Tertulia

SECURING ORGANIC COCOA SUPPLY CHAINS

HOW REGULATION AND MARKET TURMOIL ARE RESHAPING ORGANIC COCOA AND OTHER SMALLHOLDER VALUE CHAINS

🗓️ Date: 3 November 2026

🕗 Time: 13.00 CET

📍 Venue: Online via Zoom

in cooperation with

FiBL

FAIRTRADE





Swiss Platform for Sustainable Cocoa

Agenda

1. Welcome
2. Producer perspective - Relevance of this study
3. Results 1: Introduction and market view
4. Swiss cocoa market perspective
5. Results 2: Producers' adaptations, costs, and outlook
6. Recommendations and Fairtrade takeaways
7. Q&A



Photo: Fairtrade International

Speakers



Nicoletta Lumaldo
Host, SWISSCO



Anneke Theunissen
CLAC



Florentine Meinshausen
FiBL



Yanick Lhommel
Max Havelaar Switzerland



Johanna Schmidt
Fairtrade International

Housekeeping

Stay muted

The webinar runs in webinar mode

Questions

Please post all questions in the Q&A section

Recording and slides

Sent to all participants by email soon after the webinar

Producer perspective: why is this research relevant?

Anneke Theunissen, CLAC



Photo: Fairtrade International



Securing Organic Cocoa Supply Chains

How market turmoil and regulation are reshaping organic cocoa and other smallholder value chains

Presentation of key results

Webinar 3 Nov 2026

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Swiss Platform for Sustainable Cocoa

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Overview study activities "Securing organic cocoa supply chains"



International survey

287

producer groups

34 countries, >268,000 EU-organic farmers. All smallholder crops, focus on cocoa and coffee



Expert interviews

9

interviews

7 cocoa traders and 2 certification bodies

Traders interviewed import >34,000 t organic cocoa



Origin deep dives

4

Key cocoa origins

Fairtrade-organic origins: Peru, Ecuador, Dominican Republic, Sierra Leone



Data analysis

EU and Swiss organic import data; ICCO market data, Fairtrade cost of production; national organic statistics; literature

Outputs Report (published) · 2 webinars (one in Spanish to follow)

Results focus on cocoa
Further analysis for coffee to follow

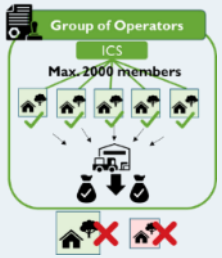
New Organic Regulation (EU) 2018/848 overhauled the import system

1 Jan 2025: EU organic imports moved from "equivalence" to "compliance" all organic products, most non-EU origins



Same rules as EU producers

Most producer groups were audited against the new rules for the first time in 2025



New rules for operator groups

New definition: groups had to adapt their organisations; stricter control procedures



More residue testing & control

Official investigation of any residue; additional controls & testing for "high-risk" products and countries

In parallel: EU Deforestation Regulation (EUDR), which also covers cocoa and coffee

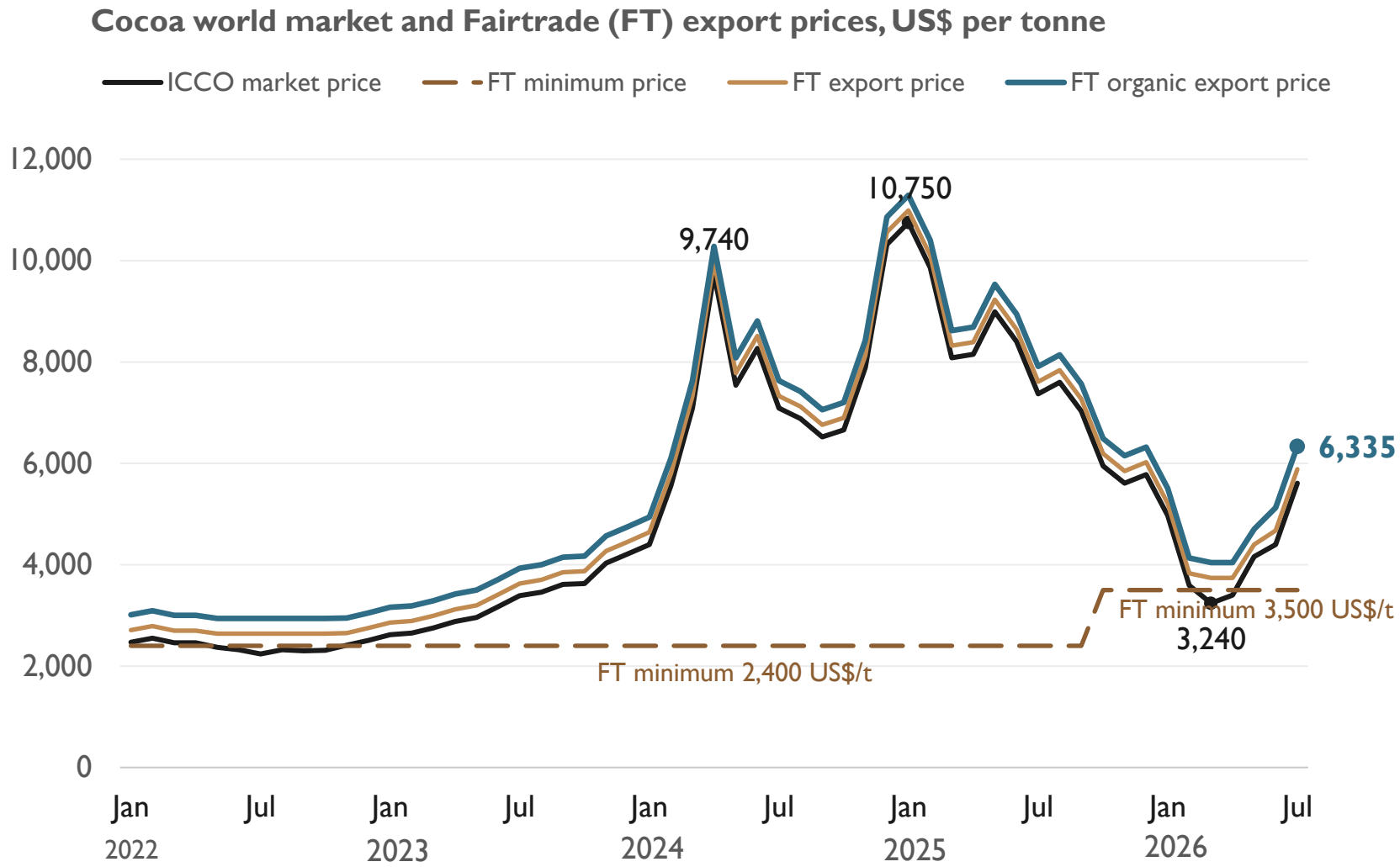
In force since June 2023; groups prepared intensively 2023–2025 while application was postponed twice to end 2026/mid-2027

Cocoa prices and Fairtrade organic minimum & export prices

The global cocoa market since 2023 was "a perfect storm for producer organisations"

