Comparison of Private-Sector Standards applicable to Cocoa Production

- April 2010¹ -

UTZ CERTIFIED

(UTZ CERTIFIED Code of Conduct for Cocoa Version 1.0 July 2009, Scope: Group Certification of Smallholder Farmers)

Rainforest Alliance

(Sustainable Agriculture Standard Sustainable Agriculture Network, February 2008; and Standards for Group Certification Rainforest Alliance Certification, November 2004; and SAN local Indicators Ivory Coast, July 2008)

Naturland


Fair Trade Labelling International


Study commissioned by

Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ)
Programme Office on Social and Ecological Standards (4504)

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¹ Review in February 2010
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Annex: Internal Benchmark Chart of the Criteria of all four Standards (excel format)
Executive Summary

In this technical study, four private standards applicable to cocoa production are briefly portrayed and their certification requirements for farmers revised and compared. Based on publicly available documents, information on UTZ CERTIFIED, Rainforest Alliance, Fairtrade and Naturland (Organic) has been compiled, regarding their internal organization as initiative as well as their environmental, economic, social and traceability criteria applied to farmer (groups).

The impulse to conduct this technical comparative study has been the recent development in the sector, with the publication of the UTZ CERTIFIED Code of Conduct for Cocoa 1.0 and the local indicators for the Rainforest Alliance Sustainable Agriculture standard in Côte d'Ivoire. Target group of this study are GTZ development policy advisors as well as practitioners active in the field of cocoa production and certification. The comparative parts of this document are formulated in a straightforward, direct way, not taking into account possible political positions. The author therefore stresses it being a desk-based study of publicly available data only.

Though having different marketing strategies, all four standards are based on a sustainability claim, using product labels as visible consumer communication. All four standards generally offer options for individual certification as well as smallholder group certification. However, the Fairtrade cocoa standard limits its application to smallholder groups and it is unclear how it could be applied to individual farmers. UTZ CERTIFIED has a separate Code of Conduct for Cocoa Estates, which is not considered in this comparison.

Comparably higher prices than the conventional world market, cocoa price are paid to producers certified to any of the four schemes. Whereas minimum prices and premiums are fixed at a global level for Fairtrade products and negotiated on a generally higher level than for conventional product, with world market figures for organic cocoa publicly available. Rainforest Alliance and UTZ CERTIFIED operate with negotiable, non-fixed and not publicly available prices.

In an internal benchmark exercise, the criteria of the four standards have been revised and compared regarding their common (or similar) criteria and their individual, standard-specific requirements. A considerably high overlap of requirements, especially in farming and environmental requirements as well as in health and social criteria can be remarked throughout all four initiatives.

Regarding product handling and ICS/traceability criteria, UTZ CERTIFIED and Rainforest Alliance tend to have similar requirements. A key difference between the latter two standards is found in their criteria formulation. Whereas the wording of the Rainforest Alliance standard seems to be better addressed to field practitioners with more compact and easy-worded criteria, the UTZ CERTIFIED standard rather follows an audit sequence approach, with more technical, step-wise formulations. Unique to the UTZ CERTIFIED standard is the requirement of actively involving external local stakeholders regarding environmental community-relevant issues.

Targeting different market segments, the organic (Naturland) standard as well as the Fairtrade standard stronger differentiate from the other two initiatives, pursuing different development aims at farm / group level. Unique to the Naturland standard is the exclusive use of organic fertilizers, the prohibition of any synthetic agrochemicals and long conversion periods requested to farmers (up to 5 years), aiming at achieving a unique organic product quality. Requirements regarding the internal control system are accordingly high.

Significantly different, the Fairtrade standard focuses on local social development through guaranteed higher prices and premiums paid. Though many requirements are overlapping with those of the other three initiatives, criteria tend to be formulated with much less technical detail, allowing more flexibility to producers. This can be especially observed regarding the ICS criteria. The Fairtrade product differentiation strategy presents itself to be by far less focussed on farming practice.
The compliance systems of the four initiatives follow their different market approaches. By requiring 100% compliance against all criteria, the Naturland standard aims to guarantee the unique organic quality of the certified product. Different to that, Rainforest Alliance, UTZ CERTIFIED as well as Fairtrade use gradual, flexible compliance systems with defined minimum criteria to be met.

Beyond the compliance to the defined minimum criteria, Rainforest Alliance uses a scoring system, requiring a minimum of 50% compliance per chapter and 80% compliance against the total number of criteria - leaving a flexibility of not complying to 20% of the non-critical criteria. UTZ CERTIFIED gradually increases the number of mandatory criteria within a four years approach, also defining a minimum number of criteria to comply with per chapter. However, all issues crucial to food safety / product quality and traceability, safe production practices for workers, internationally agreed workers rights and basic natural resource protection are mandatory from the first year on. The Fairtrade standard is the most flexible in its rules of compliance to non-mandatory criteria, leaving the so called "progress requirements" as subject for bilateral negotiation between the initiative and the producer group.

In chapter 1 of this study, the common (or very similar) requirements of all four standards are summarized, grouping them into the following four categories: farming and environmental criteria, product handling and economic criteria, health and social criteria and ICS and traceability criteria. The logic of these categories follows the order of the UTZ CERTIFIED standard. However, content-wise overlaps between the categories could not entirely be avoided.

Chapters 2-5 are dedicated to the individual standard initiatives. The development of the respective initiative, their instruments and standard development/revision processes, the chain of custody management, label use and pricing policy for certified cocoa are summarized. The standard structure, its compliance system as well as the options for small scale farmer certification are briefly explained.

Concluding each chapter of the respective initiative, the level of farming and environmental, product handling and economic, health and social as well as ICS and traceability requirements are condensed, comparing them with the requirements of the other three initiatives.

Chapter 6 makes reference to all documents consulted in this study as well as their sources.

The internal benchmark chart of the criteria of all four standards (in excel format) is annexed to this document.
1 Common Requirements of all four Standards

Common Farming and Environmental Criteria

A high equivalence of the requirements of the four standards can be observed regarding farming and environmental criteria, with the Naturland standard being significantly stricter than the other three, prohibiting the use of synthetic fertilizers and crop protection products. All standards have equal or very similar requirements regarding:
- The exclusion of prohibited crop protection products (Naturland: no synthetic pesticide use at all)
- The responsible use of fertilizers (less regulations in the Fairtrade Standard, strictest at Naturland: no synthetic fertilizers use at all)
- Record keeping for any chemical application and responsible use of crop protection products (most detailed formulations in the UTZ CERTIFIED Standard, not applicable to Naturland)
- Training requirements for workers handling any chemical product
- Disposal of empty crop protection containers (not applicable to Naturland)
- The use of IPM techniques (not in the Fairtrade standard, strictest in the Naturland standard)
- The exclusion of GMO on the farms (all except UTZ CERTIFIED\(^2\))
- The diversification of shade tree varieties (all except Fairtrade)
- Measures for water conservation, protection of water sources and buffer zone management
- The generation of conservation plans
- The responsible use of irrigation water
- Primary forest protection and respecting any protective areas
- Soil protection and measures against erosion (strictest at Naturland)
- Protection of wild species and animals (strictest at Rainforest Alliance, not explicitly formulated in Naturland standard)

Product Handling and Economic Criteria

The criteria for product handling are most specific in the UTZ CERTIFIED standard, covering issues of post harvest treatment of cocoa, hygiene, protection against contamination and product quality as well as the regular calibration of weighing equipment. In the Fairtrade and the Naturland standard, quality requirements are formulated in a much more aggregated, less specific way. No such criteria are found in the Rainforest Alliance standard.

