

Standards Committee

Minutes

Meeting 117: July 2-4, 2025

(Zoom)

SC members: Arun Ambatipudi, Ben Huyghe, Stijn Decoene (Chair), Richard Odurose Kwarteng, Gustavo Lopez, Marike de Peña, Emilie Sarrazin and Selene Scotton (absent)

Observers: Fairtrade International and FLOCERT staff members have permanent observer status.

Other Observers: We do not display the full names of observers and contributing observers to comply with 'The General Data Protection Regulation (GDPR)'¹. If you need additional information about the observers or contributing observers of this meeting, please contact standards-pricing@fairtrade.net

Disclaimer:

The Fairtrade International Standards Committee (SC) aims to reach consensus, but decisions may not always reflect the opinions of all people.

The section to introduce the topic (background information) has been written by the Standards & Pricing and may not have been discussed by the SC in full. Sections listing action points are an outcome of discussions of the SC but are not part of the decisions made.

Abbreviations

CEO	Chief Executive Officer
CLAC	The Latin American and Caribbean Network of Fairtrade Small Producers and Workers
CoE	Centre of Excellence
COSP	Cost of Sustainable Production
DRC	The Democratic Republic of the Congo
EC	Exceptions Committee
FET	Fairtrade Executive Team
FTO	Fairtrade Organizations
FI	Fairtrade International
FMP	Fairtrade Minimum Price
FOB	Free on Board
FP	Fairtrade Premium
FPC	Fairtrade Premium Committee
FSI	Fairtrade Sourcing Ingredient
FBW	Fairtrade Base Wage
GA	General Assembly
GOTS	Global Organic Textile Standard
GPM	Global Product Manager

¹ Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation). <https://eur-lex.europa.eu/eli/reg/2016/679/oj>

GPPP	Global Products, Programs & Policy
HL	Hired Labour
HML	Hazardous Materials List
HOC	Head of Oversight and Compliance
HREDD	Human Rights and Environmental Due Diligence
IDH	The Sustainable Trade Initiative
LAC	Latin America and the Caribbean
LB	Licensing Bodies
LI	Living Income
LIRP	Living Income Reference Price
LW	Living Wage
MEL	Monitoring, Evaluation, and Learning
NAPP	Network of Asia & Pacific Producers
NEM	New Economic Mechanism
OC	Oversight Committee
O2B	Offer to Business
PC	People's Committee
PB	Producer Body
PEB	Producer Executive Body
PM	Project Manager
PN	Producer Networks
PT	Project Team
SA	Senior Advisor
S&P	Standards and Pricing Unit
SC	Standards Committee
SM	Salary Matrix
SOP	Standards Operating Procedure
SPO	Small-scale Producer Organizations
ToR	Terms of Reference
WRAC	Workers Rights Advisory Committee

Item 1 – Opening

The SC chair opened the meeting at 13:00 with only four SC members present. One SC member is on parental-leave. Three SC members joined later on time for the first decision session. Ground rules were reminded of and the consent to record was obtained.

Agenda: The SC chair went through the agenda, and it was approved.

Proxy votes and declaration of conflict of interests: Following a brief discussion, it was concluded that two SC members had a conflict of interest.

Action Items: The SU and PU head went through the list. From the seven items, three were still in progress, i.e. entry requirements assessment (SU), and coffee and cocoa second phase price review (PU).

Only one question was raised: an SC member wanted to know when discussions regarding organic coffee prices would take place. Producers in the LAC region were concerned on potentially shifting the organic differential to a fixed organic price.

Item 2 – News session

News from the OC

This OC was two and a half days long; the most relevant discussions and decisions are summarised:

- An exception to the land size limitation for rooibos tea producers, requested by Fairtrade Africa (FTA), was granted. The next step is to inform FTA.
- The OC approved the new version on the Pilot SOP. The main changes to the document, among others are around increasing the involvement of PNs in the pilot process, particularly when these are led by NFOs.
- Information session was held on the new claims management system that is being developed by Brand and Oversight. The claims framework sets out the principles to be followed when making claims about Fairtrade, not only about the certified products, but also related to Fairtrade's impact, collaboration, marketing, etc.
- FLOCERT presented their KPI report to the OC as part of their continuous compliance obligation to the Requirements for the Assurance Providers (RAPs)
- The OC decided to postpone the recommendation regarding a 2nd instance complaint, until a deeper assessment was done. This will take place in July's extraordinary meeting.
- OC endorsed the equivalency of the oversight and assurance model for two certification schemes, GOTS and Oekotex.
- FLOCERT presented the 2024 Report on complaints and allegations, which is available [online](#).
- Ben Huyghe and Richard Kwarteng were appointed for another year as OC chair and vicechair, respectively.
- AoB: the extension of Jules Colombo's term as OC technical member was endorsed, decision from the SC will be requested via email voting.

