



# Fast-track procedure to set an SPP Price

SPP Tutorials

Fast-track procedure to set an  
SPP Price

Version 1.0 | 2025-03-25

Intended for:  
Producers  
Buyers  
General public

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# What is an SPP Price?

The **SPP Minimum Sustainable Price** is the lowest possible price that a buyer may pay to producers to ensure a truly fair trade relationship between certified Small Producers' Organizations and Companies registered with SPP Global.



# SPP Price Floor: why does it matter?

SPP Minimum Sustainable Prices allow SPP Global to make sure that producers:

- a) are fairly paid for their products
- b) earn a living income to live a dignified life
- c) are offered resources for organizational strengthening
- d) receive a premium aimed at improving production
- e) get recognition for the quality of their products

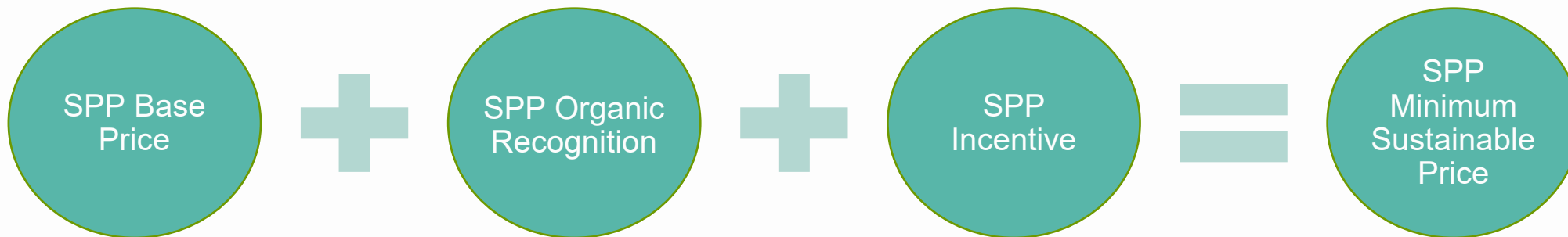
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# SPP Minimum Sustainable Price Breakdown

Every SPP MSP is made up of three components.



The sum of these two components reflect total production costs

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# 1. Base Price (a)



The costs incurred by a producer and the SPP Small Producer Organization he/she is a member of to produce a given amount of product, but excluding all costs related to organic production.

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# 1. Base Price (b)

Examples of Base Price items:

- Land costs
- Inputs
- Labor
- Farm tools
- Production, administrative or processing facilities
- Among others

SPP Base Price

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# 1. Base Price (c)

When it comes to the SPP Base Price, one of these two INCOTERMS (rules defining responsibilities of buyers and sellers) are to be used:

- **FOB:** The seller delivers the goods to the port of shipment and then the buyer is responsible until unloaded onto a ship
- **Ex Works:** The seller delivers the goods at his premises. The buyer bears all risks and costs from that point onwards.

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## 2. Organic recognition (a)

All **organic farming costs incurred by a producer and the Small Producer Organization** he/she is a member of to produce a given amount of certified organic product

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## 2. Organic recognition (b)

Example items:

- Organic fertilizers
- Pest and disease control inputs
- Organic certification
- Organic advisory services
- Among others

SPP Organic  
Recognition

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### 3. SPP Incentive



This premium is an **economic stimulus to strengthen** organizational, production, commercial and business related activities, as well as other activities that contribute to producers' wellbeing.

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## Keep in mind!

To buy and/or sell a product under SPP conditions, transactions must abide by the respective SPP Price. **So, what if no SPP Price has been officially set for the product I want to sell/buy?**

Simply follow the Fast-track Procedure to define an SPP Price...

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# SPP Price Fast-track Procedure: how does it work?

The Small Producer Organization and buyer in question submit a request to set **a provisional SPP Price** that will be in force until an official Minimum Sustainable Price is calculated via the ordinary Procedure to define SPP Prices.



# How do I request a provisional SPP Price?

1. Make sure the product you want to sell/buy is not featured in our [official SPP Minimum Sustainable Price List](#).

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# How do I request a provisional SPP Price?

2. Contact your SPP buyer to prepare a **provisional SPP price proposal** for the product in question.

*If more than one producer co-op are involved, all must agree upon and approve the same proposal.*

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## KEEP IN MIND!

the provisional proposal must include these elements:

	<b>Guideline</b>	<b>Example</b>
Base Price (BP)	ExWorks or FOB	100 USD/Kg FOB
Organic Recognition (OR)	15-25% of Base Price	25 USD/Kg
SPP Incentive (IN)	10-15% of Base Price	15 USD/Kg
SPP Minimum Sustainable Price (MSP)	BP+OR+IN+MSP	100+25+15=140 USD/Kg



# How do I request a provisional SPP Price?

## 3. Prepare a request letter including:

- a) Date and place
- b) Name of your organization
- c) Product highlights
- d) INCOTERM (Ex Works or FOB)
- e) Base Price, Organic Recognition, SPP Incentive and Minimum Sustainable Price
- f) Currency
- g) Measurement unit
- h) Company name
- i) Signatures of your organization and buying company



[Download Price Request Letter Example](#)



# How do I request a provisional SPP Price?

4. Send the letter to [precios@spp.coop](mailto:precios@spp.coop) and [cert@spp.coop](mailto:cert@spp.coop)

**REMEMBER!** The letter must be signed by both the Small Producer Organizations involved and the SPP Buyer.

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# How do I request a provisional SPP Price?

## 5. Stay tuned!

Once the fast-track procedure has been applied, the SPP Operational Team will contact you to carry out the regular Procedure for the definition of the SPP Minimum Sustainable Price.



Please let us know  
if you have any questions!



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