

Project Assignment

Fairtrade Standard for Advancing Farmer Income

Add-on to the Fairtrade Standard for Small-scale Producer Organizations and for Traders

Date: 10.07.2026

This project assignment contains the most important information about the project. For additional information on the project, please contact the project manager listed below.

The project will be carried out according to the Standard Operating Procedure for the Development of Fairtrade Standards/Minimum Prices and Premiums.

Rationale for and justification of need for the project:

Fairtrade International has developed a draft voluntary add-on standard for advancing farmer income. The draft standard is intended to sit on top of regular Fairtrade certification. It defines additional requirements for participating businesses (brands or retailers) and Fairtrade certified Small-scale Producer Organizations (SPOs).

The add-on is needed because retailers and brands seek substantiated communication on additional action towards farmer income. The underlying requirements must be clear enough to support certification, licensing and claim approval.

The Empowering Consumers for the Green Transition Directive (EmpCo) applicable for EU member countries increases the need for sustainability labels and consumer-facing claims to be based on a certification system with publicly available requirements, stakeholder consultation, non-compliance rules and objective third-party certification. The standard is one necessary normative element of that system.

Risk assessment:

Risk 1 Scope and modular boundaries

There is a risk that stakeholders request the standard to cover Living Wage, cocoa-specific implementation rules, future product models, claim wording or assurance procedures beyond the intended consultation scope.

Mitigation action: Keep the core standard focused on advancing farmer income. Define the relationship to the SPO Standard, Trader Standard and product standards. Place product/origin-specific implementation details in annexes or guide to scheme and assurance documentation where applicable.

Risk 2 – Auditability of requirements

There is a risk that standard requirements cannot be audited consistently because the responsible actor, required evidence or data source is unclear.

Mitigation action: Review each requirement against actor responsibility, evidence availability and audit feasibility before final proposal. Ensure each normative requirement can be translated into compliance criteria.

Risk 3 – Mass balance and volume linkage

There is a risk that the standard does not clearly define how sourced volumes, volume based payments and programme investments are linked under mass balance or decoupled programme models.

Mitigation action: Define the requirement object clearly by state whether each requirement applies to sourced volumes, volume based payment and/or programme investments.

Risk 4 – Producer organization access and burden

There is a risk that stakeholders challenge the fairness, transparency or proportionality of SPO eligibility, selection and evidence requirements.

Mitigation action: Consult SPOs, Producer Networks and producer-facing teams on eligibility, access and evidence burden. Keep minimum normative requirements proportionate. Separate implementation guidance from requirements.

Risk 5 – Data and evidence requirements

There is a risk that the standard does not define the minimum records needed to verify payments, distribution, programme investment and module implementation.

Mitigation action: Define minimum data and records requirements, approval process for documents and reporting responsibilities in the standard or in clearly referenced annexes.	
Project Start Event: Approval to launch stakeholder consultation on the draft Standard for Advancing Farmer Income	Project Start Date: 8 July 2026
Project End Event: Publication of the approved add-on standard and communication of the implementation date	Project End Date 31 October 2026
Project Goal and Objectives: Goal: To develop an auditable Fairtrade add-on standard that defines requirements for advancing farmer income in Fairtrade-certified SPO supply chains. Objectives: • Define the purpose, scope, applicability and relationship of the add-on standard to the SPO Standard, Trader Standard and product standards. • Consult on requirements for brands and committed partners including LIRP commitment, projected and confirmed volumes, payment of LIRP differentials or equivalents, and programme investments. • Consult on requirements for SPOs, including budget and distribution planning, General Assembly approval, distribution records, payment records, data ownership, financial reporting and implementation of agreed module activities. • Consult on the modular structure of the standard with envisaged modules for LIRP payment, Thriving Producers, Environmental Resilience and Reducing Risk. • Clarify which requirements are normative standard requirements and which details belong in product/origin annexes or scheme-manual documents. • Identify decision points that must be resolved before final proposal and Standards Committee decision. Connection with Theory of Change (ToC): The project contributes to Fairtrade's goals to make trade fair, empower small-scale producers and foster sustainable livelihoods. It supports additional responsible purchasing practices including predictable multi-year commitments, income-related payments, investment in producer services ,and actions intended to strengthen resilience and reduce income-related risks. The expected contribution is at output and outcome level. Certification against the standard should not be framed as proof that each farmer earns a living income.	
Project scope: This project covers the development and consultation of the Fairtrade Standard for Advancing Farmer Income as a voluntary add-on standard. The standard needs to be considered alongside the Fairtrade Standard for Small-scale Producer Organizations. It also interacts with the Trader Standard, applicable product standards, Fairtrade Minimum Price and Premium rules, Fairtrade licensing and claim approval rules, and applicable assurance requirements.	Out of scope: • Development of the full LI scheme manual • Development of compliance criteria, audit checklists, audit workflow and auditor competence criteria • Development of claim wording, label/artwork design, mark-use guidelines, EUIPO registration and packaging approval processes • Accreditation submission, DAKS engagement or external recognition submission. These are scheme and assurance workstreams. • Legal advice. Legal assessment may inform risks and wording. This project assignment does not replace legal review. • Calculation of LIRP values, module fee amounts and product/origin-specific technical details, unless these are included in approved annexes.

Project timelines and information on opportunities to contribute: Scoping: completed Research: ongoing until 8 July Consultation: Open for +30-day consultation 16 July to 15 August. Stakeholders shall participate in the consultation through the Fairtrade consultation platform, accessible via the Fairtrade website Drafting Final proposal: 20 August to 10 September SC decision: 24 September 2026 Publication: Latest target date is 31 October. Implementation: As of publication date	Decision making process: Major project decision process: The final decision will be taken by the Standards Committee (SC), a body made up of stakeholder representatives. The SC will aim at making a decision based on consensus. They may reword the final proposal if needed to reach consensus. If consensus cannot be reached, the SC will resort to voting.
Project Owner (Unit): Fairtrade International - Standards & Pricing, Andreas Kratz.	Project Manager (contact point for the project): Fairtrade International - Standards & Pricing, Jebet Yegon, j.yegon@fairtrade.net For consultation input please refer to the information provided in the consultation document.
Project Team (Unit): Fairtrade International Standards & Pricing, with input from the Living Income programme team, Assurance and Oversight, Communications and Brand, relevant Producer Networks and National Fairtrade Organizations.	Project Environment (stakeholder groups not part of the project team): • Fairtrade-certified Small-scale Producer Organizations and their members. • Fairtrade-certified traders, payment conveyors, sourcing partners and supply-chain actors. • Retailers, brands, licensees and National Fairtrade Organizations interested in farmer-income claims. • FLOCERT and other approved assurance or licensing bodies where relevant. • Relevant experts on living income, producer finance, claims, assurance, data governance and human rights risk. • Civil society stakeholders and other stakeholders identified by Fairtrade International for the consultation.