Mainstreaming Eco-Standards for Tropical Agricultural Commodities: Impacts and Implications

CIIFAD Seminar

Nov. 7, 2012



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EcoAgriculture Partners

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What are agricultural eco-standards?

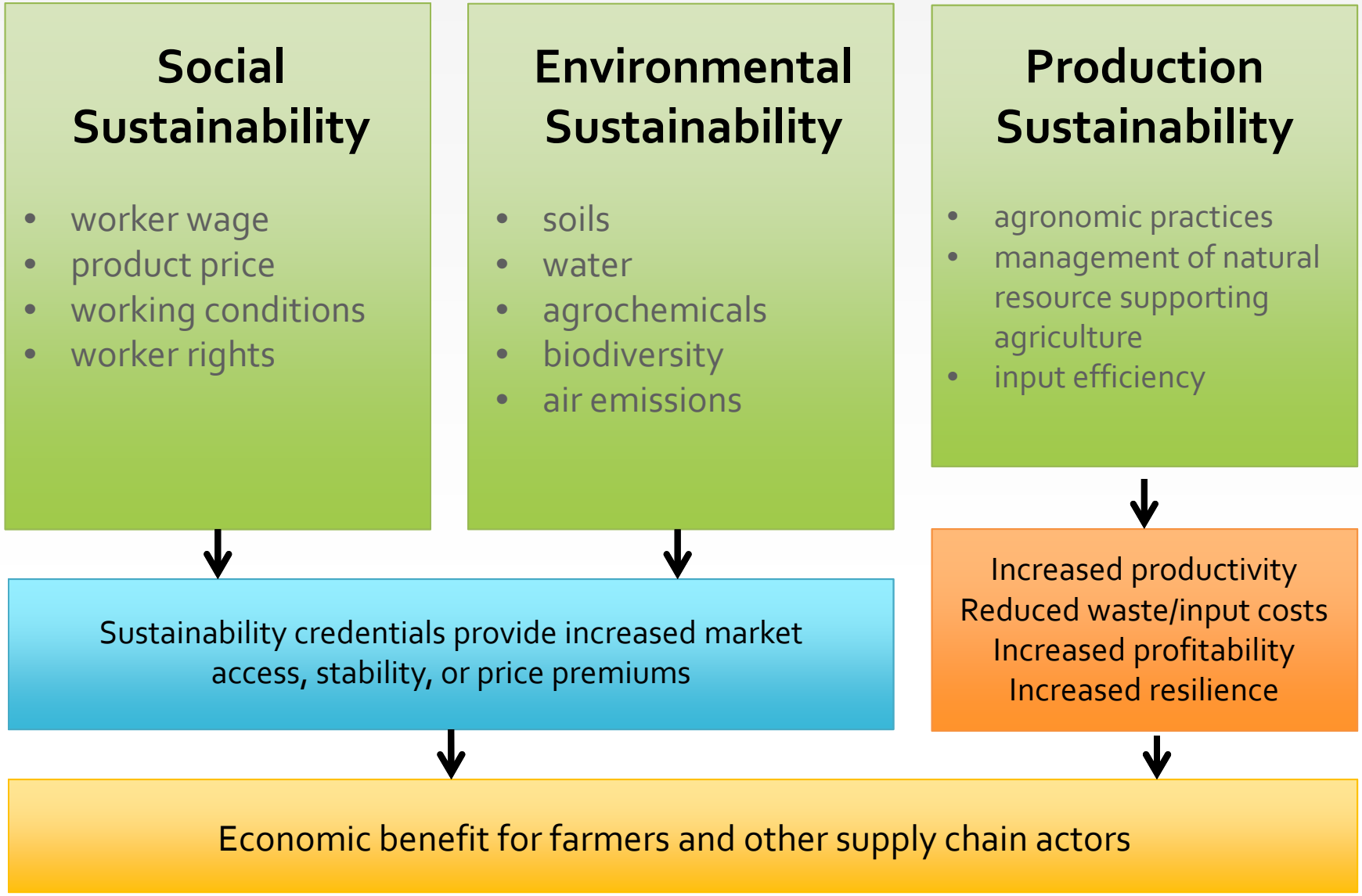
Systems to evaluate and audit the processes or methods by which (food) products are produced, according to environmental and social sustainability criteria…

..when combined with eco-labels, these systems provide consumers or businesses with information by which to make more informed choices in the marketplace.

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Source: “Toward Sustainability” report, 2012

Scope of "sustainability" in eco-standards



Examples of agricultural eco-standards

3RD PARTY

ROUND-TABLES

INTERNAL

OTHER TYPES

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Rainforest Alliance Standard: What does it actually mean?



- Worker rights respected (incl. minimum wage and prohibition on child labor)
- Occupational health & safety practices
- All existing natural ecosystems must be identified, protected and restored (retrospective to 1999)
- Buffers required between crops and streams, settlements
- Water conservation program & runoff limits
- Integrated crop & soil management plans in place
- Agroforestry system (>40% shade density; >12 native tree species per hectare)

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Source: SAN standard (2010) and interpretation guidelines for cocoa in Ghana (2009)

Bonsucro standard:
What does it actually mean?



- Comply with "relevant applicable laws"
- Comply with ILO labor conventions, worker safety, minimum wage
- **Minimum production, input use, and mill efficiencies (e.g., t/ha, kg input/kg output)**
- **Carbon footprint per ton of product**
- Limited pesticide, herbicide, and fertilizer use
- **Max chemical oxygen demand in streams**
- No current or prior deforestation/habitat loss
- Continuous improvement

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Source: Bonsucro standard, 2011