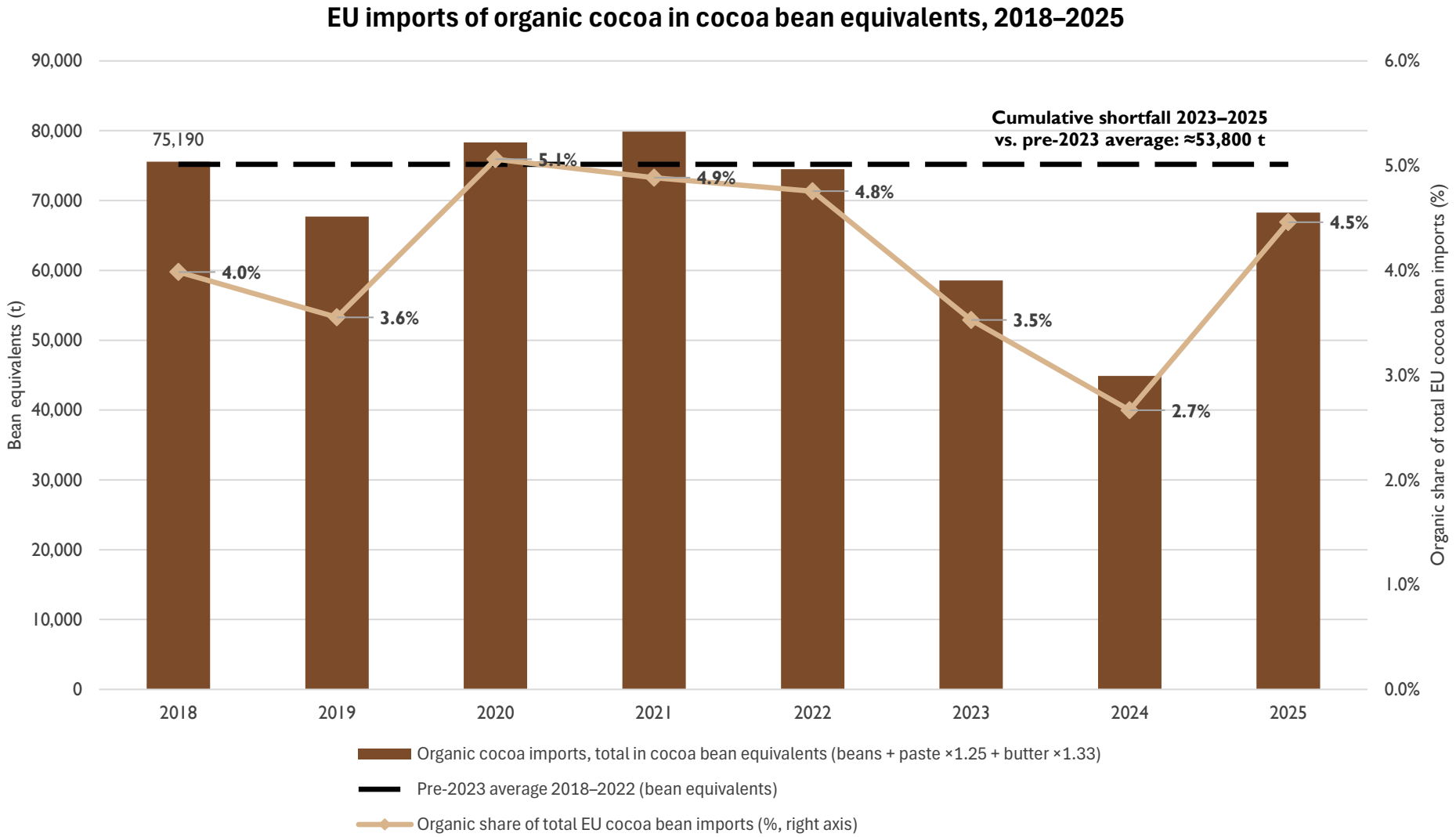
- Cash needs quadrupled
- Monthly swings >2,000 US$/t
- Side-selling

During peak prices, organic & Fairtrade differentials eroded and reduced incentives for organic sales



Source: World Bank Commodity Price Data (Pink Sheet), Fairtrade International price announcements

EU imports of organic cocoa: market recovery, not growth



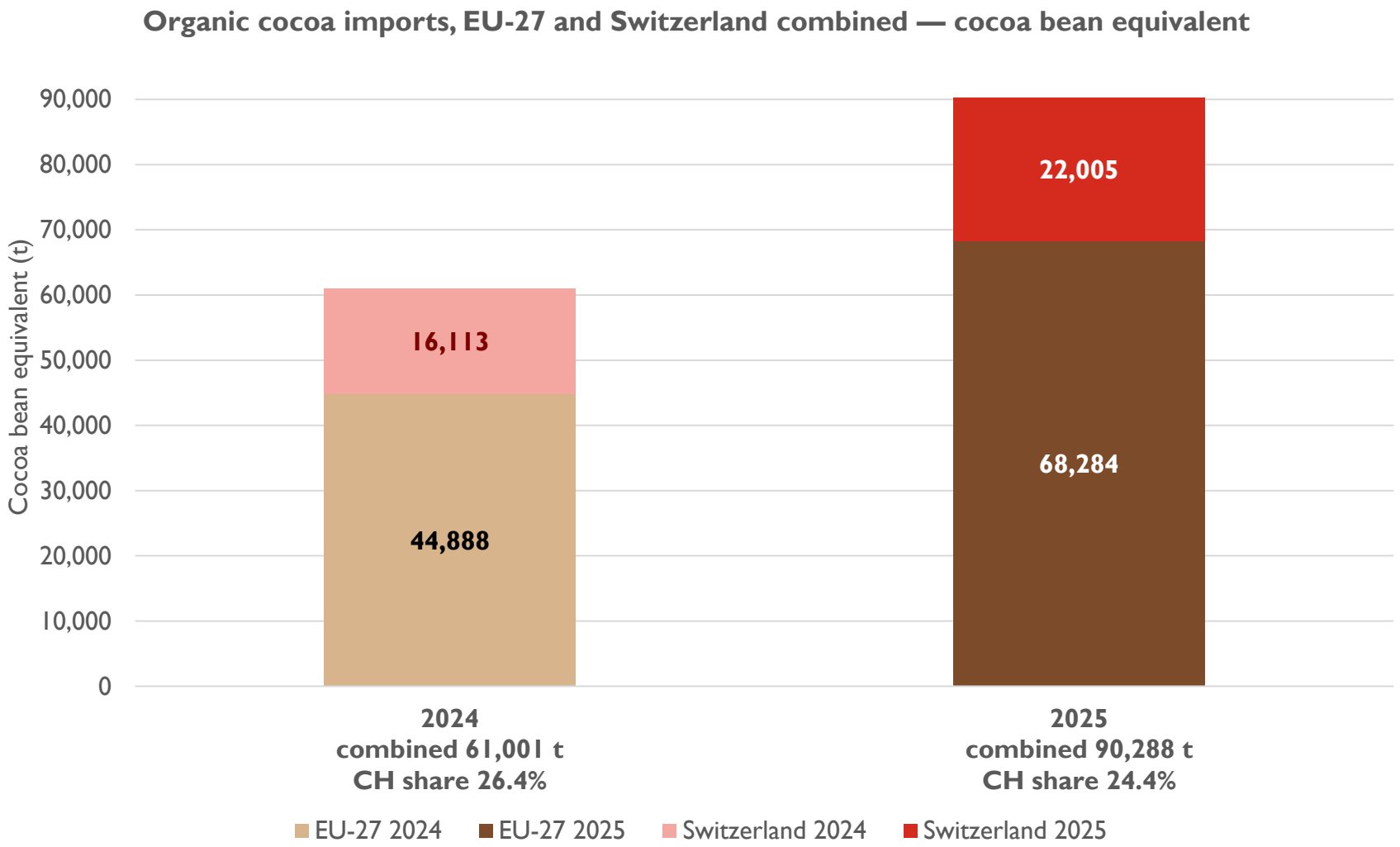
During the price peak and supply crisis of 2024, organic volumes contracted more sharply than conventional volumes (organic share dropped)

2025 volumes remain 9.2% below the 2018–2022 average of ≈75,190 t

The cumulative shortfall 2023–2025 amounts to ≈53,800 t of organic cocoa bean equivalents

Source: own compilation from TRACES organic import tables 2018–2025 and EUROSTAT (CN 18010000)

