

WHAT'S IN OUR 2020 CERTIFICATION PROGRAM?

SHARED RESPONSIBILITY

Making supply chains more equitable

At the Rainforest Alliance, we recognize that sustainability is a long-term journey and to make sectors truly sustainable, all supply chain actors have a role to play. An inclusive supply chain is one where both the value and the risks are shared. This requires a shift to a system where the producers' costs and investments are covered and their efforts to make their farms and production more sustainable are rewarded.

To help realize this vision, our 2020 Sustainable Agriculture Standard outlines two requirements for the buyers of Rainforest Alliance Certified™ commodities: the Sustainability Differential and Sustainability Investments.

WHY ARE WE TAKING THIS APPROACH?

Achieving a decent livelihood in agricultural production is difficult. No matter the crop or where it's produced, farming is heavily dependent on a number of variables, from the weather and pests to access to inputs and markets. The result is that, in many parts of the world, the slightest shift in operating environment can push many farmers, particularly smallholders, below the poverty line. Making matters worse, the global supply chains most Rainforest Alliance producers rely on are structurally imbalanced. Producers carry the majority of the risk, burden of compliance, and the impacts of climate change—all while having little to no power to negotiate prices, terms of trade, and the additional resources required for sustainable production.

WHAT ARE SUSTAINABILITY DIFFERENTIALS AND SUSTAINABILITY INVESTMENTS?

The Sustainability Differential

The Sustainability Differential is a **mandatory additional cash payment made to certified producers over and above the market price of the commodity**. The amount of the Sustainability Differential isn't fixed. When possible, it should be negotiated between the farm group/farmer and the market actor responsible for making the payment, which, in most instances, is the first buyer. The intention is that this payment recognizes the efforts and specific activities undertaken by the producer to meet the Farm Requirements of the Sustainable Agriculture Standard. It should incentivize the continued adoption of the sustainable production practices embodied in our standard.

The Sustainability Differential will also play a role in enabling farmers who hire workers to pay higher wages. Large farms will be required to spend the Sustainability Differential on areas that directly benefit workers. They will have to consult with a legitimate representative of their farm workers in order to determine how to allocate it.

Sustainability Investments

The Sustainability Investments are **mandatory cash or in-kind investments from buyers** of Rainforest Alliance Certified products to certified producers for the specific purpose of helping them meet the Farm Requirements of the Sustainable Agriculture Standard.

These type of investments include those that are required for producers to fulfill core compliance or mandatory improvement criteria in the standard as well as the cost of achieving certification (i.e. implementation of the Digital Internal Management System and audit costs). The investments must go towards the needs identified by producers in their investment plans, and buyers must report on the investments they make.



Photo: Sydelle Willow Smith

In our [reimagining of certification](#), we are moving away from a model that places the burden of investing in sustainable production exclusively on producers and towards a new system where responsibility for sustainable production is shared across the entire supply chain. With the Sustainability Differential and Sustainability Investments, we are encouraging companies to acknowledge the price of sustainability and invest in and reward more sustainable production—because a more sustainable product is a better product that deserves a better price. Rather than setting a fixed commodity price that could make certified commodities less competitive, our approach is systemic. It aims to tackle the root causes of inequality and poverty in supply chains by empowering producers to define what investment support they need in order to better negotiate and advocate for themselves.

HOW IS THIS DIFFERENT FROM THE PREVIOUS STANDARDS?

The UTZ standard requires a mandatory cash premium that farm groups must use to make payments directly to the individual farmers as well as to make sustainability investments. But unlike our 2020 Certification Program, the UTZ program only records payments from first buyer to a certificate holder (often farm group management), not tracing the payment further to ensure it reaches individual smallholder farmers. In-kind contributions from a first buyer are also not recorded within the UTZ program. The Rainforest Alliance 2017 Sustainable Agriculture Standard doesn't have any requirement on mandatory payments.

Our new shared responsibility approach, which requires Sustainability Differential payments and Sustainability Investments, is broader and more explicit than both of the previous standards. By tracking all of the payments, we are working to ensure greater transparency and will have more data on what a producer is actually receiving for their certified crop. This will enable us to adapt guidance and information for both producers and supply chain actors.

WHAT OTHER RAINFOREST ALLIANCE INTERVENTIONS SUPPORT THIS WORK?

Professionalizing farm management, improving productivity, increasing resilience, and diversification of income are just as important as sharing responsibility among supply chain actors when it comes to improving farmers' income. This is why, in addition to advancing more responsible business practices, our certification and landscape and community programs promote and train farmers in more sustainable farming methods that enable them to produce more with less and adapt to the effects of the climate crisis. We also work with producers and local civil

society organizations to influence governments and companies to enact and implement national and global policies that lead to more equitable supply chains.

IS THIS PARTICULARLY RELEVANT FOR CERTAIN CROPS OR COUNTRIES?

The inequity in global supply chains is felt to one degree or another across all the sectors we work in, from coffee and tea to cocoa and banana. This makes a move towards greater shared responsibility urgent in all areas of our work. There is a particular urgency, however, in the cocoa sector of West Africa, which is why these new requirements will start to be implemented and come into effect there earlier than in other sectors and countries.

WANT TO KNOW MORE?

Read more about [what to expect in our new certification program](#).

For specific questions, email us at cs@ra.org

REIMAGINING CERTIFICATION AND THE 2020 CERTIFICATION PROGRAM

Reimagining certification is our long-term vision for the future of certification. It is part of our wider strategy at the Rainforest Alliance to drive change through our four main areas of work.

In June 2020, the Rainforest Alliance takes the first step on its journey towards "reimagining certification" with the publication of its 2020 Certification Program. We've been working on this new program since 2018, when the Rainforest Alliance and UTZ merged.

The 2020 Certification Program—including a new Sustainable Agriculture Standard—is a unique opportunity to really change the way that certification works and how it delivers value to the many people and businesses around the world that use it.

Between June 2020 and mid-2021, the Rainforest Alliance will roll out the new program around the world, including a comprehensive training plan. Audits against the new program will begin in mid-2021.

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