

A comparison of existing criteria, standards and other initiatives for soy production

Discussion paper for the Roundtable
on Sustainable Soy on defining and
verifying responsible soy production

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1. Introduction

1.1. *Background to the Roundtable*

The Roundtable on Sustainable Soy¹ is a joint response from industry and NGOs to the issues raised by the widespread recent expansion of soy production. Amongst its objectives, the Roundtable aims to:

1. reach consensus among critical stakeholders;
2. develop and promote criteria for sustainable soy production;
3. promote and replicate pilot projects on sustainable soy;
4. monitor the status of soy production in terms of sustainability;

The inaugural meeting of the Roundtable on Sustainable Soy will be held on 17-18 March in Foz do Iguazu, Brazil. This paper is a technical contribution to that meeting. It discusses two of the issues the Roundtable will need to consider. These are:

- the definition of sustainable soy production
- the way in which this can be assessed or verified

1.2. *Purpose of this paper*

The study analysed eight initiatives which have been developed to:

- define aspects of good practice in the production of either soy or agricultural commodities in general and/or
- provide guidance on the implementation and verification of good practice.

Some of the initiatives attempt to define 'sustainable production' and address the three elements of sustainability² while others were developed to focus on a single issue such as social responsibility.

The approaches to implementation and verification also vary ranging from initiatives to guide and support good practice, to those based on certification, which can allow claims and labelling for the end product (e.g. organic).

The purpose of the analysis is to assess the extent to which each of the initiatives can contribute to the objectives of the Roundtable, in particular:

Defining criteria for 'sustainable soy production': The analysis assesses to what extent the reviewed initiatives can contribute to the development of such a definition.

¹ <http://www.sustainablesoy.org/>.

² Sustainability is usually understood to incorporate consideration of economic, environmental and social factors in equal measure

Implementing and verifying sustainable production: The analysis looks at the approach taken by each of the eight initiatives to ensuring its requirements are implemented. Experience from other agricultural sectors has shown that once there is a definition of 'sustainable production' there is also a strong pressure to have some type of mechanism for verifying whether or not this is being implemented in practice. There is a range of ways in which this can be done depending on the needs of stakeholders. Verification can assess the uptake or progress of certain practices or provide a basis for claims and labelling in the marketplace. The soy roundtable will need to consider what its needs are and therefore which are the most appropriate approaches.

1.3. Initiatives assessed

This discussion analyses eight existing initiatives, agreed with the Organising Committee of the Roundtable prior to initiation of the study. The first three of these are soy-specific and the remainder are more general in nature and could apply to a number of different crops, including soy.

Soy specific

- CEBRAC Soy Platform – Brazil (May 2004). Criteria for Corporate Responsibility of Soy Buyer Enterprises
- Kansas State University (March 1997) 'Soybean Production Handbook'
- The Basel Criteria for Responsible Soy Production (August 2004)

Generic

- International Federation of Organic Agriculture Movements (IFOAM)
- Social Accountability International (SAI) 8000 (1997)
- Sustainable Agriculture Network (SAN) General Standards Rainforest Alliance Sustainable Agriculture (2002)
- Environmental Management Systems standard (ISO 14001)
- Euro-retailer Produce Working Group Good Agricultural Practice (EUREPGAP)

Brief descriptions of each initiative are given in Appendix 1.

1.4. Structure of the discussion

The paper is organised into 3 sections:

Methodology: a description of the methodology developed to analyse the coverage of the eight existing initiatives.

Analysis: the results of the comparison, showing the areas covered by the eight existing initiatives.

Recommendations: conclusions drawn from the analysis and suggestions on what issues the roundtable should address and the means by which it should address them.

2. Methodology

2.1. Development of the analytical framework

We devised a list of important issues based on our experience of several commodities, and features known to be important to the soy sector. The list is divided into two sections:

- the features that would define sustainable soy production, and
- the ways in which an initiative can operate to make it both practical and credible.

The first section, on technical requirements, covers the management of soy on existing farms and the expansion into new agricultural areas. The second looks at characteristics of an initiative that are desirable if there is to be wide acceptance and use of the requirements.

Each initiative was analysed against this framework. The results are shown in table form in section 3. If a scheme or initiative had at least one requirement concerning a given issue, the box was ticked. No judgement was made on the adequacy of the requirements. Such judgements are highly subjective and different stakeholders will have very different opinions. Gaining consensus on such issues is amongst the objectives of the Roundtable.

2.2. Technical requirements

2.2.1. Management of soy

Defining sustainable management of any crop is difficult. However, it is widely acknowledged sustainable management should be consistent with each of the following:

- **General agricultural best practice:** which should ensure efficient and economically viable production.
- **Social best practice:** which considers responsible treatment of workers and local communities.
- **Environmental best practice:** that ensures the maintenance of ecosystem functions and the long term productivity of the land.

Other issues that have also been explicitly included here are, legal compliance, biodiversity conservation and organic agriculture.

- **Legal compliance** is included because it is a widely accepted baseline for good practice.