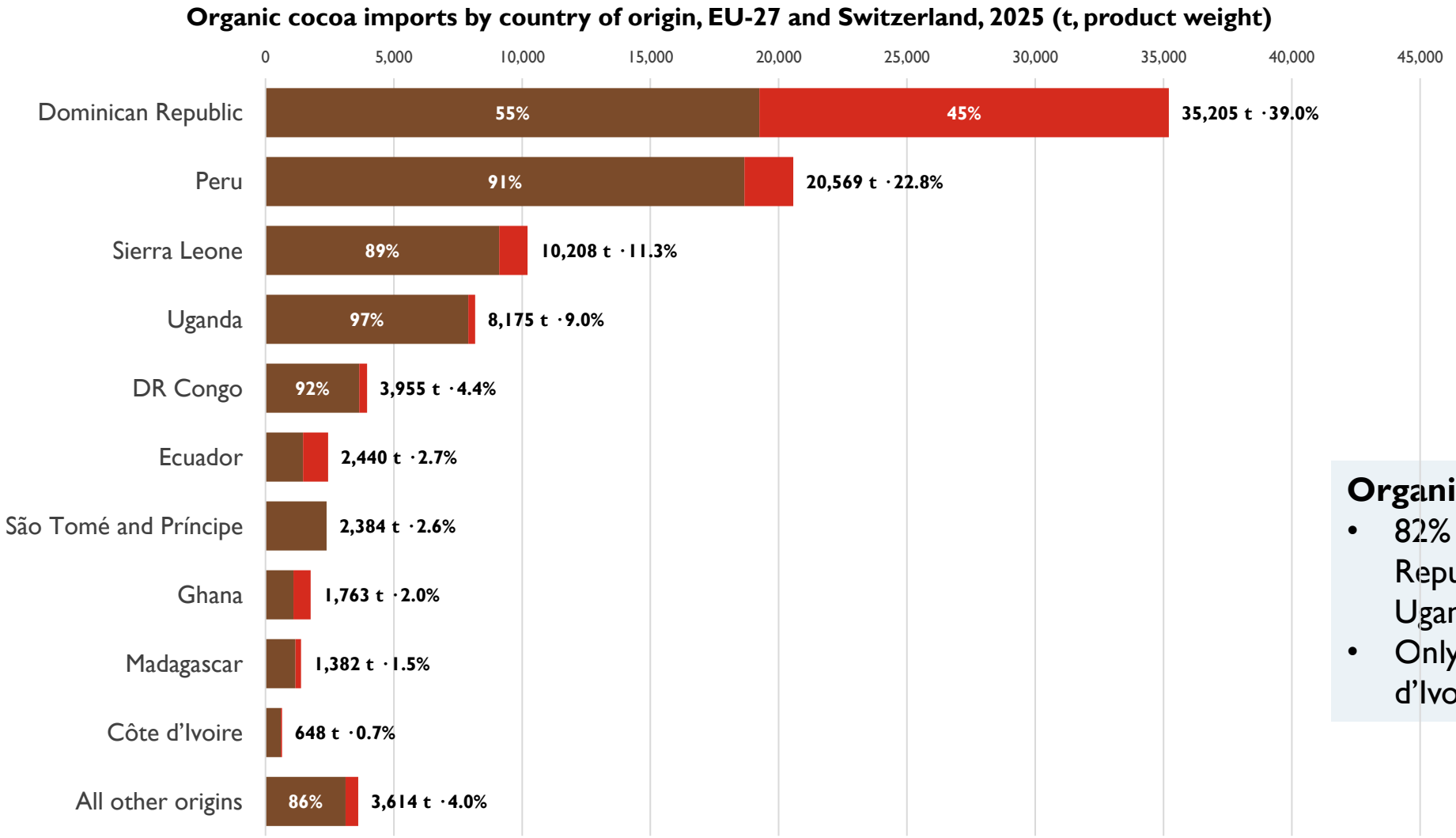
Combined EU & Swiss organic imports



Switzerland imports very significant volumes of organic cocoa directly (about 1/3 of EU-27 volumes).
It sources and processes about a quarter of total European organic cocoa.

Source: own compilation from TRACES organic import tables 2018–2025 and Swiss import data for organic cocoa 2024 -2025.

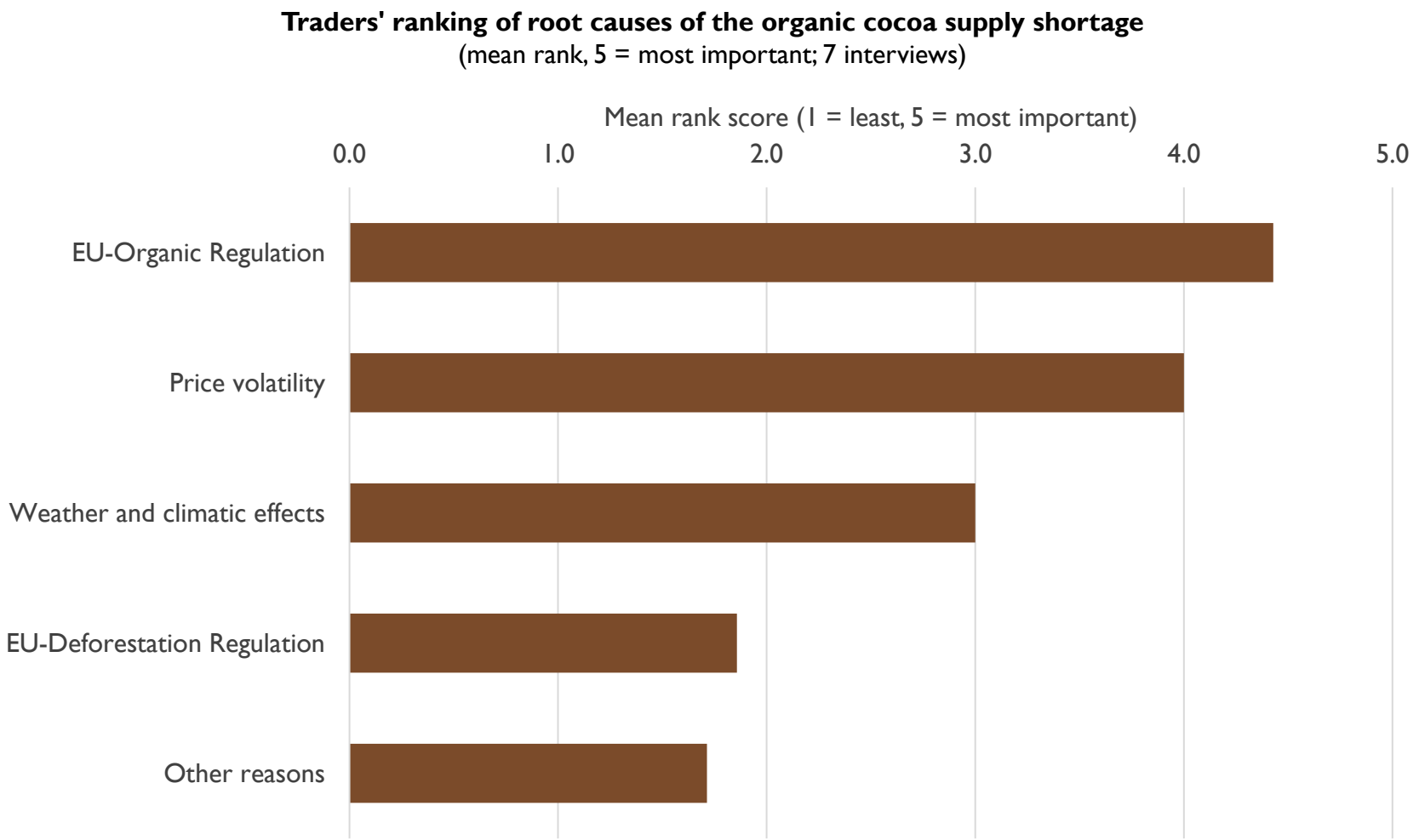
Top organic cocoa origin countries are very different to conventional



Organic origins are very different:

- 82% originate from the Dominican Republic, Peru, Sierra Leone and Uganda
- Only 2.7% from Ghana and Côte d'Ivoire

Traders see the EU Organic Regulation as the main cause of the shortage



What cocoa traders reported

- **EU-OR and price volatility reinforced each other:** compliance burden rose just as record prices eroded the organic premium
- **Side-selling:** farmers sold organic cocoa to spot buyers; cooperatives lacked working capital to follow prices
- **Residue findings:** rejected consignments, lost certifications; some traders withdrew from origins

