

To: Cocoa producers and 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 partners,

During its meeting that took place on 23 March 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 meeting available on our website here.

The approved changes are the result of a Standards revision. The revised Cocoa Standard for SPOs and traders is available in <u>English</u>, <u>Spanish</u> and <u>French</u> in our <u>website</u>.

The revised Fairtrade Standard for Cocoa for small-scale producer organizations and traders has two new entry requirements. The first requirement clarifies the preconditions under which producer organizations can become Fairtrade certified going forward, and the second requirement details the preconditions for exporters to become Fairtrade certified. These two new requirements replace a temporary certification requirement that entered into effect in 2020 for coffee and cocoa, and were adapted to the context of cocoa. In order to avoid redundancy, a former requirement for SPOs to demonstrate market potential in the form of buyers' commitment to become certified was removed from the Cocoa Standard.

The revised Cocoa Standard replaces the previous version and will go into effect on 15 July 2022. Organizations that start their certification on or after 15 July 2022 will need to comply with all applicable requirements.

The review of the Fairtrade Standard for Cocoa is continuing beyond this publication. Fairtrade International has consulted in a first phase on several relevant topics: Human rights and environmental due diligence; addressing deforestation risk; traceability and transparency; promoting living income goals for farmers; regulating the entrance of new SPOs and exporters; and incorporating the sharecropper model into Fairtrade. The synopsis will soon be published here and the Standards Committee is expected to decide on these topics in its September meeting, so that the next revised version of the Standard would be published at the end of 2022.

A second phase of consultation will start in August 2022, with the final decisions expected to be published in 2023. In this second phase of consultation, the following topics will be discussed: Reviewing requirements on the Internal Management System; reducing the cost escalation of the Fairtrade Minimum Price differential, Fairtrade Premium, and Fairtrade organic differential, or at least expose the level of cost escalation along the supply chain; and addressing the specific trade situation in Ghana.

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



Furthermore, please be informed that the requirement on Fairtrade Premium Reporting (4.6.2) in the Cocoa Standard is phasing out. This requirement is only applicable until 14 July 2023. By 15 July 2023, it will be replaced by requirement 4.1.10 Fairtrade Premium use reporting in the Fairtrade Standard for Small-scale Producer Organizations.

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

Best regards,

Gudrun Schlöpker