



Fairtrade's response to VOICE Network's statement on the new cocoa Living Income Reference Prices

We welcome increased attention and action on living incomes - including healthy debate on the right value for a Living Income Reference Price.

The new Living Income Reference Prices (LIRPs) for cocoa in Ghana and Côte d'Ivoire which we published last week are the result of a year-long, multi-stakeholder review process. Fairtrade consulted multiple data sources and organised roundtables and/or individual dialogues with:

- farmer representatives;
- technical staff from cooperatives, traders and support organisations;
- COCOBOD [Ghana cocoa regulatory body], ANADER [Ivorian National Agency for Rural Development Support], CIGHCI [Côte d'Ivoire – Ghana Cocoa Initiative];
- research institutions (Wageningen University, KIT [Royal Tropical Institute], Agri-Logic);
- as well as commercial partners involved in living income projects, and civil society organisations.

The benchmark prices – \$2.68/kg for Ghana and €2.65/kg (\$2.80 equivalent) for Côte d'Ivoire – reflect a 20-26% increase and provide a stabilising reference for fair cocoa pricing, even as market conditions fluctuate.

We have been in close discussions with VOICE Network and its members throughout this process, have respected the concerns they've raised, and shared our data and rationale. While we stand behind the robustness of the LIRP methodology, we have always recognised the need for continued refinement as new information is available.

In 2025, we've committed to working with VOICE and other stakeholders to review key assumptions, broaden data collection, and continue to incorporate evolving realities in cocoa farming in our LIRP model.

To address some of the concerns raised by the VOICE Network:

Data Sources

Our calculations incorporate research from Agri-Logic farmer field book data, the Royal Tropical Institute (KIT), and the Cocoa Income Inventory, not just Fairtrade farmer data. We used figures from the SWISSCO/ COCOBOD Cocoa Household Income Study (mentioned by VOICE) in alternative scenario calculations to compare using actual yields instead of targets. These sources were published in 2024 except for Agri-Logic (2023).



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Accounting for Non-Cocoa Income

The LIRP from the SWISSCO/COCOBOD study is higher than Fairtrade's new reference price, mainly due to the study's findings of very low average yield levels, and the exclusion of income from other sources in their calculations. According to the study, only 55% of the average household income comes from cocoa, and just 0.8 FTE of available household labour is dedicated to cocoa farming. Our model assumes an average household size, and a farm size that will fully utilise all available adult household labour for cocoa production. If there is excess labour, or a smaller cocoa farm area, that labour should be redirected to other income generation.

Productivity Targets

The target yields of 600 kg/ha for Ghana and 800 kg/ha for Côte d'Ivoire are two-year projections. We lowered the target yield in Ghana by 25% to reflect the lower current productivity levels there, as compared to Côte d'Ivoire where average yield already exceeds 600 kg/ha, according to our forthcoming Ivorian Fairtrade cocoa farming household income study.

We acknowledge that there are other studies showing lower productivity levels for Côte d'Ivoire (as well as some that show higher), but we have focused on farmer groups where good agricultural practices have been implemented. We also recognise that many farmers face systemic challenges – such as limited access to resources or technical assistance, degraded land, and structural inequities – that prevent them from reaching the yield targets.

To bridge this gap, our model emphasises shared responsibility. Buyers are expected to pay prices that sufficiently cover the labour, investment, and transition costs farmers face. At the same time, complementary programmes – which can be developed with the Fairtrade Premium and/or external funding – should support farmers in adopting sustainable practices that improve yields while protecting the environment, such as replacing aging trees or implementing intensive pruning.

We will continue to monitor yield improvement as new data become available. If indeed new data show that even adopting good farming practices is not able to lift cocoa yields, we will need to revisit this.

Relevance of Reference Price for Current Yields in Côte d'Ivoire and Ghana

While our model is based on target yields, the updated LIRPs are also equal to or close to a price that should support a living income for the average farmer at current yields.

- In Côte d'Ivoire, the new LIRP would support a living income at the current Fairtrade farmer's average yield of 657 kg/ha and corresponding current low cost of production.
- In Ghana, a LIRP based on the current average yield of 330 kg/ha would need to be 12% higher (47.5 Ghanaian cedi compared to 42.4) to fully support a living income. However, if farmers increase their yield by 12% to 370 kg/ha, the new LIRP would



be sufficient to generate a living income at a today's relatively low production costs. Additional investments from companies are needed to increase yields from current averages.

Beyond Price

A living income – like the LIRP – is a benchmark, and is not intended to be a ceiling.

Achieving a living income involves many factors, including a Living Income Reference Price but also a sufficient farm size to support the household (or additional alternative income sources), and good environmental and climatic conditions for crops. Adjusting the factors that are within the control of farmers, cooperatives and their buyers takes time, including finding enough buyers willing to invest in this. The Fairtrade Premium and targeted programmes for support to cooperatives and farmers are ways that Fairtrade adds to the value of the reference prices, as well as ongoing advocacy alongside partners like VOICE, Solidaridad and other civil society organisations to ensure that cocoa farmers receive fairer compensation for their work.

Because not all farmers meet the reference price parameters today – particularly the target yield – even with today's exceptionally high market prices, some commercial partners are stepping in with additional funding. Their goal is to support cooperatives to provide services to their farmer members so farmers can increase their yields to the target level. We encourage such additional investment to bridge the productivity gap, while still maintaining the value of a stable and predictable Living Income Reference Price, grounded in the most up-to-date data analysis and consultations.

Ongoing Review

We are committed to expanding data sources as they become available, and refining the LIRP model with industry partners and stakeholders.

A Call to Action for Companies

Investing in farmer income security is not just about fairness—it is about long-term supply chain sustainability. Companies sourcing cocoa must recognize that price volatility and farmer poverty are key risks to the resilience of the sector.

While we continue to evaluate and refine the model, the LIRP remains a data-driven benchmark that provides a clear reference for responsible sourcing. We encourage all companies to assess the income needs in their supply chains and take proactive steps to close the living income gap – which, depending on economic and climate conditions, may require going beyond the LIRP.

Achieving a living income for cocoa farmers requires collective action. We invite all stakeholders – companies, governments, and civil society – to join us in making sustainable cocoa pricing the industry standard.

Read more about Fairtrade's methodology and the detail behind the updated cocoa Living Income Reference Prices, including alternative pricing scenarios, [here](#).

