

Consultation Document
Final Version
4 May 2026
Review of the Fairtrade
Premium for Cane Sugar



Consultation Period:
04.05.2026 – 29.05.2026

Project Manager:
Sandra Yañez-Quintero
s.yanez-quintero@fairtrade.net

Table of Contents

Fairtrade Abbreviations	2
Your Role in Shaping Fairtrade Premium Sugar	3
How to complete this document?	3
Next Steps	4
PART 1	5
Background	5
Rationale for a Premium Review	6
Scope of the Review	8
Project Goal.....	8
Key Objectives	8
Current Fairtrade Premium for Cane Sugar	8
Methodology for Updating Fairtrade Premium Values	9
Recommended Approach	10
PART 2	11
Information about your Organisation	11
Consultation on the Fairtrade Premium Values	14
<i>Conventional Cane Sugar - Proposal 1.</i>	14
<i>Organic Cane Sugar - Proposal 2.</i>	14
<i>Date of Implementation of the New FP - Proposal 3.</i>	15
<i>Measuring Stakeholder Expectations</i>	15
Additional Feedback	17
Annex – Technical Details on the Methodology for Updating Fairtrade Premium Values for Cane Sugar.....	18

Fairtrade Abbreviations

CLAC	Network of Latin American and Caribbean Producers
FTA	Network of Fairtrade Africa Producers
FT	Fairtrade
FMP	Fairtrade Minimum Price
FP	Fairtrade Premium
NAPP	Network of Asia and Pacific Producers
NFO	National Fairtrade Organisation
PN	Producer Network
SPO	Small-Scale Producer Organisation
SC	Standards Committee

Your Role in Shaping Fairtrade Premium Sugar

The Fairtrade Premium (FP) for cane sugar is currently under review, following a request submitted by the Fairtrade Producer Networks (CLAC, FTA and NAPP) to the Pricing Unit of Fairtrade International (FI), due to: 1) increasing production and compliance costs; 2) the need to reinforce the social and economic impact of the FP; and 3) the need to ensure the long-term financial sustainability and competitiveness of Fairtrade sugar producers.

In line with the ISEAL Code of Good Practice, which emphasises the importance of actively gathering, transparently documenting and meaningfully incorporating stakeholder feedback into decision-making processes, this document aims to establish a formal mechanism for collecting, analysing and responding to stakeholder input on the proposed revision to the Fairtrade Premium for cane sugar. The proposals are based on calculations derived from observations of changes in selected macroeconomic indicators, as well as discussions held by the project team. The team comprises representatives from PN and NFO, the Head of Pricing, colleagues from the Global Programmes, Products and Policy Unit, and the Project Manager at FI. FloCERT was also involved at the final stage of creating the consultation questionnaire.

To support the compilation and processing of stakeholder feedback, an online version of this questionnaire is available. If you cannot use the online version, please feel free to complete this questionnaire in Word and return it at standards-pricing@fairtrade.net

Please submit your feedback before 29 May 2026.

How to complete this document?

The target groups of this consultation are:

- Fairtrade certified cane sugar SPOs
- Fairtrade licensees, processors and retailers, as well as Fairtrade certified traders, including exporters, importers and brands
- Producer Networks, National Fairtrade Organisations, Fairtrade International.
- Governmental bodies, NGOs, researchers and subject matter experts.

The project manager will treat all information received from respondents with care and keep it confidential. The results of this consultation will only be communicated in aggregated form. However, to analyse the data, the project manager needs to know which responses are from producers, traders, licensees, and so on. Therefore, respondents are kindly asked to provide information about their organisation in Part 2. All feedback will be analysed and used to develop the final proposals for Fairtrade's Standards Committee to decide on.

Next Steps

The project manager will prepare a report summarising the consultation results. This report will guide the Project Team's proposal on the FP for Cane Sugar, which will be presented to the Fairtrade International's Standards Committee (SC). The results of the SC decision will be announced by email and on the Fairtrade International website.

If you have any questions, please contact the Project Manager:

Sandra Yañez-Quintero, s.yanez-quintero@fairtrade.net

If you are filling in the version in Word, send it back to standards-pricing@fairtrade.net

Thank you in advance for your feedback and valuable contribution to this process!



