

6th International Conference on Responsible Soy



Challenges and opportunities for RTRS certification: results from the Soy Strategic Gap Analysis

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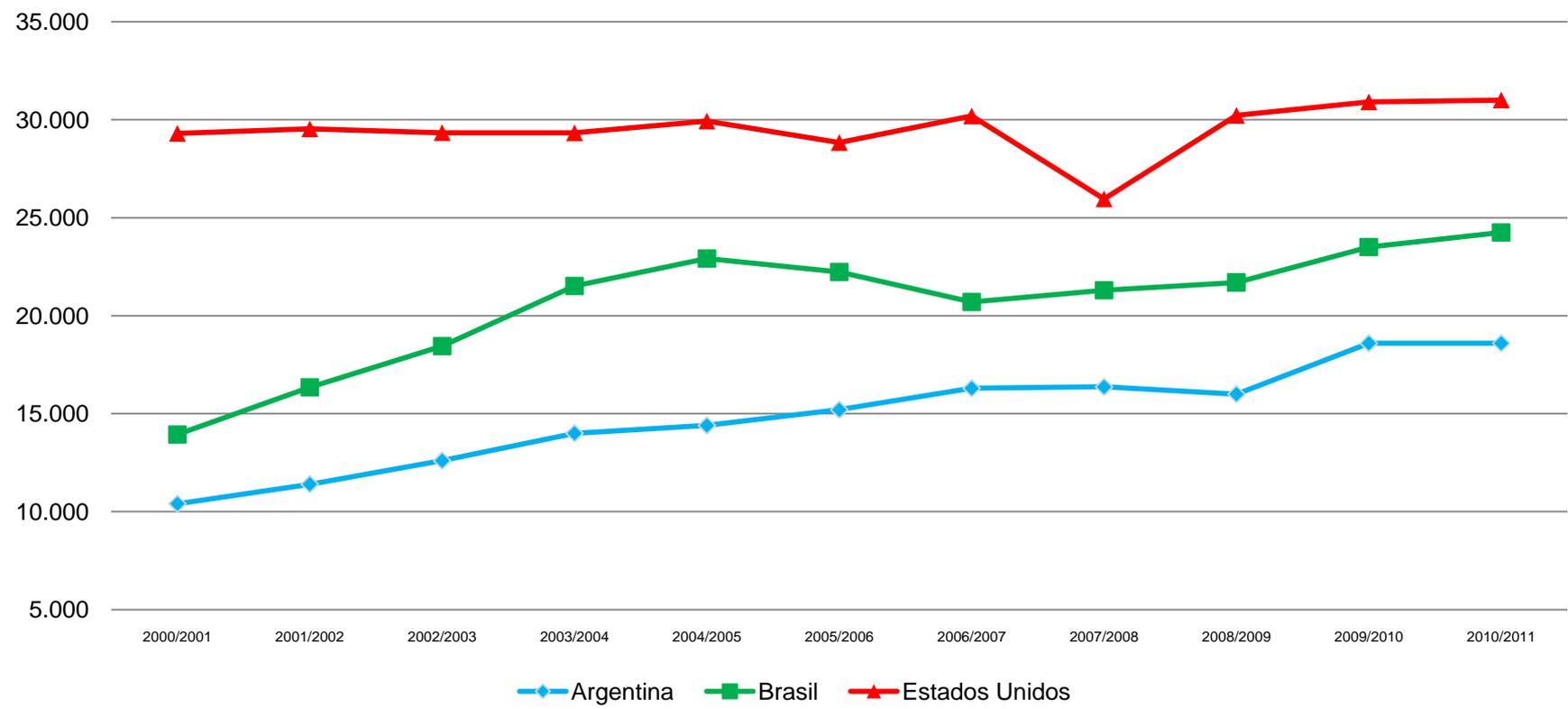
Buenos Aires
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Agenda

- Context
- Objectives
- Methodology
- Results
 1. Good agricultural practices
 2. Environmental responsibility
 3. Community relations
 4. Responsible labor conditions
 5. Certification
- Recommendations

Context

Soybean Area in Argentina, Brazil and the U.S. (1,000 hectares)



Source: USDA Foreign Agricultural Services (FAS)

Context

Over the past ten years Brazil and Argentina (the world's second and third largest producers and exporters) increased production by 82% and 72% respectively.

