

Retailers' Soy Group

Retailers' Soy Group: minimum requirements for responsible soy

Background

In April 2006, Greenpeace's report "Eating Up the Amazon" highlighted the impact on deforestation in the Amazon from increasing Soy production. This led to the Brazilian government, producers and companies in the supply chain working together to implement a moratorium on buying soy associated with deforestation from the region. Several retailers were involved in the Soy Moratorium European Customer Group.

In the meantime, WWF and others have highlighted the devastating impact that global soy production is having on the Cerrado savannah in Brazil and other high biodiversity value regions. The Cerrado is currently disappearing at a faster rate than the Amazon rainforest - due to ever-increasing global demand for soy, used in the majority of feed given to livestock destined for supermarket shelves.

Although deforestation rates have been falling in Amazon - thanks in part to the Soy Moratorium – ABIOVE (the Brazilian Vegetable Oil Industry Association) has announced an end to the moratorium by December 2014. Meanwhile, other highly biodiverse regions such as the Cerrado continue to be degraded and destroyed.

Soybean production now accounts for 2.2% of agricultural land use globally (Food and Agriculture Organization, FAO 2013). Soy is grown not only in South America but also Asia (including China and India), North America and Europe. Different issues are relevant in different areas. These Retailers' Soy Group minimum requirements relate to sourcing responsible soy globally.

Soy ingredients and products

Growth in demand for higher protein diets is driving overall growth in soy production. Global production of soybeans in 2013 reached 253 million metric tons (MT) (State of Sustainability Initiatives, SSI 2014).

The supply chains for soy are complex. The vast majority - **approximately 70%** of the volume - is used in **animal feed**, with the remainder for human food and biofuels. Thus soy is in the supply chain for Beef, Dairy, Pork, Poultry, Eggs and Aquaculture.

Soy in Feed	Soy in Food
<ul style="list-style-type: none">• Full fat soya• Hipro-soya meal• Soya bean hulls• Soya oil• Soya expeller• Soya bean molasses	<ul style="list-style-type: none">• Edamame beans• Soya milk• Soya sauce• Bean curd (Tofu)• Soya oil• Soya flour• Glycerides• Lecithin• Tocopherols

Scope

The scope of the Retailers' Soy Group work includes:

- Animal feed;
- Soy in food.

Soy standards

The Retailers' Soy Group does not believe that the growth in demand for soy has to lead to destruction of primary and native forests, loss of biodiversity and other issues associated with soy cultivation. We believe that better management of land use change combined with maximising productivity offers an opportunity to reconcile growing demand for soy with the need to conserve the most valuable landscapes.

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We believe that the process of gaining certification to strong, multi-stakeholder developed, independently audited standards brings significant benefits both to growers and for sustainable development – such as significant improvement in soil quality and crop yields per hectare, motivated healthy and safe workforce, and avoiding conflict with local communities.

In addition to the important benefits set out above, growers may also benefit from small premiums through the sale of credits which reward their investment in certification; however high premiums are unlikely to be achieved in large volume, low margin commodity markets. According to the State of Sustainability Initiatives (SSI, 2014), premiums for standard-compliant soy ranged from an estimated 0.3% upwards; the lowest premiums were for RTRS certified soybeans and the highest for organic.

There are multiple standards for responsible production of soy – 40 different standards, according to the International Trade Centre (ITC). These standards are competing with each other for both growers and markets, which dilutes their effectiveness and impact in avoiding deforestation and promoting sustainable development.

However, **only 2%** of global production (approximately 5 million MT) was **certified** to three main standards in 2012. The majority being Proterra (3.4 million MT); followed by RTRS (1 million MT); and Organic (0.5 million MT); with minimal volumes for FairTrade (SSI, 2014).

This is problematic for all stakeholders ...

- Growers need to have confidence that if they are committing to a particular standard, they will be rewarded by uptake in the market of their certified product;
- Processors and Traders are highly concentrated and commodity supply chains can only deal cost effectively with a very limited number of compatible systems;
- Feed manufacturers operate at high volume and low margins and therefore need mass production to their requirements to be achieved;
- Retailers and food manufacturers are committed to achieving responsibly sourced commodities by 2020 – for example, see the Consumer Goods Forum, Deforestation resolution (CGF, 2010);
- Civil society and non-governmental organisations campaigning for sustainable development want to see an end to deforestation, biodiversity loss, land rights and social issues which have resulted from the growth of soy cultivation.