- **Biodiversity conservation** is included because it is a priority for several important stakeholders and is not necessarily included under general environmental requirements (that may, for example, deal instead with issues such as pollution and water use).
- **Organic agriculture** is included as it is a small but growing niche market and it is therefore useful to consider how consistent organic requirements are with other initiatives.
- **Genetic modification** is not unique to soy, but its use in soybean agriculture remains controversial. Some regard GM based agriculture as incompatible with the principle of sustainability because of social and environmental concerns, while others argue that GM crops can help to make agriculture more sustainable, for example, by reducing the need for chemical inputs. It is not the purpose of this paper to make recommendations for or against the use of GM soy. The paper merely highlights which existing initiatives address the issue.

2.2.2. Establishment of new areas

The expansion of any crop, including soy, can raise a series of specific issues, particularly when some of the expansion is into previously non-agricultural land. These issues are often those considered the most important by environmental NGOs and social groups. These concerns include land-use rights, the type of land being converted and the suitability of the means used to bring land under cultivation.

- **Land-use rights** are important as an incentive to maintain the productive capacity of the area. It is also especially important that land-use and land-use change does not have adverse impact on the patterns of traditional or customary land use.
- **Conversion of natural habitats** is included as there has been considerable concern over the conversion of natural vegetation (including forest and savannah), leading to the loss of areas that are potentially important for biodiversity conservation.
- **Methods of land clearance** and its impacts on adjacent natural habitats have also raised concern. The use of fire is addressed because of the pollution caused, and the potential damage to neighbouring properties and natural vegetation if the fire is not adequately controlled. This is specifically addressed by some initiatives.

2.3. How an initiative works

This section deals with characteristics of the initiatives themselves, rather than what they require farmers (or purchasers) to do. It considers the factors that make an initiative useful to certain stakeholders.

2.3.1. Implementation of an initiative

The existing initiatives are varied in their approach or their focus.

- **Geographical scope:** An initiative may be nationally specific or globally applicable with local interpretation.
- **Implemented by producers, processors or end users:** This is intended to distinguish between initiatives that provide technical guidance at the farm level only, from those that guide the buying practices of processors or end users.

2.3.2. Verification of implementation and traceability

The development of some initiatives has been motivated by a need to gain the confidence of consumers, or other stakeholders (e.g. consumer groups). Where this is the case, it becomes important that requirements are implemented, but also to use independent verification that this is the case.

- **Verification:** In this paper we consider which schemes require independent third party assessments for the verification of compliance. Third party assessments are carried out by a completely independent body.
- **Traceability:** This is necessary for a retailer (or other seller) to make claims about the environmental or social conditions under which a specific product was produced (an example would be food sold as organic). In order to do this, it must be possible to trace the supply chain back to place where production occurred and ensure that the product is not mixed with other unknown or non-verified sources. This is referred to as 'chain of custody' or 'hard identity preserved'.

2.3.3. Type of requirements

Most initiatives attempt to define acceptable practices. This can provide a basis for the development of a farm management system, and it may set performance requirements that have to be met.

- **Management system:** A common approach in industry is to focus on the development of a management system. This will require the implementation of management processes, and may require management to utilise the principle of continuous review and improvement. Such systems do not necessarily specify that a level of performance is required in the field.
- **Performance requirements:** Performance requirements are benchmarks that must be met. An initiative containing performance requirements requires not only that actions are planned, but that they are also carried out.

2.3.4. Legitimacy

Defining sustainable management is complex, and different stakeholders have experience of different aspects of a sector. Some existing initiatives have been developed around a single issue or at a single level of the supply chain. Others attempt to define sustainability in a wider sense. The legitimacy of an initiative can be affected by a number of linked issues, including:

- Does the initiative cover the issues of importance to stakeholders and set out the right requirements?
- Which stakeholders were involved and what was their input to decision-making?

These issues have the potential to increase or decrease the credibility of an initiative with external stakeholders. However, there is a trade-off between increased credibility, speed of development, flexibility in implementation and cost of evaluations.

The evaluation of initiatives under this heading is more subjective than for the other criteria. These findings are largely based on background information about the initiatives, drawn from websites and other public domain information. The three areas examined are:

- **Producer support:** Where requirements need to be implemented at the farm level, producers will have the much of the relevant experience, and should be involved in the development of practical requirements.
- **Processor/End user support:** One of the main drivers for the development of definitions of sustainability, and the mechanisms for evaluating compliance with them, has been the need for industry to demonstrate good practice to external stakeholders. Those with knowledge of the supply chain and marketing aspects will have an important contribution.
- **External stakeholder support:** Where credibility to external consumer awareness groups is a major concern, those with knowledge of the sensitive environmental and social issues will have useful input.

The tables below summarise the methodology for the analysis of initiatives. Against each issue is a criteria for evaluation requiring a 'yes' or 'no' answer.