Only the Fairtrade standard focuses on the economic development of the organization, its members and its respective community, targeting the export ability of the organization and its organizational strengthening as well as credit facilities for producers. Fairtrade prices and premiums are fixed, and the use of the premium within the farmer organization clearly defined. The organisation receiving the Premium must show that it has systems in place to administer it for the benefit of the producers and does this in a transparent way.

Common Health and Social Criteria

There is a broad overlap in the standards regarding health and social criteria. Common requirements of all four standards regarding occupational health are:
- Occupational health and safety requirements for workers handling chemical product or dangerous equipment, training requirement for workers (not applicable to Naturland)
- The exclusion of risk groups from pesticide application (not applicable to Naturland)
- The correct use of protective equipment (not applicable to Naturland)

In terms of social criteria, all four standards refer to:
- The liberty of workers to be member of a trade union and freedom of collective bargaining
- The prohibition of forced labour
- Non-discrimination of workers on any base
- A general reference of complying to the ILO criteria

\(^2\) UTZ CERTIFIED states in its code that it doesn’t cover GMO, because there is no known commercial application of GM in cocoa (see also [http://www.gmo-compass.org/eng/database/plants/43.cocoa.html](http://www.gmo-compass.org/eng/database/plants/43.cocoa.html)).
- The compliance of wages and working hours with national legislations
- A limit of weekly working time to 48 hours, with a maximum of 12 hours overtime per week
- A fair piece rate regulation, allowing to earn the daily minimum wage within 8 hours working time
- Equal payment of permanent and temporary workers
- Transparent and voluntary in kind-payments
- Means to facilitate maternity leave

Regarding child labour, the standards slightly differ from each other, still all protecting children from executing hazardous work and encouraging school attendance. More details on this issue can be found in the chapters on the respective initiatives.

**Common ICS and Traceability Criteria**

ICS and traceability requirements notably differ between the four standards. Whereas UTZ CERTIFIED, Rainforest Alliance and Naturland criteria clearly define the internal control structures to be in place, the Fairtrade system is more flexible, allowing producer groups to gradually build up their internal control system. However, all four standards have a set of common requirements for ICS and product traceability, namely

- An organizational structure to be in place
- Group manager(s) to commit to the certification process, its requirements and updates
- A system to be in place to guarantee compliance of all farms to the standards
- Self inspection and record keeping
- Risk assessments / social and environmental management system (most specific in UTZ CERTIFIED and Rainforest Alliance Standard)
- Training and education programmes for farmers to be in place
- Guarantee of product segregation along any processing step within the organization, a traceability system to be in place
- Yield estimations (all except Fairtrade Standard)
- A complaint structure for workers to be in place (all except Naturland standard)
- Internal inspections to be carried out once a year (all except Fairtrade, most specific in Naturland), by trained internal inspectors (most specific in Naturland), being without personal conflict of interest (all except Fairtrade)
- A documented ICS structure, ICS records and its documentation to be complete and actual (all except Fairtrade, not explicitly named), including a map/overview on farms and production sites (all except Fairtrade)
- An internal sanction system for non-compliances to be in place (all except Fairtrade)
2 UTZ CERTIFIED

General Data

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<th>Standard Holder</th>
<th>UTZ CERTIFIED Good Inside (formerly Utz Kapeh), with its headquarters in the Netherlands</th>
</tr>
</thead>
<tbody>
<tr>
<td>Structure</td>
<td>UTZ CERTIFIED as independent organization, with representatives located in Brazil, Switzerland, Japan, USA, Guatemala, Colombia, Peru, Kenya, Ethiopia, Ivory Coast, Ghana, India, Indonesia and Vietnam</td>
</tr>
<tr>
<td>Goal of the initiative</td>
<td>UTZ CERTIFIED is dedicated to creating an open and transparent marketplace for agricultural products. It offers coffee, tea and cocoa certification programs and manages traceability for RSPO certified palm oil. UTZ CERTIFIED’s vision is to achieve sustainable agricultural supply chains, where farmers are professionals implementing good practices, which lead to better businesses, where the food industry takes responsibility by demanding and rewarding sustainably grown products, and where consumers buy products which meet their standard for social and environmental responsibility.</td>
</tr>
</tbody>
</table>
| Instruments used | ▪ Product-specific Code of Conduct for producers  
▪ Unique identification number for certified produce  
▪ Web-based Tack and trace system  
▪ Chain of custody requirements standard for brands that make an UTZ CERTIFIED claim on their products and processors of UTZ cocoa  
▪ Trained agronomists for technical consultancy and advice on practical implementation of elements of the Code |
| Inspection and Certification | ▪ Annual certification inspections of producers to determine whether they comply with the Code of Conduct, normally paid by certified entity (producers)  
▪ Group certification: external inspection of the square root of the number of group members  
▪ 3rd party certification done by independent, approved certification companies  
▪ Annual Chain of custody certification |
| Relation to ISEAL | Full Member of ISEAL Alliance, formally adopted the relevant parts of the ISEAL Code of Ethics as organizational policy |
| Cocoa standard operational since | Version 1.0 from July 2009, Previous draft versions tested in pilot projects and later revised by relevant stakeholders. |
| Fields of application | As part of the cocoa program, farmer field schools started in September 2008 in Cote d’Ivoire. In the second half of 2009, certification was achieved by producer groups in Cote d’Ivoire and Ghana and by an estate in Costa Rica. |
| Internet Sources | www.utzcertified.org |

Brief Development of the Initiative

UTZ Kapeh was founded in 1997 by Guatemalan coffee producers and the Dutch Ahold Coffee company. Its main office in the Netherlands opened in 2002. In 2007, the name of the initiative was changed to UTZ CERTIFIED ‘Good Inside’. In 2009, 82,000 metric tons of certified green coffee was sold (information obtained from the initiative’s website). UTZ CERTIFIED is not in the position to finance itself from customer fees. In 2005, income from fees covered approximately 1/3 of UTZ CERTIFIED’s total expenses. The remaining finances are provided by several funders.
Standard Development and Revision

The Code of Conduct for coffee was originally based on the GLOBALGAP (then EUREPGAP) Protocol for Fruits and Vegetables. That protocol was developed by leading European retailers and provides assurance of food safety and appropriate growing practices in fruits and vegetables. In 1997, Utz Certified translated the EUREPGAP Protocol to the specific conditions of coffee production and added criteria based on the relevant ILO (International Labour Organization) Conventions to the protocol. As per January 2010 the UTZ CERTIFIED ‘Code Development Procedure’ complies with the ISEAL Alliance Code of Good Practice for Setting Social and Environmental Standards. The UTZ CERTIFIED Code development procedure at hand sets the requirements for the development of new UTZ CERTIFIED Codes of Conduct as well as the reviews and revisions of existing UTZ CERTIFIED Codes of Conduct (taken from the UTZ certified website).