One SC member asked if the OC addressed the topic about hazelnuts from Turkey. The Oversight and Compliance advisor explained that it was not in the agenda, but that the Innovation manager was coordinating discussion with SU, PNs and FLOCERT, about the possibility of granting an exception in the future. The Oversight and Compliance Manager clarified that the Board decided to extend the geographical scope and to include Turkey. It was explained that the market's concern was about manufacturers having to source FT-certified nuts instead of non-FT ones. This concern had been raised in the past, for example for hazelnuts from Georgia. In this case, as with any other new products is added, a two-year exception was given to allow the supply chain to switch sourcing.

News from SC

The SC Chair explained two SC members' term end this year: his own, on 31 August 2025, and Richard Kwarteng's on 30 September 2025. With regards to the election of the SC Chair, the Chair invited the SC members to send per email the name of their nominee, even themselves, in the next two days. The SC Chair election will take place on Friday 4 July 2025.

News from S&P

PU head explained there are still two positions open in the S&P unit. A second round of interviews was going to take place the week after the SC meeting for the Pricing project manager position. Interviews for the S&P coordinator had just finalised. A candidate has been selected, and HR is following now the contracting process. The new team members might start in August 2025.

The PU head added an AoB, the request to SC to have an extraordinary SC meeting in November to address the cocoa price review phase 2. The PT is working under tight timelines. The consultation will take place between August and September, therefore, there is not enough time to deliver a paper for the SC in September.

An SC member pointed out that LAC expected that the cocoa price topics, i.e. organic differential and FT Premium, would be included in September's SC meeting for decision. November would be too late. LAC is at risk of losing cocoa organic producers because the current differential is too low. It does not cover the rising costs and compliance with the new EU regulation. A second SC member agreed the topic should be discussed earlier.

The S&P director addressed the SC chair's questions and asked the heads to provide an overview of the topics to be addressed during the in-person meeting in September. The heads mentioned: banana prices, trader standard (quite lengthy), cocoa and coffee price review projects updates, and entry requirements assessment for cocoa and coffee.

News from FI and the Fairtrade System (presented on Friday 4 July)

Lisa Prassack introduced herself to the SC as this was their first interaction. She began by asking the SC members if there were any questions. None was posed, so she began with the update listing the priorities at FI:

- 2026-2028 Strategy – Main Focus; the Board approved the support from consultants from Bain (Bain and Company) and BCG (Boston Consulting Group)
- Standards modernisation (aka Architecture) – to provide good services to producers, traders and members
- Team alignment – activities to improve ways of working, ensure all voices are heard and break silos
- Digital Solutions Unit (DSU) – to be more agile and responsive with information, connect the information from producers to those paying the premium; align and measure KPIs, while maintaining confidentiality; integrating four data structures, led by John McCurdy with support of two consultants, BearingPoint (mapping of data and setting up the data lake) and Gyre (MS Azure fabric)
- Governance – all related to Project Simple

An SC member asked to keep the SC informed and updated on the progress of the Standards Architecture. The S&P director assured it would be a recurrent topic in the future meetings.

Two SC members suggested the SC should be informed of issues/topics that will have implications on the Standards, so that the SC has the opportunity to reflect and discuss before the Board makes a decision.

Two examples were mentioned: the introduction of Turkey in the geographical scope of Fairtrade and the entry requirements (ongoing).

Item 3 – Director's decisions.

Between April and May, the S&P Director signed off five decisions:

- Three related to cocoa
 - Deletion of req. 2.1.5 to not overstate traceability to the point of export which does not address the interest of increased traceability.
 - Update of three requirements (req. 3.2.7, 3.3.3, 3.3.4) related to the due diligence support requirements, where the threshold of annual volumes of cocoa was set to 200 MT. Traders should evidence that the three-year average of cocoa purchased falls below that threshold.
 - Granting a phase-approach to SPOs for gradual two-year implementation of req. 3.1.5
- Delay applicability of req. 4.2.4 in the Trader standard and include it as 'one implementation package' on environmental management in September SC meeting for decision.
- Release of an interpretation note on the scope of certification for fibre crops

The SC chair suggested the text in req. 3.3.3 of the cocoa standard, regarding the conversion rates, should be reviewed and eventually redrafted for clarity.

Item 4 – North to North Standards.

Information.