Table 1: Technical Requirements

Issue	Evaluation criteria
Management of soy	
Legal compliance	Does the initiative require compliance with relevant laws in the country of origin?
Agricultural best practice	Does the initiative require compliance with any agricultural best practice guidelines?
Social best practice	Does the initiative require specific provisions concerning social issues? E.g. Prohibition of child labour, health and safety of workers.
Environmental best practice	Does the initiative contain requirements for environmental management? E.g. erosion control, chemical use.
Conservation of biodiversity	Does the initiative specifically require plans or programmes to conserve biodiversity to be implemented at the farm level? E.g. retention of set aside areas or on farm reserves.
Organic	Does the initiative specifically require organic agriculture (i.e. zero tolerance of chemical pesticides or fertilizers)
GM	Does the initiative specifically prohibit the use of GM crops?
Establishment of new areas	
Land rights	Does the initiative require legal ownership and long term use rights to land?
Conversion of natural habitats	Does the initiative prohibit new conversion of forest areas or other areas of natural habitat?
Methods of clearance	Does the initiative contain requirements for the use of fire?

Table 2: How an initiative works

Issue	Evaluation criteria
Implementation of an initiative	
Geographical scope of applicability	Is the initiative applicable globally?
To be implemented by producers	Does the initiative make recommendations or requirements for farm practice?
To be implemented by processors and/or end users	Does the initiative make recommendations or requirements for processors or end users?
Verification of implementation and traceability	
Verification	Does the initiative require independent monitoring or verification of compliance?
Traceability	Does participation in the initiative require a segregated supply chain and chain of custody verification?
The type of requirements	
Management system	Does the initiative require the implementation of a system for environmental management that incorporates the principle of continuous improvement?
Performance requirements	Does the initiative contain specific performance requirements?
Legitimacy	
Support base mainly producers	Was the initiative developed by, for, or with the support of producers?
Support base mainly processors and/or end users	Was the initiative developed by, for, or with the support of processors/end users?
Support base mainly other stakeholders	Was the initiative developed by, for, or with the support of other stakeholders (e.g. market consumer awarenessers)?

3. Findings

The initiatives under review have been developed for different purposes and by different interest groups. Some, like the Kansas State University Soybean Production Handbook, are intended for technical guidance at the farm level and do not set requirements or minimum performance standards. Others like the EUREPGAP

protocol were designed with independent verification of farm level performance as a specific objective and include specific technical requirements.

Other initiatives, such as SAI 8000 are to be implemented by buyers and business partners at the processing/end-use level of the supply chain. They require the avoidance of suppliers who contravene the policy elements, and therefore can provide a market-based mechanism to encourage farm-level implementation of certain requirements, but are not aimed at the farmers themselves.

3.1. Technical requirements

Issue	CEBRAC	Kansas State University	Basel Criteria	IFOAM	SAI	SAN	ISO 14001	EUREPGAP
Management of soy								
Legal compliance	✓		✓		✓		✓	✓
Agricultural best practice	✓	✓	✓	✓				✓
Social best practice	✓		✓	✓	✓	✓		✓
Environmental best practice	✓	✓	✓	✓		✓		✓
Conservation of biodiversity	✓		✓	✓		✓		✓
Organic				✓				
GM	✓		✓	✓				
Establishment of new areas								
Land rights	✓		✓			✓		
Conversion of natural habitats	✓		✓	✓		✓		
Methods of clearance			✓			✓		

3.1.1. Management of soy

The coverage of soy management issues varies between initiatives, depending on the aims of the initiative. No single initiative includes requirements concerning all the issues, but the Soy Platform/CEBRAC Criteria, Basel Criteria and EUREPGAP do have at least some requirements on all issues other than organic production.

Six of the eight initiatives address the question of legal compliance in some form. Some require compliance with existing environmental and social law, or laws on access to land. Those initiatives that require the implementation of some management system components (e.g. Basel Criteria, ISO 14001) usually require that

those using the scheme can demonstrate *awareness* of all relevant legal issues and *full compliance* with all requirements affecting their business.

It should be noted that ISO 14001 focuses on systems and so has specific performance requirements regarding legal compliance only.

IFOAM is the only initiative that requires organic production. Several of the other initiatives require the minimisation of chemical inputs, or that the use of chemicals is compatible with agricultural or environmental best practice.

The issue of the use/non use of GM soybean is controversial and is likely to remain so as the European Union begins to implement its new labelling requirements for GM organisms used in food products. Some initiatives contain an outright prohibition of GM crops (e.g., Soy Platform/CEBRAC, IFOAM, the Basel Criteria). The EUREPGAP standard does not prohibit the use of GM material, but contains requirements for its use, such as compliance with legislation and risk assessment. Others do not address the issue.

3.1.2. Establishment of new areas

This group of issues includes those of greatest concern to many NGOs and are therefore extremely important. However, few of the initiatives specifically address the expansion of farms into new areas and the associated impacts on people or natural habitats. Both the Basel Criteria and the SAN Generic Standard have strong coverage of this issue, and the Soy Platform/CEBRAC Criteria includes requirements of land-use rights and conversion of natural vegetation.