Leading Soy exporters in 2010/2011

Country	Million tons	% global export
USA		
Soybean	42	44%
Soy Meal	10	14%
Brazil		
Soybean	32	34%
Soy Meal	14	24%
Argentina		
Soybean	10	10%
Soy Meal	29	49%
Paraguay		
Soybean	6	6%
Soy Meal	1	2%

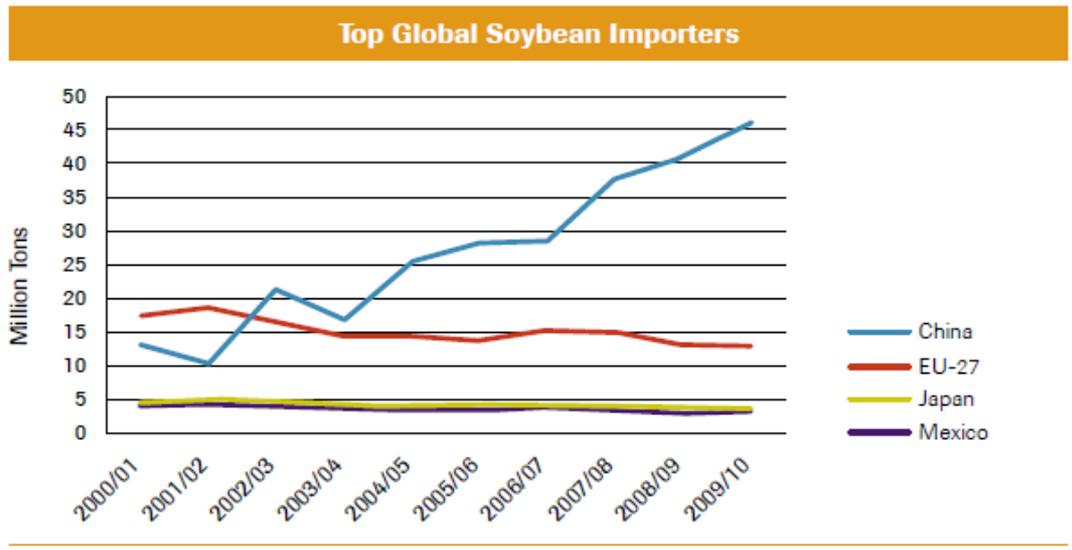


Figure 3: Soybean import volume of the top global soybean importers over the past decade
 Source: USDA-FAS

EU, second leading importer, is increasing demanding sustainability criteria.

Objectives of the study

1. To identify and analyze challenges and bottlenecks faced by the different stakeholders (directly or indirectly involved in soy production) to adjust their production in order to fulfill the responsible soy criteria demanded by the EU.
2. To identify the principal stakeholders, synergies and cooperation models with a view to boosting appropriate socio-environmental practices regarding soy production in different regions.
3. To recommend strategies for investing in programs which support the responsible production and sale of soy.

Methodology

- Field interviews with rural producers and others relevant stakeholders
 - Mato Grosso (Bra),
 - Paraná (Bra),
 - MAPITOBA – Maranhão, Piauí, Tocantins e Bahia (Bra) ,
 - Nucleo Zone (Arg),
 - Northern provinces (Arg).
- 43 producers, 10 large producer firms, 9 traders and 2 cooperatives were interviewed, in addition to a number of NGOs, labor associations and official bodies.
- Questionnaires: consisting of 77 questions divided into 6 sections.
- Regional workshops to assess the results and to add new data, held in:
 - Sao Paulo (Bra),
 - Ponta Grossa - Paraná (Bra),
 - Sorriso - Mato Grosso (Bra),
 - Buenos Aires (Arg).

1- Good agricultural practices

- No-tillage is widespread: soil conservation
- In Brazil there is little adoption of crop rotation. It may be improved and amplified according to the scale/size of properties.
- In Argentina the adoption of crop rotation is greater, but it is not a general practice, and it can also be improved and amplified.
- With the exception of large producers, the use of Integrated Pest Management (IPM) is not fully known by the producer and as a result there is no complete application of this technique.

- Use and application of agrochemicals:
 - There is little documented control of the applications,
 - Adaptation process for storing infrastructure according to its regulations (Bra),
 - The storage spaces are not adequate and/or do not have the necessary conditions, either for full or empty packages (Arg).