It was explained that the 3 projects are in different phases of implementation. There were some challenges identified on the Board resolution. A new proposal now is to offer a North-to-North label for the initiatives. This label was already developed and tested, with conditions. The label would be registered as a trademark at first. This enables a flexible testing phase. To be checked with lawyers. After 5 years, the label would have to become a certification mark. There may not be a need to change the constitution. Certification model still to be decided. For now, the initiatives will be handled as pilots. If this option is not confirmed by the lawyers, it would be necessary to rethink the model. This will not be on the workplan of the SC in the near future. It is not clear if FLOCERT would be the certification body for this pilot going forward. An assessment will be done for all 3 pilots to compare with Fairtrade Standards. This information could be shared with the SC later on.

Discussion.

5 years is too long to test this approach. This is a huge risk to the system, e.g. a reputational risk to the South-to-South trade. What is needed is credible Standards. The Oversight and Compliance manager answered that the timeline could be shortened if possible and that the risk was even bigger if a certification mark was registered now.

A risk assessment was needed. The pilot would be presented to the Board or new governance structure again later.

It would be useful to have an update on all North-to-North pilots in the next meeting (Finland, France, Italy), e.g. for 30mins.

Next Steps.

To agree later what and when to inform the Standards Committee further.

Item 5 – Seed Cotton Price Review.

Information.

The current Fairtrade Minimum Prices (FMP) for seed cotton were last reviewed in 2011. The world market prices for seed cotton have risen during the past years, resulting from a series of environmental and political events, long-term effects of the Covid-19 pandemic and worldwide inflation. Considering these reasons, the Fairtrade Minimum Prices for seed cotton were being reviewed.

An overview was given on the strategy for cotton and background of the category, as well as the specifics of the project.

Discussion.

On Decision 1 – the conventional FMPs for *Gossypium Hirsutum*:

How much is the price increase? Roughly 50%.

The PM explained the data collection and analysis process. A question was raised on the new prices proposed in comparison to government prices and answered that not all regions have government prices. Prices presented are below government prices in India for 2025-2026.

A question was raised on the possible inclusion of Turkey to the geographic scope of Fairtrade and what prices would then count for this region. It was answered that no region currently includes Turkey, and a geographical price extension request would have to be made.

On Decision 2 – the conventional FMP for *Gossypium Barbadosense*:

It was asked how much the price for the specific seed cotton variety of *Gossypium barbadense* increased and why. This variety has a longer staple length, higher quality and typically lower yields.

On Decision 3 – the conventional FMP for extra-long staple length for Southern Asia:

It was discussed for what specific lengths the prices should be set for Southern Asia. The project team proposed a differentiation for “normal” staple lengths and an additional price for extra-long staple length to give producers an incentive to produce higher quality seed cotton. The definition was taken from the definition of the Indian government, with extra-long staple length being everything above 32.5mm of staple length.

On Decision 4 – the organic FMPs for all regions:

It was highlighted that the organic prices will be fixed FMPs based on the conventional FMPs plus 10% or 20%. It will not be a differential as producers preferred fixed values. SC discussed if 10% additional to the conventional prices would be a sufficient increase. The project manager said that the project team does recommend a 10% additional value. A SC member and NAPP argued that given the additional regulations and certifications for organic, producers have to invest a lot to comply and therefore a higher percentage of 20% would be favoured. The GPM cotton indicates that an increase to 20% could lead to loss of trade opportunities when trying to sell.

On Decision 5 – the Fairtrade Premium:

Options consulted were: The FP staying at 0.05€/kg, an increase to 0.07€ and an increase to 0.10€. Napp commented that although the project team suggested 0.05€ as market prices currently are very high and Fairtrade is in a tough competition with market partners. The risks identified are high that a lot of volume might be lost with an increase. They would still favour higher premium as climate change is hitting producers hard and to release them from debt (A typical situation in the cotton sector). They further commented that financing education and community infrastructure are important to be financed from premium. Also, more funds are needed for the crop production and farm inputs. It was clarified that the organic difference is paid out to the farmers, as it is meant to substitute for the crop loss in organic production. It was mentioned that the premium was very important for collective investments. The GPM clarified that raising the premium value by 0.07 EUR/ kg might be absorbed by the market.

On the remaining decisions:

6) It was explained that there is a higher price needed for *Gossypium barbadense* as it has a higher staple length and pest incidence, which cause higher production costs.

7) GPM cotton explained that it is feasible to implement the new seed cotton prices 2 months after publication.

Decisions

Decision 1: Do you approve the proposed Fairtrade Minimum Prices for conventional cotton for the variety of *Gossypium hirsutum*?