As a multi-stakeholder initiative, UTZ CERTIFIED seeks to ensure that participation in the code development reflects a balance of interests among parties involved and interested in the certification program. The Board approves final code versions by verifying whether the code development procedure has been duly followed. All UTZ CERTIFIED Codes of Conduct need to be fully reviewed at least every 5 years. An earlier review and revision can be considered. The requests can come from various stakeholders such as marketing organizations, producers, NGOs and other interested parties or from an internal party such as the UTZ CERTIFIED Board or management or the UTZ CERTIFIED Standards Committee (taken from the UTZ certified website).

Chain of Custody Management

Certified producers sell their produce to a registered buyer. UTZ CERTIFIED invoices the first buyer of produce an administration fee. This fee covers part of the operational costs of the organization, and is used to provide its members with program services such as the traceability system, regional assistance and marketing materials.

Graph 1: Organization of the UTZ CERTIFIED chain of custody

Source: Internet

A web-based track and trace system accompanies the certified produce through the chain of custody. A unique identification number travels with the produce through the chain. To enhance the guarantee that labelled produce comes from a certified producer, a chain of custody standard is applied. This is a set of chain-wide administrative and technical requirements for traceability. These requirements include criteria for separation of certified and non-certified produce, and keeping records of direct suppliers and buyers. All members of the UTZ CERTIFIED program are chain of custody-certified by an independent certifier. This inspection is repeated annually.

Label Use

Brands that make an UTZ CERTIFIED claim on their products must be certified against the Chain of Custody requirements. Any UTZ CERTIFIED labelled product must contain at least 90% of certified...
ingredients. UTZ CERTIFIED allows labelling based on the segregation and mass balance approaches. In the segregation approach, product is separated throughout the chain and a claim can be made that the cocoa content is (physically) from certified sources. In mass balance, controlled mixing of certified and conventional product is allowed. If 100% of the cocoa content in a product is ‘covered’ by certified purchases, a label can be carried on the product. The accompanying claim will then not say that the physical cocoa content is from certified farmers, but for instance, that the product supports responsible cocoa farming.
Pricing Policy for Certified Cocoa

Producers are rewarded with a price premium for their certification, which reflects the added value of the certification of the produce. The premium is determined in a negotiation process between the buyer and the seller. UTZ CERTIFIED does not interfere in these negotiations. However, UTZ CERTIFIED provides its certified producers with aggregated market information on the average premiums paid and volumes sold per country, strengthening them in the negotiation process.

Main issues targeted in the standard

1. Traceability, Product Identification and Separation
2. Management System, Record Keeping and Self-Inspection
3. Varieties and Rootstocks
4. Soil Management
5. Fertilizer Use
6. Irrigation
7. Crop Protection Products
8. Harvesting
9. Post-Harvest Product Handling
10. Worker Health, Safety and Welfare
11. Environment

Standard structure and compliance system

The cocoa standard consists of three parts, covering production practices, group responsibilities and the internal control system. Each part is divided into separate chapters. Applying an approach gradually over four years allows more criteria of the standard to become mandatory overtime. There are two types of criteria: mandatory and additional. Compliance is reached if the group has fulfilled all mandatory criteria plus a defined number of additional criteria (non-mandatory in that specific year). Within the first three years, an increasing number of mandatory criteria have to be fulfilled per chapter. Many criteria are defined as critical from the first year on. These “critical” criteria cover all agricultural practices key for product safety (e.g. the use of fertilizers; the correct choice, dosage, handling and storage of crop protection products), safe production practices for workers (e.g. training in crop protection product application, the use of protective clothing), internationally agreed workers rights (ILO criteria) and basic natural resource protection (the protection of primary forests, ground water sources and protected areas). Further on, all requirements necessary for an effective internal group management and control as well as product separation and traceability are mandatory from the first year on. Nevertheless, the first year still bears an “entry level” character, as especially requirements regarding documentation - which tends to be an especially difficult aspect for (often illiterate) farmers - are much looser than in the following years. Despite this gradual approach, product labelling to consumers shall still be made possible from the first year on. Only within the business to business communication, the year and compliance level of the certified group must be communicated.

Options for Small Scale Farmer Certification

Generally, producers have two options for certification: individual certification and group certification. In the case of individual certification, the producer does an annual self-inspection against the Code of Conduct, and an annual external inspection is executed by an independent certification body. In the case of group certification (e.g. cooperatives or exporters that organize producers), an internal control system needs to be implemented. Through this ICS, the internal inspection against the code of conduct is managed and compliance to it must be guaranteed. A representative number of group members is annually externally inspected. The external inspection will also verify well-functioning of the ICS.

The UTZ CERTIFIED cocoa standard considered for this comparison is focussed on smallholder groups, with responsibilities distributed on producer and group (management) level, and active participation of external local stakeholders.
Level of Farming and Environmental Requirements

Compared with the other three standards, unique environmental and farming requirements of the UTZ CERTIFIED standard are:
- No regulation of the use of GMOs in the standard. A remark is made that GMO cocoa varieties are currently not (commercially) available and therefore the issue is not included in this code.
- Knowledge on maximum residue levels (MRLs), food safety, and pre-harvest intervals is explicitly required within the group.
- Regulations are set for in-house cocoa nurseries.
- Regulations are set for fumigation.
- The focus of water management is put on the quality of irrigation water.
- Distribution of shade tree seedlings within the group is required.
- Active contact to the protected area management unit is required, if such an area is in immediate vicinity (2kms).
- If cocoa production takes already place within the protective area, measures have to be implemented to stop the extension.
- External stakeholder involvement is required for the definition of natural habitat protection and the clearance of new production sites.

Similar requirements can be found in the UTZ CERTIFIED Standard and Rainforest Alliance standard regarding:
- The protection of forest patches within the farm.
- A sustainable management of (fire) wood.

Level of Product Handling and Economic Requirements

Out of the four standards, the UTZ CERTIFIED standard has the most specific criteria for good harvest and post harvest practices. These criteria cover:
- Post harvest treatment of cocoa (cocoa drying and storage).
- Hygiene and protection against contamination of cocoa and product quality.
- Regular calibration to measure weight and volume.

All premiums, revenues and payments made to producers as well as product pricing has to be made transparent within the organization. The organization reports to producers about spending of the UTZ CERTIFIED premium with the objective to benefit all certified producers in cash and/or in kind.

Level of Health and Social Requirements

Additionally to the common health and safety requirements of all four standards, both UTZ CERTIFIED and Rainforest Alliance require:
- Annual health checks of workers applying agrochemicals.
- Specified regulations on protective clothing storage and washing.

In terms of social criteria, both UTZ CERTIFIED and Rainforest Alliance additionally require:
- A social policy, actively communicated to all workers.
- The voluntary character of any overtime worked.
- No corporal and/or sexual abuse of workers.
- Access to drinking water.
- The requirement of appropriate housing if workers live on the farm, including sanitary infrastructure.

Unique criteria of the UTZ CERTIFIED standard are:
- A hazard indication on all respective farming sites.
- An awareness and active communication of re entry times after agrochemical application.
- A lead farmer to be nominated for monitoring labour rights.
- The date of birth of workers to be implicitly documented.
- The specified treatment of sharecroppers according to local norms.
- A reporting mechanism run by group management to avoid the exploitation of children.
Children below the age of 15 are not employed, whether as permanent, seasonal or casual workers. On family farms, children are allowed to execute light work, as long as there is no interference with schooling and if the work does not jeopardize their physical and mental well-being and they are always accompanied and supervised by an adult relative. If local laws establishes a higher minimum age, this higher age applies.

