contributions required by law from employers.** Excluded are overtime payments, occasional bonuses and annual cash allowances, such as 13th and 14th salaries, national independence day bonus, etc. (which are received as cash once per year), from the calculation.

The Cash FBW shows the “**take home cash money**” which is received by workers usually in each payslip, after income taxes and mandatory social security and tax contributions requested by law are deducted from the basic wage. This level makes it possible to follow the cash money paid out to the workers. But does not need to be audited.

Notation

- *Net FBW: Net Fairtrade Base Wage*
- *Basic LWB: Basic Living Wage Benchmark*
- *Basic FBW: Basic Fairtrade Base Wage*
- *Cash FBW: Cash Fairtrade Base Wage*
- *Cash deductions: cd*
- *Cash allowances: ca*
- *Ratio for deductions: rd*
- *Ratio for allowances: ra*
- *IKB: In-kind benefits*

Formulas and definitions

The Net Fairtrade Base Wage is obtained applying the 70% of the Net Living Wage Benchmark published by the Anker Research Institute and subtracting 10% of IKB.

$$\text{Net FBW: } 70\% \text{ of Net LWB} - \text{IKB}$$

$$\text{IKB: } 10\% \text{ of the Net LWB}$$

The Cash Fairtrade Base Wage is the Net Fairtrade Base Wage deducting allowances (i.e. 13th month salary).

$$\text{Cash FBW} = \text{Net FBW} - ra \times \text{Basic FBW} - ca$$

The **Basic Fairtrade Base Wage** is the amount shown on pay slips before deductions (i.e., income taxes or social security) and excluding allowances (i.e., 13th salary or any bonuses).

$$\text{Basic FBW} = [\text{Net FBW} - ca + cd] / [1 + ra - rd]$$

To get the **Basic Living Wage Benchmark** we start from the definition:

$$\text{Basic LWB} + ra * \text{Basic LWB} - rd * \text{Basic LWB} = [\text{Net LWB} - \text{IKB}] - ca + cd$$

To clear the Living Wage Benchmark step by step:

$$\text{Basic LWB} + \text{Basic LWB} * (ra - rd) = [\text{Net LWB} - \text{IKB}] - ca + cd$$

$$\text{Basic LWB} * [1 + ra - rd] = [\text{Net LWB} - \text{IKB}] - ca + cd$$

We get the Basic Living Wage Benchmark

$$\text{Basic LWB} = [\text{Net LWB} - \text{IKB}] - ca + cd / [1 + ra - rd]$$

Fairtrade Base Wages applicable as of 2 February 2026

Table 2 shows the banana producing countries to which the FBW set as 70% of the LW applies as of the date of the preparation of this announcement. There are three values: the Net FBW, the Cash FBW, and the Basic FBW. **Auditors must check the Basic FBW and compare to payslips provided by companies (blue column in Table 2).** However, following the current requirement 3.1.2 of the Fresh Fruit Standard for Hired Labour Organizations, Fairtrade also observes the cash equivalent of the Basic Wage to keep track of the cash amount of wages that workers take home, although this value is not auditable.

Besides complying with the FBW minimum, the company **must continuously increase wages for all workers earning less than a Living Wage**; section 3.5.4 of the Standard for Hired Labour requires companies to ensure that workers receive a regular wage increase **above the annual average inflation**. This is particularly relevant to prevent existing Living Wage gaps from widening further. Also, section 3.5.1 stipulates that workers should **not be paid below** statutory minimum wages for their occupation or similar occupations, wage rates set out in applicable collective bargaining agreements, or regionally prevailing wages, whichever is highest. Also, section 3.5.2 **prohibits deductions from salaries** unless made in accordance with national laws or collective bargaining agreement or with written consent of the employee. Compliance with requirements 3.5.1, 3.5.2 and 3.5.4 will be verified in addition to compliance with FBW values in this publication. Companies should not assume that paying the FBW automatically satisfies said requirements.