PART 1

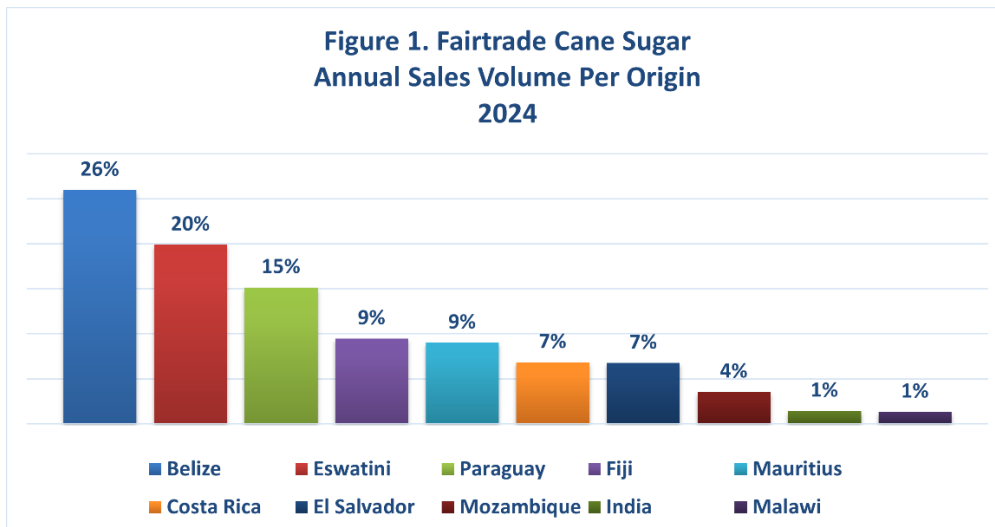
Background

Fairtrade is reviewing its Fairtrade Premium (FP) for both conventional and organic cane sugar. In the absence of a Fairtrade Minimum Price (FMP), the commercial price applies to this Fairtrade product category, with an additional FP of 60 USD/MT for conventional cane sugar and 80 USD/MT for organic cane sugar¹.

A recent analysis of Fairtrade cane sugar sales volumes between 2022 and 2024 shows that sales of conventional sugar remained stable during this period, representing 79% of the total². Similarly, sales of organic sugar followed the same stable trend, representing 21% in the same period. In 2024, the top 5 Fairtrade cane sugar origins in terms of sales volumes and Fairtrade premium generated were Belize, Eswatini, Paraguay (organic), Fiji and Mauritius.

¹ The premium for by-products is set at 15% of the commercial price. A premium review for by-products is out the scope of this project.

² Around 143,000 tonnes of cane sugar were sold under Fairtrade terms in 2024.



Fairtrade organic cane sugar is produced in the following countries: Cuba (production currently affected by economic and geopolitical challenges), India, Mozambique and Paraguay. Smaller volumes of organic mascobado/panela³ are produced in the Philippines, Peru, Ecuador and Colombia.

Rationale for a Premium Review

The four arguments that support this review are as follows: 1) the stagnation of the Fairtrade premium; 2) the absence of a Fairtrade minimum price; 3) changes in the European Union sugar policy; and 4) the fact that the ISEAL credibility principles as well as the 2026-2028 strategic goals of Fairtrade are not aligned with stagnant values.

At the 34th Standards Committee meeting in 2009, it was decided to retain the FP Model for cane sugar. The premium levels of 60 USD/MT for conventional sugar and 80 USD/MT for organic sugar, which had been set in the 1990s, were maintained at that time. Later, at Standards Committee Meeting No. 66 in 2015, the Cane Sugar FP model was re-evaluated following extensive stakeholder consultation. The agreement was to maintain the current FP model and values due to upcoming changes in the European Union sugar policy. In economic terms, this represents a reduction in farmers' purchasing power, as these FP values have decreased in real terms over time.

