

For an operational, efficient and inclusive EUDR!

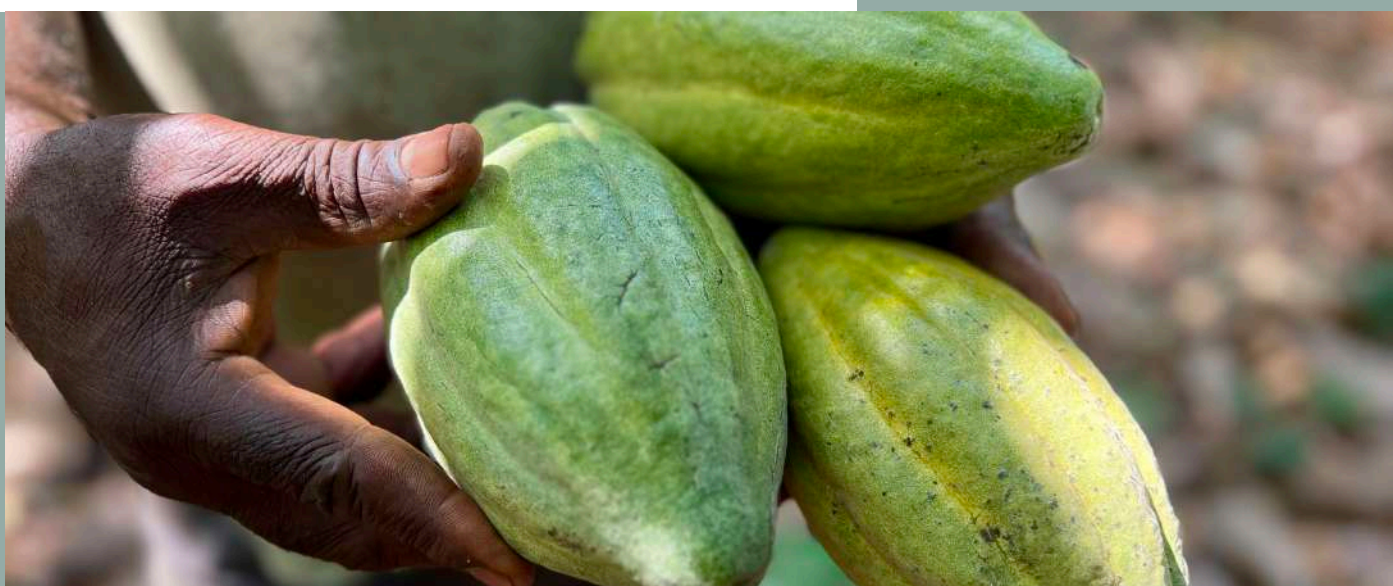


JOINT POSITION STATEMENT BY AVSF & ETHIQUABLE

This text, supported by Agronomes et Vétérinaires Sans Frontières (AVSF) and ETHIQUABLE, takes stock of developments in the European Regulation on deforestation-free products (EUDR).

This regulation should prohibit, from January 2026 for the largest companies and from July 2026 for SMEs — unless there is a further postponement — the importation of products, including cocoa and coffee from areas deforested after December 2020. It requires companies importing into the European market to ensure full traceability down to the plot level, as well as proof of the legality of production in the country of origin.

While its environmental and social objectives are commendable, this text analyses the concrete effects for partner cocoa and coffee cooperatives observed in the field, and identifies conditions so that the EUDR does not exclude smallholder producers in the targeted sectors and thus achieve its objective: to effectively combat deforestation.





Risks identified with the EUDR

The exclusion from the European market of unorganised producers (not affiliated with cooperatives), as well as producer organisations that do not have traceability or legality of their production when the regulation comes into force.

The monopolisation of producer data by large export companies, increasing their dependence on the latter.

Cooperatives left to themselves due to the lack of public regulation and support mechanisms in certain producer countries (e.g. Haiti, Madagascar).

State traceability and/or legality systems that are overly complex (e.g. Peru, Ecuador, Ivory Coast), often unsuited to the realities of farming and not yet operational.

Considerable additional financial burdens for producer organisations (up to 107 €/tonne of cocoa in Côte d'Ivoire), which are difficult to absorb even when world prices are high.

Pressure from industrial lobbies at European level to delay or weaken the EUDR, threatening its implementation and ambitions.

Opportunities of the EUDR

The promotion of organic and fair trade sectors, already advanced in terms of product traceability and compliance with the requirements of the regulation.

An incentive for non-organised producers to join cooperatives.

The evolution of numerous 'ghost' producer organisations created by exporters into 'genuine' cooperatives serving producers, through the obligation to structure internal control and transparency mechanisms with robust traceability systems.