3.2. How an initiative works

Issue	CEBRAC	Kansas State University	Basel Criteria	IFOAM	SAI	SAN	ISO 14001	EUREPGAP
Implementation of an initiative								
Geographical scope of applicability	✓		✓	✓	✓	✓	✓	✓
To be implemented by producers		✓	✓	✓	?	✓	✓	✓
To be implemented by processors and/or end users	✓		✓		✓	?	✓	
Verification of implementation and traceability								
Verification	✓		✓	✓	✓	✓	✓	✓
Traceability			✓	✓		✓	✓	✓
The type of requirements								
Management system			✓		✓		✓	✓
Performance requirements	✓		✓	✓		✓		✓
Legitimacy								
Support base mainly producers		✓		✓		✓	✓	✓
Support base mainly processors and/or end users			✓	✓	✓	✓	✓	✓
Support base mainly other stakeholders	✓		✓	✓	✓	✓		

3.2.1. Implementation of an initiative

Most initiatives are to be applied globally, or at any location. Some such as the Basel Criteria, or the IFOAM standard need to be locally adapted before they are effective tools at a national or sub-national level. Some initiatives, like ISO 14001, make requirements that are sufficiently consistent at the international scale, that no local adaptation is necessary.

Those initiatives for implementation at producer level generally contain performance requirements for farm management. Initiatives for implementation by buyers processors or end users can also contain performance requirements (e.g. “a product such as x must not be purchased”). These are not intended to guide farm level practice directly, although they can form a market pressure that can strongly influence on-farm practices.

3.2.2. Verification of Implementation and traceability

All of the initiatives except the Kansas State University handbook set measurable criteria that can be verified. The IFOAM organic standard, SAI, ISO 14001 and EUREPGAP all use external, accredited certifications bodies to provide independent, third party assessment. Both the CEBRAC Soy Platform Criteria and the Basel Criteria are designed as the basis for a system of verification, but no decision has been taken on who would act as the assessors.

In the case of the IFOAM organic standard, the performance requirements must go together with product identification/differentiation to allow segregation and traceability. In the case of ISO 14001 they do not. The SAN standard requires that goods from certified farms are processed or packed separately from uncertified products, however the rules for chain of custody, that will ensure segregation and traceability are currently under re-development. Traceability is not currently considered within the scope of the CEBRAC Soy Platform criteria.

3.2.3. The type of requirements

The ISO 14001 Standard requires the development of an environmental management system. It incorporates the principle of adaptive management and continuous improvement, but avoids setting specific performance requirements. Other initiatives like EUREPGAP or the Basel Criteria require systematic environmental management and set specific performance requirements.

3.2.4. Legitimacy

Initiatives aimed at farm level implementation usually have buy-in from the producers themselves, but this may not always be the case. The Soy Platform/CEBRAC criteria were developed by environmental and social consumer awareness groups in advance of consultation with the producing sector, in order to provide a focus for further discussion. Similarly, the Basel Criteria were developed by an individual end user (COOP Switzerland) with an external stakeholder (WWF) but have not yet gained extensive support from growers. Initiatives that rely on segregated supply chains necessarily require support from producers, processors and end users if they are to achieve their aims. Initiatives for implementation by processors/end users do not require buy-in from producers, but do require some way for buyers to differentiate between farms producing in different ways.

Only the IFOAM and Sustainable Agriculture Network have managed to explicitly include all parts of the supply chain, as well as other parts of civil society, in the development of the initiatives.

4. Recommendations for the Roundtable

The aims of this discussion paper were to provide an overview of a range of initiatives, both generic and soy-specific. The goal was to analyse what these initiatives are designed to deliver and how each of them may or may not meet the needs of stakeholders in the soy sector.

The analysis presented above shows that no single initiative provides appropriate coverage of all of the issues that are likely to be critical to the Roundtable. If the Roundtable is to develop its own criteria for sustainability, it must therefore decide:

- What technical requirements must be addressed;
- How the roundtable initiative should work.

4.1. *The right technical content*

There is general agreement that 'sustainable management' includes economic, environmental and social aspects. The analysis of the schemes shows that the exact balance between these three elements can vary according to the focus of the initiative. This can lead to inadequate coverage of the major areas of concern.

The framework developed here to examine the initiatives represents one attempt to define a list of issues that **should** be considered when defining sustainable soy management. However, this is not necessarily a comprehensive list.

There are therefore two important questions for the Roundtable to address:

- Are the issues listed as technical requirements in section 2.2 [framework for analysis] an acceptable starting point for a definition of sustainable soy management?
- What issues need to be added or removed?

In defining sustainable soy management, the Roundtable will need to make decisions about whether to include requirements for both best agricultural practice on existing farms and appropriate practice when bringing new land into cultivation. It will then need to decide what these requirements should be. Similar decisions will have to be made regarding social factors relating to farm labour and the effects of changes to the social conditions that occur off-farm will also need consideration. It must also decide how best to address the question of biodiversity conservation and the management of other environmental features affected by agriculture.

The Roundtable must also decide if organic agriculture or the non use of GM crops are necessary for sustainable soy management, and if not, how these issues might be incorporated voluntarily by growers.