Level of ICS and Traceability Requirements

The UTZ CERTIFIED ICS requirements are considerably strict. Equivalent or even stricter criteria are only required by Naturland.

Additionally to the common ICS criteria of all four standards, both UTZ CERTIFIED and Rainforest Alliance require:
- Regular first aid training
- First aid boxes present at central locations
- Emergency procedures (UTZ CERTIFIED requiring an evacuation plan)
- Technical person(s) explicitly named in the group
- The visual identification of certified plots

Additionally to the common ICS criteria of all four standards, both UTZ CERTIFIED and Naturland require:
- The formulation of an internal group standard
- Contracts between each farmer and the ICS operator
- New applicants to be internally inspected first (not explicitly formulated in the Rainforest Alliance standard)
- Yield estimations on single farmers level
- A unique producer number/code
- The visual identification of certified product

Unique criteria of the UTZ CERTIFIED standard are:
- An annual improvement of female attendance in training programmes
- A list of all employees, duties and salaries at group level
- The transparent documentation of revenues and payments to producers, transparent product pricing (compare to the aspects covered in the Fairtrade Producer contracts)
- The recording of complaints made within the group
- Regular meetings on group level, to sensitize producers on child labour, HIV, hygiene, workers rights and women's rights
- The improvement of literacy within the group
# 3 Rainforest Alliance - Sustainable Agriculture Network

## General Data

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<th>Sustainable Agriculture Network’s Standards &amp; Policy Secretariat</th>
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## Structure

The Sustainable Agriculture Network is a coalition of 9 independent non-profit organizations as members. SAN member organizations provide certification services to producers in their respective countries and contribute the knowledge and experience required to develop the SAN standards.

## Goal of the initiative

To promote efficient agriculture, biodiversity conservation and sustainable community development by creating social and environmental standards. SAN fosters best management practices across agricultural value chains by encouraging farmers to comply with the SAN standards and by motivating consumers to support sustainability.

## Instruments used

- **Generic standard,** applicable to more than 100 different crops, consisting of 10 principles and 94 criteria
- **Additional criteria and local indicators for cocoa production in Ivory Coast,** covering Principle 2 (Ecosystem Conservation), 3 (Wildlife Protection), 5 (Working Conditions) and 10 (Waste Management)
- **Generic standard for group certification,** defining the internal control system
- **Standard for Chain of Custody Approval**
- **No fixed prices,** however a premium is often paid
- **Membership-Approach:** any company to handle certified produce to be member of the initiative, membership free of charge
- **Rainforest Alliance Marketplace** to connect business partners in all segments of the value chain who are buying or selling RA certified products

## Inspection and Certification

- **3rd party certification,** done by local SANcert member organizations or SAAS (Sustainable Agriculture Auditing Services, Rainforest Alliance) in case of African farmers
- **3-year farm certification audit cycle,** with annual surveillance audits and possible research audits
- **Certification of the whole farm**
- **Farmers pay per diem and travel expenses** for technicians and auditors, and are charged annual certification fee based on the size of their farm

## Relation to ISEAL

Full member of ISEAL Alliance, meeting the requirements for good practice in international standard-setting, commitment to the ISEAL Alliance Code of Ethics.

## Cocoa standard operational since

First activities in the cocoa sector started in 1997 in Ecuador, certified chocolate being available since 2004. The stakeholder process to develop local indicators for Côte d’Ivoire started in 2006. The finalized version of the interpretation guide is dated from July 2008.

## Fields of application

So far, the main regional focus of cocoa certification is set in Latin America, with certified farms in Costa Rica, Dominican Republic, Ecuador and Guatemala. In Côte d’Ivoire, Rainforest Alliance works towards certification of more than 2,000 farmers in six cooperatives, in cooperation with Kraft Foods, US Aid, the local trader Armajaro and GTZ.

## Internet Sources

[www.rainforest-alliance.org](http://www.rainforest-alliance.org)
Brief Development of the Initiative

The Rainforest Alliance works to conserve biodiversity and ensure sustainable livelihoods by transforming land-use practices, business practices and consumer behaviour. The Alliance was launched in 1987 and is developing certification standards since 1991. Apart from their activities in agricultural certification, the Rainforest Alliance runs programmes in forestry, tourism, education, community conservation, communication and sponsorship programmes.

The main agricultural products certified by the Rainforest Alliance are crops grown in tropical regions such as coffee, bananas, cocoa, citrus and fruit. At the end of 2006, RA certified 15% of the bananas in the global trade, as well as 2% of the global coffee production. There are currently over 450 companies sourcing Rainforest Alliance Certified products. The number of certified farms at present is estimated as 33,235, covering a total area of 520,977 hectares.

The SAN Network is conducting certification activities in Belize, Brazil, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Ethiopia, Guatemala, Honduras, Indonesia, Ivory Coast, Kenya, Mexico, Nicaragua, Panama, Peru, Philippines and Tanzania.

The Rainforest Alliance is currently co-financed by government institutions, corporate grants and individual donors. Currently, approximately 25% of our operating expenses are derived from certification-related fees charged by the Rainforest Alliance and other SAN members for their services. No information on the financing of the initiative is publicly available.

Participating Partner Organisations and Governance

The Rainforest Alliance Secretariat (based in USA and Costa Rica) provides two managing units to the SAN Network:

1. The Standards & Policy Secretariat coordinates the development of SAN standards and related policies, and
2. The Certification Secretariat administers the Sustainable Agriculture Certification Network’s (SANcert) certification systems

Nine local organisations are SAN Members and execute the certification activities: Coservación y Desarrollo (Ecuador), Fundación Interamericana de Investigación Tropical (Guatemala), Imaflora (Brazil), Instituto para la Cooperación y Autodesarrollo (Honduras), Fundación Natura (Colombia), Nepenthes (Denmark – acting as Watchdog), Pronatura Chiapas (Mexico), SalvaNATURA (El Salvador) and Toledo Institute for Development and the Environment (Belize).

Standard Development and Revision

The Rainforest Alliance Standards & Policy Secretariat serves as the standard-setting and managing unit of the SAN Network. The SAN Board of Directors, consisting of up to 12 SAN-members, is the final approving authority within the process of developing and revising standards. The review process starts three years after the official publication of the last version at latest standard, including public consultation phases.

To develop local interpretation guidelines, the Standards & Policy Secretariat works together with local working groups, normally consisting of 4 to 6 technicians, producers, sector representatives and community representatives. Working groups provide technical inputs to the local indicators and review the standard. Local indicators are crop and country/region-specific; however these are not binding (normative) for certification.

Chain of Custody Management

A chain of custody standard is applied to all operations handling or processing certified products, which mainly focuses on determining the potential risk of mixture of certified products with non-certified products, as well as the measures taken to prevent such mixture. Compliance to it is determined by the Certification Secretariat of the SAN, either through a chain of custody audit by a SAN representative or an analysis of the operation’s self-assessment report. Any business partner using the label or trading certified produce is charged a license fee per sold product quantities. However, no information is publicly available on these fees.
Label Use

Any company or organization wishing to label products coming from certified farms must register with the Rainforest Alliance and be able to validate that their suppliers are in good standing with the SAN. Companies using the seal must maintain traceability of the certified ingredient(s) and document their processes for product separation. The Rainforest Alliance may request an audit of this documentation.