Furthermore, since the last review in 2015, Fairtrade sugar producers have been confronted with a highly volatile market and fluctuating prices. Volatile markets and prices, coupled with rising input and compliance costs as well as the impact of climate change, are particularly challenging for small-scale farmers. World sugar prices for London N.5 and New York N.11 futures reached 700 and 500 US dollars per tonne respectively over the period 2023-2024. By

³ A Fairtrade Premium Review for mascobado/panela is beyond the scope of this project. However, based on discussions with some producer representatives, conducting a separate review after finalising the current one would be sensible, provided this is agreed by the project team and the head of pricing.

March 2026, these prices had fallen to 450 and 350 US dollars per tonne, respectively⁴. In the absence of a Fairtrade Minimum Price for cane sugar producers, the situation regarding the world price and high costs makes the Fairtrade Premium more relevant. The FP should keep its purchasing power to guarantee investments for farmers at SPO level, but it has not been adjusted to reflect changes in macroeconomic conditions and government policies.

Changes in the European Union (EU) sugar policy over the years have shifted the landscape for sugar producers, moving them from a preferential market access with guaranteed reference prices to a liberalised market where prices are determined by demand and supply. Under the EU's sugar policy, guaranteed reference prices for refined beet and cane sugar were phased out starting in 2006, eventually concluding around 2013. This was followed by the landmark 2017 Common Agricultural Policy (CAP) reform which abolished production quotas and minimum beet prices, significantly shifting market dynamics ever since.⁵

The guaranteed reference prices from which Fairtrade sugar producers in African, Caribbean and Pacific (ACP) countries and Least Developed Countries (LDCs) benefited were a factor in setting the existing premium level. Currently, most Fairtrade producers are in these countries and exposed to full market volatility without a buffer; the Fairtrade Premium is their only remaining safeguard.

Finally, the need to provide up-to-date information in line with [ISEAL's credibility principles](#) and [Fairtrade's 2026–2028 strategic goals](#) constitutes a compelling reason to review the cane sugar premium. According to ISEAL, a credible sustainability system must focus on significant sustainability impacts within its scope. Fairtrade's theory of change⁶ reflects this by promoting fair trade through targeted interventions that generate measurable impacts for farmers in global supply chains. Furthermore, Fairtrade's strategic goal of shared commitment affirms that Fairtrade will continue to elevate farmers' voices by building credible influence that delivers greater market access and impact. However, if the Fairtrade Premium for cane sugar remains based on outdated values, with no value creation or continual improvement (as ISEAL members advocate) it will no longer carry meaningful economic impact for farmers, nor will it meet the credibility that Fairtrade and ISEAL uphold. While farmers' efforts to comply with modern regulatory requirements and standards have undoubtedly increased, the real value of the premium has steadily shrunk.

⁴ Sugar market observatory, European Commission: https://agriculture.ec.europa.eu/data-and-analysis/markets/overviews/market-observatories/sugar_en

⁵ Press Release Sep 29, 2017, "EU sugar quota system comes to an end", European Commission: https://ec.europa.eu/commission/presscorner/detail/en/ip_17_3487

⁶ <https://www.fairtrade.net/en/why-fairtrade/what-we-do/theory-of-change.html>

Scope of the Review

Re-evaluate the Fairtrade premium values for both organic and conventional cane sugar worldwide by observing changes in selected macroeconomic indicators.

The following aspects are outside the scope of this review:

- Collection of Costs of Production from producers and setting of Fairtrade minimum prices.
- Setting regional Fairtrade premiums.
- Setting premiums for different product specifications.
- Setting premiums for by-products.
- Setting a premium for panela/mascobado as non-centrifugal sugar.
- Reviewing standards criteria, *e.g.* with the aim of setting earmarked premiums.

Project Goal

Re-evaluate the Fairtrade Premium (FP) values for both conventional and organic cane sugar worldwide to preserve the relevance and impact of the FP for farmers, in line with market developments.

Key Objectives

- ✓ Re-evaluate the Fairtrade Premium based on two macroeconomic indicators:
 - Inflation, measured by the consumer price index (CPI) and
 - Purchasing power, measured by the price level ratio of purchasing power parity to market exchange rate (PPP).
- ✓ Consult relevant stakeholders on proposed FP values.
- ✓ Present the final proposals, following consultation and discussions with the project team, to the Standards Committee members for approval and implementation.

