

Mr. Christophe Hansen  
Commissioner for Agriculture and Food

Mr. Fabien Santini  
Head of Unit Governance of Agri-food Markets, DG AGRI

Brussels 09 March 2026

Ref. Study on regulatory and voluntary schemes for fair agricultural remuneration

Dear Mr. Hansen, dear Mr. Santini,

The Fair Trade movement welcomes the study on regulatory and voluntary schemes for fair agricultural remuneration commissioned by the European Commission. The movement shares the conclusion that there is an opportunity for private voluntary schemes to deliver value beyond legislative standards. By providing clear frameworks, shared references and explicit pathways for progress, fair trade schemes enable continuous advancement towards fair remuneration and more sustainable production models, rather than mere compliance with minimum standards. In this context, the movement also acknowledges the study's finding of positive impacts of fair remuneration schemes on farmer revenue and cost coverage.

The movement wishes to contribute to the EC's expertise on the subject by nuancing some of the sections of the study in which there are factual mistakes or misinterpretations, and offering a greater level of detail on aspects of fair trade schemes functioning that can nourish the policy debate at EU level.

**1. Factual correction: definition of fair trade schemes as opposed to fair remuneration ones**

The study acknowledges that it has been unable to 'establish the impact on farmers' remuneration or cost coverage of fair trade schemes', allegedly because of their relatively small market share. From the Fair Trade movement's perspective, the main reason for this challenge is that there is an important misconception in the definition of fair trade scheme as opposed to fair remuneration scheme.

The study mentions that the main difference between fair trade schemes and fair remuneration ones is that:

*"Fair trade schemes may pursue social objectives such as improving working conditions on the farm and the rest of the supply chain; the primary focus is not necessarily specifically tailored to ensure farmer remuneration"*

The Fair Trade movement wishes to nuance this statement. Fair trade schemes go beyond ensuring a fair remuneration, but unquestionably have fair remuneration as their primary focus. Fair trade does not *only* focus on farmer remuneration, but farmer income and livelihoods are *always* among the main foci, and shines as the most important one. Our experience shows that simply committing to remunerative prices is not, on its own, sufficient to sustainably improve farmers' incomes and

livelihoods. Fair trade therefore integrates a broader set of commitments that are essential for fair remuneration to deliver real impact, including multi-year contracts, the building of long-term relationships of trust and close dialogue between commercial partners, and ongoing support to producers. The Fair Trade movement has agreed on a common set of guiding principles enshrined in the International Fair Trade Charter<sup>1</sup>, which defines Fair Trade as a trading partnership, based on dialogue, transparency and respect, that seeks greater equity in international trade. It contributes to sustainable development by offering better trading conditions to, and securing the rights of, marginalized producers and workers – especially in the South. Fair Trade Organizations, backed by consumers, are engaged actively in supporting producers, awareness raising and campaigning for changes in the rules and practice of conventional international trade.

The Charter, launched in 2018, referred to fair trade as operating ‘*especially* in the South’ but was already forward looking as it didn’t restrict the approach *exclusively* to the South. Since then, a number of fair trade schemes have piloted experiences with EU produce, applying approaches based on international fair trade, and adapted to the local context.

The standards applied by fair trade organizations such as Fairtrade International, Agri-Éthique, Solidale Italiano or World Fair Trade Organization show that the excerpt of the study quoted above is factually incorrect. The functioning of these schemes, which will be described later in this paper, has the remuneration scheme as their core and is designed to ‘offer farmers better trading conditions’. Some of the schemes go to the extent to be able to publicly display the methodology they apply to reach the minimum price and premium for a given commodity.

As a conclusion, the difference between fair trade schemes and fair remuneration schemes - if we are to maintain that categorization - is that while the latter focus exclusively on farmer remuneration, the former abide, *on top of that*, by the principles enshrined in the International Fair Trade Charter which include for example awareness raising and in campaigning for changes in the rules and practice of conventional international trade.

