What can we learn from Fairtrade to achieve the development of a sustainable cocoa economy

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Our vision:

“A world in which all producers can enjoy secure, sustainable livelihoods, fulfill their potential and decide on their future”
Linking sustainable production & consumption: Producer Standards

Fairtrade certified and labelled products represent:

- **Sustainable production at producer level:**
  - Minimum and progress requirements capturing social and environmental concerns (development approach)
  - A tool for development and empowerment

- **Sustainable consumption for consumer market**
  - An informed choice in shopping behaviour
  - Conscious and engaged consumption
Ensure Fair business: Trade Standards

- Long term and stable relationship
- Pre-financing
- Transparency in the whole supply chain
- Payment of (at least) the Fairtrade Minimum Price and a social premium
Price intervention

To sustain a viable business for the weakest in the supply chain:

- **Fairtrade Minimum price as safety net**
  - If market price > FT Minimum Price: market price must be paid

- **Premium to invest in social, economic or environmental projects**
An independent certification body to ensure:

- the credibility of the label to consumers
- Compliance of all operators to Fairtrade standards
Fairtrade additional functions

- Labelling Initiatives
- Producers support
- Multi stakeholder Governance system
Business Partnerships (Examples)

- Cadbury
- Divine Chocolate
- Gepa
- Barry Callebaut
- Oxfam
Conclusion

A mix and balance of all these is essential to create a true sustainable option in the cocoa economy that is economically viable, ecologically sound and socially responsible.
THANK YOU

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ANNEXES
Sustainable production (producer standard)

Social:
- Democracy, participation of members and transparency
- Non-discrimination
- Members are small farmers

Economic:
- Economic strengthening of organisation (capacity of export)
- Fairtrade Premium

Environmental:
- Environmental Protection (waste/water management, fire etc...)
- List of prohibited chemicals
- No GMO

Labour conditions
- ILO standards (Mainly 8 Core Conventions)
Fairtrade Minimum Price + Premium

- **Fairtrade Minimum price as safety net**
  - FT Minimum Price: 1600 US$ per MT FOB
  - Organic differential compared to conventional: 200 US$ per MT
  - If market price > FT Minimum Price: market price must be paid

- **Premium to invest in social, economic or environmental projects**
  - FT Premium: 150 U$ per MT conventional Cocoa
  - Total price for FT organic Cocoa: 1950 US$ per MT
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<th><strong>Fairtrade Labelling</strong></th>
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| **FLO International e.V.** | • Strategy  
• Standards development  
• Producer support  
• International policy and advocacy |
|---------------------------|--------------------------------------------------|
| **FLO-CERT Ltd.**         | • Producer certification  
• Trade audit |
|---------------------------|--------------------------------------------------|
| **Three Producer Networks:** | • Awareness raising in the south  
• Participation in policy and standards setting  
• Developing partnerships and capacity support  
• Governance (co-ownership of FLO eV) |
| **Central & Latin America** | --------------------------- |
| **Asia**  
**Africa** | ---------------------------------- |
|---------------------------|--------------------------------------------------|
| **20 National Labelling Initiatives** | • Licensing the label  
• Marketing and communication  
• Trade certification  
• Governance (co-ownership of FLO eV) |