Importance of organic cocoa in Switzerland

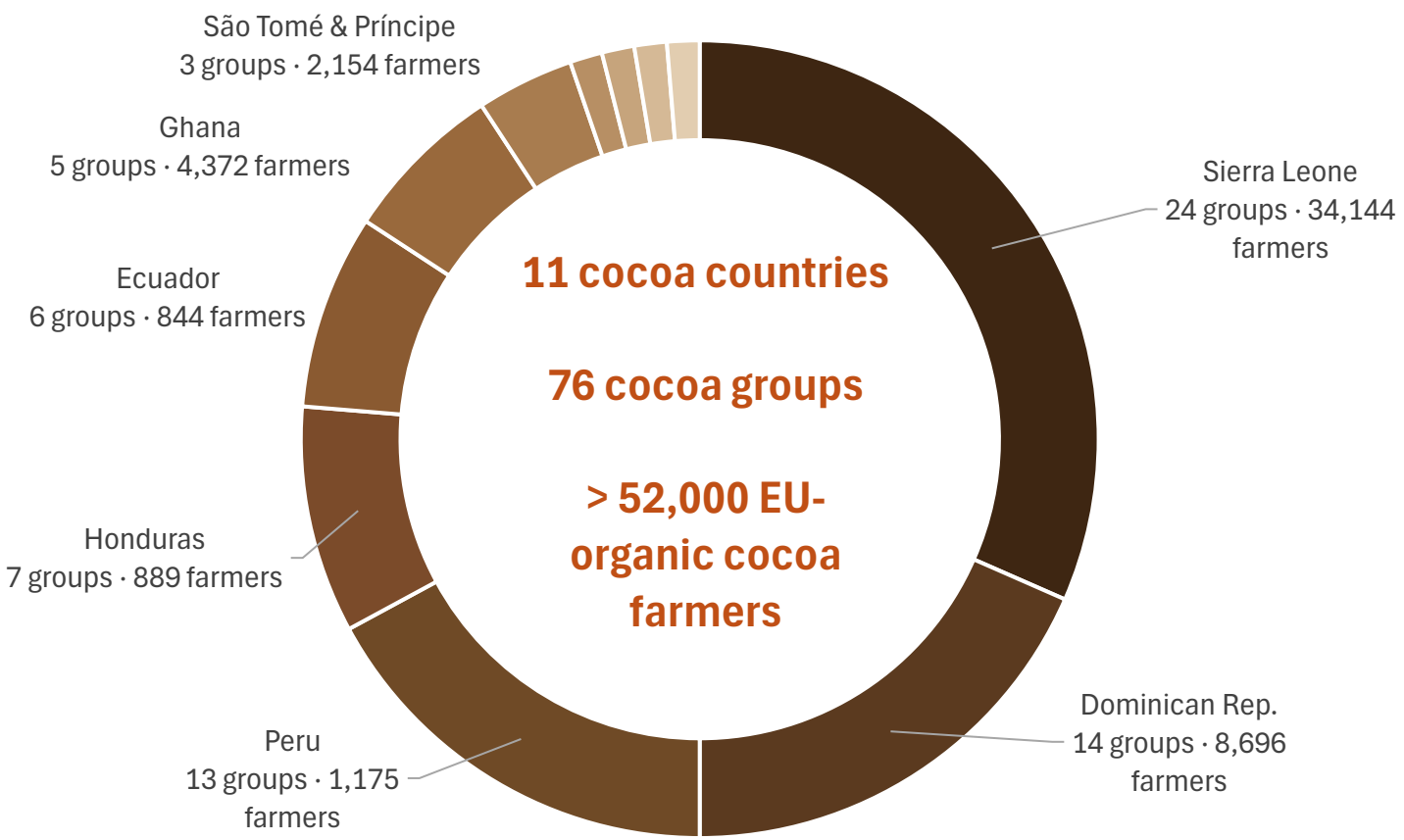
Yanick Lhommel, Fairtrade Max Havelaar Switzerland



Photo: Fairtrade International

Survey response: cocoa groups by country, certification and EU sales

Cocoa responses by country (cocoa groups · cocoa EU-organic farmers 2024) · n=76



91%

of cocoa groups are Fairtrade certified

51 Fairtrade SPOs, 18 Fairtrade traders (n=76); all crops: 76%

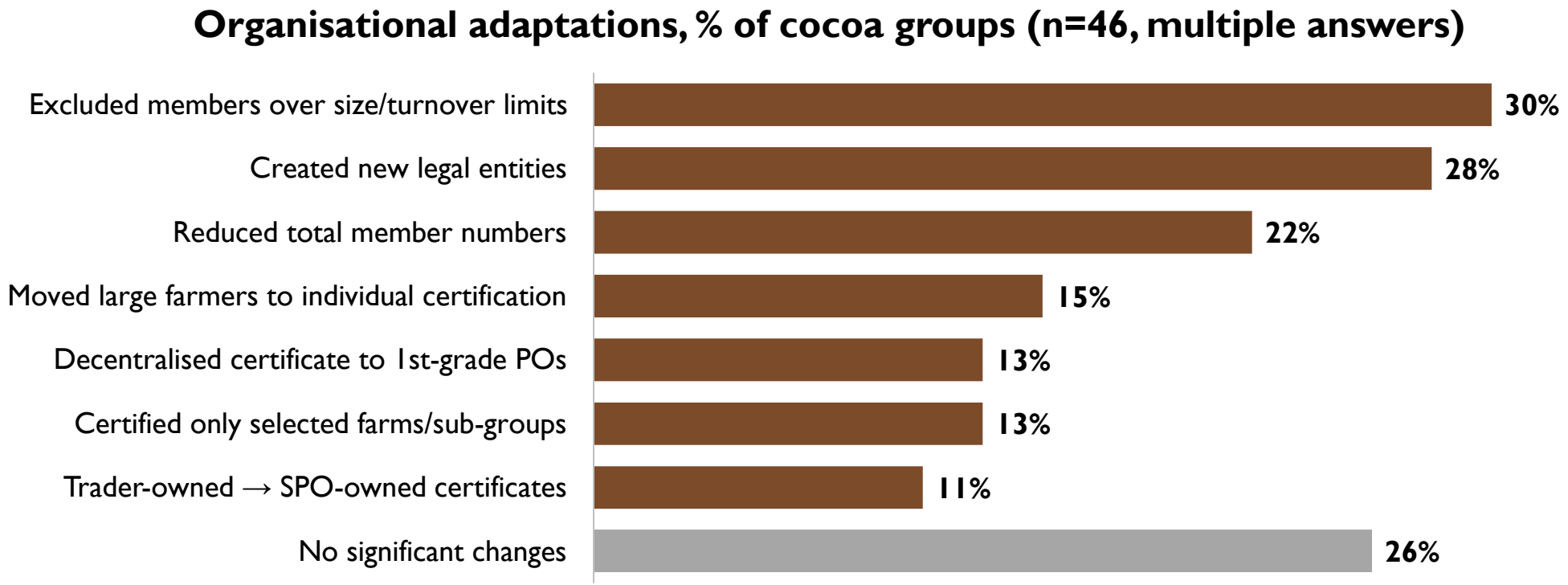
55%

sell more than 75% of their organic cocoa to Europe

Cocoa groups, n=60; all crops: 40%

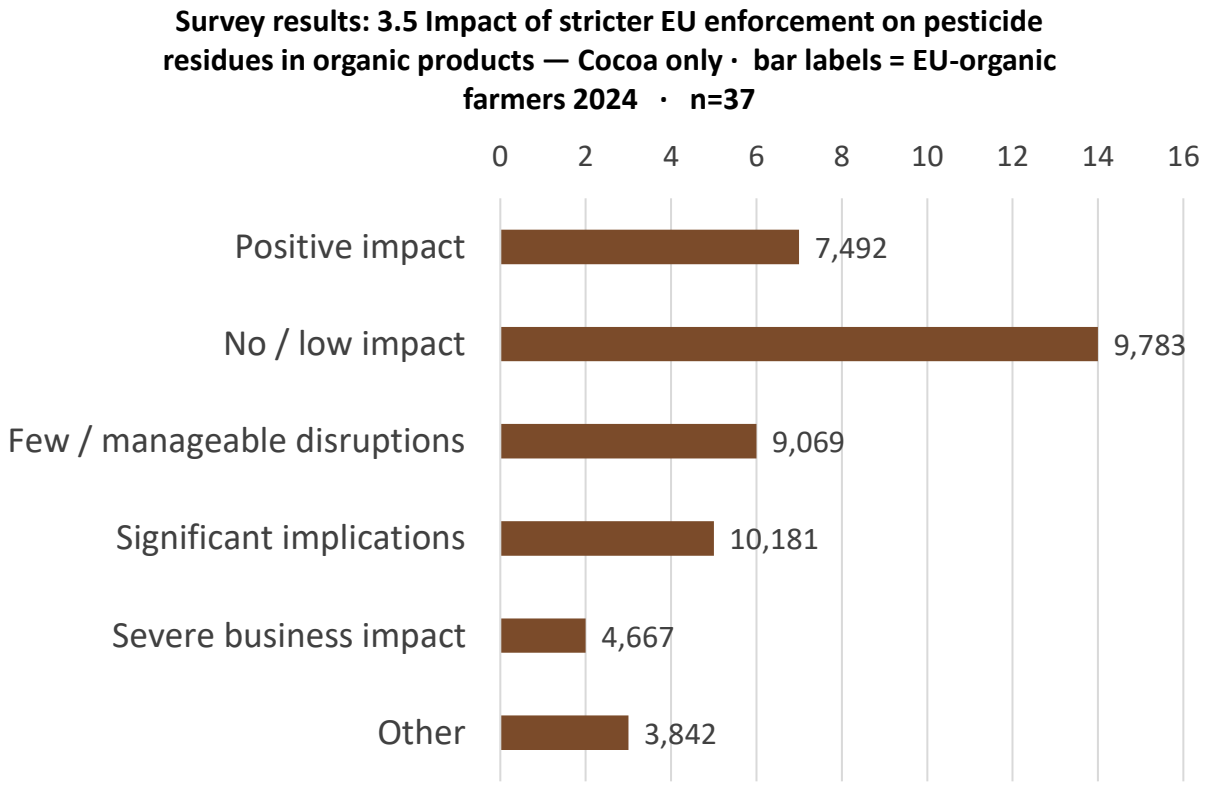
Organisational adaptations to new EU-OR rules for groups of operators