A contribution to greater transparency and fairness in targeted value chains, in the face of current inequalities (only 6% of global cocoa income goes to producers).

Common positions of AVSF and ETHIQUABLE

Avoid as much as possible the exclusion of small producers from the targeted sectors of the European market when the EUDR enters into force, which is essential given the global urgency of combating deforestation.

Until then, provide technical and financial support to producer organisations from their states, their customers and international cooperation.

Simplify compliance with the EUDR at European Commission level for producer organisations that are already certified organic and fair trade.

Mobilise committed states, the EU, research organisations, NGOs and importers to jointly develop effective and accessible mechanisms for compliance with the EUDR.

Guaranteeing sustainable, remunerative prices for producers and their organisations, is an essential condition for sustainable transition and effectively combating deforestation caused by family farming in the targeted sectors.

4. FOR AN OPERATIONAL, EFFICIENT AND INCLUSIVE EUDR!

The European Regulation on deforestation and forest degradation (EUDR) prohibits the import of cocoa and coffee – two sectors that rely heavily on smallholder production in the South – as well as soy, beef, timber, palm oil and rubber from deforested lands after 31 December 2020.

After already being postponed for a year, it is now set to come into force on 1st January 2026 (for larger companies) and 1st July 2026 (for smaller companies), requiring importers to the European market to demonstrate the physical traceability of products from the plot and the legality of their production. It aims to strengthen the environmental sustainability of these high-consumption sectors in Europe, and to make major multinationals accountable for the impact of their supply chains on deforestation and human rights.

In 2023, imports into the European market of products from the seven sectors targeted by the EUDR accounted for 10% of global deforestation. For example, in Ivory Coast between 2000 and 2019, 2.4 million hectares of forest were replaced by cocoa plantations.

The position 'For an operational, efficient and inclusive EUDR' is supported by AVSF and ETHIQUABLE as long-standing players in the cocoa and coffee sectors. Present in a significant number of countries that produce these raw materials, we work directly with

farmers' organisations that we have been supporting for years in structuring their sectors and accessing the international market.

These close ties lead us to relay the specific concerns of our partner cooperatives in debates on the implementation of the EUDR. Based on these exchanges and shared observations, we are now warning of the risks for small producers and identifying the specific conditions required for the implementation of the regulation against deforestation, which we all hope will come into force.

THE RISKS OF THE UPCOMING IMPLEMENTATION OF THE EUDR

Feedback from partner cooperatives and our observations in the field have enabled us to identify numerous risks posed by the forthcoming roll-out of the EUDR.

The potential exclusion of the most vulnerable producers

Hundreds of thousands of unorganised producers, those not affiliated with cooperatives or associations, are not and will not be able to guarantee the origin of their supply or the legality of their production by the end of 2025. If the EUDR comes into force in January 2026, they will be excluded from the European market's import channels and will be forced to turn to other markets without necessarily changing their practices, which will weaken the impact of the EUDR in the global fight against deforestation.

In Ivory Coast, the exact number of cocoa farmers who are not affiliated to a cooperative is not known. Estimates in 2019 put the number of cocoa producers at 800,000 nationwide, of whom just under 19% were members of a cooperative. Of the estimated one million cocoa producers today, some 800,000 producers could therefore operate outside cooperative structures and sell their production to local buyers, with no traceability guaranteed to date. In Peru, with an

estimated 100,000 cocoa-producing families, 30% of whom are members of associations or cooperatives, some 70,000 families marketing their cocoa individually to local buyers, again with no guaranteed traceability.

Ownership of producer data in question

Ownership of producer data, which is rapidly collected by the main import and export companies, **is not systematically guaranteed to producers.** This risk exacerbates the level of dependence and weakens the bargaining power of producers – particularly those who are not organised – vis-à-vis these buyers, who hold the data collected in many production areas.

In Ivory Coast, the vast majority of existing data on producers and their cocoa production is collected by export companies – in conjunction with the main importers on the European market – who own it. Cooperatives, especially those that are not certified organic or Fair trade, do not have access to this data, which prevents them from managing their internal operations independently based on this information, or to solicit new customers. This situation reinforces the power and control of exporting companies over cooperatives, as the entry into force of the EUDR makes access to the European market conditional on the presentation of this data.

Cooperatives left to their own devices in the least structured countries

Some producing countries are not at all committed to complying with the EUDR and its traceability and legality aspects.

They do not have sufficient control capacities and do not engage in, or do not have the means to engage in, an appropriate public policy.

Producer organisations are therefore left to their own devices, without support or national mechanisms to meet European Union requirements and continue exporting to this market.