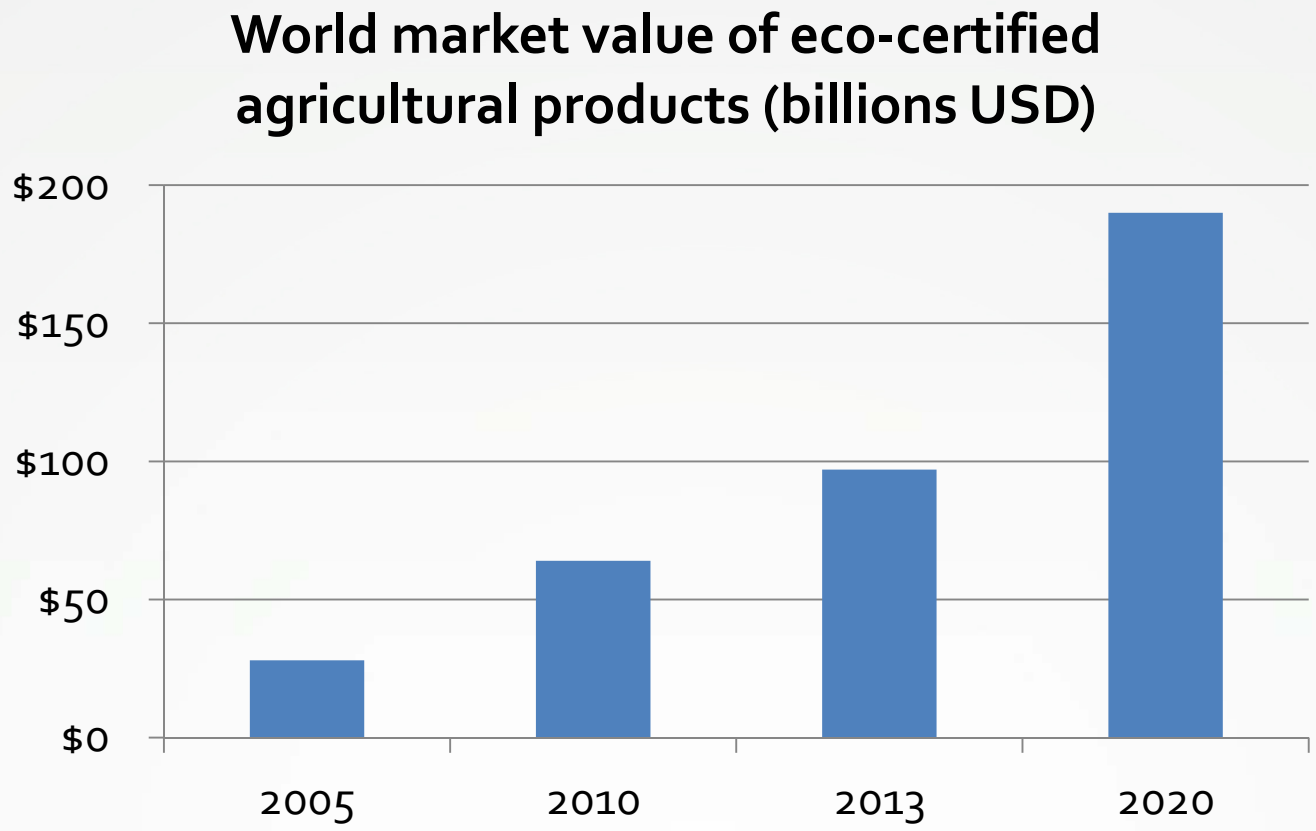
Mainstreaming: three key trends

1. Larger scale
2. New roles and value propositions for eco-standards
3. More rigorous focus on impacts



Trend 1: larger scale

Total world market size



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Source: Ecosystem Marketplace; Majanen & Milder 2010

Trend 1: larger scale

Total world market size – major crops

Market share by 10 major standards (Dec. 2009)

- 17% of coffee production
- 8% of tea production
- 1% of cocoa sales
- 20% of banana exports
- 14% of palm oil (Oct. '12)

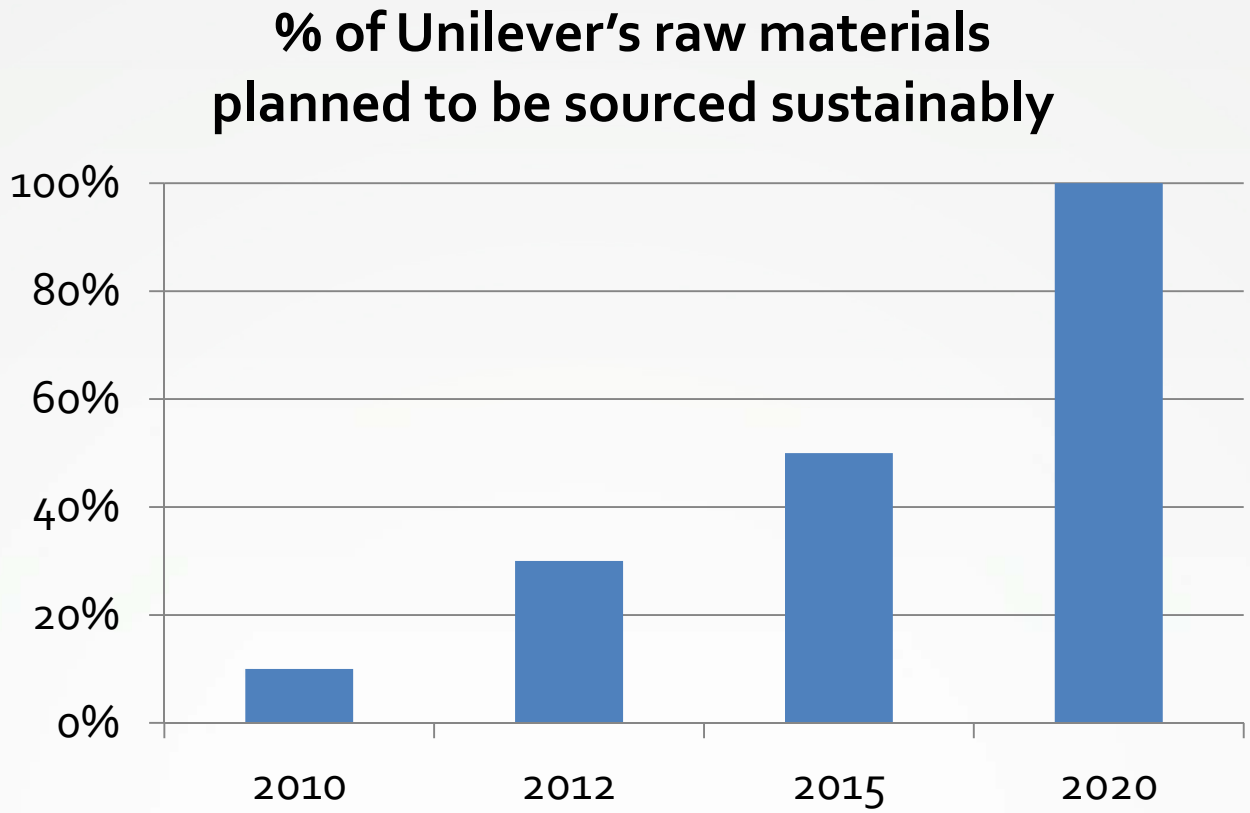


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Source: "The State of Sustainability Initiiatives Review" (2010)