4.2. *How a Roundtable initiative should work*

The Roundtable will need to decide what type of initiative will best deliver its objectives. It should consider the following questions:

4.2.1. Implementation of an initiative

This includes three aspects: geographical scope, applicability to different scales of production and what part of the supply chain is responsible for implementation.

Geographical scope: Most stakeholders will probably agree that any definition of sustainability should be designed so that soy producers anywhere in the world can apply it. However, there are consequences to this decision, as it may require a two-tier approach (a global set of requirements from which are then developed national requirements) so that the scheme can take into account the physical, social, cultural and environmental differences between countries.

Scales of production: The definition may also need to be applicable to different production scales. A scheme that can only be implemented by large farms but excludes smallholders is not 'sustainable'. This presents particular technical problems in developing an initiative, as comprehensive and complex requirements that can be implemented by large farms are likely to be impossible for smallholders to implement, on both technical and cost grounds. It is recommended that smallholders are explicitly considered in any initiative developed by the Roundtable at the outset.

Who implements the initiative: The Roundtable may develop requirements that can be implemented at the farm level and be used by buyers to differentiate between farms.

The Roundtable should therefore consider:

- Should it be possible to implement the initiative anywhere in the world?
- Should it be possible for smallholders and large farms to implement?
- Should the initiative focus only on farm-level requirements, or should the requirements be aimed at purchasers and retailers of soy and soy products, or should it be applicable at all levels?

4.2.2. Verification of implementation and traceability

Verification: People that are not involved in the day-to-day activities on a farm will never be aware of all that is being done, and will therefore require some assurance that soy is being produced in accordance with the initiative's requirements.

Compliance with an initiative is usually evaluated through some form of auditing. Audit results can be used to monitor performance of an individual organisation or to monitor the impact of the initiative as a whole. Where the aim of the definition is to assure external stakeholders that the operation is being managed 'sustainably' (i.e. in compliance with the definition) it is crucial that the stakeholders have confidence in the assessment process. This is usually assured by using an independent body to carry out the audit, referred to as Third Party assessment.

Third party assessment may not be necessary in all cases. The Roundtable could devise a scheme where individual farmers carried out self-assessments (or first party

audits). The results of these assessments could then be checked by an independent body. This could help reduce the time and costs involved in a third party assessment.

A further point is that most current initiatives require complete compliance with their requirements at the outset. This can create difficulties for producers who need a lengthy transition period in order to achieve these requirements. During this transition period they currently receive no recognition of their efforts and few incentives to continue improving. In other sectors it is becoming increasingly common for initiatives to allow producers to work towards full compliance over time. There are often a number of critical criteria that must be met before a producer can join the initiative, and they have to make a commitment to achieve compliance with all of the scheme's criteria within a set timeframe. This can help to make a scheme more accessible to producers, however, consideration needs to be given to how progress would be assessed and what happens when a producer does not really make progress.

Traceability rules: Full traceability to individual farm level is required for certain types of on-product claims. This would enable producers and consumers to recognise products from farms that were participating in an initiative, or that had demonstrated compliance with a set of requirements. It would also enable the labelling and marketing of these products, for example 'from well managed sources'. However, full traceability may require changes to the conventional soy supply chain, and this usually comes at a cost.

Mechanisms other than full chain of custody may be more appropriate to soy. This is because an important part of the economic advantage of soy is bulk production, storage, transportation and processing. Approaches that do not require full traceability, but that generate improvements in management and the possibility of end-product labelling do exist, and should be explored by the Roundtable.

- What will be appropriate mechanisms for verifying compliance with the initiative?
- Is full traceability of 'sustainable soy' required, or should another mechanism be explored?

4.2.3. The type of requirements

It should consider the type of requirements it makes, which can be for management systems or performance requirements, or both.

- Requirements for management processes (e.g. "the farm will have a system for managing its environmental impact")
- Performance requirements (e.g. "chemicals such as x and y must not be used")

4.2.4. Legitimacy

There is considerable variation amongst the existing initiatives with regard to who they are supported by. One of the stated aims of the Roundtable is to reach

consensus amongst critical stakeholders, which implies that there must be wide buy-in from all parts of the soy sector, including:

- Individual farmers
- Processing conglomerates, manufacturers, retailers and investors
- Other stakeholders such as consumer groups, social and environmental groups

Not all of the existing initiatives have this broad based support and the Roundtable is an ideal forum in which this could be achieved.

Legitimacy can be gained through several mechanisms:

Who develops an initiative: One of the main ways of ensuring that an initiative is widely accepted is to have a wide range of stakeholders involved in developing the initiative. The Roundtable is committed to the development and promotion of criteria for sustainable soy and is in a unique position to bring different interest groups together. Whether these are intended as farm level management practice guides, or as the basis for a verifiable standard, it should ensure:

- balanced representation of interests in the development process
- the development process guided by consensus based decision making

Most international standard-setting processes are based on these principles. The process of development of criteria and indicators should be in line with the guidance provided in ISO Guide 59 *Code of Good Practice for Standardization* or the ISEAL *Code of Good Practice for Setting Social and Environmental Standards*. Such a process will be very important in the development of a definitive set of international criteria for sustainable soy production.