2- Environmental responsibility

- Waste Management:
 - Class 1 residues has no adequate final destination ,
 - Good collection and destination program for agrochemical packages in Brazil, but not widespread in Argentina.
- No GHG monitoring or reduction practices (exception one large producer in Argentina and the APROSOJA project).
- Most farmers in Brazil are incompliant according to the actual Forest Code (especially Legal Reserve). Little support is available and costs to regularize are high and include:
 - Reforestation,
 - Bureaucratic fees,
 - Loss of productive areas.
- Expansion Area after May 2009: only found in the Northern provinces (Arg) and in MAPITOBA (Bra)

3- Community relations

- From the perspective of producers, agricultural production does not cause negative impacts on local communities, but improves the economic conditions of the region. The positive or negative social impacts are however rarely measured.
- Communication with local communities among medium and small producers is informal. Large producers share communication programs and policies.
- In most sampled areas, no conflicts for land occupation were detected. Some issues in frontier regions of Mapitoba (Bra) and Salta (Arg).

4- Responsible labor conditions

- In Brazil, problems were identified regarding the compliance with labor legislation setting maximum overtime limits during the harvest season.
- Brazilian producers are still in adapting to the requirements of the NR-31, regarding the improvement of facilities for employees such as common areas and toilets. More information and qualification is needed.
- In Argentina most of work is outsourced to service companies. Little information on contract and working conditions could be given regarding subcontracted labor.
- Large producers often have formal health and safety procedures and programs for workers. Medium and small producers in general do not have such procedures in place.

5- Certification

- Generalized lack of knowledge regarding soy certification programs and different types of commercialization and custody. The only reference producers have on the topic is regarding the production of non-genetically modified soy, that unlikely certification programs, must be segregated.
- Generalized lack of knowledge of RTRS.
- Important role of traders and of producer organizations (associations/cooperatives) in influencing and supporting the certification process along with producers.
- Producers expect to receive a premium for the certified product. Few incentives so far.
- Other options of non-financial incentives are also desirable, such as buying preferences, credit preferences, support and facilities improvement and management.
- Diverse opinion on certification. Positive attitude to sustainability certification by most of individual farmers – if there is a premium or other incentives. Producer associations, however, consider certification an excluding instrument and prefer to address sustainability using other tools.

This lack of knowledge was also a barrier to a broad assessment of the RTRS criteria

Recommendations

- To identify the needs of each region: regional strategy initiatives need to be adopted at national and regional level, taking account of the diversity of both the producer properties and production methods.
- To create partnerships, especially at a local level: more dialogue between locally-involved stakeholders is needed, such as producer associations, cooperatives, NGOs, banks, agricultural supplies industries and local public bodies.
- To disseminate information: the aims of certification and/or farmland management programs must be made very clear to soy producers and other stakeholders. Professional training and qualification are fundamental and need to be encouraged.

Recommendations

- To invest in the required adjustments:
 - infrastructure to enable producers to comply with labor law, health and safety-at-work– especially in Brazil, where there are specific rules on the matter (NR 31),
 - waste management systems,
 - specialized workforce – for IPM, documented control of management activities, etc,
 - Forest code requirements (Brazil).

- To provide producer incentives:
 - properties undergoing adjustment could be categorized, based on a certification grading system. Progress made by producers towards adjustment to the sustainability criteria needs to be acknowledged, even when only partial progress has been made to satisfy the various stages of the process.
 - premiums and/or commercial benefits should be offered to producers,
 - linking marketing strategies to the responsible soy market.

Recommendations

Further studies are needed as follows:

1. The need for further deeper studies on the costs and the benefits of adjustment to certification systems. In this case, it is necessary to consider the auditing costs, given that not always is possible to rely on the supervision by public governments. These studies are important in order to assess whether the system is able to spread sustainable practices in soy production.
2. An analysis of how soy producers adapt to Brazil's new Forest Code at present being modified. Non-compliance with the legislation has been identified as the main environmental constraint.
3. An examination of labor and health compliance criteria in Argentina, in view of the extensive outsourcing of labor in that country.



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Thank you!

Comments and suggestions are welcome

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Full report of the study will be available after June 22nd
at www.iconebrasil.org.br