## **2. Factual correction: confusion in the relationship and links between the different fair trade organizations**

*“While the schemes aiming to ensure fair farmer remuneration tend to be inspired by the fair trade concept, there are also schemes based more explicitly on fair trade approaches, adapted to the north-to-north context (based on the original south-to-north approach). Fair trade organisations and schemes abide by the principles of Fairtrade International, the World Fair Trade Organization and/or the World Fair Trade Organization-Europe (WFTO). Schemes of this type exist in many Member States, including **France** (for example, Agri-Éthique amongst others), and **Italy** (Solidale Italiano).”*

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<sup>1</sup> See. <https://fairtrade-advocacy.org/posts/28-international-fair-trade-charter>

The consultant has attempted to capture the diversity of the Fair Trade movement's schemes in this paragraph, but the result might be misleading. The different actors operate in a plethora of ways that are not easily comparable.

#### **a) The World Fair Trade Organization**

The World Fair Trade Organization is a global community of enterprises that practice its set of 10 Fair Trade Principles<sup>2</sup>, and also the organization that verifies that they fully do. It's a membership organization composed mainly of small and medium-sized enterprises operating globally in different sectors: from food to fashion, from houseware to tourism, from toys to digital services. Their Members constitute themselves in regional networks: WFTO Europe, WFTO Latin America, WFTO Africa & Middle East, and WFTO Asia.

WFTO operates a product guarantee scheme or label, but it's important to highlight that only companies who are Guaranteed Members of WFTO (i.e. having gone through an external audit to verify that they abide by the 10 Principles) can use the label. A company whose DNA is not in line with WFTO would not be able to use their label on one of its products, even if that product followed certain production methods and processes.

WFTO Members may operate in developing countries and sell in the EU; operate in developing countries and sell locally; or operate in the EU and sell locally. **Solidale Italiano**, one of the companies quoted by the study is an example of a WFTO-certified company engaging in North-North fair trade. The WFTO label is among those following the definition of fair trade enshrined in French law, and hence being able to operate as a 'fair trade' scheme in France. It can do so with both, the products of non-EU WFTO members, and those of local WFTO members.

It is important to note that a WFTO Member may decide to use any external label or certification on its products, including fair trade ones. For example, an SME belonging to WFTO may sell one of its products using a Fairtrade International certification (provided that this particular product meets the Fairtrade standards, see below)

#### **b) Certification schemes: Fairtrade International**

The study refers to Fairtrade International (FI) as a 'set of principles', which is misleading. Fairtrade International is a scheme that sets standards with criteria for farmers, workers, traders and other partners to comply with. Fairtrade Standards are set in compliance with the ISEAL code of Good Practice (<https://isealalliance.org/what-we-do/credible-practice/iseal-code-good-practice-sustainability-systems>). It is therefore a scheme based on concrete and measurable conditions and characteristics that are the articulation of a set of principles. The organization producing the goods that will be sold under the FI label must be audited against a set of criteria including social, environment and human rights protection elements. On the other hand, the buyer must be able to prove that it is paying a given minimum price and a premium on top of it, and fulfil certain transparency and traceability rules.

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<sup>2</sup> Details on the 10 WFTO Principles, here: <https://wfto.com/our-fair-trade-system/our-10-principles-of-fair-trade/>

FI acts as standard setter, while an independent organization, FLOCERT, accredited against *ISO 17065*, the internationally recognised ISO norm for product certifiers, certifies the producer organizations. It is also important to highlight that a unique value of FI is that the scheme is fifty percent co-owned by National Fairtrade Organizations (organizations operating at the consumer end and engaging with the brands that use the FI label), and Producer Organizations, that coordinate the different networks of fairtrade cooperatives around the world.

Finally, it is essential to note that FI is a not-for-profit NGO engaged -besides standards setting, providing services to its members, and management and licensing of the Fairtrade mark- in campaigning, advocacy, and development projects.

Fairtrade operates by defining standards that include both a minimum price as well as a premium for most of a closed list of commodities. For the majority of products FI calculates a Fairtrade minimum price which applies when the international market price is below that amount. The minimum price aims at covering the cost of sustainable production and takes into consideration the region, exact quality of the product, and other variables. On top of this Fairtrade minimum price, buyers must pay a Fairtrade Premium, which is defined by FI as a given value/weight unit. The Premium varies from one commodity to another one. For some products, such as flowers, there is no Fairtrade Minimum price, but only a premium calculated as a percentage of the negotiated price. Minimum prices and premiums vary depending on whether the product is organic or input-intensive. All Minimum prices and premiums are available online.