The percentage of certified content used in a product determines how the seal may be used, and whether a qualifying statement indicating the amount of certified content is necessary. Only products that contain at least 90% Rainforest Alliance Certified content can bear the seal regardless of the percentage, without a qualifying statement. Any single ingredient product which contains between 30% and 90% certified content must include a statement of text on the seal on packaging.

Graph 2: Rainforest Alliance Product label with and without qualifying statement

Source: Rainforest Alliance Certified Use of Seal Guidelines

In Composite or Multi-Ingredient Products (as chocolate bars), the seal may be used on packages where:

a) At least 90% of the named core ingredient is from certified farms – or –
b) At least 30% of the dry weight of the core ingredient and at least 30% of the total dry weight of the product is from certified farms – or –
c) At least 30% of the identified core ingredient is from certified farms and the company is manufacturing a high-volume product for which sufficient certified ingredients are not yet available, is actively engaged in helping farmers meet the SAN farm-management standards, and has a Rainforest Alliance approved sourcing plan for increasing named ingredient(s).

Pricing policy for certified Cocoa

The Rainforest Alliance and the Sustainable Agriculture Network members are not directly involved in the price negotiations between farmers and their product buyers. The initiative acts as pre-competitive. However, most farmers are able to utilize their certification to receive a price premium for their produce.

Main issues targeted in the standard

The 10 Principles of the RA standards are:

1. Social and environmental management system
2. Ecosystem conservation
3. Wildlife protection
4. Water conservation
5. Fair treatment and good working conditions for employees
6. Occupational health and safety
7. Community relations
8. Integrated crop management
9. Soil management and conservation
10. Integrated waste management
Standard structure and compliance system

The Rainforest Alliance Standards operate with a scoring system for farm audits. Every principle is composed of various criteria. The audit team scores farm performance according to all criteria applicable to the specific crop. In order to obtain certification, the farm must comply with at least 50% of each principle’s criteria, and with 80% of all criteria (total scoring). The standard contains 14 critical criteria, which must be 100% complied with by the farm.

If the farm does not comply with a defined criterion, this will be scored as non-conformity, subject to future corrective action. There are two categories of non-conformities:

1. Major Non-Conformity: indicates a 0% to 49% compliance with a criterion
2. minor non-conformity: indicates a 50% to 99% compliance with a criterion

The score of each finding is calculated as follows:

<table>
<thead>
<tr>
<th>Category of the Finding</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Major Non-Conformity (MCN)</td>
<td>Cero points</td>
</tr>
<tr>
<td>minor non-conformity (mcn)</td>
<td>0.5 points</td>
</tr>
<tr>
<td>Full Compliance</td>
<td>1 point</td>
</tr>
<tr>
<td>Not applicable</td>
<td>Not to be included in calculation</td>
</tr>
</tbody>
</table>

Options for Small Scale Farmer Certification

If certification is not acquired on the level of the individual farm, farmers may seek certification in groups, reducing costs and administration. Different group models as membership groups, multiple farms of a single owner, traders and suppliers, communal lands or federations of groups are possible options. A documented internal control system is required from these groups, which is managed by a group administrator, who is in charge of verifying the compliance of the farms to the standard. The group administrator must demonstrate that he/she has the institutional capacity for ensuring that the farms comply with all certification requirements.

Level of Farming and Environmental Requirements

Compared to the three other standards, the Rainforest Alliance standard has the most elaborated environmental requirements regarding

- an integrated waste management (comparable requirements are only found in the Fairtrade standard) and a general farm cleanliness
- criteria regarding a water conservation programme, waste water management and treatment
- criteria on wildlife protection

Similar requirements can be found in the UTZ CERTIFIED Standard and Rainforest Alliance standard regarding

- The protection of forest patches within the farm
- A sustainable (fire) wood management

Level of Product Handling and Economic Requirements

No specific product handling and economic criteria are formulated in the Rainforest Alliance standard, being the least elaborated standard in this category. No reference is made to the distribution of revenues and the use of the product premium within the farmer organization.
Level of Health and Social Requirements

Additionally to the common health and safety requirements of all four standards, both UTZ CERTIFIED and Rainforest Alliance require:
- Annual health checks of workers applying agrochemicals
- Specified regulations on protective clothing storage and washing

In terms of social criteria, both UTZ CERTIFIED and Rainforest Alliance additionally require:
- A social policy, actively communicated to all workers
- The voluntary character of any overtime work
- No corporal and/or sexual abuse of workers
- Access to drinking water
- The requirement of appropriate housing if workers live on the farm, including sanitary infrastructure

Unique requirements of the Rainforest Alliance standard are:
- A written payroll is required on farms with 10 or more employees
- There shall be no hiring of workforce through a third party, except if contractor is guaranteeing the same working conditions
- Working permits for all foreign worker must be present
- Access to medical services during working hours must be guaranteed
- A strong focus on community relations is set

The additional criteria and local indicators for cocoa production in Ivory Coast further define
- Oral contracts between farmers and workers to be permitted, as long as (minimum) wages and contract conditions are clearly agreed upon
- Local specifications of the legal working hours for Cote d'Ivoire are given, e.g. the right of 2 weeks annual paid vacation and one full day off per week

No employment of children under the age of 15 is permitted. Employed minors (between the age of 15 and 17) must not work more than eight hours per day, their work schedule must not interfere with educational opportunities. Records on their working activities must be kept.

On family farms, children between 12 and 14 may execute light work, as long as it does not interfere with school education and 12 hours breaks are guaranteed. They must have access to compulsory school education. They must be under the supervision of a responsible adult while working.

Level of ICS and Traceability Requirements

The requirements of the ICS in the Rainforest Alliance standard are slightly more flexible compared to UTZ CERTIFIED and Naturland. Additionally to the common ICS criteria of all four standards, both UTZ CERTIFIED and Rainforest Alliance require:
- Regular fist aid training
- First aid boxes present at central locations
- Emergency procedures (UTZ CERTIFIED requiring an evacuation plan)
- Technical person(s) explicitly named in the group

Unique criterion of the Rainforest Alliance standard is that trading of certified products shall be administered through the group administrator only.
### General Data

<table>
<thead>
<tr>
<th><strong>Standard Holder</strong></th>
<th>Fairtrade Labelling Organizations International (FLO)</th>
</tr>
</thead>
</table>

| **Structure** | Membership-based, non-profit multi-stakeholder association, involving 23 member organizations (labelling initiatives and producer networks), traders and external experts. As of August 2006, 25 full time Liaison Officers in 16 countries. |

| **Goal of the initiative** | To improve the position of the poor and disadvantaged producers in the developing world, by setting fair-trade standards and by creating a framework that enables trade to take place at conditions favourable to these producers |

| **Instruments used** | ▪ Generic Standard applicable to small farmers’ organizations  
▪ Product Trade standard for Cocoa applicable to small Farmers’ Organizations and Traders (no standard for hired labour in cocoa production)  
▪ Certified Farmers’ organisations receive a fixed minimum price and have the right to pre-financing through the direct buyer  
▪ Farmers’ organisations receive price premiums to be used for community development activities  
▪ Binding letters of Intent between buyers and sellers  
▪ Fairtrade licenses provided throughout the entire chain |