In Madagascar and Haiti, no state provisions are known to partner organisations, in the cocoa supply chain, traceability or proof of legal production. At the request of their European trading partners, cocoa cooperatives have georeferenced their plots and integrated the data collected into their existing traceability system for organic and fair trade certification. To date, they have received no indication or information from their respective governments regarding the existence of a public traceability system or the specific criteria they will need to meet to demonstrate the legality of their production.

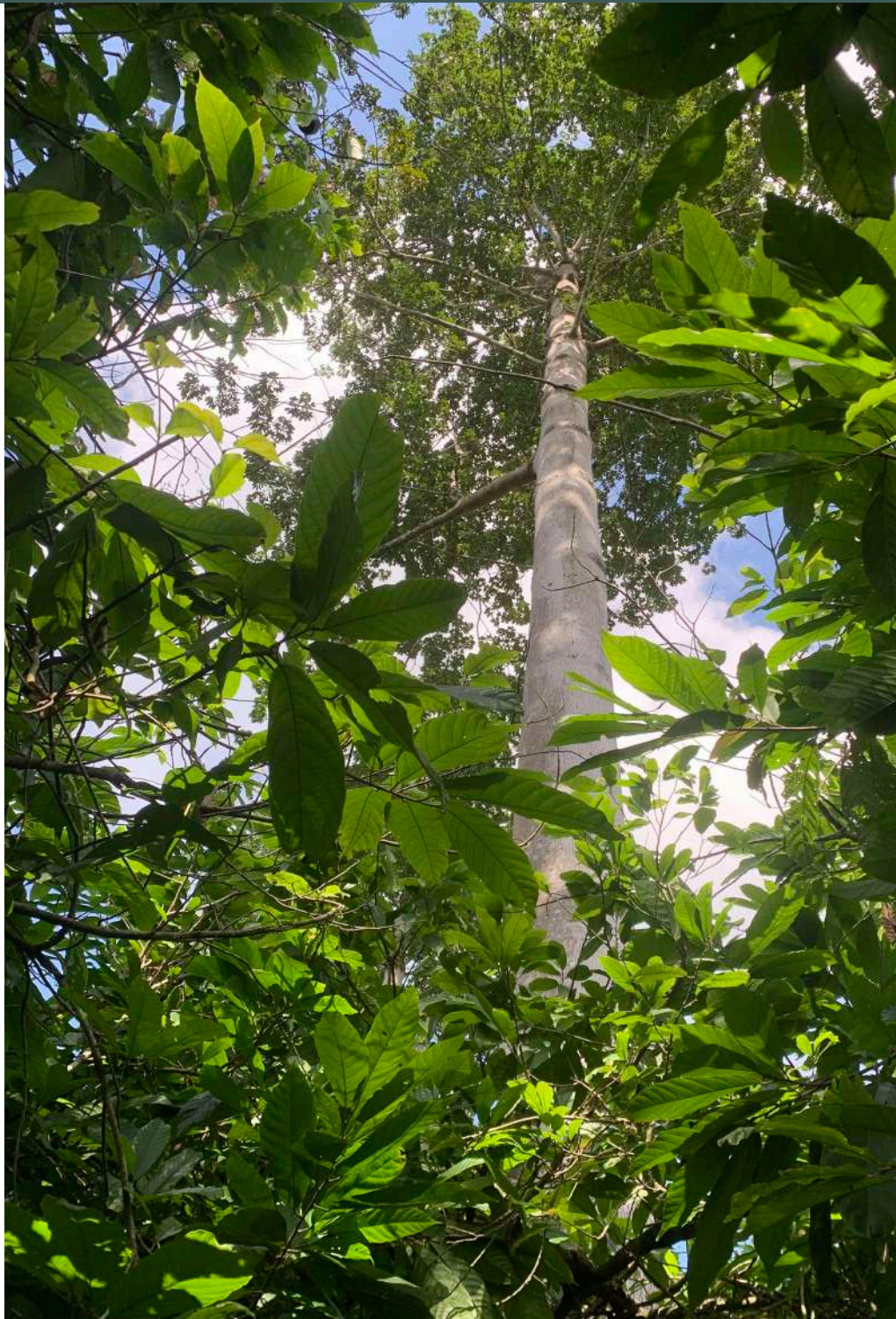
When producing States complicate compliance: heavy national systems that are ill-suited or even contradictory

Other States, which are more structured and have the means to ensure the traceability and legality of volumes exported to the EU market, are designing national systems that are often overly heavy and sometimes ineffective.