Unanimously approved. [Richard Kwarteng holds proxy for Selene Scotton]

Decision 2: Do you approve to set the proposed Fairtrade Minimum Price for conventional seed cotton for the variety of *Gossypium barbadense* from Northern Africa at 1.15 EUR per kg?

7 in favour, Gustavo missing.

Decision 3: Do you approve to set a conventional Fairtrade Minimum Price for an extra-long staple length of above 32.5mm of *Gossypium hirsutum* at 0.88 EUR per kg for Southern Asia?

Unanimously approved.

Decision 4: Do you approve to set organic Fairtrade Minimum Prices for all varieties of seed cotton at 20% additional to the conventional proposals?

7 in favour, 1 abstention.

Decision 5: Do you approve to set a Fairtrade Premium of 0.07€/ kg for seed cotton?

Approved unanimously.

Decision 6: Do you approve to set Fairtrade minimum prices for *Gossypium barbadense* for all regions except Northern Africa at plus 20% of the proposed conventional values of *G. hirsutum* as shown in table 14 in the annex?

Decision 7: Do you approve to add *Gossypium herbaceum*, *Gossypium arboreum* and Bukalasa Pedigree Albar to the scope of the Fairtrade Minimum Prices proposed for *Gossypium hirsutum*?

Decision 8: Do you approve to maintain the Euro as the currency for seed cotton prices?

Decision 9: Do you approve to start the validity of the new seed cotton prices after 2 months of the published announcement?

Decision 10: Do you approve the delegation of non-substantive changes to the Director of Standard & Pricing?

Remaining decisions 6-10 approved unanimously in block.

Item 6 – Fresh Fruits and Vegetables.

The PM updated the SC that this is a continuation from 114 SC decision, when proposals on three topics were delayed: entry requirements, contract and pre-finance and unfair trading practices. The proposals on entry requirements were postponed due to guidance received from the Fairtrade International Board to further assess the entry requirements currently in place for cocoa and coffee, and other 9 requirements were delayed aligning with the Trader standard.

- **Entry requirements.**

The requirements were introduced following the decision of the FT board in 2024 in the Close of Banana registry decision: 7.2.1 Entry requirement for SPO and 7.2.3 Entry requirement for HLO. The rationale to introduce entry requirements for SPO and HLO is to manage the offer of Fairtrade bananas on the market, requirements aim to encourage that organizations joining Fairtrade are committed to the Fairtrade mission and principles.

7.3.2 Requirement on Land size in banana plantations: The rationale for introducing this requirement was to provide a level playing field between plantations and small producer organisations, the proposal intends to set a limit on the total amount of land where the Fairtrade bananas are grown per plantation estate, and the number of estates in cases of multi-estate setups. However, based on consultation outcome the recommendation to SC was to not introduce such requirement, because more research is needed.

Discussion:

Overall, on entry requirement there was a support and understanding of rationale behind, and experience in other products. On requirement for land size the discussion addressed the following concerns:

- if this requirement is not introduced the issue of unequal opportunities between SPOs and HLOs will not be addressed, i.e. the organizations under HLO will not have the limit of the size of plantations, and there was already a tendency for some SPOs to shift to HLO certification. Therefore, the expectation is that if not introduced now, then it must be done rather soon.
 - The Head of Standard clarified that immediate follow up would not be possible due to current priorities in the workplan, but importance of topic is recognized and will be planned to be picked up soon.
- If requirement is not introduced now, this will be a missed opportunity if requirement to regulate the issue and waiting for another year is not preferred. This is because the target was to prevent

large farms from entering the Fairtrade that supports the other entry requirement. Suggestion is to rather approve this requirement and once more clarity is there to then modify the details

- Important to understand the impact scope – how many current HLO plantations and the workers in the plantations will be impacted. It is also unclear how the combination of the two conditions (size and number of states) works in practice,
 - o PM mentioned that it is not many plantations, but what is not clear – how many estates are per plantation, and that HLOs are not selling on Fairtrade terms. Another risk is, if HLOs have more than 3 estates, then this will negatively impact currently employed workers.
- Combination of 2 conditions- land size of the estate, and number of estates per HLO - in one requirement is not ideal, because there can be various combinations in real time, e.g. organizations with less than 500 ha land may in fact have more estates.
- There were several suggestions raised in the meeting, which will require further research and legal check.
- Suggestion for the limiting factor to include total number of workers that are hired
- Since requirement is applicable only as of 1 January 2026, currently certified organization would not be impacted. This section of the requirement is under legal check.
- A suggestion was for limiting factor for requirement to refer only to maximum land size of 500 ha. Because when several farms belong to the same certified organizations i.e with one FLOID, they have a capacity to obtain individual certification so if each farm total land size is beyond 500 Ha, then these farms/estates could apply for certification individually.
 - o PM clarified that such change would have to be checked by the legal team because such limitation would benefit currently certified plantations (where land size is larger).
- PM also clarified that inclusion of HLO organizations in the certification scope was to respond to market demand because SPOs did not produce enough or did not produce the type/quality needed. Thus, limiting the entry for HLOs will not make more opportunities for SPOs as this opportunity is already there but their capacity is not meeting this demand of certain characteristics.
- Finally, SC members agreed to postpone the decision on this requirement to the next SC meeting. S&P director confirmed that a technical decision for this proposal will be worked out and presented in one of the next meetings, to make sure requirement is introduced prior to standard applicability of April 2026, ensuring solution is there before the end of Board mandated system closure.