≈75% of cocoa groups implemented one or several organisational changes. In cocoa, many groups had organic members exceeding the new size/turnover limits in 2025 and either excluded them from their organisation and/or changed to (much more costly) individual farm certification.



New residue procedures: more than 1/3 of groups felt negative effects

22% of cocoa groups in the survey were even severely or significantly affected. Lots lost their organic status despite suspected drift, shipments blocked for weeks to months, causing liquidity and storage costs; lost premium, price effects.



Interviews West African SPOs: cost insights

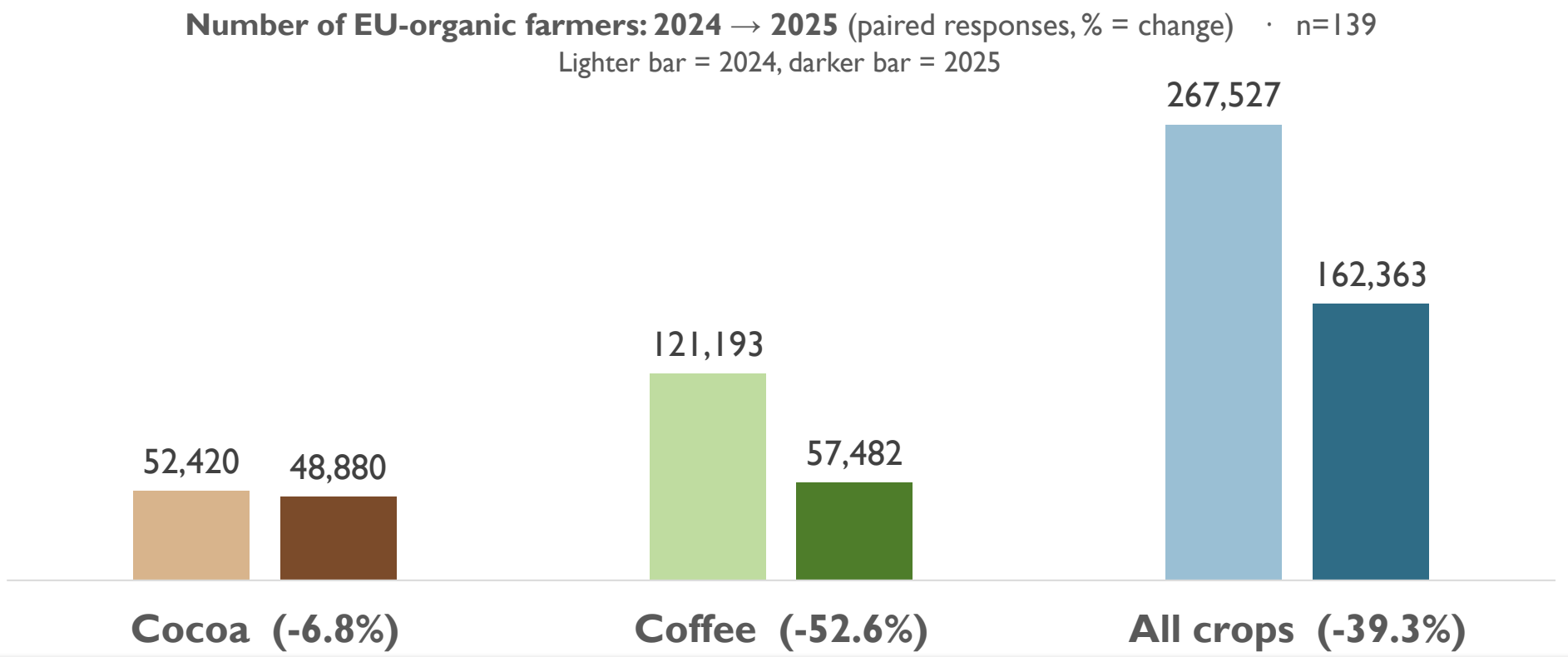
- 3 cooperatives lost much of their 2025 organic crop to glyphosate traces, mostly drift from neighbours
- Distressed conventional sale, repaid advances, bought replacement cocoa at higher prices; significant losses
- Pre-financing rules tightened, so groups missed volume the next season
- Collective action worked: a district glyphosate ban, no findings since Nov 2025

In Europe, only 2% of residue investigations end in loss of organic status for actual non-compliance, yet single cases caused losses of up to 120,000€.

Source: IFOAM Organics Europe (2026)

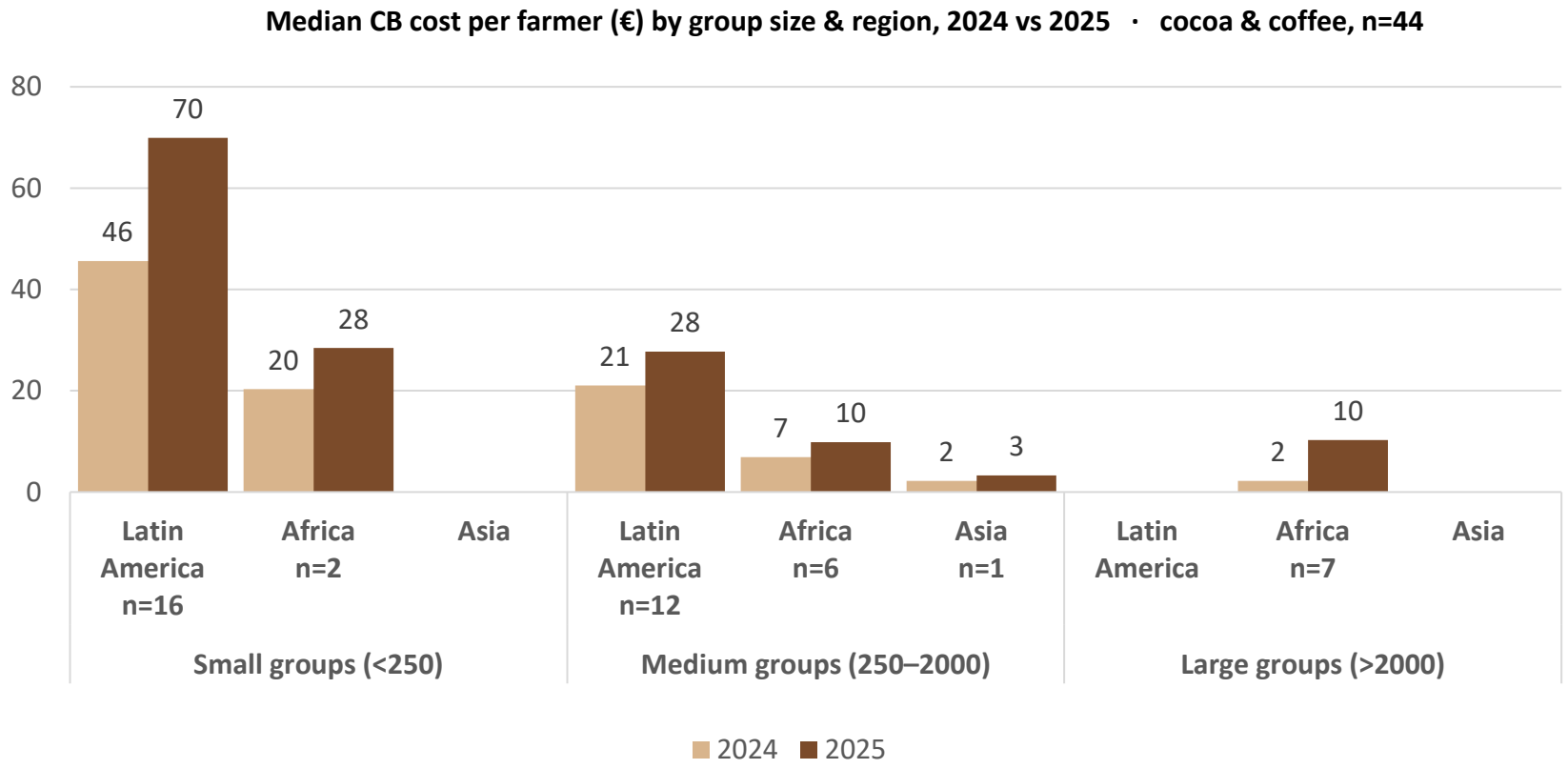
Change to compliance: fewer organic farmers certified in groups