These systems lack guarantees of interoperability with those deployed by importing companies and the EU, thus generating significant costs for producer organisations.

In addition, they sometimes require producers to demonstrate the legality of their access to land, a requirement that is unsuited to the realities of most small producers.

In Peru, the national land registry currently being set up for agricultural producers and their farms, across all sectors, includes information on 38 variables and geolocation data. According to the government, it enables compliance with the geolocation requirements of the EUDR, particularly for the cocoa and coffee sectors. Out of a total of 2 million producers, only around 100,000 currently have their plots geolocated. Furthermore, an initial proposal by the State formulated at the end of 2024 consisted of requiring compliance with more than 40 criteria to demonstrate the legality of each



batch to be exported to the European market. This overly burdensome system is still being finalised, notably in dialogue with the umbrella organisations of mobilised producers, and should ultimately result in around ten documents being required. In Ivory Coast, the government has opted for implementing a system based on the distribution of identification cards for each producer, linked to a barcode system. This implementation is encountering

difficulties: partner cooperatives indicate that less than half of their members have received their cards to date, and no figures have been released for producers who are not organised into cooperatives. Initial tests on card readers have revealed cases of malfunction.

In Ecuador, the government established a database of certified organic producers' georeferenced plots several years ago, in accordance with national organic production regulations. The government proposes to use this same platform to register non-organic producers (more than 95% of the total), but the registration of plots is significantly delayed.

There is also a second initiative that is causing confusion. The Ecuadorian Ministry of the Environment (MAATE) has introduced a Zero Deforestation certification scheme in 2021 which goes much further than the EUDR requirements and does not focus solely on the products covered by the EUDR (coffee, cocoa, palm, etc.). In addition to the validation of good agricultural practices and sustainable forest management plans, this certification requires the mapping of the boundaries (polygons) of all plots on each farm, including areas of less than 4 hectares, which, according to the EUDR, should only be geolocated by a single GPS point. It requires the preservation of an area of forest without crops and prohibits the cutting of trees on the entire farm. After considering the title deed as the only proof of legality of land used for production – while many small coffee and cocoa producers do not have this information, MAATE now proposes that entering data on its platform should serve as automatic proof of legality. However, producer organisations that will need this data to meet their customers' demands do not know how they will be able to access specific information about their members.

The coexistence of these two government initiatives and doubts about proof of legality causes confusion among producers.

In all cases, compliance costs are difficult to sustain

Producer organisations are facing a series of additional costs, while current cocoa market prices – which are at historic highs – are placing them in a situation of fierce competition for the purchase of cocoa beans. The margins of cooperatives are too low to absorb these significant new costs.

In Ivory Coast, a study conducted by BASIC in 2024 established an average additional cost of compliance with the EUDR for cooperatives of €107/tonne of cocoa in Ivory Coast and Ghana, and €97/tonne of cocoa in Ecuador, between initial investment costs and recurring operating costs of the system in place.

OPPORTUNITIES TO BE SEIZED BY THE EU

Lobbies, supported by certain producer countries (including northern countries), are attempting to further delay the entry into force of the EUDR and weaken its content in order to limit the investments required and maintain opacity and unfairness in the distribution of value within the sectors targeted by the EUDR, to the detriment of forests. Nevertheless, European regulations may offer new opportunities for certain producers and their organisations, as well as the sectors concerned.

A head start to be exploited by certified organic and fair trade cooperatives

Fair trade and organic farming certified producer organisations will be able to capitalise on their comparative advantages and strengthen their position on the European market. Thanks to effective internal control systems, they have solid experience and data in terms of product traceability. Each export is already subject to an inspection certificate for the import of organic products into the European market (COI), which guarantees that an EU-accredited certification body has verified traceability. These COIs are registered in the TRACES

system and verified by the authorities of each EU country at the time of import. In many countries (Colombia, Ecuador, Peru, etc.), local organic production legislation requires the georeferencing of plots. In these specific cases, organic products can thus be immediately recognised by the EU as complying with the traceability requirements of the EUDR, and the COIs corresponding to these products should suffice for the due diligence declarations to be issued by importing companies on the European market, declarations on the same TRACES system that the EUDR requires without recognition of declarations already made for imported organic products.

An impetus to finally structure the ghost cooperatives created by exporters

The EUDR represents an opportunity for many cocoa producer organisations, often created by exporters and now reduced to empty shells for collecting beans, to finally structure and revitalise their internal operations. They will need to set up a comprehensive traceability system covering all their cocoa bean purchases, which will require them to forge genuine links with affiliated producers, carry out collective activities to meet the requirements of the regulation, and act in the interests of their members.