Our approach

We believe that the process of gaining certification to strong, multi-stakeholder developed, independently audited standards can bring significant benefits both to growers and for sustainable development – such as significant improvement in soil quality and crop yields per hectare, motivated healthy and safe workforce, and avoiding conflict with local communities.

By setting out the minimum requirements we are looking for in standards, we hope to see much needed consolidation around a limited number of standards, which can then grow in scale and impact.

We have taken a step-wise approach to developing our requirements, as follows:

- reviewed selected pre-existing benchmarking studies;
- rated core content (environmental and social criteria), certification and governance credentials of internationally applicable soy standards;
- reviewed definitions for the main criteria used in these standards;
- determined the Retailers' Soy Group's minimum requirements – starting with a cut-off date for deforestation and biodiversity loss not later than 2009; and
- identified two internationally-applicable standards which currently meet our minimum requirements; these are the Round Table for Responsible Soy (RTRS) and ProTerra.

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Minimum requirements

We require deforestation-free soy – this means we prohibit production on land with high conservation value (HCV) and high carbon stock, with a conversion cut-off date not later than 2009.

In addition, we will seek to support and source soy responsibly, recognising standards which:

- require compliance with all applicable national, local laws, regulations and applicable international conventions;
- accommodate a requirement for non-genetically modified soy;
- define good agricultural practices including integrated crop protection and control the use of toxic pesticides;
- respect the right of indigenous and local communities to give or withhold their free, prior and informed consent;
- protect the rights of all workers, their freedom of association, health and safety;
- prohibit the use of child labour, forced labour and discrimination;
- require effective communication with workers and processes for correction of complaints; and
- are accessible to, or have provisions for, independent farmers and smallholders.

To be credible, certification standards shall:

- be transparent and have been developed through a recognised multi-stakeholder process;
- require third party audits by independently accredited certification bodies; and
- only certify inputs that meet equivalent responsible production standards.

Standards, which are internationally applicable, that currently comply with our minimum requirements are:

- **Round Table for Responsible Soy (RTRS)** <http://www.responsiblesoy.org/>
- **ProTerra** <http://www.proterrafoundation.org/index.php/downloads>

Transparency and reporting

This document sets out minimum requirements of Retailers' Soy Group members. Individual retailers may set out their own requirements, which include higher standards than this minimum.

Individual retailers will establish their own time-bound plans for implementing their requirements and will report progress against these at least annually, for example as RTRS members' progress reports.

We wish to be transparent in our communications. During the process of developing these minimum requirements, we have shared our approach and progress with the Consumer Goods Forum (CGF) and a wide range of stakeholders at two Soy Network meetings organised by the CGF. This is a retailer initiative: we will listen to the feedback from stakeholders; however we do not intend to conduct a formal public consultation.

Next steps

We recognise that standards develop over time and that the benchmarking studies we consulted pre-date the latest proposed developments of standards, and do not cover regional initiatives.

Therefore the Retailers' Soy Group intends to commission the International Trade Centre (ITC) Standards Map to conduct independent benchmarking of soy standards against our minimum requirements, to identify whether other internationally applicable standards may be recognised as they develop.

We will review and revise our minimum requirements as we regard necessary, depending on developments in standards and the market.

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Definitions

We recognise definitions in the RTRS standard as the minimum requirement. Further recognised sources include:

- High Conservation Value (HCV) areas – the HCV network www.hcvnetwork.org¹.
- High carbon stock: standards shall define primary or native vegetation, forested areas, wetlands and peatland (of any depth) relevant to the cultivation area. For tropical forests - www.greenpeace.org/international/Global/international/briefings/forests/2013/HCS-Briefing-2013.pdf
- Toxic pesticides: agrochemicals listed in the Stockholm and Rotterdam Conventions, Paraquat and Carbofuran.
- Free prior and informed consent - the Forest Peoples Programme www.forestpeoples.org/guiding-principles/free-prior-and-informed-consent-fpic
- Rights of workers, freedom of association, child labour, forced labour and discrimination –the International Labour Organisation <http://www.ilo.org/global/standards/lang--en/index.htm> and Universal Declaration of Human Rights <http://www.un.org/en/documents/udhr/index.shtml>

References

- CGF (2010): Consumer Goods Forum - Deforestation Resolution, November 2010 <http://sustainability.mycgforum.com/deforestation.html>
- FAO (2013): FAOStat, The Food and Agriculture Organization of the United Nations