- Which broad stakeholder groups need to support the initiative?
- Who needs to be involved in developing the initiative?

4.3. Cost of the process

Soy is substitutable by other crops and derivatives for many end-uses. It is therefore critical that any sustainability initiative used by the Roundtable does not increase the cost of 'sustainable soy' beyond the point where it ceases to become competitive. A balance will need to be found between implementation cost and scheme requirements, because there are numerous trade-offs between scheme requirements and structure and cost, for example:

- Complexity of requirements. Sustainability includes numerous issues, some of which will be unfamiliar to many soy farmers. The complex requirements may be necessary to ensure that certain issues are dealt with appropriately, but may also cost farmers more to implement.
- Comprehensiveness of requirements. The analysis above includes a wide range of issues. A balance has to be reached between covering the critical issues on the one hand, without burdening producers with unnecessary work.

- Means of verification. Whereas independent, third party verification on a farm-by-farm basis provides that best insurance that sustainable practices are being implemented on a farm, it is also more expensive.
- Traceability. As discussed above, if it is decided that it is necessary to be able to distinguish between soy from farms that are in compliance with a definition of sustainability and soy produced by other means, then systems to ensure traceability are required. Implementation of systems to ensure traceability will inevitably increase costs.

Appendix 1 Background to initiatives assessed

Soy-Specific Initiatives:

Cebrac/Soy Platform Brazil: Criteria for Corporate Responsibility of Soy Buyer Enterprises

Structure, scope, and objectives

Cebrac/The Soy Platform Brazil criteria were developed between February and May 2004 via an internet-based discussion involving 82 individuals from 61 organisations and two thematic meetings (Amazon Rainforest and family producers from south Brazil). The organisations involved were Brazilian environmental or social NGOs and Social Movements, the family producers from South Brazil and some scholars involved on research related to the theme. There was no participation from medium or large soy producers, traders, manufacturers or retailers.

The aims of the Soy Platform were to start a national and international debate amongst social and environmental NGOs and social movements that would result in a series of criteria to which all participants could agree. These criteria are to form the basis for negotiation with industry with the aim of reducing the environmentally and socially damaging impacts of the production of a meaningful volume of soy in the international market. The criteria were specifically intended to be implemented through market mechanism and are therefore aimed at large scale soy traders, consumers and the private financing sector.

The criteria are intended to be non-discriminatory, both in terms of what types of producers they could apply to and in avoiding punitive measures for past actions. It is also important to note that, although the criteria are developed specifically for Brazil, it is intended that some of them can be applied to buyers worldwide, and that the Brazilian criteria could be adapted by other producer countries, through similar processes, to become locally applicable.

Criteria are divided into those that should be implemented in the short-term and those for medium to long-term implementation. Each criterion has one or more accompanying verifiers.

The twelve criteria for short-term adoption are intended to promote a rapid reduction (for the 2004/5 crop) in what are perceived as the most damaging impacts of soy production. Amongst these requirements are the exclusion of soy from land illegally deforested, where there are ongoing land rights disputes and where suppliers are unable to declare that they are in compliance with Brazil's environment and labour laws, and exclusion of GM soy. Other criteria focus on what should be purchased, such as requirements for transparency and for the purchase of a proportion soy from family agriculture.

A further eight criteria deal are intended for medium to long term adoption (the 2005/6 crop and beyond). These criteria cover issues that require some time to

implement on-farm. They include requirements that farms adopt good agricultural practice, enlarge riparian protection zones and workers pay, etc. The final three of these criteria provide requirements for financial institutions that provide credit to soy producers.

Implementation

As mentioned above, the criteria are intended for adoption by large scale soy traders, consumers and the private financing sector. The intended means of verification is via the establishment of a fund (contributed by large-scale soy purchasers), part of which would be used by social and environmental organisations to verify compliance. As far as we are aware, this system is not yet operational, and inevitably many of the details of implementation remain to be established. Similarly, mechanisms for traceability or rules governing the claims that could be made by companies complying with the criteria are considered beyond the immediate scope of the criteria.

Kansas State University Soybean Production Handbook

This guide is produced by Kansas State University Agricultural Experiment Station. It is a technical manual that discusses the main issues concerning good agricultural practice with soy. It offers advice to growers on a wide range of crop management practices. It does not make specific requirements, as the document is intended as a guidance document, and not as the basis for a scheme of verification. The issues it discusses are highly specific to the farm level.

Basel Criteria

Structure, scope, and objectives

The Basel Criteria for Responsible Soy Production are a generic set of guidelines prepared by ProForest for the Swiss Coop and WWF Switzerland. The criteria were developed by drawing on existing standards such as EUREPGAP, and relevant ILO conventions. The intention was to form a set of guidelines that were compatible with the requirements of other users and schemes.

The criteria were designed to be applicable to soy production at all scales throughout the world. As a result, they are general in nature and do not provide specific local requirements. They need to be interpreted for different scales of soy production if they are to be used in practice.

Requirements:

Aspects covered by the criteria include:

- Compliance with applicable legislation,
- Technical management and production,
- Environmental management,
- Social Management,

- Continuous improvement,
- Traceability.