In Ivory Coast, there are approximately 3,000 cocoa producer cooperatives, representing nearly one million cocoa producers. However, some large, exemplary cooperatives such as ECOOKIM and CAYAT, have between 3,000 and 4,000 producer members each. These figures suggest that there are a large number of fictitious cooperatives serving exporters and collectors who set them up without any democratic basis, with no connection to producers other than the purchase of beans, and without any collective price negotiation or guaranteed traceability.

A lever of transformation for individual producers

The entry into force of the EUDR could encourage individual producers to join existing cooperatives or create new ones in order to meet the traceability requirements imposed by importers — requirements that only local collective structures are able to guarantee.

This organisational dynamic, stimulated by the regulation, could gradually strengthen their commercial bargaining power, thereby increasing their incomes and giving them access to services that they do not have access to as isolated producers.

A strategic opportunity for greater transparency and fairness

Finally, the entry into force of the EUDR represents a lever for improving transparency in the supply chains of the seven agricultural import sectors in Europe that are the main drivers of deforestation. The obligation to guarantee the physical traceability of supplies recreates the link between downstream and upstream players in these largely opaque sectors. Importing companies are responsible for collecting information upstream of their supplies and must carry out due diligence declarations consisting of risk analyses and, where necessary, mitigation measures in terms of the environment and human rights — including the right to a decent standard of living for producer families and, therefore, remuneration and prices paid.

In the cocoa sector, the majority of beans used by the European chocolate industry are still not traceable. And in 2023, only 6% of the value created — estimated at \$100 billion annually — was returned to cocoa producers (BASIC), keeping most of them below the poverty line.

OUR MAIN POSITIONS FOR AN OPERATIONAL, EFFICIENT AND INCLUSIVE EUDR

The EUDR aims to address the major and urgent challenge of combating deforestation, but not all the necessary measures have been taken to limit the negative effects on small producers and ultimately prevent their exclusion from the European market. For the EUDR to come into force in 2026 with the least possible negative impact on producer families in the South and their organisations, the following conditions are essential:

1. Producer organisations that need it must receive more technical assistance and financial support from their governments, their customers and international cooperation agencies in order to comply with the EUDR.
2. Producer organisations in southern countries — particularly the most advanced ones with fair trade and organic certifications — must benefit from simplified recognition of their compliance with the EUDR on traceability. They must be involved in the design of national compliance mechanisms with the EUDR currently

being developed and implemented, in order to ensure their effectiveness and efficiency and to guarantee producers ownership of their data.

3. The numerous technical and technological problems observed in the proper application of the EUDR must be quickly resolved by the southern states and the EU, with the assistance of research, producer organisations, committed importers and supporting NGOs, in order to achieve the most effective and least costly systems possible.
4. Price regulation mechanisms for producers must be more widely implemented, drawing on the experience of fair trade. The prices paid to producers remain the cornerstone of the fight against deforestation and cannot be set solely on the basis of fluctuations in world prices determined by supply levels and stock market speculation.





ABOUT:



Agronomes et Vétérinaires Sans Frontières (AVSF) **www.avsf.org**

A French international solidarity NGO, AVSF has been working for over 45 years with farming communities and organisations in the Global South to resolve food issues. The association provides them with the skills of agricultural professionals, livestock farming, and animal health: technical and financial assistance, training, market access, etc. AVSF advocates for fair remuneration for producers and transparent partnerships with all actors in the value chains. To guarantee product quality and fair distribution of profits, AVSF works with numerous fair trade labels, organic and agroecological certifications. Agronomes vétérinaires sans frontières runs more than 80 cooperation programmes in 22 countries in Central and South America, Asia and Africa, working alongside more than 450 farmers' organisations for whom agriculture and livestock farming remain fundamental to food security and economic and social development.

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SCOP ETHIQUABLE **www.ethiquable.coop**

ETHIQUABLE is a cooperative enterprise committed to fair trade since 2003. It works hand in hand with more than 110 small producer cooperatives in 29 countries, including France, to support small-scale and organic farming. Ethiquable is a social economy (ESS) enterprise structured as a cooperative (SCOP), where employees are the decision-makers. Its unique model promotes fair remuneration for producers, transparency in supply chains and products that can be traced back to their origin. Each product embodies a fundamental approach: supporting local expertise, preserving ecosystems and promoting agroecology, and offering consumers in the mass retail sector products with authentic flavours, resulting from a genuine human and ecological project. Since 2021, ETHIQUABLE has been making its chocolates in its own chocolate factory in Fleurance (Gers). Open to the general public, visitors can discover the secrets of chocolate making and the challenges involved in fair trade and organic cocoa production.

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