Benchmarking studies

- Both Ends (2012): “Soy Barometer 2012”, commissioned by Dutch Soy Coalition (www.sojacoalitie.nl)
- Consumer Goods Forum Global Social Compliance Program – Equivalence Process (<http://www.gscpnet.com/equivalence-process/introduction.html>)
- CREM BV (2011): “In search of Responsible Soy: Key characteristics and comparison of voluntary soy standards”, commissioned by Dutch Soy Coalition, revised version November 2011 (http://www.bothends.org/uploaded_files/inlineitem/In_search_of_responsible_soy_Final_report.pdf)
- IUCN NL (2013): “Betting on best quality” IUCN National Committee of the Netherlands, 27 November 2013 (<http://www.iucn.nl/en/news/publications/?14101/Betting-on-best-quality>)
- International Trade Centre (ITC) “Standards Map” (www.standardsmap.org)
- SSI (2014): The State of Sustainability Initiatives Review 2014, Chapter 12 - Soybean market; International Institute of Sustainable Development, IIED, Entwined, IDH and Finance Alliance for Sustainable Trade (<http://www.iisd.org/publications/state-sustainability-initiatives-review-2014-standards-and-green-economy>)
- WWF Deutschland (2013): Der Nachhaltigkeit Auf Der Spur - Vergleichende Analyse von Zertifizierungssystemen für Biomasse zur Herstellung von Biokraftstoffen Schlussbericht zum Vorhaben, November 2013 (http://www.wwf.de/fileadmin/fm-wwf/Publikationen-PDF/WWF_Studie_Zertifizierung_Biokraftstoffe_Der_Nachhaltigkeit_auf_der_Spur_2013.pdf) - in German
- WWF Deutschland (2013): Searching for Sustainability – Comparative Analysis of Certification Schemes for Biomass used for the Production of Biofuels, November 2013 (http://awsassets.panda.org/downloads/wwf_searching_for_sustainability_2013_2.pdf) - in English

¹ HCV1 includes areas with high biodiversity value

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Internationally applicable standards

- Basel Criteria (2004): The Basel Criteria for Responsible Soy Production, prepared by Proforest for Coop Switzerland in cooperation with WWF Switzerland, 25 August 2004
http://assets.panda.org/downloads/05_02_16_basel_criteria_engl.pdf
- EcoSocial – established by Instituto Biodinâmico (IBD), a Brazilian organisation for rural development www.ecosocialnet.com
- Fairtrade International – www.fairtrade.net
- Global GAP – the worldwide standard that assures Good Agriculture Practices.
www.globalgap.org
- International Sustainability & Carbon Certification (ISCC, 2011): ISCC 202: Sustainability Requirements for the Production of Biomass, ISCC 11-03-15, V2.3-EU²
- Organic by IFOAM – the International Federation of Organic Agriculture movements
www.ifoam.org
- ProTerra (2012): ProTerra Standard: Social Responsibility and Environmental Sustainability Version 2.9.5, 27 December, 2011³ <http://www.proterrafoundation.org/index.php/downloads>
- RSB – the Roundtable on Sustainable Biomaterials <http://rsb.epfl.ch>
- RTRS (2013): RTRS Standard for Responsible Soy Production Version 2.0_ENG, 16 September 2013
http://www.responsiblesoy.org/index.php?option=com_content&view=article&id=207&Itemid=92&lang=en
- SAN / Rainforest Alliance – the Sustainability Agricultural Network <http://sanstandards.org/sitio>

Regional initiatives – some examples

- AAPRESID – the Argentinean No Till Farmers Association www.aapresid.org.ar
- BioSuisse - Bio Suisse, a private-sector organization, is the federation of Swiss organic farmers
<http://www.bio-suisse.ch/en/library/import/standards.php>
- Danube Soya <http://www.donausoja.org/donau-soja>
- NTA8080 – the Netherlands Technical Agreement on sustainability criteria for biomass and energy purposes www.sustainable-biomass.org
- Soy Moratorium – ABIOVE (Brazilian Vegetable Oil Industry Association) and ANEC (Brazilian Grain Exporters Association) <http://www.abiove.org.br/site/index.php?page=soy-moratorium&area=MTEtMy0x>
- US Soybean Sustainability Assurance Protocol (March 2013) www.ussec.org

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² ISCC Plus, which allows ISCC units to extend certification to food and feed products and includes a requirement for non-genetically modified soy, was established in 2012 and will be covered by our request to ITC Standards Map for benchmarking of standards

³ ProTerra - refers to the currently in force standard V2.9.5 (2012); ProTerra Standard V3.0 is in Draft for Public Consultation