With the change to compliance, organic cocoa groups reduced the number of EU-certified organic farmers by 6.8% from 2024 to 2025. In coffee, producer numbers dropped by 52.6%.
In cocoa the change is broad but shallow. The net loss of 3,540 farmers is mostly due to five Sierra Leonean groups in the sample.



Certification body (CB) costs per farmer (cocoa & coffee) 2024 vs. 2025

Reported certification fees per farmer vary considerably by group size and region. With the change to compliance, certification fees increased for groups of all sizes, but the increase in % is highest for larger groups (which had the lowest cost per farmer).



Median change per group, 2024→2025 per group size

≈+1/3 small (<250)
Latin America +35% (n=16), Africa +42% (n=2)

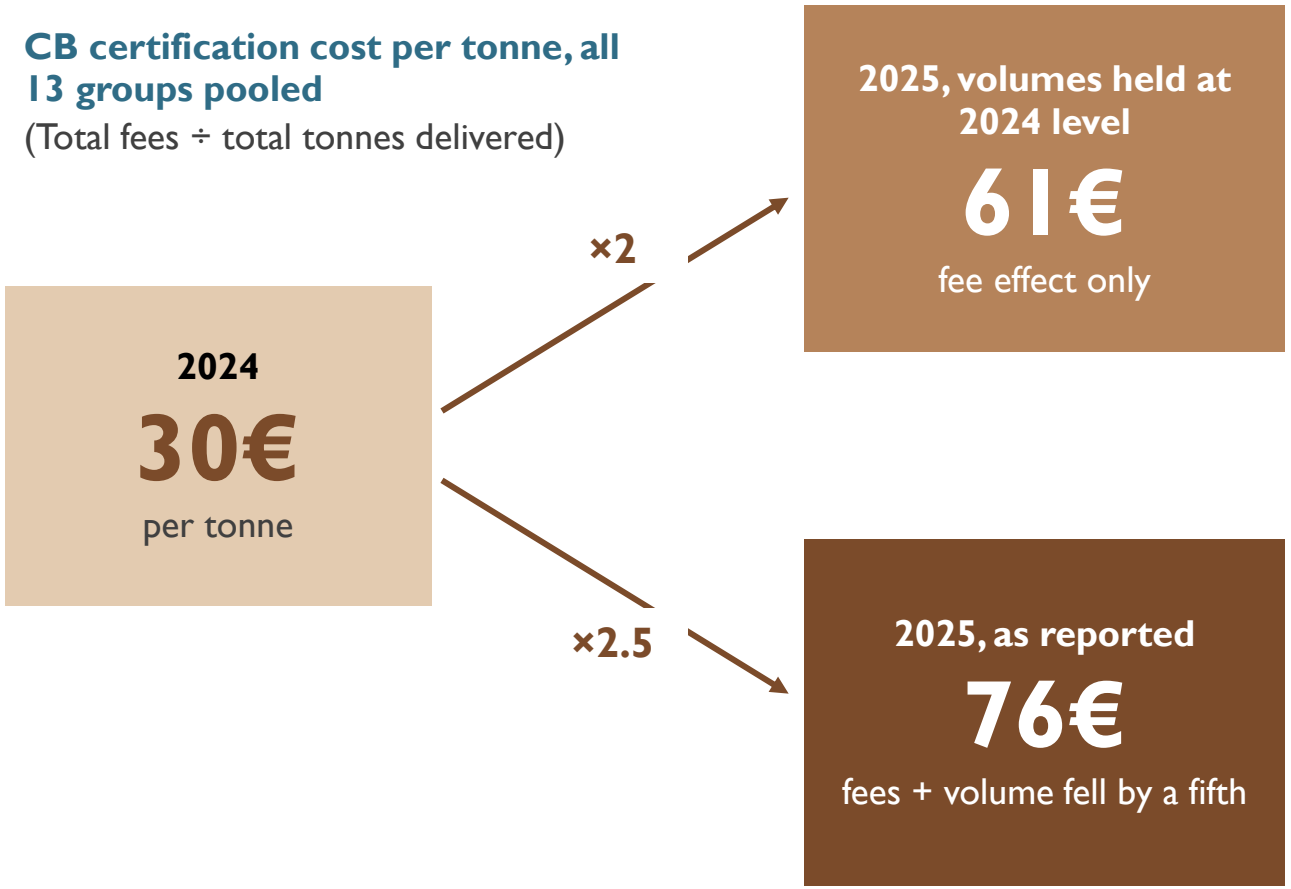
≈+1/5 medium (250–2,000)
Latin America +16% (n=12), Africa +57% (n=6)

≈×5 large (>2,000)
Africa +396% (n=7: 5 in coffee, 2 in cocoa)

Group size = organic farmers in 2024. Since 2025, larger organisations (e.g. cooperative unions) now certify members as several EU groups of operators, but remain one certified SPO for Fairtrade and other organic standards (e.g. NOP).

External certification cost per tonne of organic cocoa roughly doubled

CB certification cost per tonne, all 13 groups pooled
(Total fees ÷ total tonnes delivered)



13 cocoa groups reported fees and volumes for both years

×2 fee effect alone (2024 vs 2025)

Reported cost per tonne 30€ → 61€ with volumes held at 2024 level to exclude the effect of lower volumes in 2025.