Table 2
Fairtrade Base Wage: Cash, Net and Basic
Applicable as of 2 February of 2026

Auditors need to check Basic FBW for compliance

| Country | Units/month/worker | Cash FBW | Net FBW | Basic FBW |
|--------------------|--------------------|-----------|-----------|-----------|
| Cameroon | CFA francs | 81,259 | 81,259 | 96,311 |
| Colombia | Pesos | 1,075,046 | 1,373,358 | 1,168,528 |
| Dominican Republic | Pesos | 15,858 | 17,262 | 16,854 |
| Ecuador | US dollars | 267 | 291 | 294 |
| Ghana | Cedis | 2,033 | 2,033 | 2,680 |
| Cote d'Ivoire | CFA francs | 101,989 | 101,989 | 128,439 |
| Mexico | Pesos | 7,595 | 8,313 | 8,630 |
| Nicaragua* | Cordobas | 6,997 | 7,627 | 7,564 |
| Peru | Soles | 571 | 1,007 | 656 |

Note: The ratio of deductions and cash allowances has been adjusted according to latest information in the respective national labour legislation, where available.

Change in history

| Date of publication | Changes |
|---------------------|---|
| 27.05.2021 | Explanatory document on how to calculate wages for the Fresh Fruit Standard (Floor wages and the Fairtrade Base Wage). |
| 04.08.2021 | Simplification of information contained in table 1 and on the steps for running the wage comparison. Incorporated values used as reference to decide on which countries apply the net FBW 70%, as “take home cash money”. |
| 23.03.2023 | Updated Values of FBW70% at Net Take Home Cash Money, by using LWBs updated to June 2022. Updated clarifications on what wages to compare and how to do it. |
| 08.03.2024 | Updated values for FBW70% at Net Take Home Cash Money, by using net LWBs updated in September 2023 by the Living Wage Coalition. Clarification on what the net wage received by workers might and might not include. Basic Wage references are provided. The ratio for deductions and values for cash allowances has been adjusted according to information of national labour legislations of each banana producing country, where available. LWB studies for rural regions in Cameroon and Nicaragua, updated in September 2023, were used in the calculation of the FBW70% at Net Take Home Cash Money. Due to changes in ratios and/or benchmarks the FBW 2024 for Cameroon, Ecuador and Peru would have dropped. Fairtrade froze the base wage value of 2023 to ensure that workers do not receive a lower wage. The document has been divided, and the wording has |

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| 15.11.2024 | <p>been improved to differentiate the values applicable to the base wage for banana companies from the floor wage values applicable to other fresh fruits. Living Wage Benchmark values updated and published September 2024 by the Living Wage Coalition.</p> <p>Basic FBW is used as the reference for auditor to compare with wages paid in payslips. The term “FBW (THCM)” is replaced by “Cash FBW.”</p> <p>The ratio for deductions and values for cash allowances has been adjusted according to information of national labour legislations of each banana producing country, where available.</p> <p>Due to changes in ratios for allowances and deductions stipulated in country labour legislations, where available, the FBW 2025 for Nicaragua would have dropped. Fairtrade froze the base wage value of 2024 to ensure that workers do not receive a lower wage.</p> |
| 25.11.2025 | <p>The ratio for deductions and values for cash allowances have been adjusted according to information of national labour legislations of each banana producing country, where available.</p> <p>The Anker Research Institute (ARI) published the Anker Reference Value Annual Update (2025) for Rural Cameroon, Living Wage (West, Southwest and Littoral, Sans Douala Regions) where the upper confidence bound of the Anker Living Wage Reference Value—CFA 148,448 (USD 261)—is recommended to be used for rural areas in the West, Southwest, and Littoral sans Douala regions where banana production is concentrated.</p> <p>Improved Definition of Basic Wage: The Basic Wage serves as a reference point for both workers and employers. It represents the amount that workers earn and is reflected in their payrolls. This wage also forms the basis for calculating statutory withholdings and contributions required by law from employers.</p> |