SC decision:

- 7.2.1 Do you approve to introduce new Core Year 0 Entry requirement applicable to Producer Organization, with 6 months transitions time?
- 7.3.1 Do you approve to introduce new Core Year 0 Entry requirement applicable to Banana companies, with 6 months transition time?

SC votes: 6 – approved, 2 no votes (conflict of interest)

- 7.3.2 Do you agree to postpone the decision to introduce new requirement on Land size in banana plantations until April 2026?

SC votes: 5 – approved, 1 not approved, 2 no votes (conflict of interest)

- **Contract and pre-finance requirements applicable to traders.**

7.1.1 Fairtrade contract for payers. The change is on inclusion of minimum purchase volume in the contract, and on extension of requirement applicability scope to 'vegetables'.

The proposal aims to standardise the contracts for fresh fruit and fresh vegetables, and complement the requirement as needed.

7.2.5 – pre-financing Fairtrade contract. The change is reflected in the applicability, where some potatoes, bananas, pineapples, citrus, oranges, vegetables from HLOs are exempted from the scope of this requirement because these products are harvested throughout the year

Discussion:

- SC members were concerned if this implied provision of pre-finance is compulsory and also suggested a slight amendment of the requirement wording on pre-finance, changing from 'you provide the pre-finance' into 'you pre-finance'.
 - PM clarified this requirement is implemented and audited based on Trader Standard requirement, where it is stipulated under which conditions provision of pre-finance will not be required but then facilitation of pre-finance should be fulfilled

SC decision:

- 7.1.1. Do you approve the revised Core Year 1 requirement on Fairtrade contracts for payers, with 1 year of transition after publication?
- 7.1.2 Do you approve the revised Core Year 1 requirement on pre-finance of Fairtrade contract applicable to payers, with 1 year transition time?

SC votes: SC members unanimously approved.

- **Unfair Trading Practices requirement applicable to traders**

The proposed three requirements for inclusion in the standard intend to curb the incidence of unfair trading practices in the trade of Fairtrade products. Also, this requirement is proposed for approval in the Trader Standard to make it applicable to all products as the SU and FLOCERT consider this set of requirements to be relevant for all products.

- 7.1.3 Fairtrade Contract Conditions, to target cases of reported unfair practices in how the contracts are negotiated.
- 7.1.5 Fairtrade Minimum Price along the supply chain, to avoid the negative impact of those price competition on producers and traders.
- 7.1.6. Unfair payment terms, to reduce the cases in which unjust payment terms are made to producers as conditions to sell under Fairtrade terms, reducing the total impact of the Fairtrade Minimum Price and the Fairtrade Premium.

Discussion:

An SC member expressed concern how such requirement would be audited, specifically on the requirement for contracts where non-Fairtrade would need to be checked. Another SC member suggested to support auditors providing technical guidance how to audit, what documents to check. In case of

bananas, there need to be guidance on deductions and regarding services that are charged (besides the fact the costs are inflated).

SC decision: to address unfair trading practices

- 7.1.3 Do you approve to introduce the new Core Year 0 requirement on Fairtrade Contract conditions, with 1 year of transition after publication?
- 7.1.4 Do you approve to introduce the new Core Year 0 requirements on Fairtrade minimum price along the supply chain, with 1 year of transition after publication?
- 7.1.5 Do you approve to introduce the new Core Year 0 on Unfair payment terms, with 1 year of transition after publication?

SC votes: SC member unanimously approved.

▪ **Sourcing plan for SPOs**

Following the consultation and analysis of feedback, the three requirements below are proposed to be removed from the Standard for Fresh Fruits and Vegetables. Sourcing plan is included as one of the items in the Fairtrade contract and thus will need to be provided once the contract is signed.