Current Fairtrade Premium for Cane Sugar

The [Fairtrade Standard for Small-Scale Producer Organisations](#) (SPOs) defines the FP as an additional sum paid on top of the price into a communal fund, which SPOs manage democratically to improve their social, economic, and environmental conditions. In line with this, the [Fairtrade Standard for Cane Sugar](#) requires producers to plan the use of the FP through a Fairtrade Development Plan. This includes discussing whether investing in activities that improve productivity and quality could strengthen members' income security and

presenting these conclusions to the General Assembly for approval. While the standard encourages allocating at least 25% of the Premium to productivity, quality, and sustainable production improvements, producer organisations ultimately retain the freedom to decide how the funds are used.

Table 1.1 Fairtrade Premium for Cane Sugar

Quality	USD/MT*
Conventional	60
Organic	80

*Note: US dollars per Metric ton

Methodology for Updating Fairtrade Premium Values

Two approaches were considered for updating the current FP values:

- 1) Inflation correction by adjusting the share of 2024 FT sales⁷ per producing country, disaggregated by type (conventional and organic sugar).
- 2) Inflation and purchasing power parity correction, establishing a country baseline for conventional and organic countries.

The 10-year analysis period for the calculations, from January 2016 to January 2026, was defined based on the last premium review process, which was conducted in 2015, and the official start of this review.

The top ten countries with the highest Fairtrade sugar sales in 2024 were used to select the sample, which was then divided into two subsamples according to sugar type. Table 1.2 shows the countries producing Fairtrade conventional (orange) and organic (green) cane sugar that were considered when applying the two approaches.

Table 1.2 Fairtrade Cane Sugar Sample

Sub-sample	Country	Quality	FT volume sales 2024	Baseline*
Conventional	Belize	Conventional	33%	X
	Swaziland/Eswatini	Conventional	25%	
	Fiji	Conventional	12%	
	Mauritius	Conventional	11%	
	Costa Rica	Conventional	9%	
	El Salvador	Conventional	9%	
	Malawi	Conventional	1%	
Organic	Paraguay	Organic	79%	X
	India	Organic	18%	
	Mozambique	Organic	3%	

⁷ This is the most up-to-date, clean Fairtrade data available.

*Note: The highest-selling Fairtrade conventional and organic sugar origins were set as baselines for calculations when applying approach 2, following the share of 2024 Fairtrade volume sales per type of cane sugar.

Recommended Approach

Approach 2 is recommended by the project team, as it is more comprehensive in terms of technical input. Both approaches include inflation, *i.e.* the increase in prices over the analysis period, for which the Consumer Price Index data per country was employed⁸. Nevertheless, approach 2 incorporates an additional macroeconomic indicator alongside inflation: the price level ratio of the purchasing power parity (PPP) conversion factor to the market exchange rate⁹. PPP measures how many units of a country’s currency are needed to purchase the same quantity of goods and services as 1 USD would purchase in the United States of America. In other words, adding PPP to the update calculation takes local context into account, so the increase is not as flat as it would be in approach 1, where local purchasing power realities are not considered.

Table 1.3 Update Outcomes

Approach	Technical input	Calculation outcome (USD/MT)
Approach 1	Inflation 2024 FT sales	Conventional FP = 79 Organic FP = 118
Approach 2	Inflation <u>Purchasing Power Parity</u> 2024 FT sales	Conventional FP = 75 Organic FP = 100

As illustrated in table 1.3, the recommended approach (Approach 2) yields a 25% increase for both conventional and organic cane sugar, compared to 33% and 48% respectively under Approach 1 (inflation correction only). In terms of economic incentives for organic producers, Approach 2 delivers an ideal outcome: both premiums increase at the same rate, while the absolute difference between them widens — from 20 USD/MT under the current values (80 minus 60) to 25 USD/MT under the proposed values (100 minus 75)¹⁰. A larger organic premium differential could therefore incentivise the production of organic cane sugar in the future, given that organic production is more costly than conventional.