### c) Fairtrade certified products of EU origin

FI's success in improving the livelihoods of developing countries' farmers, and empowering EU consumers has led Fairtrade/Max Havelaar France (MHF)<sup>3</sup> to develop local pilots. The schemes developed by MHF operate in a similar way to the rest of FI supply chains: they are based on a minimum price that applies when the market price goes below that level, and a premium on top of it.

- **Fairtrade milk<sup>4</sup>**
  - Minimum Price for conventional milk: 465€/1000 litter in plain area (before the common premium for fat and proteins, which is 23€/1000 litter in average)
  - **Minimum Price for organic milk:** 506€/1000 litter for a standard milk in plain area (before the common premium for fat and proteins, which is 23€/1000L in average)
  - **Fairtrade Premium:** 20 € per 1,000 L
- **Fairtrade wheat**
  - Max Havelaar France sets **territory-specific minimum prices** based on production costs and a defined income objective, for example: 301 €/t in the south west of France; 250 €/t in the West; 256 €/t in Auvergne
  - **Fairtrade Premium:** 12 € per tonne
- **Fairtrade berries**
  - Fairtrade Finland has launched a pilot project aimed at developing a Fairtrade-compatible certification model for **wild berries harvested in Finland**. The pilot is

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<sup>3</sup> Max Havelaar France is the term under which the French National Fairtrade Organization operates, it is equivalent to what Fairtrade Germany, or Fairtrade Belgium are.

<sup>4</sup> Amounts as per the prices and premiums in January 2026

targeted at the entire wild berry supply chain, including berry companies, pickers, processors, and buyers.

#### **d) Other fair trade certification schemes operating at EU level**

The study refers to Agri-Éthique in a way in which a reader could imply that it “*abides by the principles of Fairtrade International and the World Fair Trade Organization*” sic.

Agri-Éthique operates in France and is considered as a legitimate fair trade scheme as it fulfills each of the criteria set by the French law<sup>5</sup>. However, the scheme is fully independent of Fairtrade International, and the companies using this scheme may or may not be members of WFTO.

In France, there are 8 fair trade schemes operating:

- Operating in both, international and national value chains : Fairtrade International/Max Havelaar France, Fair For Life, Biopartenaire
- International value chains only: WFTO, SPP
- National value chains only: AgriEthique, Bio Equitable en France

These eight labels each have their own specificities (distribution channels, mandatory organic criteria, etc.), but they share a common core of commitments. These commitments are defined under French law and are based on the International Fair Trade Charter. This common core allows actors to harmonize their practices and has enabled many companies to structure their commitments and engage with fair trade labels.

Common criterion:

- I. Fair trade is part of the national sustainable development strategy.
- II. The purpose of fair trade is to ensure the economic and social progress of workers who are at an economic disadvantage due to their precarious situation, remuneration, and qualifications, organized within structures with democratic governance, through commercial relationships with a buyer, which meet the following conditions:
  - a. An agreement between the parties to the contract for a duration that helps limit the impact of economic uncertainties faced by these workers, which must not be less than three years;
  - b. Payment by the buyer of a remunerative price for the workers, established on the basis of production cost identification and a balanced negotiation between the parties to the contract;
  - c. Provision by the buyer of a mandatory additional amount for collective projects, either in addition to the purchase price or included within it, aimed at strengthening the capacities and empowerment of the workers and their organization.
  - d. Each company involved in these value chains promotes production and farming methods that respect the environment and biodiversity, such as agroecology in the case of food chains, and is able to provide information regarding product traceability.

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<sup>5</sup> See more details on which are these 7 criteria here: [https://www.commerceequitable.org/wp-content/uploads/le-commerce-equitable/orientation\\_reglementation\\_labelsvf.pdf](https://www.commerceequitable.org/wp-content/uploads/le-commerce-equitable/orientation_reglementation_labelsvf.pdf)

- e. Companies publicly claiming to be part of fair trade participate in awareness-raising and educational activities about socially and environmentally sustainable production and consumption practices. The 2020 international guide of fair trade labels contains detailed information on the standards, requirements and control system of the most relevant schemes.