- 7.2.7 Sourcing plans for fresh vegetables, including roots and tubers
- 7.2.8 7.2.8 Sourcing plans for pulses
- 7.2.9 Sustaining trade (for fruit juices, and for dried fruit and dried vegetables)

SC decision:

- 7.2.3 Do you approve to remove the Sourcing plan requirement for fresh vegetables including roots and tubers?
- 7.2.4 Do you approve to remove the Sourcing plan requirement for pulses?
- 7.2.5 Do you approve to remove the Sustaining trade requirement?

SC votes: SC members unanimously approved.

▪ **Sourcing plan for HLOs.**

Following the consultation and analysis of feedback, the requirement on sourcing plan is proposed to be removed from the standard. Sourcing plan is included as one of the items in the Fairtrade contract and thus will need provided once the contract is signed.

SC decision: 7.3.3 Do you approve the removal of the requirement Sourcing plans?

SC votes: SC members unanimously approved.

▪ **Non-substantive changes**

SC decision:

Do you approve the delegation of non-substantive changes and date of applicability to the S&P Director

SC votes: SC members unanimously approved.

Next Steps.

- Standard publication in September
- SU to make sure that communication on the revised Standard announcement is clear that the entry requirements are yet to be introduced
- SU to present revised proposal on Land Size requirement for Banana plantations

Item 7 – Textiles Standard Review

Discussion

The proposals reviewing the standard focus in Tier 1 of this value chain, which is the cut, make, trim factories (CMT) due to its relevance in the value chain. This because the analysis showed that 80% of value creation occurs at this level.

Another focus on this review is to reach LW quicker in the value chain, as well as HREDD.

There was discussion on the recognition of sustainable textile schemes as GOTS and OEKO-TEX, since their certification aligns with Fairtrade textile criteria. Fairtrade did SOP recognition process of these two schemes for wet processes agreeing on their equivalence to Fairtrade criteria. This agreement on equivalence will be specially used by factories' subcontractors to demonstrate their social and environmental compliance. To demonstrate the compliance, audit reports from those schemes plus audit certificate.

On the LW component, the discussion was around the percentage of LW payment. The percentages 55% and 10% were the agreed percentages which balance social impact and commercial feasibility. The proposed 55% is higher than the current enforced value.

Some SC members expressed some concerns on the 55%, since it can seem rather low. Another SC member mentioned that the LW proposal for textiles is a local living wage, which is different to the living wage benchmark used in other Fairtrade products.

Decisions.

Decision 1.1 Compliance committee role in relationship to trade and 1.2 Compliance committee's role: Do you agree to adopt all proposed changes for the above requirements 1.1 and 1.2, including amendments agreed during the discussion?

Do you agree to delegate minor changes in wording of these requirements as well as removal of requirements to the Director of Standards and Pricing?

The SC unanimously approved the decisions (8 votes)

Decision 1.3.1 Ensuring compliance with sub-contractor and supply chain and 1.3.2 Wet process criteria:

Do you agree to adopt all proposed changes for the above requirements 1.3.1, 1.3.2 after discussion with the SC members, including amendments agreed during the discussion?

Do you agree to delegate minor changes in wording of these requirements as well as removal of requirements to the Director of Standards and Pricing? Each of these are clearly indicated per proposal.

The SC unanimously approved the decisions (8 votes)

Decision 1.4 Adherence to national, regional and local laws on social and environmental regulations:

Do you agree to adopt all proposed changes for the above requirement 1.4 after discussion with the SC members, including amendments agreed during the discussion?

Do you agree to delegate minor changes in wording of these requirements as well as removal of requirements to the Director of Standards and Pricing? Each of these are clearly indicated per proposal.

The SC unanimously approved the decisions (8 votes)

Decision 2.1 a Payment of Fairtrade Base Wage for textiles and b Payment of Fairtrade Base wage, 2.2

Payment of Living wage differential, 2.3 Distribution of living wage differential at the factor: Do you agree to adopt all proposed changes for the above requirements 2.1a,b, 2.2, 2.3 after discussion with the SC members, including amendments agreed during the discussion?

Do you agree to delegate minor changes in wording of these requirements as well as removal of requirements to the Director of Standards and Pricing? Each of these are clearly indicated per proposal.

The SC unanimously approved the decisions (8 votes)

Next Steps.

- The possibility to have an additional online SC session to finalize the decisions before September will be assessed. This option will depend on the availability of SC members and the team.
- Remains pending to check with legal, on the mark question.
- Some SC members requested to present the remaining decisions in a version which presents the standard changes, with a better overview of the standard. It means with a structure which present the proposals and its considerations, with pros and cons from each one. It was additionally requested to amend beforehand the wording where needed.