⁸ For some of the countries in the sample, the latest CPI data only went up to December 2025. Mauritius only has CPI data from April 2018 onwards. Data source: Trading Economics.

⁹ The most recent PPP data available on the World Bank database is from 2024.

¹⁰ The Annex contains further technical details on approach 2.



PART 2

In the 2nd part of this document, you will be asked to provide information about your organisation, and your role in the supply chain. This is particularly important as it helps us understand the perspective of the answers provided. Respondents are kindly asked to complete this section before proceeding with the consultation itself.

Thank you in advance for your cooperation 😊

Information about your Organisation

The consultation is aimed at organisations such as SPOs, mills, traders, final buyers. If you are an SPO, we encourage you to involve your members. Please provide the information requested below. Your responses will be used solely for analysing the consultation.

1.1 Organisation Information

Please provide basic information about your organisation.

Name of your organisation	Click or tap here to enter text.
Grade of the organisation	Choose an item.
Name of contact person	Click or tap here to enter text.
Email address	Click or tap here to enter text.
Phone number	Click or tap here to enter text.
Country	Click or tap here to enter text.
Region	Choose an item.
FLO ID	Click or tap here to enter text.

1.2 Supply Chain Primary Role

1.2.1 Please select all applicable boxes corresponding to the activities your organisation performs in the supply chain (multiple answers allowed):

- | | |
|--|-----------------------------------|
| <input type="checkbox"/> Producer Organisation | <input type="checkbox"/> Brand |
| <input type="checkbox"/> Processor | <input type="checkbox"/> Retailer |
| <input type="checkbox"/> Exporter | <input type="checkbox"/> Licensee |
| <input type="checkbox"/> Importer | <input type="checkbox"/> None |

1.2.2 If you are not responding on behalf of any of the organisations in the sugar supply chain listed in 1.2.1, please indicate the organisation you represent in this consultation by selecting it from the list below:

- NFO (National Fairtrade Organisation)
- PN (Fairtrade Producer Network)
- NGO (Non-Governmental Organisation)
- FI (Fairtrade International)
- Other, please specify: Click or tap here to enter text.

1.3 Cane Sugar Type

Provide information only for cane sugar (or sugar cane for producers) produced, sold, or purchased on Fairtrade terms.

1.3.1 Indicate which type of cane sugar you produce, sell or purchase as Fairtrade

- Conventional
- Organic

Both conventional and organic

1.3.2 Provide the approximate percentage of conventional or organic Fairtrade cane sugar that your organisation produced, sold or bought in the last two years.

Conventional: Click or tap here to enter text. %

Organic: Click or tap here to enter text. %

1.4 Fairtrade Cane Sugar Sourcing Regions

For cane sugar buyers. Please indicate the regions from which you source Fairtrade cane sugar. (Multiple responses allowed)

Latin America and the Caribbean

Africa and Indian Ocean

Asia and the Pacific

Other, please specify: Click or tap here to enter text.

Consultation on the Fairtrade Premium Values

Conventional Cane Sugar - Proposal 1.

Based on Approach 2 (inflation and purchasing power parity correction), it has been proposed that the Fairtrade Premium for **conventional sugar** should increase from 60 to **75 USD per metric ton (MT)**.

Question 1. What do you think about the proposed Fairtrade Premium of 75 USD/MT for conventional cane sugar? *Please just select one option:*

I agree — 75 USD/MT is appropriate	<input type="checkbox"/>
I disagree — the proposed value is too low	<input type="checkbox"/>
I disagree — the proposed value is too high	<input type="checkbox"/>
I prefer the current value – 60 USD/MT	<input type="checkbox"/>

Please briefly explain the reason for your choice (*optional, approximately 100 characters*):

Click or tap here to enter text.

Organic Cane Sugar - Proposal 2.

Based on Approach 2 (inflation and purchasing power parity correction), it has been proposed that the Fairtrade Premium for **organic sugar** should increase from 80 to **100 USD per metric ton (MT)**.