| **Inspection and Certification** | ▪ 3rd party certification done by FLO-CERT, following the requirements of ISO 65  
▪ Fairtrade Producer Standards limited to a scope of countries defined by FLO  
▪ Control of the entire supply chain: certification done by FLO-CERT in the producer countries (producers and traders) and licences issued by Labelling Initiatives in the consumer countries  
▪ Costs for producer organizations: initial application fee (500 €) and certification costs, according to their size, kind of organization and inspection days needed (400€/day), inspection of square root of group members  
▪ Costs for traders in producing countries: initial application fee (500 €) and certification costs  
▪ 3-years’ certification cycle with annual surveillance audits in producer countries |

| **Relation to ISEAL** | Full member of ISEAL Alliance, meeting the requirements for good practice in international standard-setting, commitment to the ISEAL Alliance Code of Ethics |

| **Cocoa standard operational since** | 01.12.2005, current version from 15.11.2007, referring to whole seed of the cocoa tree which has been fermented and dried |

| **Fields of application** | The volumes of Fairtrade Cocoa Products are modest, representing less than 0.1% of the total cocoa market (in 2003). More than 90% of these sales originated from two producers: Kuapa Kokoo Ltd. (Ghana) and Conacado Inc. (Dominican Republic). Since 2003, five new small cooperatives in Peru, and a large one in Côte d’Ivoire have received the fair-trade certification. Though in total still small numbers, fair-trade cocoa quantities tripled within 5 years. In 2007, producers sold 7.306 metric tonnes of cocoa beans. |

| **Internet Sources** | http://www.fairtrade.net (Standard holder)  
http://www.flo-cert.net (Certification body) |
**Brief Development of the Initiative**

Fair Trade as such has existed since the 1950ties. In 1988, the Dutch Label Organization “Max Havelaar” was founded, setting labour and environmental standards. Within years, similar labelling initiatives such as the Fairtrade Foundation, TransFair and Rättvisemärkt, emerged across Europe and North America. The organizations launched their own campaigns and certification marks and originally operated independently. In 1997, these organizations created Fairtrade Labelling Organizations International (FLO) as umbrella organization. FLO’s mission is to set the Fairtrade standards, support, inspect, certify producers and harmonize the Fairtrade message across the movement. In 2002, Fairtrade Labelling Organizations launched a new international Fairtrade Certification Mark. The autonomous certification company “FLO-Cert” resulted in 2004 out of the split from FLO. By the end of 2007, there were 632 Fairtrade certified producer organizations in 58 producing countries, representing 1.5 million farmers and workers.

**Participating Partner Organisations and Governance**

20 Labelling initiatives: Fairtrade Labelling (UK, Austria, Ireland, Japan, Italy, Australia & New Zealand), Max Havelaar (Belgium, Denmark, France, Netherlands, Norway, Switzerland), Transfair (Germany, Canada, Luxembourg, USA), Reilun kaupan edistämisyhdistysry (Finland), Asociación para el Sello de Comercio Justo (Spain), Rättvisemärkt (Sweden)

3 Producer Networks as representatives of certified farmers and workers: AFN (African Fairtrade Network), CLAC (Coordinadora Latinoamericana y del Caribe de Comercio Justo), NAP (Network of Asian Producers)

Annual General Assembly to discuss membership issues, Board of Directors consisting of 5 labelling initiatives, 4 producers, 2 Traders and 2 externals.

**Standard Development and Revision**

The Board of Directors of FLO has delegated decision-making authority on standards to the Standards Committee and Standard Unit Director. Within FLO, the Standard Unit is responsible for developing (i.e. preparing, amending, adapting and revising) the Fairtrade standards. The Standard Committee is made up of representatives of the key stakeholders for Fairtrade operations, for example producers, traders, labelling initiatives and external experts. The Standard Committee provides guidance in relation to and makes decisions with respect to standards. In its meetings, it not only decides on the revision of the Standards, but also on the planning of other works and policies related to the standards. The Standard Unit guides these processes. Usually, the Standard Unit will undertake a review of all standards at least every five years. The review cycle will include a formal comment period and the results from the evaluation and monitoring activities.

**Label Use**

Products can only be labelled as Fairtrade if they have been 100% sourced from Fairtrade certified producer organizations and traded according to the Fairtrade standards. This applies to all entirely sold product (e.g. fruit) as well as blended product (e.g. blends of coffee or tea). Differentiated rules exist for composite products, defined as manufactured or processed finished or end-consumer products. For all Fairtrade-labelled composite products, all ingredients for which FLO-approved standards exist must be sourced from Fairtrade-certified producer organizations. This rule does not apply to ingredients that make up <1% of a product’s total dry weight.

**Chain of Custody Management**

All producers and traders in the producing countries undergo audits and certification by FLO-CERT. In consumer countries, licences are issued to processors and trade by the labelling initiatives of the respective country. The requirements and/or criteria for achieving these licenses are not publicly available. Licence fees are charged per sold product quantities.
Graph 3: Control mechanisms in the Fairtrade chain

Source: Internet

**Pricing Policy for Certified Cocoa**

In order to establish a stable relationship between buyers and sellers, agreements are fixed in binding Letters of Intent not later than three months prior to harvesting time. On request of the seller, the buyer shall make available up to 50% of the minimum value of the product upon signing the letter of intent. The Fairtrade minimum price forms part of the product standards. It must at least be paid to Fairtrade producers for their goods. This minimum price is intended to cover the average producers’ costs of sustainable production per product. If possible, global or regional minimum prices are set, otherwise national prices are set. For cocoa, such a global minimum price is set, being differentiated for Standard Fairtrade Cocoa beans and Fairtrade Certified Organic Cocoa beans.

For Standard Fairtrade Cocoa beans:
Minimum price for Fairtrade cocoa: USD 1.600 per metric tonne (MT) FOB.
In addition to the Minimum price, a Fair-trade Premium of USD 150 per metric tonne is paid. If the world market price is higher than the Fairtrade minimum price, the Fair-trade Premium.

For Certified organic Fairtrade cocoa beans:
Minimum price for Fairtrade cocoa: USD 1.950 per metric tonne (MT) FOB.
In addition to the Minimum price, a Fair-trade Premium of USD 200 per metric tonne is paid. If the world market price is higher than the Fairtrade minimum price, the Fair-trade Premium.

Minimum prices are also fixed for cocoa liquor, butter and powder produced in producers’ countries. Within the organization, a monitored plan has to be developed under which the benefits of Fairtrade are shared, based on a democratic decision taken by the beneficiaries.