Trend 1: larger scale

Corporate sustainability commitments



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Source: Unilever

Trend 2: new roles & value propositions

New roles for eco-standards

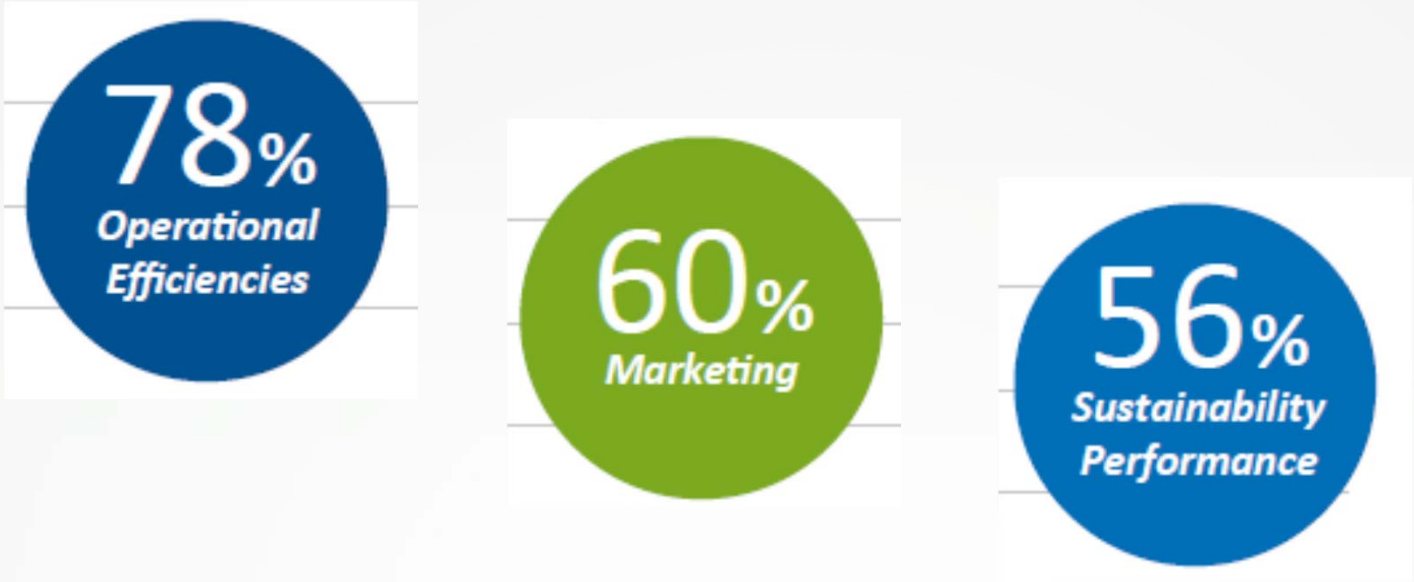
Prior foci & functions	New, additional foci & functions
Speciality products	Bulk commodities
B2C product differentiation	B2B product differentiation
Sustainability credentialing	Supply chain management

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Trend 2: new roles & value propositions

Value propositions for private business

What benefits do corporate actors derive from eco-standards? (*n*=80)



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Source: The ISEAL 100 (2011)

Trend 2: new roles & value propositions

New roles for eco-standards

Prior foci & functions

Speciality products

B2C product differentiation

Sustainability credentialing

Non-state governance

Traceable attestation of sustainability

New, additional foci & functions

Bulk commodities

B2B product differentiation

Supply chain management

Sustainability yardsticks for public & quasi public orgs.

Integrated agricultural development

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Trend 2: new roles & value propositions

Eco-certification as sustainable rural development

Rainforest Alliance "Sustainable Landscapes" training program

Rainforest Alliance Climate Module





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Source: Shames, Moroge, and Milder, "Climate-smart agricultural landscapes: the case of Kenya's Kericho-Mau landscape" (forthcoming 2013)

Trend 2 : new roles & value propositions

Eco-certification as sustainable rural development

- Agronomic: how to grow organic palm oil on fallow land
- Community & livelihoods: training for smallholders
- Regulatory: retire palm oil concessions on virgin peatland
- Scientific: spatial priority setting for restoration



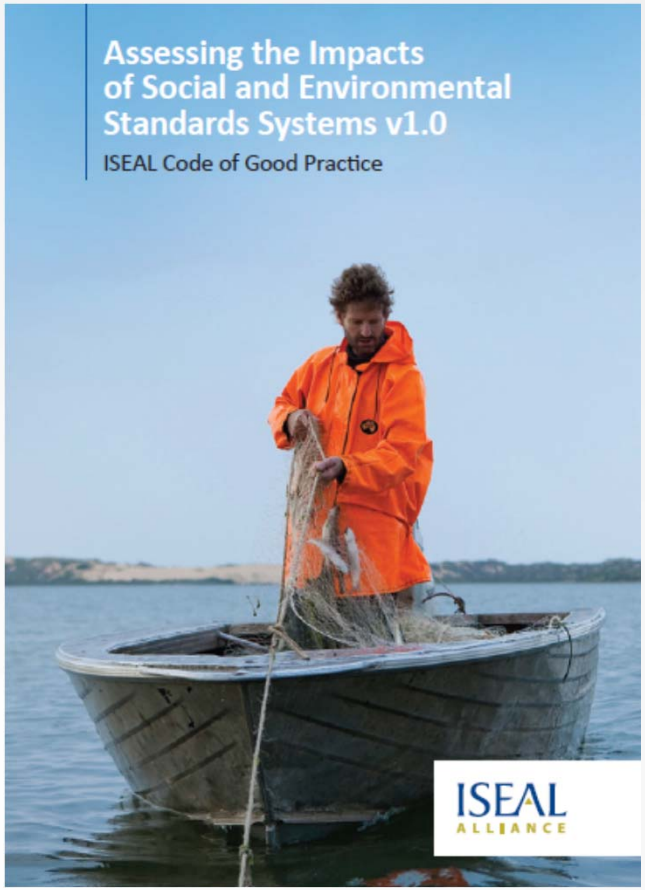
Photos: Lee Gross

Trend 3: greater focus on impacts

Moving from *best practices* to *proven benefits*

ISEAL Impacts Code (2011):