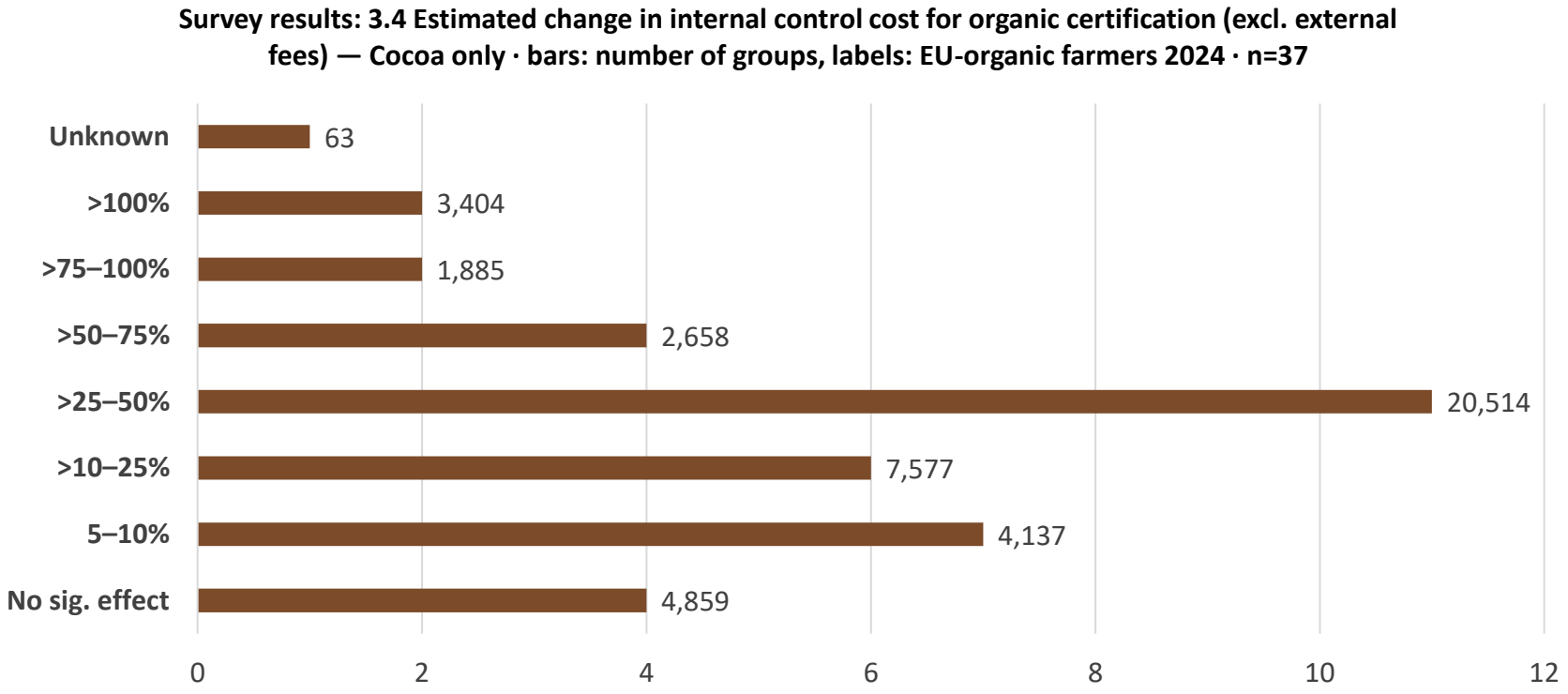
−50% to +823% very uneven

An individual group's reported change in cost per tonne depends strongly on their organic sales.

Certification works as a fixed cost: fewer tonnes sold as organic means a higher cost per tonne.

Internal organic control costs rose for nearly 9 in 10 cocoa groups

Most groups felt their internal costs rise, half by more than 25%. These are self-assessments: few SPOs know what their ICS actually costs, let alone other costs of being certified (traceability, training of farmers, residue analyses, quality measures, etc.).



Cost analysis (Fairtrade cost of sustainable production data)

≈2×

internal control costs vs. external CB fees

Median factor 2.1× across 6 Fairtrade cocoa SPOs with reliable cost data, COSP 2022/23

Control costs per farmer rose 38%; the median per tonne reached 189€

Total control costs of cocoa groups = certification body fees (reported) + internal control costs (estimated)



Cost per farmer: change 2024 → 2025

+38%

median change per organisation

All 21 organisations with data for both years reported an increase.

Small groups (<250 farmers) pay most: 97€ per farmer in 2025, vs 20€ in large groups (>2,000).

n=21 cocoa groups



Cost per tonne of organic cocoa: 2025

189€ ≈ 205 US$

median per organisation

Range 31€–944€ per tonne sold as organic. The most expensive quarter of groups: about 480 US$ per tonne.

Small groups: 383€ per tonne, medium-sized groups 180€.

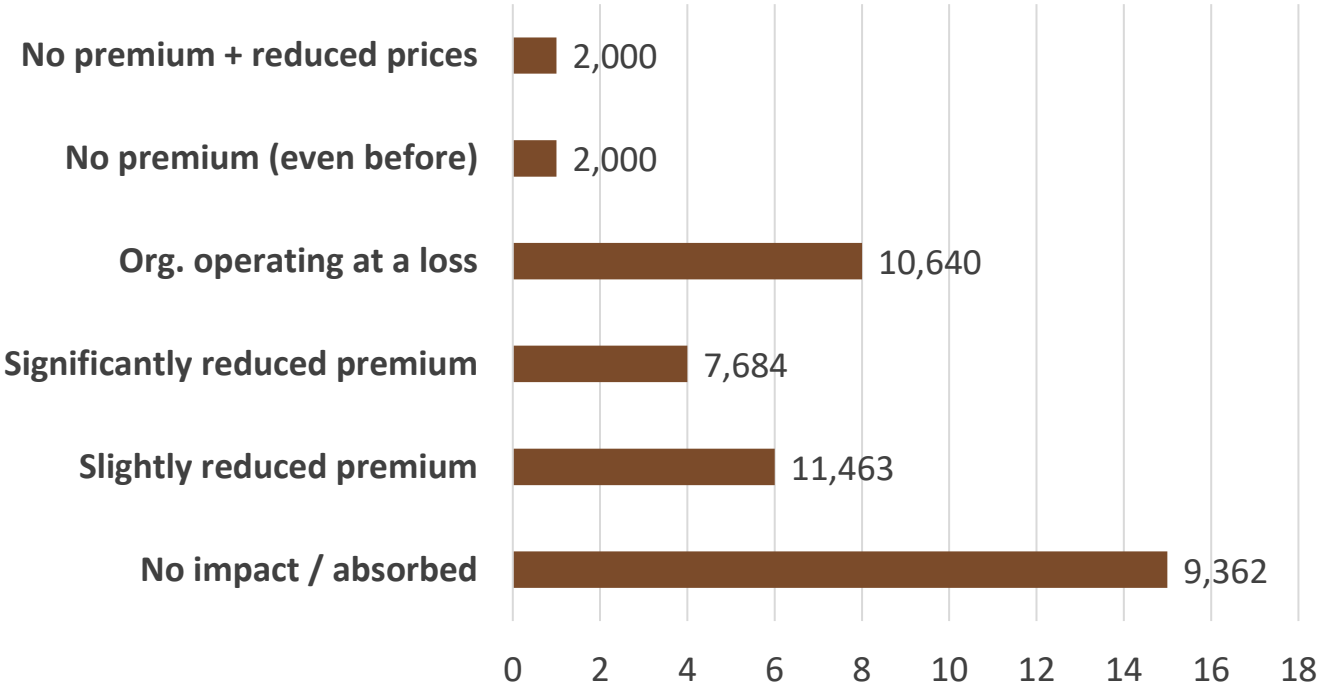
n=15 cocoa groups

Internal costs estimated as 2× CB fees (2024) plus each group's self-reported change for 2025.

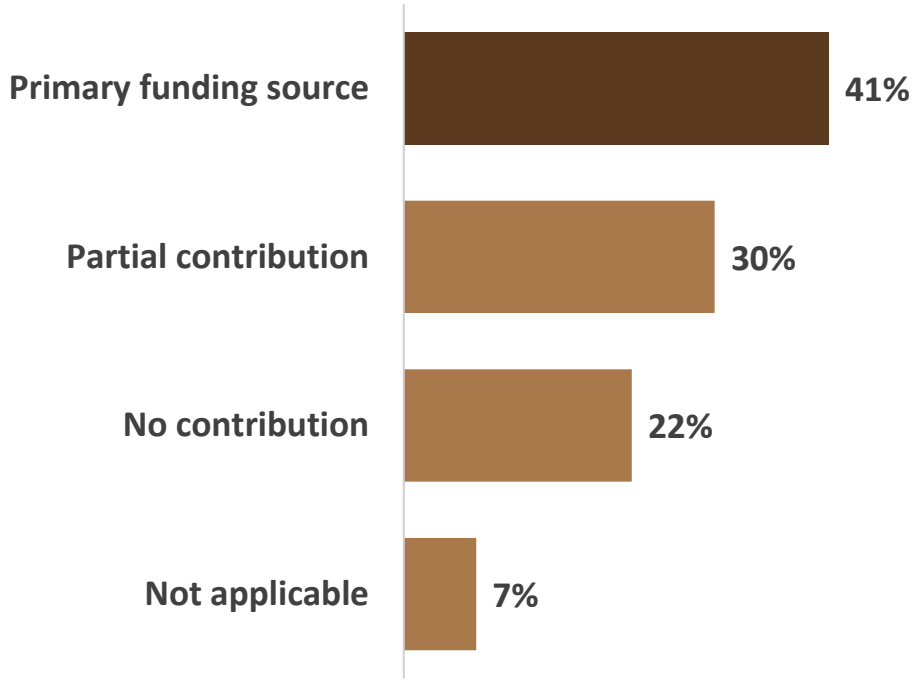
Higher compliance costs are passed to farmers via reduced premiums

29% of cocoa groups cut the organic premium paid to farmers, and they represent 44% of cocoa farmers.
71% of groups also use the Fairtrade Premium to pay for organic compliance costs.