The Fairtrade Premium is paid on top of the price agreed for the product, with the aim to improve the social and economic conditions of the community. The organisation receiving the Premium must show that it has systems in place to administer it for the benefit of the producers and does this in a transparent way. Decisions on the use of the Premium must be taken democratically by all the producers. Both the producers and FLO need to be able to see what the money is being spent on. It may be used for e.g. training and capacity building, education, social infrastructure in the communities, social welfare, cultural projects leisure and sports, programs addressing gender inequality, environmental protection, supply of basic goods at preferential prices, revolving funds for loans or micro-credits or others.
Main Issues Targeted in the Standard

1 Social Development
   1.1 Fairtrade adds Development Potential
   1.2 Members are Small Producers
   1.3 Democracy, Participation and Transparency
   1.4 Non-Discrimination

2 Economic Development
   2.1 Fairtrade Premium
   2.2 Export Ability
   2.3 Economic Strengthening of the Organization

3 Environmental Development
   3.1 Impact Assessment, Planning and Monitoring
   3.2 Agrochemicals
   3.3 Waste
   3.4 Soil and Water
   3.5 Fire
   3.6 Genetically Modified Organisms (GMO)

4 Standards on Labour Conditions (applicable if the organization employs a significant number of workers)
   4.1 Forced Labour and Child Labour
   4.2 Freedom of Association & Collective Bargaining
   4.3 Conditions of Employment
   4.4 Occupational Health and Safety

Standard Structure and Compliance System

The requirements in the Fairtrade standard are divided into:
- Minimum Requirements, which all producer organizations must meet from the moment they join Fairtrade, or within a specified period; and
- Progress Requirements, on which producer organizations must show permanent improvement. A report on the achievement of progress requirements should be made each year. The degree of progress required from each producer organization depends on the level of economic benefits it receives from Fairtrade and on its specific context.

Options for Small Scale Farmer Certification

Small farmers can join Fairtrade if they have formed organizations (in co-operatives, associations or other organizational forms) which are able to contribute to the social and economic development of their members and their communities and are democratically controlled by their members. Organizations can be certified by FLO if they comply with the requirements of the Generic Fairtrade Standards for Small Farmers’ Organizations. In organizations seeking certification as small scale farmer group, the majority of members must be small producers, with more than 50% of the product volume of the organization to be produced by them.

Level of Farming and Environmental Requirements

Compared to the other standards, the farming and environmental requirements in the Fairtrade standard are the least strict. Peculiarities of the Fairtrade standard are
- An evidence of need of all agrochemicals used has to be shown
- A plan to reduce all chemical used has to be elaborated
- Responsible fire management is allowed (this issue is only found here)

The Fairtrade cocoa standard does not formulate additional environmental requirements specific to cocoa production.
Level of Product Handling and Economic Requirements

No specific product handling criteria are formulated in the Fairtrade standard, with only one control point targeting the quality of the final produce.

In terms of economic development of the organization and its members, the Fairtrade standard goes by far beyond the other standards. The Trade standard for cocoa defines the specific minimum price and premiums to be paid for different cocoa products (see chapter on pricing policy for certified cocoa). The use of the premium is clearly defined and decisions on is allocated to the General Assembly of the producer organization. The export ability of the organization and its organizational strengthening are targeted. The access of producers to credit is regulated.

Level of Health and Social Requirements

The Fairtrade cocoa standard does not formulate additional social requirements specific to cocoa production. Additionally to the common health and safety requirements of all four standards, the Fairtrade standard requires:

- If an active trade unions exist in the sector and the region, FLO expects that the workers will be represented by it and that the workers will be covered by a Collective Bargaining Agreement (CBA)
- The possibility of off farm employment of family members must be guaranteed
- The gradual increase of salaries of workers to levels above the regional average and official minimum wage
- Working towards pension scheme and sick-leave agreements for workers
- Programmes related to minority groups shall be implemented

There shall be no employment of children below the age of 15. Children below the age of 18 do no execute no hazardous work. No more specifications are made regarding children working on family farms.

Level of ICS and Traceability Requirements

The Fairtrade criteria on an ICS and traceability system are by means the most flexible, allowing a gradual phase-in period for the development of the ICS. Instead of product traceability, the focus of the Fairtrade standard rather lies on social and community development, building up small holder organisations and assuring the effective use of the Fairtrade premium for community development.

Unique criteria of the Fairtrade standard are:

- Building up a transparent organizational structures, with instruments as a general assembly, transparent planning and information flow, participation of all members and the improvement of members commitment
- The majority of members to be small producers, with more than 50% of the product volume of the organization to be produced by small producers
**5 Naturland**

**General Data**

<table>
<thead>
<tr>
<th>Standard Holder</th>
<th>Naturland - Verband für ökologischen Landbau e.V. (Naturland Association)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Structure</strong></td>
<td>Headquarters of the association near Munich, Germany, with regional representatives in Mexico, Ecuador and India. Board of Directors, Certification Committee and Assembly of Delegates.</td>
</tr>
<tr>
<td><strong>Goal of the initiative</strong></td>
<td>The core of all Naturland's standards is their holistic approach, sustainable management, nature conservation and climate protection in actual practice, preserving and maintaining the soil, air and water, as well as consumer protection.</td>
</tr>
</tbody>
</table>
| **Instruments used** | ▪ Generic production standard with general regulations and regulations for individual branches of production (applicable to cocoa: Part A: General regulations, Part B1: Plant Production and B8: Permanent Tropical Plantations)  
▪ IFOAM minimum requirements for group certification, defining the internal control system  
▪ Cultivation guidelines for cocoa (20 tropical crops)  
▪ No information on product prices publicly available  
▪ Naturland® Zeichen GmbH (trade mark company)  
▪ Transaction Certificates (TC) to accompany the merchandise  
▪ Standard for processing  
▪ Software for inspection bodies and certifiers |
| **Inspection and Certification** | ▪ 3rd party certification, done independent certification bodies, commissioned directly by Naturland  
▪ Certification of the whole farm  
▪ At least 2 years conversion period to organic production  
▪ Membership fees: 1 EUR per member of producer organization, with a yearly minimum of 250 EUR  
▪ License fees: 1% of net sale prices with a yearly minimum of 500 EUR  
▪ Inspection costs: between 150 and 350 per inspector day plus travel expenses, inspection of square root of group members |
| **Relation to ISEAL** | Naturland e.V. has no direct relation (membership) to the ISEAL Alliance. However, IFOAM as its accrediting umbrella organization is a full ISEAL member. |
| **Cocoa standard operational since** | Cultivation guidelines for cocoa published by Naturland e.V. in 2000 (with support of GTZ), no information available on its application |
| **Internet Sources** | [www.naturland.de](http://www.naturland.de)  
[www.ifoam.org](http://www.ifoam.org) |

**Brief Development of the Initiative**

Naturland e.V. is the managing entity for the organic standards; the association was founded in 1982. In 1997, Naturland submitted successfully to IFOAM’s accreditation programme, to be awarded accreditation by IFOAM (International Federation of Organic Agriculture Movements). Naturland has as well received accreditation by the United States Department of Agriculture (USDA/NOP). As of 2007, over 46.800 farmers were cultivating an area in excess of 160.000 hectares in 190 Naturland co-operatives, making it one of the major organic farming associations. Besides the standard on primary production, Naturland provides independent standards for beekeeping, aquaculture, forest management, sustainable capture fishery, processing, textiles and cosmetic products.
Main differences between Naturland Standards and EC regulation on organic Farming (EG-Öko VO)

The EC regulation on organic farming, which came into validity in 1991, defines the legal minimum standards for organic agriculture and processing within the European Union. Farmers and processors within the EU can directly get certified according to this legal standard. Outside the EU, farmers can achieve certification to standards which are equivalent to the regulation. Those equivalence standards are often developed and managed by international certification bodies. However, these standards are in many cases not publicly available.

Naturland standards have a longer tradition than the legal EU framework and cover areas which are not dealt with in the EC Organic Directive, such as organic aquaculture, the manufacture of textiles and cosmetics and social standards (which came into effect in 2005). Naturland manages its own trade mark. The main difference between the Naturland Standard and the EC regulation relevant for cocoa production is Naturland requesting the farm to totally convert to organic production (all areas of land), whereas a partial conversion of the farm is possible under the EC regulation.