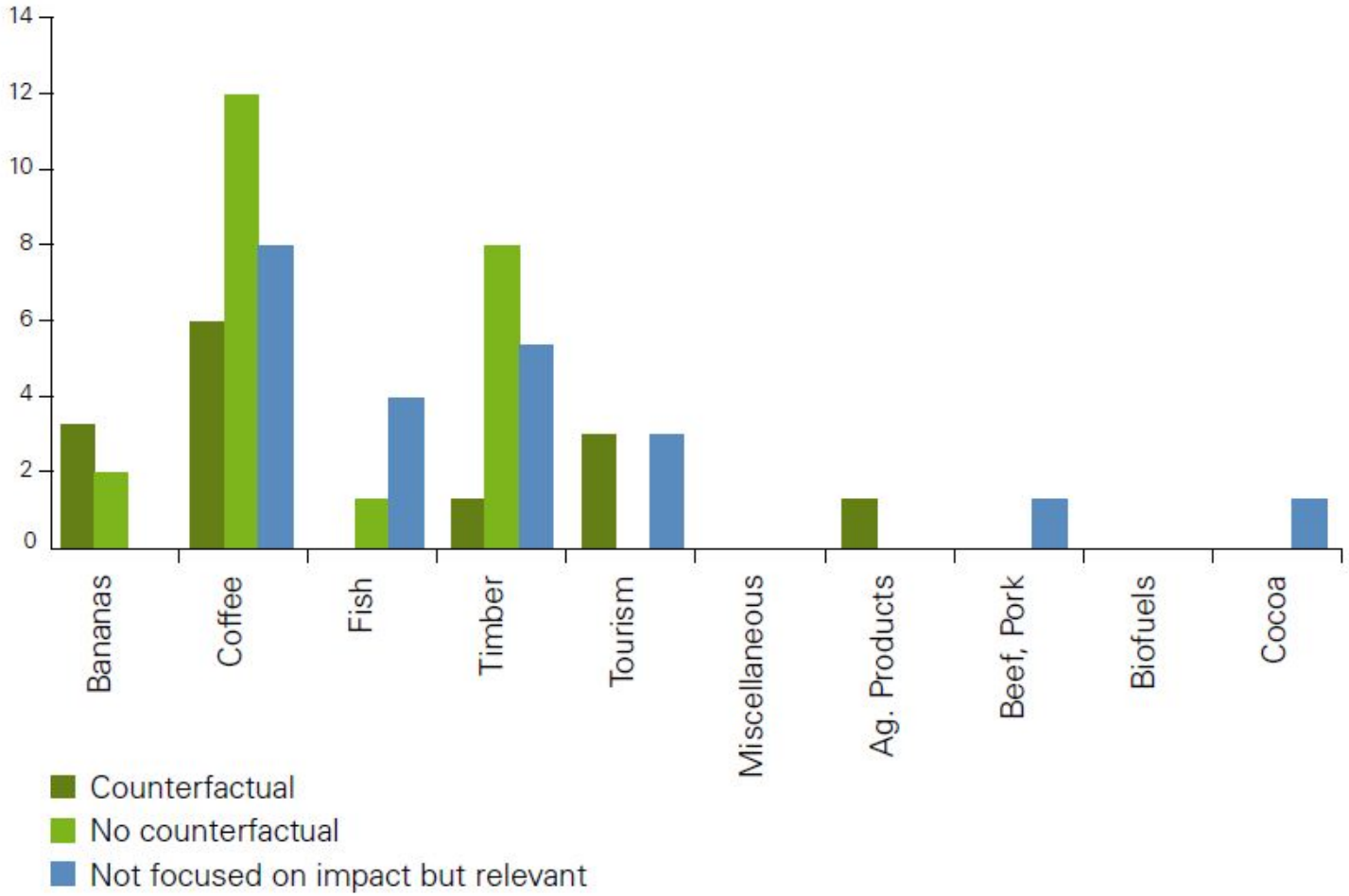
"Standards systems shall develop, document and implement a monitoring and evaluation programme that is compliant with this Impacts Code."



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What do we know about impacts?