Item 8 – Standards Architecture.

The SC was updated on the outcomes during the GA week where positive reception of the project and support was confirmed. Standards Architecture was identified as the top priority for the coming strategy, alongside digitalization.

Some key points brought forward were the need to detail the workplan and resources needed, key performance indicators to measure success, and re-branding was suggested.

The SC was also updated around the project scope: focus set on generic standards, and product specific standards, including locally led. For now, stand-alone standards are out of scope, the same with North to North and South to south.

The SC was also updated on the timelines and resources, and the proposed re-prioritization of resources in the SU.

Discussion.

Risk and impact plan was delegated to the HREDD centre of excellence, it was suggested to have co-leadership with PNs and CAN. This was confirmed as they are fully involved in the project team and will recommend colleagues to work together with the HREDD centre of excellence on this workstream.

SPO HREDD focussed review is taking place within the framework of Standards Architecture.

The approach in the Standards Architecture will be a mix of risk and principle-based approach.

On the governance of the project, the new set up of the FI Board is already reflected.

How will the SC be involved in this work – the committee will be involved in the final decision and discuss the progress and content in all its meetings.

During the next interaction with the SC, the project team would present first insights on the new Standards (standards restructure).

It was questioned why testing on tea and if the focus will be on traders or producers. This was proposed by FTF UK as locally led. The revision will be aligned with this project and scope is for both producers and traders.

Next Steps.

To provide an update on the plan for 2026 regarding this work.

Item 9 – Fairtrade Prices in a Context of High Commodity Market Prices – workshop

Discussion.

The intention of the session was to inform SC members about the workshop Fairtrade Prices in a context of High Market Prices and have SC comments, opinions and proposals related to the topic discussed in the workshop.

The workshop intends to understand key challenges Fairtrade Pricing is facing in the context of high market prices and explore proposals for improving and/or creating new pricing models that keep Fairtrade prices fit for purpose and relevant to producers both in high and low market prices.

Participants included Pricing Unit (PU) Team; Cocoa and coffee leaders in FI, NFOs (MHCH, FTF, FTDE, MHNL) and FLOCERT.

During the SC session, PU informed the key challenges faced by the Fairtrade Prices in a context of High Market Prices, presented an overview FT price mechanism, including LIRP and LWRP and shared the main proposals discussed, reflections made and key conclusions from the workshop.

Workshop's participants proposed, Suggested:

- the need to gather diverse, creative ideas before finalizing proposals; engaging with more commodity-specific stakeholders, including key and smaller markets, to broaden the perspective; importance of clarifying the strategic intent behind any mechanism and aligning with future standards architecture
- strong agreement that increasing trade volumes for producers should be the guiding objective of Fairtrade reforms; recognized that while commercial perspectives were well represented in the discussion, several called for more direct producer input in future workshops.
- Consensus emerged that the Fairtrade Minimum Price remains relevant and necessary, despite the current market context.
- The Fairtrade Premium remains central but must evolve to create and demonstrate impact, earmarking its use and be more transparent in its use.
- Instead of having separate strategies for cocoa, coffee, and other key products, there's a need for alignment, system-wide strategies for pricing and minimum price updates.

Recommendations and Takeaways.

- Continue reviewing FMPs with market realities in mind but preserve the core protection function.
- Improve communication around how FMPs are set and their role during high-price environments.
- Explore adaptive pricing mechanisms and stakeholder engagement for better contextual alignment

Feedback from SC.

- Concerns about the different views between the PNs and NFOs. PNs need to be involved otherwise it is not possible to have a conclusion.
- Premium cannot be lowered when market prices are higher
- A reflection on the reality is needed
- SPOs are running into many challenges, and this needs to be addressed
- LIRP is not a realistic price
- Coffee and cocoa need an organic differential
- Need to be careful with flexible premium
- FMP is very important for consumers. Important to have it otherwise it can be a reputational risk
- No need to eliminate the FMP but to have a different way of calculating it

Next Steps.

- Participants emphasized the need to gather diverse, creative ideas before finalizing proposals – Need to further discuss this with a wider group
- Compile and Share Workshop Outputs: All feedback and insights from the workshop will be compiled and circulated to SC
- Further Stakeholder Consultations – Fairtrade Canada and PNs

Strategic Engagements: Input will be shared with FI leadership team and standards architecture leads only after finding a consensus among all (NFOs, PNs).

Item 10 – Reporting requirements monitoring - Premium reporting.

