

To: Cocoa producers

Traders

Fairtrade members cc: Standards Committee

Fairtrade International staff

FLOCERT staff

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## Revised Cocoa Standard for Small-scale Producer Organizations and Traders

Dear Fairtrade partners,

During its meetings on 24 March and on 29 September 2022, the Fairtrade International Standards Committee decided on a revised version of the Fairtrade Standard for Cocoa small-scale producer organizations (SPOs) and traders. For details on the decision please refer to the minutes of the Standards Committee meetings available on our website <a href="here.">here.</a>

The approved changes are the result of a Standards revision. The revised Cocoa Standard for SPOs and traders is available in <u>English</u>. Translated versions in Spanish and French will be published soonest here.

Fairtrade has updated its Cocoa Standard to deepen its impact for farmers and sustainable supply chains, especially in the areas of human rights, deforestation, traceability and living incomes.

The Standard attempts to strike a balance between robust requirements and fairness for farmers. It reflects Fairtrade's commitment to progressing toward shared goals of preventing deforestation and child labour, while at the same time uplifting farmers' right to a decent livelihood and their potential as leaders of a fairer, more sustainable future. Four principles underpin the new changes:

**Fairness:** The responsibility of protecting human rights and the environment must be shared, which is why there are new requirements for traders as well as producer organizations. These include requirements that will put in place structures and support necessary to make and measure progress toward living incomes. Producer organizations should be owners of their own data.

**Partnership:** New requirements in the area of human and environmental rights aim to make the implementation of due diligence processes in Fairtrade supply chain both effective and equitable. Fairtrade producers should have a say in designing HREDD policy and then should play their role in driving key measures needed to work towards a more sustainable cocoa sector, with contribution from all supply chain actors as part of their responsibility on human rights.

**Robustness:** The changes incorporate industry needs and include requirements established through current legislative proposals. All new requirements were reviewed by producers themselves and in some cases modified based on feedback. The Fairtrade's Standards Committee, the composition of which is 50% producer and worker representatives, ultimately approved the changes.

**Regionally appropriate:** The Standard mandates more demanding requirements and earlier timelines in countries and regions publicly known to have greater risk of specific human rights violations and environmental damage, such as child labour and deforestation in Côte d'Ivoire and Ghana.

In addition, Fairtrade is announcing the creation of a programme to support producer organizations in implementing effective child labour and forced labour prevention and remediation interventions that are



now required in the Cocoa Standard. The programme builds on the success of the Fairtrade COVID-19 relief funds, in this case supporting producers by matching their own funds to invest in the system they determine best suits their situation. The programme will be launched with more than €450,000 of funding and has the potential to grow through contributions from partners and stakeholders.

Altogether, 40 requirements were changed or newly added, the structure of the document and numbering have changed: see the list in Annex 1 for an overview. More details on the applicability of each requirement can be found in the Standard itself. Fairtrade will publish a supplementary document to further explain transition timelines in 2023.

### **Next steps:**

Some of the additional guidance documents mentioned throughout the standard are not yet available and will be published in 2023 <a href="here">here</a>.

We thank you for the feedback you provided during the recent second phase of consultation in the cocoa standard review. Your input will be used to further amend and newly include globally applicable requirements on Internal Management System and for Latin America and Caribbean on requirements related to Human rights and environmental due diligence; addressing deforestation risk; traceability and transparency. The new or amended requirements will be published in Q2 2023 <a href="here">here</a>.

More information on the Fairtrade Cocoa Standard review can be found here.

For more information, please contact Kerstin Cron at: k.cron@fairtrade.net.

Best regards,

Gudrun Schlöpker

#### Annex 1

Chapter	Title
2	Recording member and organization production
2	Calibrating weighing equipment
2	Documenting the product traceability procedure
2	Product tracing solutions
2	Physical segregation to export
2	Mass balance: origin matching of bean volumes
3	Records of Farm Operators
3	Formal agreements between Farm Owners and Farm Operators
3	Reporting on Farm Operators
3	Commitment to Respecting Human Rights and the Environment
3	Awareness raising



3	Risk assessment
3	Grievance mechanism
3	Human rights policies and procedures
3	Action plans
3	Supporting producers with action plans
3	Monitoring and remediation for child labour and forced labour
3	Supporting producers to address and remediate child labour and forced labour
3	School attendance
3	Vocational training and employment
3	Vulnerable groups
3	Equal opportunities
3	Protection of forests and ecosystems
3	Assessing and monitoring deforestation risk
3	Deforestation prevention and mitigation plan
3	Supporting producers to prevent and mitigate deforestation
3	Geolocation data
3	Sharing geolocation data
3	Reporting on deforestation prevention
3	Farm record keeping
3	Living income benchmark comparison
3	Income resilience
3	Farmer business training
3	Farmer financing needs
4	Distribution of the price differential in Côte d'Ivoire and Ghana by SPOs
4	Accounting systems for the price differential and premium
4	Recording Fairtrade payments to members
4	Digital payments to members
4	Transparent Process for Fairtrade volume allocation



## Annex 2:

# Additional guidance documents to be published in 2023:

- Estimating Member Production
- Managing relationships with farmer operators
- Establishing and Implementing a Monitoring and Remediation for Child Labour and Forced Labour
- Fairtrade's Risk Maps
- Farm Record Keeping
- Income Gap Analysis