Figure 3:
Number of studies on sustainable certification, by commodity

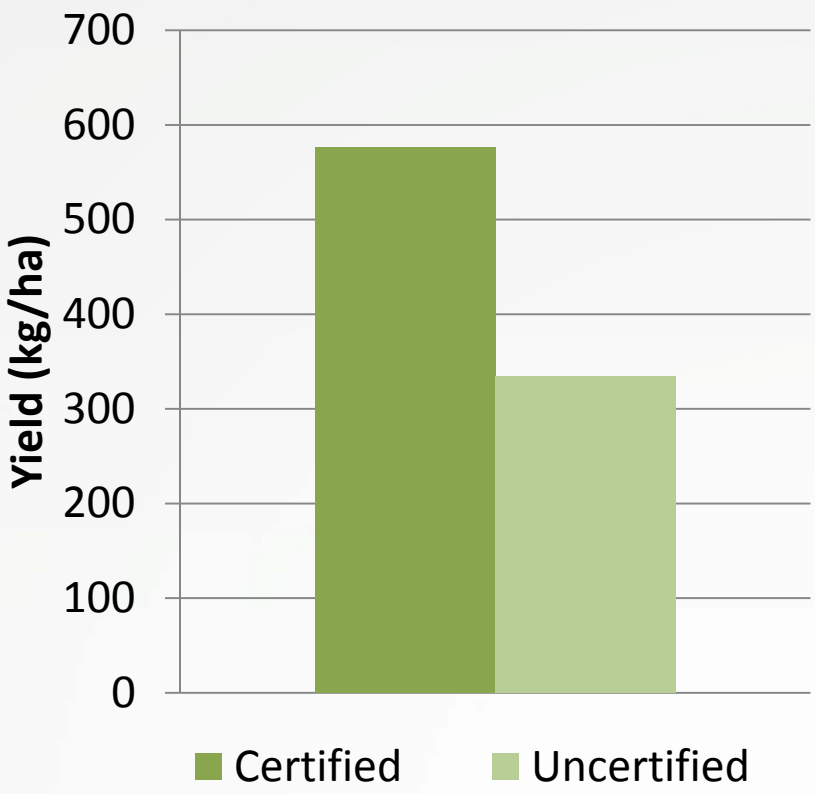


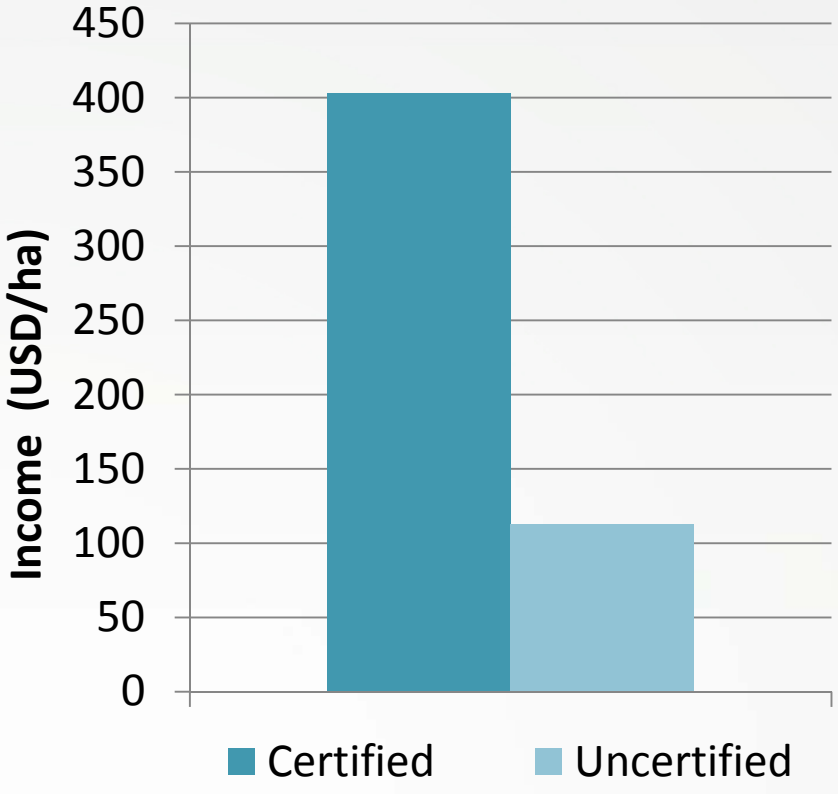
Source: Blackman and Rivera (2010). The evidence base for environmental and socioeconomic impacts of 'sustainable' certification.

