

The future is fair

# Protecting forests with Fairtrade cocoa



Starting in late 2024, new European Union regulation on deforestation will phase into operation to ensure that products causing deforestation or forest degradation are not sold in the EU. The new rules insist that businesses selling coffee in the European market, exporting coffee from Europe, or taking part in other business activities with coffee undertake a relevant due diligence process. The scope of the regulation is understood to cover importers, exporters, manufacturers, brands, and retailers.

The Fairtrade Standards, which include the **Fairtrade Minimum Price** and the **Fairtrade Premium**, complement the EU deforestation law and promote sharing the burden of meeting regulation more fairly amongst all stakeholders in the supply chain, from farmers to exporters and importers, to manufacturers, brands, and retailers. Fairtrade also offers additional payment for organic cocoa, recognizing the extra costs related to organic production.

**Structural poverty is a root cause of deforestation.** Due to low prices and low incomes, poverty is widespread among many smallholder farmers in countries producing cocoa. A lack of decent living conditions leads people to turn to the forest to fulfill fundamental needs such as food and energy. Smallholder farmers sometimes seek income opportunities by planting cocoa in those already degraded areas, usually resulting in further soil damage and ongoing economic hardship. Fairtrade programs contribute to smallholder farmers protecting forests and promoting biodiversity.

**Forests must be protected with legislation that incorporates fairness and social justice.** Through the Fairtrade Standards, our aim is for Fairtrade cocoa to be produced with respect for the forest boundaries as of December 31, 2018 – meaning grown on land that was not deforested after that cut-off date.

**There can be no sustainable cocoa sector until farmers earn a living income.**

## A range of tailored programs complements the Fairtrade Cocoa Standard, including:

Access to farm geolocation data and the tools for cooperatives to manage this data via a partnership with FarmForce in Cote d'Ivoire

Access to satellite monitoring data of deforestation risks for cooperatives via a partnership with Earthworm Foundation

Promotion of smallholder farmers as forest protectors through a dynamic agroforestry project

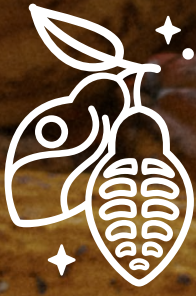
**Forests will only be protected when we work together.**

Fairtrade offers multiple ways that companies and brands can put their values into action.

Work with us to transform your supply chain and discover what is fair.

To learn more about Fairtrade, visit: [fairtrade.ca](https://fairtrade.ca) or contact: [license@fairtrade.ca](mailto:license@fairtrade.ca).





# How Fairtrade complements the EU Deforestation Regulation at each stage of the supply chain

Fairtrade Standards and programs support farmers and producer organizations to produce and trade cocoa that does not rely on deforestation.



## Fairtrade cooperatives protect forests, Fairtrade Cocoa Standard 3.4.2 and 3.4.3:

Cooperatives assess and monitor risk of deforestation as part of a wider HREDD analysis. Cooperatives use the results for a deforestation prevention and mitigation plan; raise awareness of risk areas amongst farmers and activities or production practices that have a negative impact; and promote the implementation of production practices that have a positive impact.

**3.4.4** Exporters, importers, manufacturers, brands and retailers support cooperatives to prevent and mitigate deforestation.

**Fairtrade Cocoa Standard 3.4.1:** No deforestation after December 31, 2018.

**Fairtrade Cocoa Standard 3.4.5:** Cooperative has geolocation data for all 100% of farm units. Polygons if over 4 hectares.

**Fairtrade Cocoa Standard 3.4.6:** Payers and conveyers (typically exporters) have same data as 3.4.5 and share this with cooperatives.

**Program intervention:** Through our partnerships, Fairtrade provides farm-level satellite deforestation risk data to coops based on farm mapping data they provide, to meet Cocoa Standard requirement 3.4.2. Where data are available, they are used by Fairtrade's assurance provider FLOCERT for deforestation risk identification per the Cocoa Standard.

**Fairtrade Cocoa Standard 2.1.4:** First mile traceability – cooperatives deploy digital solutions to trace cocoa beans sold to the cooperative back to their individual farms of fields.

**Fairtrade Cocoa Standard 2.1.1:** Checking that only Fairtrade cocoa enters the supply chain - cooperative records individual member production and total production of the cooperative. This includes both estimated and actual production. Estimated production is compared to actual production and/or sales. Significant differences are recorded, investigated and measures taken to prevent reoccurrence.

**Fairtrade Cocoa Standard 2.1.3:** First mile traceability – cooperatives document the product flow map and traceability procedure from farmer to first buyer. Risk identification of any mixing of cooperative member and non member cocoa.

**Program intervention:** Fairtrade has partnered with digitalized internal management systems provider Farmforce since 2020. Cooperatives are introduced to the Farmforce tool which can be used to digitalize traceability of cocoa from farm to cooperative, map cooperative members farms and many more business benefits for the cooperative and its members.

**Fairtrade Small Producer Organization Standard 2.1.1:** Fairtrade certifies all members of the cooperative, any cocoa bought by the cooperative from non members must be segregated and cannot be sold as Fairtrade.

**Fairtrade traceability:** Fairtrade offers mass balance or physical segregation options. It is the choice of those in the supply chain. Where mass balance is chosen, some supply chain actors work together to link to specific cooperatives even if the product is not physically traceable.

**Out of scope of Fairtrade:** The regulation states certification should not replace a business due diligence obligations in the EU Deforestation Regulation. Certification can only contribute to the risk analysis.

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