Question 2. What do you think about the proposed Fairtrade Premium of 100 USD/MT for organic cane sugar? *Please just select one option:*

I agree — 100 USD/MT is appropriate	<input type="checkbox"/>
I disagree — the proposed value is too low	<input type="checkbox"/>
I disagree — the proposed value is too high	<input type="checkbox"/>
I prefer the current value — 80 USD/MT	<input type="checkbox"/>

Please briefly explain the reason for your choice (*optional, approximately 100 characters*):

Click or tap here to enter text.

Date of Implementation of the New FP - Proposal 3.

Sugar contracts vary widely. The FP payers pay the FP when they source Fairtrade certified sugar from mills/exporters to producers. If they source non-Fairtrade sugar (Fairtrade eligible sugar) first, they will pay the premium retroactively to producers¹¹. FP payers negotiate contracts with the mill and/or exporter at origin, rather than with the SPO, for the purchase of cane sugar.

If an increase to the Fairtrade Premium (FP) is approved, the new FP values will take effect on one of three proposed implementation dates. Contracts signed before the validity date will refer to the current FP values, while those signed on or after the validity date must adhere to the new values. As retro certification is common practice, the premium invoice will serve as the contract date ¹².

Question 3. If you support increasing the Fairtrade Premium values, when should the new values be introduced? *Please just select one option:*

I support an introduction from 1 January 2027	<input type="checkbox"/>
I support an introduction from 1 July 2027	<input type="checkbox"/>
I support an introduction from 1 January 2028	<input type="checkbox"/>

Please briefly explain the reason for your choice (*optional, approximately 100 characters*):

Click or tap here to enter text.

Measuring Stakeholder Expectations

Question 4. If the proposed Fairtrade Premium increase for conventional and organic cane sugar is **implemented from 1 January 2027**, how do you expect it to affect your Fairtrade cane sugar sales/purchase volumes? *Please just select one option:*

I expect my sales/purchase volumes to remain stable	<input type="checkbox"/>
I expect my sales/purchase volumes to increase	<input type="checkbox"/>
I expect my sales/purchase volumes to decrease	<input type="checkbox"/>
I am unsure / it is too early to assess	<input type="checkbox"/>

¹¹ Fairtrade Standard for Cane Sugar, requirements 4.8.1, 4.8.2 and 4.8.3 on Retro-certification.

¹² Please note that, as happens in other Fairtrade product categories, the project team members should agree on any review cycle internally. This will be agreed after the consultation period.

Please briefly explain the reason for your choice (*optional, approximately 100 characters*):

Click or tap here to enter text.

Question 5. If the proposed Fairtrade Premium increase for conventional and organic cane sugar is **implemented from 1 July 2027**, how do you expect it to affect your Fairtrade cane sugar sales/purchase volumes? *Please just select one option:*

I expect my sales/purchase volumes to remain stable	<input type="checkbox"/>
I expect my sales/purchase volumes to increase	<input type="checkbox"/>
I expect my sales/purchase volumes to decrease	<input type="checkbox"/>
I am unsure / it is too early to assess	<input type="checkbox"/>

Please briefly explain the reason for your choice (*optional, approximately 100 characters*):

Click or tap here to enter text.

Question 6. If the proposed Fairtrade Premium increase for conventional and organic cane sugar is **implemented from 1 January 2028**, how do you expect it to affect your Fairtrade cane sugar sales/purchase volumes? *Please just select one option:*

I expect my sales/purchase volumes to remain stable	<input type="checkbox"/>
I expect my sales/purchase volumes to increase	<input type="checkbox"/>
I expect my sales/purchase volumes to decrease	<input type="checkbox"/>
I am unsure / it is too early to assess	<input type="checkbox"/>

Please briefly explain the reason for your choice (*optional, approximately 100 characters*):

Click or tap here to enter text.

Question 7. For producers only. How do you expect an increased FP to impact your investments at SPO level? *Please keep your response concise (approximately 400 characters).*

Click or tap here to enter text.

Additional Feedback

Question 8. Is there anything else you would like to share with the Project Team? Your feedback will help inform the outcomes of this consultation and future reviews. *Please keep your response concise (approximately 200 characters).*

Click or tap here to enter text.