Source: KPMG 2012 based on data in Blackman & Rivera 2010

Rainforest Alliance certified cocoa

Côte d'Ivoire



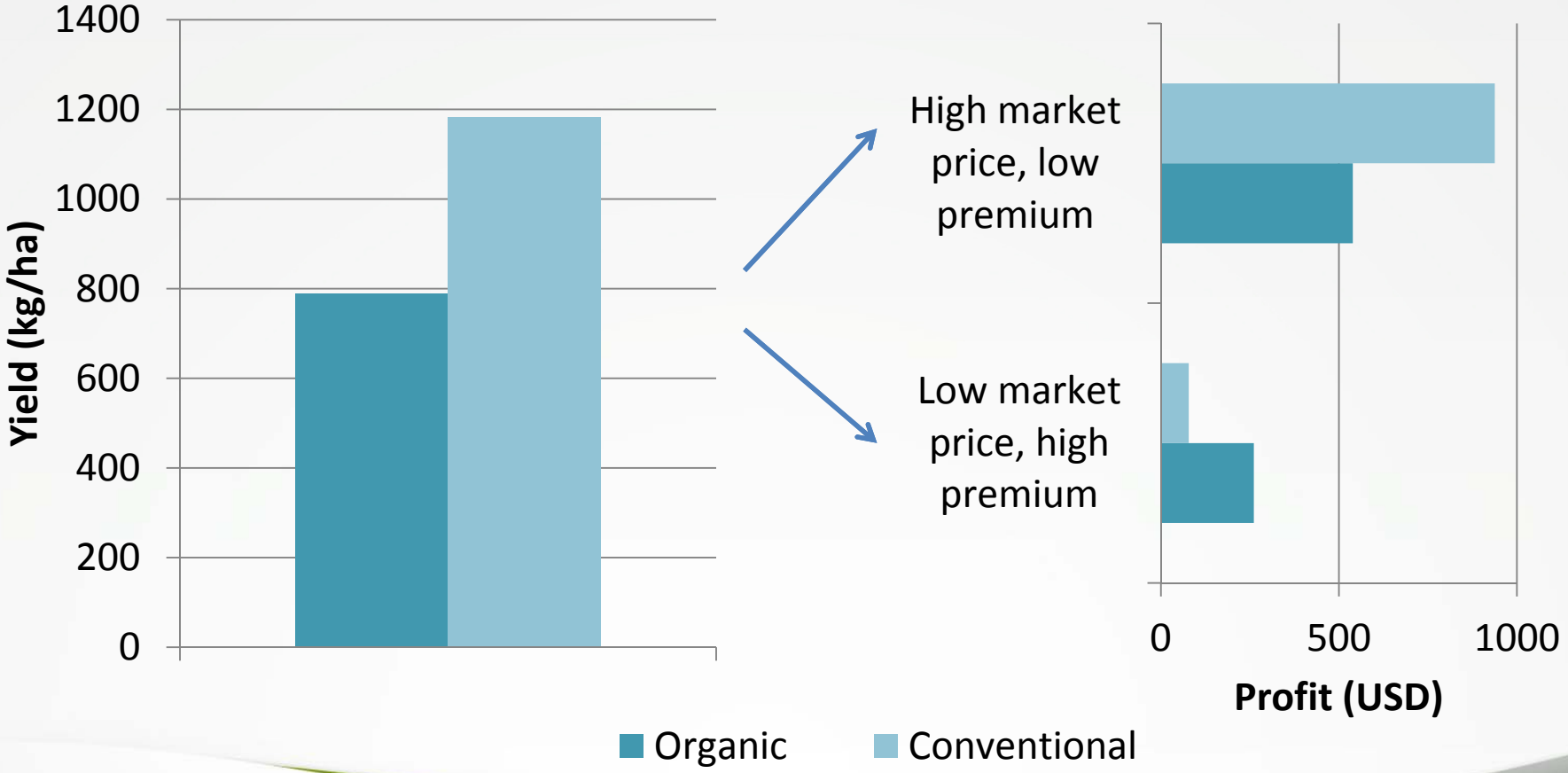


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Source: COSA & Rainforest Alliance, 2011

Fair trade organic coffee

Nicaragua

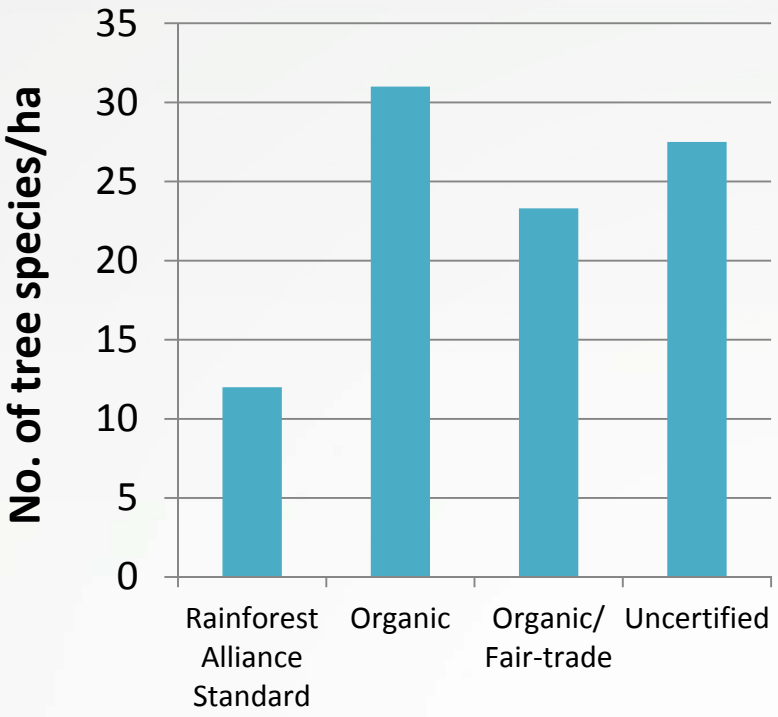


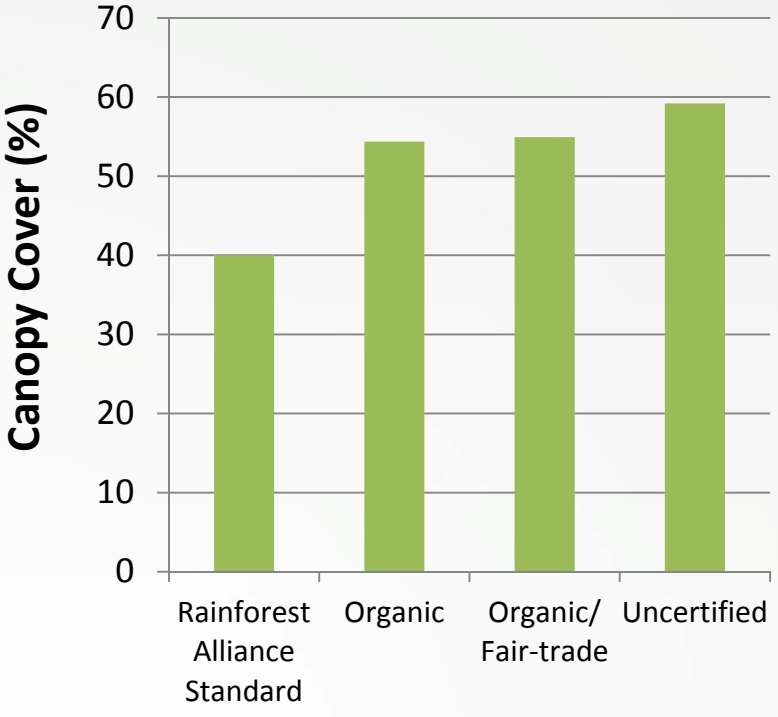
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Source: Valkila, 2009

Certification implications for biodiversity

Chiapas, Mexico





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Source: Philpott et al. 2007, Conservation Biology 21:975-985.