The criteria were intended to be used for two purposes:

- As an internal management tool for soy producers who wish to assess their current management against the criteria as a means of confirming or improving their economic, environmental and social performance.
- As a mechanism for confirming to purchasers that soy products are originating from a responsibly managed source. When used in this way, it is intended that the criteria apply to the entire soy production of a farm rather than to individual plots or fields within a farm.

Traceability

Use of the criteria as a mechanism for market communication requires verification that the criteria are actually being implemented in practice. Farmers and traders who want to make public use of these criteria must demonstrate that they are in compliance with them by verification through third party assessment. Third party assessments are carried out by an organisation that is completely independent of the organisation being assessed.

Generic Initiatives

IFOAM

Structure, scope, and objectives

IFOAM deals with standard setting, promotion, and accreditation of organic certifiers worldwide. IFOAM developed from a network of organic schemes and farmers worldwide into a global standard setting and accreditation programme established in 1992. It functions as a federation of approximately 700 membership organisations including producers, NGOS, science organisations and certification bodies.

IFOAM has developed a standard (IFOAM Basic Standard for Production and Processing) and a set of accreditation procedures. The standards form the basis of standards developed by accredited organic certification bodies. Standards cover organic production in agriculture and horticulture; draft standards exist for forestry. Standards can be developed and applied worldwide. IFOAM standards also apply to processing of organic food.

IFOAM's key objectives are to provide information about, and help promote, organic agriculture. They maintain the basic standard and accreditation criteria for certification bodies. Accreditation is carried out by the closely related International Organic Accreditation Service (IOAS).

Requirements

IFOAM requirements, set out in the basic standard, are not designed to be applied directly, but to form the basis of standards developed by certification bodies. These may exceed the IFOAM requirements.

Requirements which are particularly relevant to the soy debate include:

- Clearing of primary ecosystems is prohibited. This does not apply retrospectively (ie. land which was cleared recently and is subsequently planted could be certified).
- Land preparation by burning is restricted to the minimum.
- Crop production must return nutrients and organic matter to the soil; measures must be taken to prevent soil erosion. Nutrients and fertility products must be applied in a way that protects soil, water and biodiversity.
- Biological and cultural means are used to control pests and diseases and to maintain soil fertility.
- Operators must take measures to maintain and improve landscape and enhance biodiversity quality.
- Operations must not deplete water resources and must preserve water quality.
- Where production is based on violation of human rights or social justice it cannot be certified.
- Workers' rights must be respected, including no use of forced or involuntary labour; freedom to associate, the right to organise and bargain collectively; non-discrimination against employees.
- Children employed by organic operators must be given educational opportunities.
- A conversion period is required between implementation of organic practices and achievement of certification.

Costs

Assessments for organic certification depend on the fee charged by local certification bodies. These are typically \$4000-\$6000. Costs of certification for small farmers have been reduced in many instances by group certification, spreading the cost across the members of the group.

Additional costs may be incurred by the conversion to organic agricultural practices and through lower production levels. While the costs of inputs to organic agriculture are lower than conventional agriculture, labour costs are often higher.

Traceability

Certified organic products may be labelled, either with the IFOAM or the certification body logo (or both). Labelling requires traceability from plantation to final point of

sale. Products containing less than 100% certified organic products can be labelled under specific percentage labelling rules.

Social Accountability International

Structure, scope, and objectives

SAI developed following the establishment of the social accountability standard SA8000 in 1996. SAI policies are determined by an advisory board comprising 25 members, balanced between industry and non-industry representation. Members of the advisory board include trades unions, businesses, NGOs and government bodies. A large guidance committee provides input to the Advisory Board.

SAI assessments are carried out by accredited auditing bodies. SAI also carries out extensive training and technical assistance to companies seeking to comply with the standards as well as trades unions, investors and buyers.

SAI was developed with a focus on combating sweatshops and improving manufacturing and service industry workplaces; agriculture has been added to the scope more recently. SAI assessments have been carried out in all five continents, particularly in India, China and Brazil as well as Europe. The main objective of SAI is to establish a credible, transparent, verifiable and universal standard of social accountability and a means of applying and evaluating it.

The main focus of SAI is workers' rights and social responsibility. Requirements are based on international workplace norms in the ILO Conventions and the UN's Universal Declaration on Human Rights. The standard follows an ISO management systems format, requiring a company to develop and implement its own policies of compliance with national labour legislation and a number of ILO conventions. However, compliance with the principles of Convention 110 (Plantations Convention, 1958) is not required.

Requirements

Requirements which are relevant to the soy debate include workers' rights. These are covered in detail including child labour, forced labour, health and safety, freedom of association and collective bargaining, discrimination, working hours and remuneration.

Traceability

Assessment can take place at any stage along the supply chain. Products are often not labelled and chain of custody is not traced. However, product and company identification is permitted.

Sustainable Agriculture Network

Structure, scope, and objectives

SAN³ is a coalition of conservation NGOs working in the tropics, coordinated by the Rainforest Alliance which serves as a secretariat. Policy and direction is set by the member organisations.