Thank you! You have reached the end of the consultation 😊

Annex – Technical Details on the Methodology for Updating Fairtrade Premium Values for Cane Sugar

Approach 2 – Correction for Inflation and Price level ratio of Purchasing Power Parity (PPP)

The Pricing Unit (PU) of Fairtrade International applies a methodology for updating components included in the price mechanism. In the case of the Fairtrade Premium, which is not linked to any production cost, it has been standard practice to use macroeconomic indicators that reflect the current realities of producer countries, in line with Fairtrade International’s mission. Within the methodology, inflation as measured by the Consumer Price Index (CPI) has been used to bring the premium prices up to date. On this occasion, the PU has introduced an additional macroeconomic indicator, which strengthens the robustness of the methodology.

*The Price level ratio of PPP conversion factor (GDP) to market exchange rate*¹³, measures differences in general price levels between a given country and the United States (US) by indicating the number of USD required to purchase the same volume of goods and services in that country as one USD buys in the US. A ratio below 1 indicates that the general price level of the country is lower than in the US, while ratio above 1 indicates a higher general price level.

The methodology covered the top ten Fairtrade cane sugar origins by 2024 sales volume, divided into two sub-samples by production type: conventional and organic. Since the last premium review took place in 2015, a 10-year period (January 2016 to January 2026) was used to calculate the inflation factor (the increase in the CPI over time). For the PPP, the reference year is 2024, as it is the most recent year for which data is available in the World Bank database.

Formula 1 converts current Fairtrade Premium into a real, internationally comparable value by adjusting for both local price levels and cumulative inflation over the review period.

$$\text{Formula 1: Adjusted value} = \frac{\text{Current FP}}{\text{2024 price ratio PPP}} * \frac{1}{\text{Inflation factor}}$$

Once all countries in the sample were adjusted, a representative value per sub-sample was identified using the median of the adjusted values. For the conventional sub-sample, the median is 116 USD/MT, corresponding to Mauritius, rounded to 115 USD/MT. For the organic sub-sample, the median is 160 USD/MT, corresponding to Paraguay. However, given that the organic sub-sample comprises only three countries, the median is not statistically appropriate. The technical recommendation was to use the highest value in the sub-sample, corresponding to India: 211 USD/MT, rounded to 200 USD/MT.

To translate these adjusted values back into a new nominal premium, a baseline country was selected for each sub-sample. The baseline anchors the recalculation by applying its specific inflation and PPP

¹³ For more information please visit: <https://databank.worldbank.org/metadataglossary/world-development-indicators/series/PA.NUS.PPPC.RE>

parameters to the representative adjusted value, ensuring the new premium reflects real purchasing power conditions in the most representative origin. Based on their 2024 share of Fairtrade sales, Belize was selected as the baseline for conventional cane sugar and Paraguay for organic cane sugar.

$$\text{Formula 2: } \text{New FP} = \text{Adjusted value} * \text{Inflation factor baseline} * \frac{\text{2024 price ratio}}{\text{PPP baseline}}$$

Applying Formula 2 with Belize as the baseline produces a new conventional premium of 75 USD/MT. For organic cane sugar, applying Formula 2 with Paraguay as the baseline produces a proposed new premium of 100 USD/MT.

Table 1.4 Approach 2: Correction for Inflation and price ratio Purchasing Power Parity*

Type	Country	Inflation Factor	2024 PPP	FP USD/MT	Adjusted value	FT volume sales 2024	FP Proposal USD/MT
Conventional	Belize**	1.22	0.535	60	92	33%	75
	Swaziland Eswatini	1.54	0.331		118	25%	
	Fiji	1.09	0.416		132	12%	
	Mauritius	1.38	0.377		116	11%	
	Costa Rica	1.16	0.598		87	9%	
	El Salvador	1.18	0.421		120	9%	
	Malawi	3.33	0.281		64	1%	
Organic	Paraguay**	1.44	0.346		80	160	
	India	1.57	0.241	211		18%	
	Mozambique	1.91	0.385	109		3%	

*Source: Trading Economics, World Bank, Fairtrade International — **Baseline