In terms of costs, Naturland certification tends to be more expensive for the producer as certification according to the EC regulation, as membership fees, trade mark use and licence fees are charged by the Naturland® Zeichen GmbH (see label use and chain of custody management).

Standard Development and Revision

Naturland standards are accredited to IFOAM, which formulates core principles for organic agriculture. IFOAM's Organic Guarantee System (OGS) is designed to a) facilitate the development of organic standards and third-party certification worldwide, and to b) provide an international guarantee of the quality of these standards and organic certification. The IFOAM Basic Standards and the Accreditation Criteria are two of the main components of the OGS. IFOAM has developed policies and procedures for the interpretation of the Norms.

In the development of the specific Naturland standards, experts as farmers, consumers, processors and scientists participate. No more information is publicly available on the standard development and revision process.

Label Use and Chain of Custody Management

After the first contact and agreements with the farm/organization, Naturland orders an inspection of the farm/organisation to an independent inspection body. Assuming a positive certification decision, a contractual partnership between the farm/organisation and the Naturland Association is established. A producer contract between the farm/organisation and Naturland Association is effectuated. The farm/organisation may declare itself a Naturland® partner.

The legal basis for the use of the Naturland® trade mark to label products is governed by a separate sublicense contract with the Naturland® Zeichen GmbH. It issues licences and transaction certificates and monitors the use of the trade mark. Users of the trade mark pay a licence fee, calculated on the basis of the turn-over of organic products. Cocoa can only be labelled if it contains at least 95% organic produce.

The Transaction Certificates accompany the merchandise and are issued for individual supplies at the producer's request. Such certificates contain specifications of the products, the producer and the buyer, guaranteeing third parties that this specific supply is a Naturland product. For producers in Non-EU countries, the inspection body will issue an EU import certificate which is obligatory for importing products into EU countries.

Pricing Policy for Certified Cocoa

No specific information about the pricing of Naturland-certified cocoa (or any other Naturland certified produce) is publicly available. The general price for organic cocoa differentiates to the ICCO daily price for conventional cocoa between + 800 and + 1.500 USD/t FOB, according to its origin.
Main Issues Targeted in the Standard

Chapters of the Naturland standard relevant for cocoa production are:

A. General regulations for production
   I. Contracts and Certification procedures
   II. General (management) regulations respective other predominant provisions
   III. Social Responsibility

B.1 Plant Production
   Humus management and fertilization
   Pest, disease and weed control
   Seed and plant materials (incl. vegetative propagation material)
   Tillage
   Landscape management
   Soil and water conservation
   Crop production

B.8 Permanent tropical plantations (coffee, tea, cocoa, bananas, citrus fruits, mangoes etc.)
   Humus balance and fertilisation
   Keeping pests, diseases and weeds (extraneous vegetation) in check
   Sustainability of the cultivation system
   Special processing methods

Standard Structure and Compliance System

Prior to the approval of a farm as Naturland-certified, all areas of land must have been cultivated for at least 24 months in accordance with the standards. This process of conversion must be attended by an adviser authorised by the Naturland association. In cooperation with the adviser, a conversion plan has to be devised. All criteria of the standard have to be fulfilled to be Naturland certified; there is no flexible compliance approach.

Options for Small Scale Farmer Certification

If certification is not acquired on the level of the individual farm, farmers may seek certification in groups, thus reducing costs and administration. Different group models as membership groups, multiple farms of a single owner, traders and suppliers, communal lands or federations of groups are possible options. A documented internal control system is required from these groups, which is managed by a group administrator, who is in charge of verifying the compliance of the farms to the standard. The group administrator must demonstrate that he/she has the institutional capacity for ensuring that the farms comply with all certification requirements.

Level of Farming and Environmental Requirements

The Naturland standard is the strictest of all four standards regarding farming and environmental requirements. It focuses on an intact farming system, healthy crop rotation and humus balance as well as the self-regulation potential of an ecologic system. The use of synthetic fertilizers or crop protection products is prohibited; therefore no regulations for storing or handling such products are necessary. Only organically certified inputs can be used. Conversion periods to organic agriculture of up to 5 years are required.
Level of Product Handling and Economic Requirements

In terms of product handling, the Naturland standard regularizes all ingredients and processing aids to be organic and the general maintenance of the organic quality throughout any post harvest treatment. Warehouses have to be labelled as "organic".

No reference is made to the distribution of revenues and the use of the product premium within the farmer organization.

Level of Health and Social Requirements

Additionally to the common health and safety requirements of all four standards, the Naturland standard requires:

- all workers (also not-registered) to receive legally binding written contracts, which are in line with legal regulations

There shall be no employment of children according to national legislation. On family farms, children do not execute hazardous work but may execute light work, as long as it does not jeopardize school education. Children must work under the supervision of adults and with the permission of a parent.

Level of ICS and Traceability Requirements

The criteria regarding the ICS and traceability are very precise, with detailed requirements for tracing organic product, conversion periods and internal control systems.

Additionally to the common ICS criteria of all four standards, both UTZ CERTIFIED and Naturland require:

- The formulation of an internal group standard
- Contracts between each farmer and the ICS operator
- New applicants to be internally inspected first (not explicitly formulated in the Rainforest Alliance standard)
- Yield estimations on single farmers level
- A unique producer number/code
- The visual identification of certified product

Unique criteria of the Naturland standard regarding the ICS are:

- Buying officers must be in charge to ensure the correct buying of organic produce
- Direct marketing of certified products is encouraged
- Support of further education and professional training of farmers is encouraged
# 6 Consulted Documents

<table>
<thead>
<tr>
<th>Document</th>
<th>Version</th>
<th>Source</th>
</tr>
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<tbody>
<tr>
<td><strong>UTZ CERTIFIED</strong></td>
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<tr>
<td>DRAFT Cocoa Code</td>
<td>Version 0.4</td>
<td>GTZ / Internet</td>
</tr>
<tr>
<td>List of Definitions Cocoa</td>
<td>Version 0.4</td>
<td>GTZ / Internet</td>
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<tr>
<td>UTZ CERTIFIED Code of Conduct for Cocoa</td>
<td>Version 1.0</td>
<td>Internet</td>
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<td>UTZ CERTIFIED Chain of Custody for Cocoa</td>
<td>Version 1.0</td>
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<tr>
<td>UTZ CERTIFIED Code Development Procedure</td>
<td>Version 1.0</td>
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<tr>
<td><strong>Rainforest Alliance</strong></td>
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<tr>
<td>Farm Certification Policy</td>
<td>February 2008</td>
<td>Internet</td>
</tr>
<tr>
<td>SAN Sustainable Agriculture Standard</td>
<td>February 2008</td>
<td>GTZ</td>
</tr>
<tr>
<td>SAN local Indicators Ivory Coast</td>
<td>July 2008</td>
<td>GTZ</td>
</tr>
<tr>
<td>SAN Standards &amp; Policy Development Handbook</td>
<td>August 2007</td>
<td>Internet</td>
</tr>
<tr>
<td>Rainforest Alliance Annual Report</td>
<td>2007</td>
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3 Documents marked as “Internet” have been found on the homepage of the respective initiative