Effect of higher costs on premium paid to farmers, cocoa (n=35) · bars: groups, labels: EU-organic farmers 2024



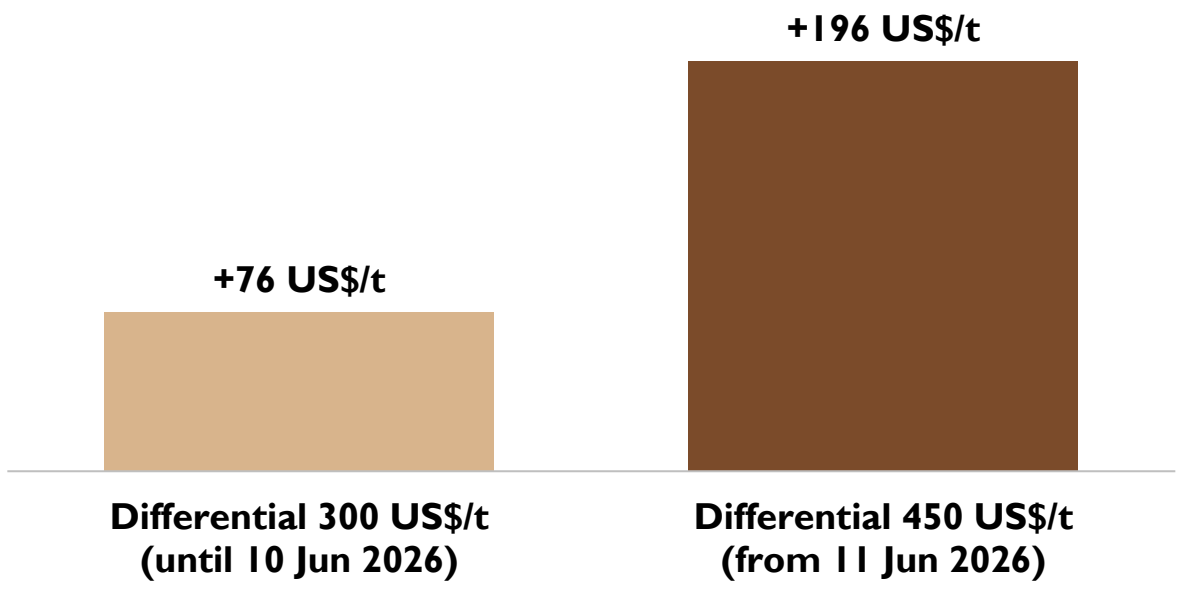
Role of the Fairtrade Premium in covering compliance costs, cocoa (n=27)



The new Fairtrade organic differential is a fair minimum

The new Fairtrade organic differential of 450 US$/t should allow SPOs to cover their organic control costs and pay farmers a small organic farmgate premium.

Fairtrade Organic differential left for farmers after total organic control costs, median-cost cocoa group



With the new FT organic differential of 450 US$/t

Typical (median-cost) group

≈200 US$/t

left as organic farmers' premium after the group's control costs

Caveat: high-cost groups

For the costliest quarter (≈480 US$/t), control costs exceed even the new differential.

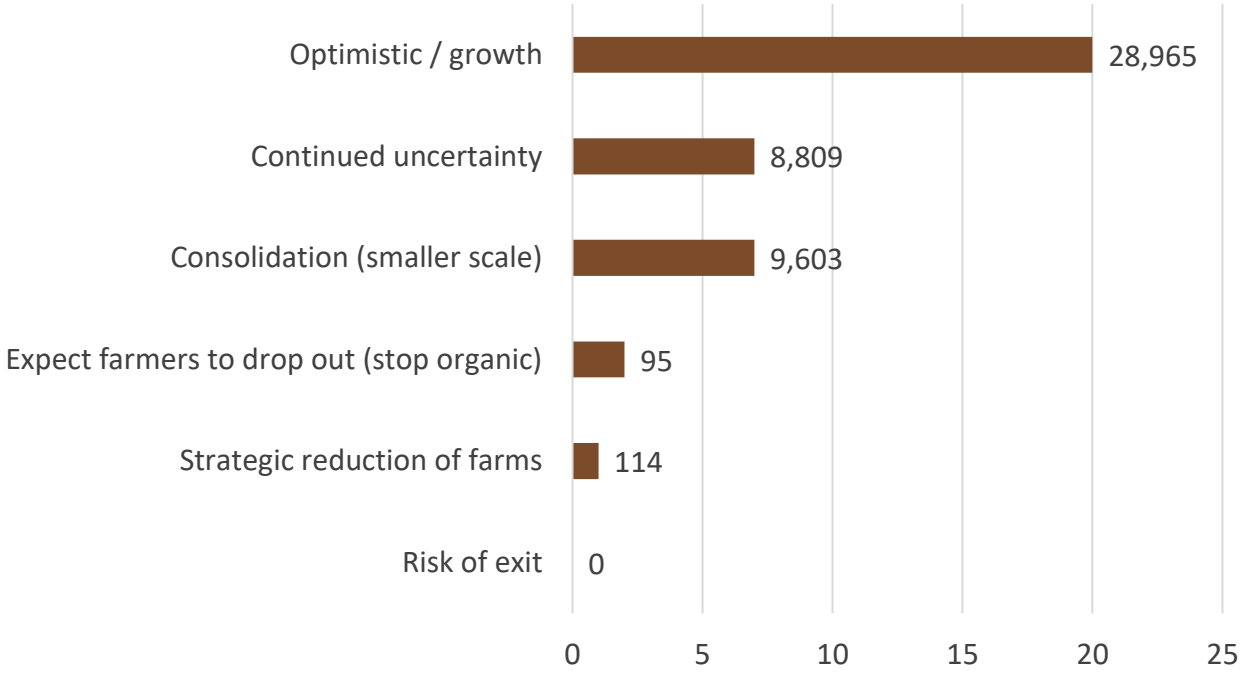
Numbers are for a median group and an upper estimate; assuming all organic cocoa is sold with the Fairtrade organic differential

Most cocoa groups are optimistic, and none plan to exit

54% of cocoa groups (61% of farmers) say the major adjustments are behind them. But 27% plan to shrink (consolidate, cut farms or expect farmers to drop out), and another 19% remain uncertain: together ≈40% of farmers.

Outlook on organic certification, next 2 years

cocoa (n=37) · bars: groups, labels: EU-organic farmers



Opportunities

- **EU Regulation simplification confirmed:** Higher member size limits*; group of operators may be subgroup of a SPO from 2027.
- **New Fairtrade organic differential:** should compensate organic costs and improve motivation
- **SPOs adapted to volatility** during 2025
- **New origins and SPOs:** restructured trader-led chains can become Fairtrade-eligible
- **Organic integrity:** joint efforts, e.g. prevention of drift, strong ICS

*New group of operator member size limit: < 10ha OR < 50.000€ organic turnover

Recommendations & Fairtrade's takeaway for pricing

Johanna Schmidt, Fairtrade International



Photo: Fairtrade International

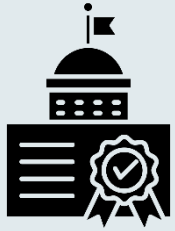
Recommendations



Fair pricing and shared risk

Buyers, brands, traders

- 450 US$/t as sector-wide organic differential, also beyond Fairtrade
- Multi-year commitments with pre-finance; share costs along value chain, shared risk



Targeted regulatory simplification

EU policy dialogue; revision of secondary acts

- Risk-based re-inspection rates, higher group size limit, lower residue sampling rates (cost relief)
- Proportionate handling of low-level residues;
- Predictable EUDR rules



Pragmatic standards

Fairtrade and organic

- Capture organic compliance costs in Fairtrade COSP data
- Longer exception windows; benchmarking standards to reduce control burden



Support for producer organisations

SPOs, donors, institutions

- Help SPOs to know cost; segregate certification by market to reduce costs
- Donor funding for ICS, farmer training, data and traceability systems, and conversion costs

The new rules did not make organic smallholder cocoa unviable, but moved a recurring cost into SPO budgets: organic prices and contracts now need to carry it.

Questions and Answers



Photo: FiBL



Thank you

Full report:
https://orgprints.org/58280
Or at https://www.fairtrade.net/en/get-involved/library/securing-organic-cocoa-supply-chains

Swiss Platform for Sustainable Cocoa

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