In Spain, the Coordinadora Estatal de Comercio Justo, the national network of fair trade organizations, has worked on third-party verifiable guarantee system model for agri-food products adapting the 10 Fair Trade Principles. The scheme has been tested and adjusted through pilot initiatives that considered a variety of realities of the value chains, products and territorial diversity for four products: wine, olive oil, fruit and nuts in three different territories, Andalusia, Catalonia, and the Valencian Community.

### 3. A self-critical perspective on fair trade

Fair Trade schemes have long been pioneers in demonstrating that fair remuneration for farmers is both feasible and effective. Decades of experience show that mechanisms such as forward pricing, minimum prices linked to production costs, and long-term trading relationships can significantly improve farmers' income stability and bargaining power. In this sense, fair trade has acted as a laboratory for practices that many now recognize as essential for a sustainable agricultural sector.

Moreover, many farmers struggle to make a living from their work, and the climate emergency requires major changes in farming systems to reduce emissions. Even though solutions exist, persistent economic insecurity (such as volatile commodity prices and unbalanced trade relationships) remains a major barrier to these changes. Fair trade supply chains show that implementing their commitments can create strong levers to support these transitions.

First, better economic security, through fair prices, development funds financed by buyers, and multi-year commercial commitments, gives producer organizations the stability and confidence they need to invest and make ambitious changes, such as switching to organic farming. Some documented examples in France include:

- Within the **CAVAC** cooperative (4,755 farms), fair trade commitments helped a large number of farms switch to organic farming, increasing the cultivated area from 7,000 ha in 2015 to 30,000 ha in 2020.
- The **Biolait** group (1,400 farms) implemented an ambitious quality program, including zero imported soy for animal feed to fight deforestation, expanding pasture use, and providing technical support to its members.

Despite these successes, Fair Trade actors are among the first to acknowledge the limits of voluntary approaches. The main limitation to impact on the food system as a whole is its limited market share, as conventional market actors are unwilling to pay fair prices. Research by BASIC on food systems shows that today, 92% of sales in supermarkets and catering rely on value chains that compress the prices paid to farmers, including major brand products, low-cost products, and private-label

products<sup>6</sup>. Public funding for the food system is mostly directed toward these value chains, reinforcing price pressure and limiting the impact of virtuous supply chains on farmers' incomes.

The persistence of sales below production costs is not a failure of individual farmers, nor a shortcoming of voluntary initiatives; it is a systemic failure of the agri-food market. Treating fair remuneration as an optional premium, rather than as a baseline condition, undermines the economic viability and resilience of the farming sector as a whole. Consequently, public policies must play a role to reform the food chain enabling farmers to earn living incomes. The solution is to rethink the structure of agricultural financing and development policies, directing them toward value chains that protect farmers' incomes. This includes:

- Acting on power relations within supply chains: reduce the concentration of mid-chain actors, especially distributors, and regulate unfair commercial practices.
- Redirecting public funding: target support toward virtuous models such as fair trade and organic farming, and stimulate demand through public procurement to develop a market and outlets for these products.
- Fighting unfair competition from conventional actors: regulate distributor advertising on "low prices," set targets for sustainable and fair food in supermarkets, control claims about "fair payment to farmers," and encourage conventional actors to change their economic model using fiscal incentives, for example by making certain public aids conditional.

We thank you for your attention to this issue and remain at your disposal for any further dialogue and collaboration.

Sincerely,

Jorge Conesa  
Fair Trade Advocacy Office

On behalf of,



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<sup>6</sup> BASIC, *Study on Value Creation and Societal Costs of the French Food System*, 2024)

[https://basic.coop/v2/content/uploads/2024/11/BASIC\\_Couts-societaux-systeme-alimentaire\\_Rapport-de-recherche\\_novembre-2024-2.pdf](https://basic.coop/v2/content/uploads/2024/11/BASIC_Couts-societaux-systeme-alimentaire_Rapport-de-recherche_novembre-2024-2.pdf)

**Annex. Contact persons in each of the signatory organizations:**

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