Example 4

Marine Stewardship Council

Eco-Label Conveys Reliable Information on Fish Stock Health to Seafood Consumers

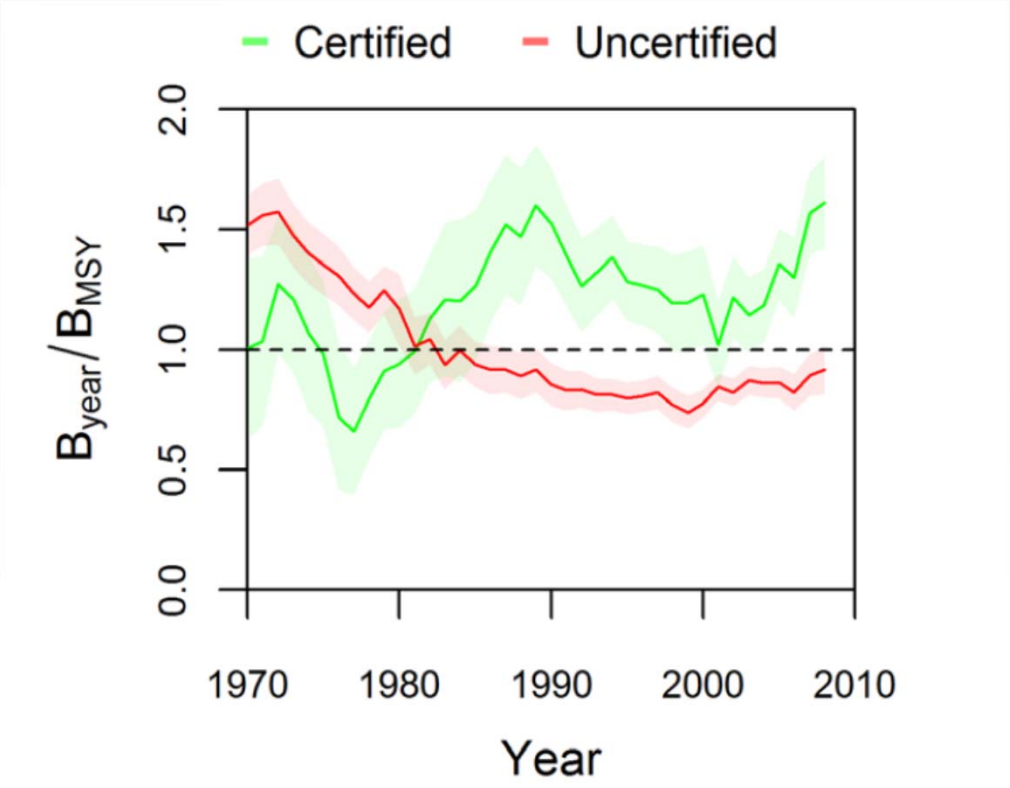


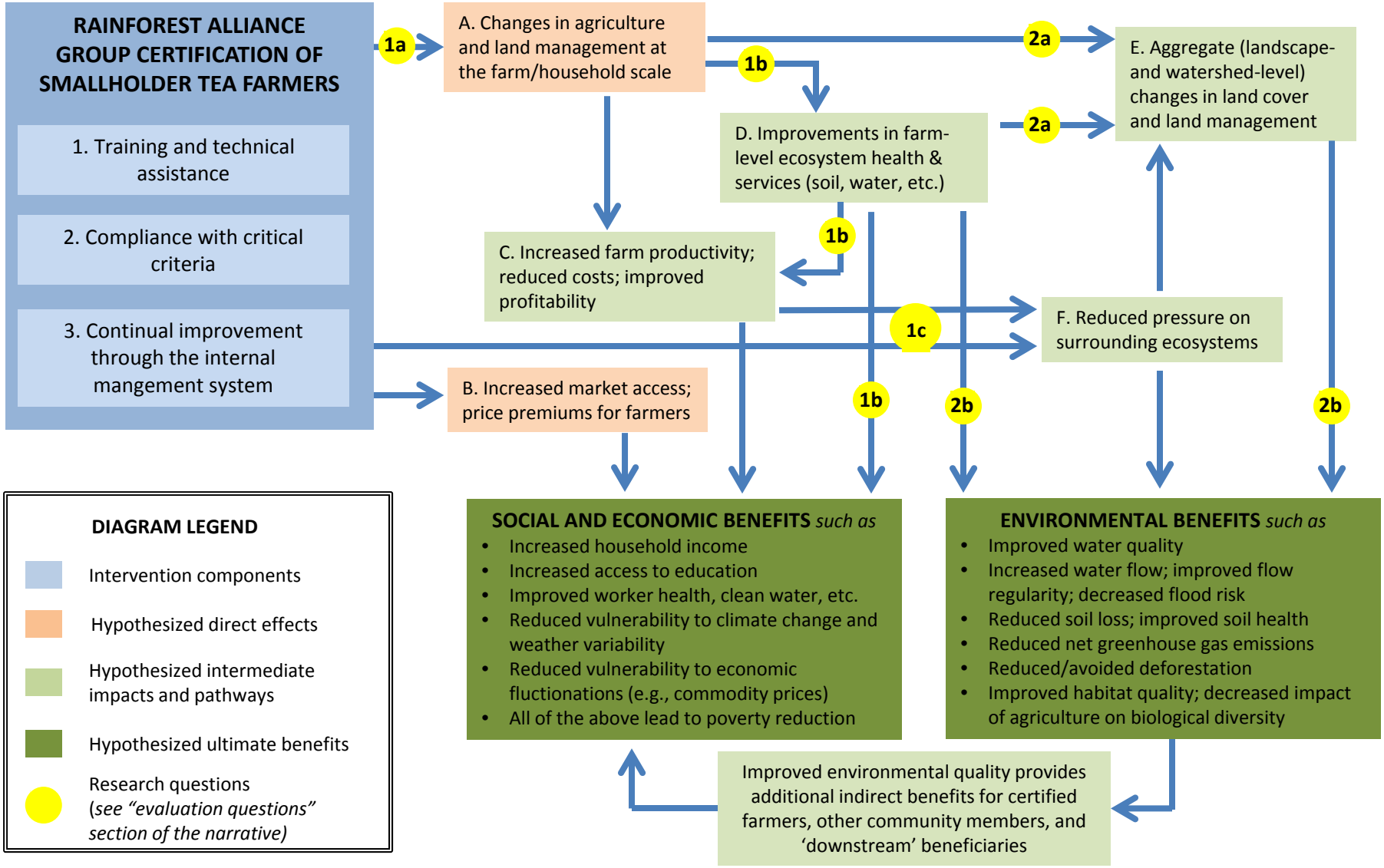
Figure 3. Performance of MSC-certified and uncertified fisheries. Long term trends (1970–2009) of biomass relative to their targets