SAN has developed a generic standard for sustainable agriculture (available at www.rainforestalliance.org). Currently standards have been developed for a range of crops including coffee, bananas and citrus fruits. Standards for oil palm are under consideration. The network is mainly focused on Latin America but expects to start working in Asia and Africa within 5 years.

SAN aims to improve social and environmental conditions in tropical agriculture through conservation certification. It aims to do this by raising consciousness among consumers as well as working with producers on improved agricultural methods. SAN partners carry out certification assessments and provide technical assistance to farmers to help them implement best management practices and tackle problems.

The SAN generic standard is set out around nine principles. Specific standards are then developed for each crop or product type. Requirements focus at the farm level and stop at the farm gate. On-site processing may be included.

Requirements

Requirements which are particularly relevant to the soy debate include:

- Degradation, destruction or damage to existing ecosystems by new and expanding farms is prohibited. Deforestation is specifically prohibited. This does not apply retrospectively.
- The use of fire to clear land or control unwanted vegetation is prohibited.
- New farms must be located on lands suitable for the proposed crop.
- Farm management practices must promote conservation and recuperation of soil fertility, organic matter and biological activity. A soil conservation plan is required.
- Integrated pest management is required, minimising agrochemical applications.
- Areas not suitable for cultivation should be reforested or restored to a natural state. Ecosystems must be protected, conserved and recuperated.
- Water resources must be protected and contamination avoided.
- Legal ownership or long term use rights of the land must be proved.

³ previously the Conservation Agriculture Network

- The interests of local communities must be considered during planning and development stages and the company should contribute to the local economy.
- Communities adjacent must have priority for employment opportunities and training.
- Workers' rights requirements include hiring practices, non-discrimination and wages; children's rights; rights to organise and freedom of expression, and occupational health and safety.
- Welfare provisions cover standards of living for workers and families, access to medical services, education and training opportunities.

Costs

SAN attempts to minimise the cost of assessments by working through a network of local NGOs. Assessment costs depend on the fee charged by the local body. SAN recognises the barrier that the cost of certification can create for small farms and seeks ways to underwrite the costs for disadvantaged farmers. A group certification protocol is being developed.

Traceability

SAN offer the use of a logo for on-product labelling although currently use of the certification is largely business-to-business. Chain of custody assessments, necessary for use of the logo, can be provided.

ISO 14001

Structure, scope, and objectives

ISO 14001 is a standard setting out the elements of an environmental management system by which means companies can address their environmental impacts. ISO 14001 was developed by the International Organization for Standardisation.

ISO 14001 is designed to be applicable to all types and sizes of organisations. Organizations set their own environmental policy and procedures for implementing, monitoring and reviewing it. Where ISO 14001 is linked to defined best management practices, it can offer a tool for incorporating them into management and checking on implementation. ISO 14001 has been applied to plantation crops and is currently being implemented, linked to internal environmental and social guidelines, in some oil palm plantations.

Requirements

ISO 14001 requires organisations to assess their environmental impacts and develop an environmental policy to address them. The standard itself relates more to *how* the policy is implemented than *what* the policy contains. The only two specific requirements of relevance are:

- The policy includes a commitment to comply with relevant environmental legislation and regulations (it does not actually require compliance).

- The policy includes a commitment to prevention of pollution.

Costs

Assessments of compliance are carried out by certification bodies accredited by national accreditation services.

Traceability

ISO 14001 certification applies to an organisation rather than the products of that organisation. Product labelling is not permitted. In the absence of product labelling, chain of custody is not normally traced.

EUREPGAP

Structure, scope, and objectives

EUREPGAP was created by a consortium of food retailers, producers and traders. The aim is to produce unified certification standards: a protocol exists Integrated Farm Assurance, and there are also specific standards for fruits and vegetables, coffee flowers and ornamentals and aquaculture. The standards cover food safety, environmental issues and social standards. Certification bodies have been contracted to provide assessments against the EUREPGAP Protocols.

The main focus of the protocol is on ensuring food safety and considerable attention is given to management of chemicals, fertilisers and pesticides. Less focus is given to environmental and social impacts.

Requirements

Requirements are set out in the EUREPGAP protocol. The protocol divides the standard into issues which are required and those which are encouraged. Only the requirements are covered here. Relevant requirements are:

- All growers must demonstrate their compliance with national or international law.
- Cultivation techniques that minimise soil erosion must be adopted.
- Fertiliser application must meet the needs of the crops as well as maintaining soil fertility.
- The protocol contains detailed requirements about chemical use: protection of crops against pests, diseases and weeds must use the minimum pesticide input; wherever possible IPM should be used. Non-chemical treatments are preferred.
- Employment conditions must comply with local and national regulations.
- On-site living quarters must be habitable and have basic services and facilities.
- Farms to aim to enhance environmental biodiversity; this could be satisfied through a regional activity rather than individual one.

Traceability

EUREPGAP aims to provide reassurances to consumers about the safety of the foods which they purchase, as well as environmental and social standards under which it was produced. In order to do so, food traceability must be assessed.