Background:

- ISEAL Code compliance: GI and S&P working together on integrating data analysis and feedback.
- Increasing data related reporting requirements: data collection should have clear purpose & usage.
- M&E and standards: M&E team supports standards team and the SC with data and insights, e.g. premium use, for better decision-making on standards requirements and during standards reviews.

General principles of consideration:

- Voluntary reporting & capacity building: when a certain threshold of reporting is reached then decide for inclusion in standards.
- Balanced and reciprocal reporting: ideally, ensure two-way data exchange (theory of change).
- Audit feasibility: data handling of sensitive topic and assurance need to be assessed carefully.
- Data collection feasibility: Pilots are a must to learn from challenges. Engagement: PNs & MEL
- Relevant reporting: reporting should have clear purpose and use.

Premium use reporting requirement:

- Reporting rates remain low (below the 70% target), but they're improving.
- Lots of efforts put into improving compliance rates.
- Timing of GA is a critical dependency for timely reporting.
- Despite being self-reporting topic, costly and complex for POs and the FT system.
- Producer set-up (SPOs, HLOs) and applicability dates have a bearing on reporting.
- POs in some regions/products are affected more than others, e.g. cocoa and EUDR requirements. Cocoa SPOs in West Africa face significant challenges, indicating a notable gap compared to banana and coffee. Compliance: banana 80%, coffee 67% and cocoa 47%. Reporting rates: banana 60%, coffee 55% and cocoa 33%.
- Time-consuming reporting process.
- Capacity & resource constraints: the bigger the PO, the lower is the compliance rate.
- Dependence on external support: Most POs require PN intervention to resolve compliance issues.

Recommendations for premium use:

- ✓ Re-evaluate some of the reporting requirements. Make them simple, clear and consistent across different organisation types and products.
- ✓ Focus on efficiency: identify interconnections across requirements holistically and aim to make reporting less burdensome and meaningful to POs.
- ✓ Simplify data reporting: simplify structure of the reporting tool and concentrate on high value data.

General recommendations:

- ✓ Check SPO readiness.
- ✓ Evaluate support that producers will require.
- ✓ Secure adequate resources for implementation.
- ✓ Identify demonstrable use case & target user.
- ✓ Show clear benefits/value for POs.

- ✓ Use data for continuous improvement, supporting decision making.
- ✓ Narrow question to generate better insights.

Discussion and next Steps.

- GI and S&P unit ask the SC to provide with inputs on the usefulness and interest in receiving this type of reports. Topics to explore: EUDR/deforestation reporting, yellow email with child labour reporting, living wage, decent work, evidence mapping study.
- GI and S&P will come back to the SC in September meeting with a proposal on topics and schedule when to expect new reports.
- The SC agrees.

Item 11 – Trader Standard.

The PM presented the different considerations for the trader standard review on the topics of traceability, specifically on Mass Balance, on approach to reactive assurance and voluntary best practice requirements. The objective was to recap on the existing concepts in the trader's standard and options for change that will be brought back for discussion with the project team before SC decision in September.

Discussion

The SC members found information useful and will further follow up with information provided in the presentation, to further familiarize with the topics.

An SC member recommended to reach out to the outcomes and proposals from Rogue Trading working group for considerations on Unfair Trading Practice requirements. It was recommended to have more thought on the unfair trading practices.

Next Steps

Finalize proposals and wording, incorporate the SC feedback into the final changes for the Trader Standard to be presented to the SC in September.

Item 12 – Chair election

Discussion

SC members exchanged on benefits of having continuity of the current Chair and considered that the current term of FTA representative is coming to an end. The SC suggested to split the decision as follows:

The chair mandate ends in August. A member mentioned that having continuity in the chair helps in managing. Another member proposed that the current chair be re-elected. Another member supports the nomination. 3 more members were proposed, but they declined the nomination.

Decisions

1. Do you agree on postponing the election of the chair and vice-chair for the September meeting?
5 No, 2 Yes, 1 Abstention.
2. Do you re- elect current SC Chair from September 2025 to September 2026. The SC unanimously voted for the re-election of the current chair, and the vice chair election was delayed until September.

Next Steps

In the September meeting, the election of the Vice-chair will take place.

Item 13 – AoB and Closing.**Discussion.**

Extraordinary SC meeting in November to discuss and decide on the Cocoa price review project. A SC member mentioned that a decision in November is considered late. The Head of Pricing mentioned that the team will not have the information ready to decide before November.

Decision.

The SC confirmed availability to have an extraordinary meeting on the 14th of November.

Next Steps.

Next meeting from September 23 to 25, in person meeting. The agenda will be sent later by the S&P Director.