n **= 45 certified & 179 uncertified fish stocks**

Source: Gutierrez et al. 2012
PloS ONE 7(8): e43765

Measuring and achieving real impacts

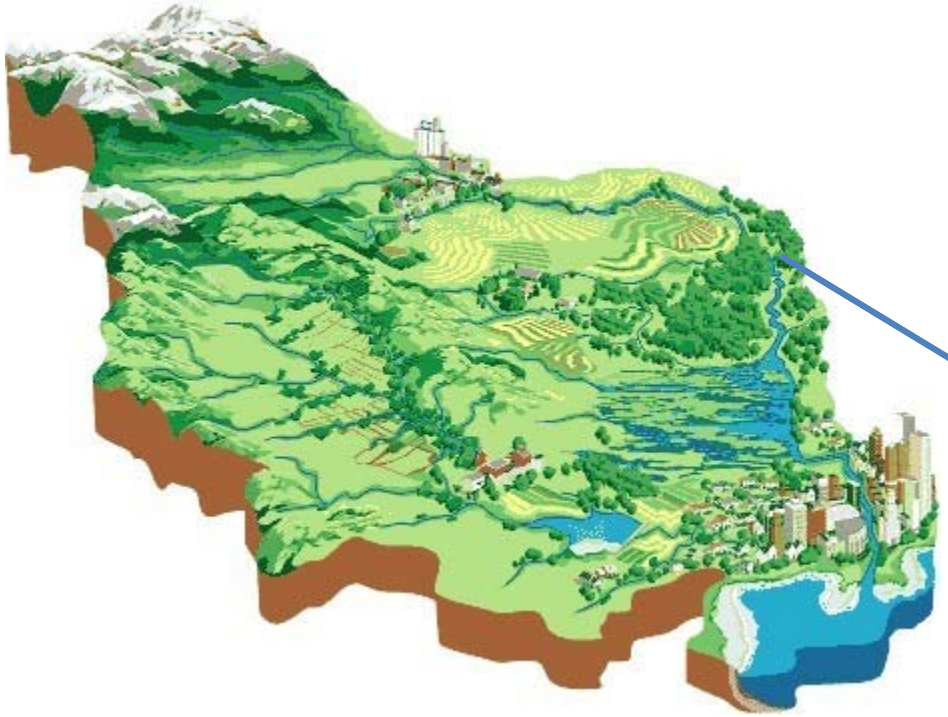
1. Hypothesis testing of impact pathways



Source: J. Milder, Rainforest Alliance smallholders theory of change (Aug. 2012)

Measuring and achieving real impacts

2. Use integrative indicators at suitable scale



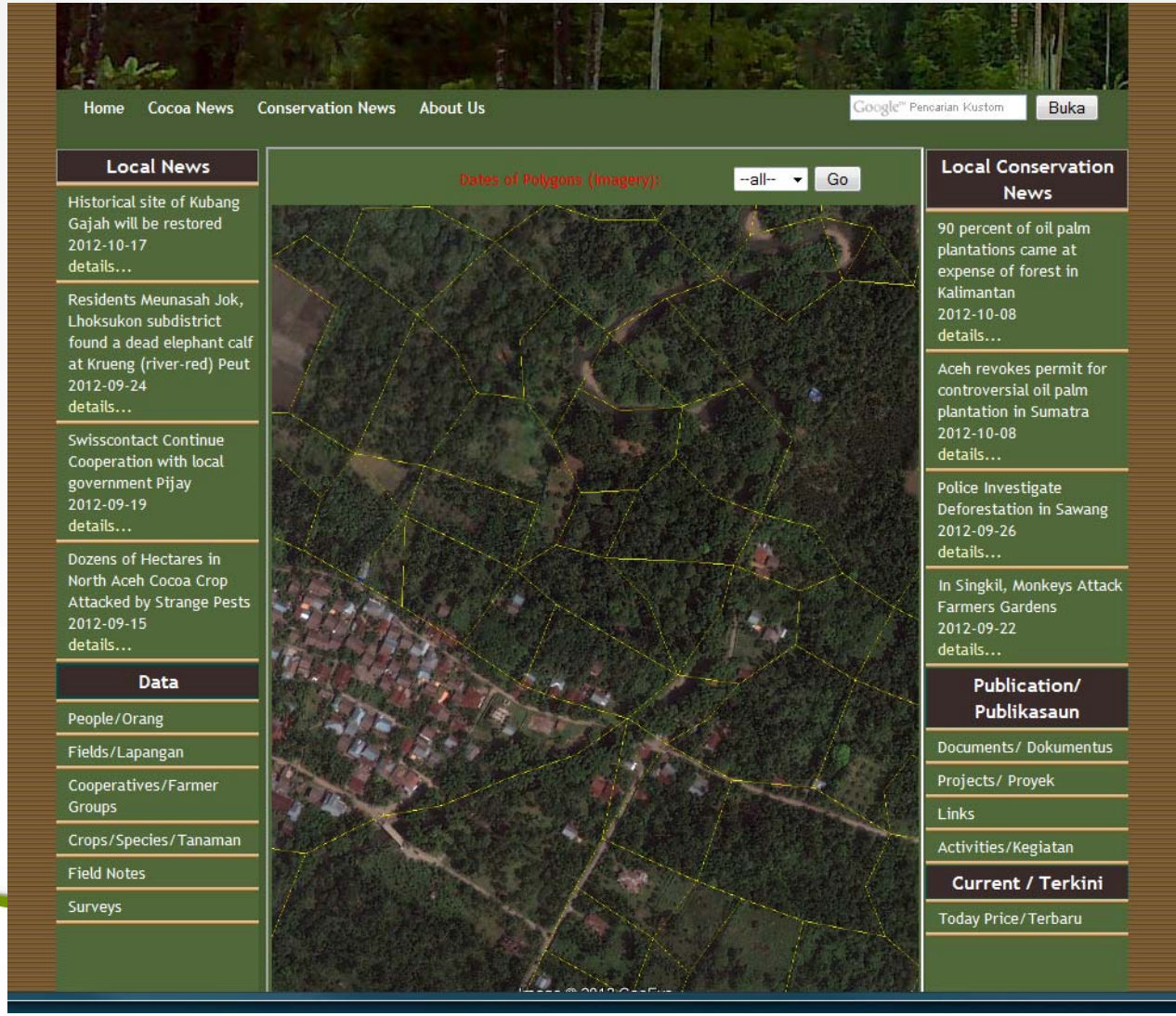


Measuring and achieving real impacts

3. Data systems to link practices to impacts







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Where are eco-standards going in the next 10 yrs?

- Governments continue to become more involved
- Increased focus on performance oriented approaches
- Certification addresses supply chain security and resource constraints
- Market base for certified goods expands
- Competitive dynamics between:
  - 3rd party standards vs. internal systems
  - 3rd party standards vs other 3rd party standards
  - More rigorous vs. 'greenwashed' standards

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THANK YOU