

WHAT'S IN OUR 2020 CERTIFICATION PROGRAM?

LIVING INCOME

Enabling sustainable livelihoods for farmers around the world



More than 1.4 billion people around the world live in extreme poverty, the majority of them in rural areas. As the livelihoods of farmers, farm workers, and farming communities are intricately linked to some of the world's most diverse ecosystems, creating better livelihoods is key to our vision of a world where people and nature thrive in harmony.

Our approach to achieving a living income and enabling a sustainable livelihood is focused on helping farmers grow their business and become more profitable and resilient, while at the same time, preserving natural resources. In our 2020 Certification Program, we are taking this further through the introduction of several innovations that allow farmers to assess risks and progress. We are also promoting a shared responsibility approach that encourages companies to do their part as well.

WHAT'S OUR NEW APPROACH TO ENABLING LIVING INCOMES?

Our approach to tackling low incomes and supporting sustainable livelihoods has always been and is still centered around helping farmers improve their business, which naturally allows them to be more profitable and resilient. Beyond the requirements for good farm management and agricultural practices in our 2020 Sustainable Agriculture Standard, we are also helping farmers look more holistically at the economic risks and opportunities in their environment. At the same time, we're working to create more transparency on the gap to a living income and promote shared responsibility throughout the supply chain.

The Farm Requirements of the new standard place an emphasis on better farm management with the introduction of several tools:

- The **Digital Internal Management System** facilitates detailed data collection at the farm level which will enable farms to analyze their performance and make more informed business decisions.
- The **Farm Risk Assessment Tool** helps farm group management better map the risks and needs of members and provide tailored support to improve their farm performance

WHAT IS A LIVING INCOME?

A living income is the net income required for a household in a particular place to afford a decent standard of living for all members. Elements of a decent standard of living include food, water, housing, education, healthcare, transport, clothing, and other essential needs, including enough to cover unexpected events. This amount varies greatly by country and even region, because the cost of food, housing, and other necessities differ from place to place. To determine the sufficient amount, we use the living income benchmarks calculated by the [Living Income Community of Practice](#) in accordance with the Anker Methodology.

There's an important distinction to be made between living income (earned by farmers) and living wage (payment received by workers). [See here how we work towards living wages.](#)

What's the difference between a living income and a sustainable livelihood?

Having a sustainable livelihood implies that farmers have the means, capacity, and income to make a living as well as cope with and recover from unexpected events now and in the future without harming natural resources. Farmers earning a living income are able to cover all their basic needs in the present. However, to have a sustainable livelihood, farmers also need to invest in their farm or business to ensure they have enough to survive in the future as well. To achieve sustainable livelihoods, we need to create the conditions for farmers to earn a living income while building resilience for tomorrow.

and economic situation. Based on the risk assessment goals, specific actions are laid out in the group's **Management Plan**.

- Key data is collected to assess the **costs and benefits** of certified production and map the main sources of income of farm group members. This will allow group manage-

ment to advise their members further on the best ways to increase the profitability of their business and choose the best **diversification strategies** for them.

- The **Living Income Tool** allows farm group management to estimate the net household income of their members and identify the gap between that and the living income benchmark for their country. This tool is currently available for Côte d'Ivoire and Ghana and will be developed for more countries.

We also recognize that responsibility for improving livelihoods must be shared across the supply chain so that the risks, costs, and burdens of sustainable production don't fall on farmers alone. That's why our 2020 Certification Program takes a shared responsibility approach designed to encourage companies to reward and invest in more sustainable production and drive more value from the supply chain to farmers. To this end, companies are required to pay a **Sustainability Differential** and make **Sustainability Investments**.

WHY ARE WE TAKING THIS APPROACH?

Our 30+ years of experience and many studies show that sustainable agricultural practices and professionalized farm management contribute to better livelihoods. In our new certification program, we are creating more channels to improving livelihoods and data plays a central role in that. In line with our reimagining of certification, we are collecting and providing better data to understand the risks and needs of farmers and strengthen farm management through targeted support. This use of data also allows us to identify the progress made towards achieving a living income.

Both sustainable farming methods and responsible business practices are key in addressing the issue of living incomes. This is why we've included mechanisms for companies to recognize and reward more sustainable production from the certified farms they source from, enabling farmers to earn a better income and more easily pay their workers a living wage.

HOW IS THIS DIFFERENT FROM OUR PREVIOUS STANDARDS?

The UTZ Code of Conduct and 2017 Rainforest Alliance Sustainable Agriculture Standard both take important steps to improving living incomes. Both standards focus on promoting better agricultural practices that increase productivity, resilience to climate change, and income. The UTZ Code of Conduct also includes a mandatory premium to reward sustainable production.

We're taking it further in the 2020 Certification Program by:

- **Conducting data-driven assessments of farmers' risks and needs:** By digitalizing the Internal Management System, we've made it easier for farm group management to carry out holistic risk assessments. These assessments are used to create farm management plans tailored to the unique needs of each farm.
- **Measuring progress:** Our new Living Income Tool will help track improvements over time, showing where risks are and where more investment is needed.
- **Encouraging shared responsibility:** The introduction of mandatory Sustainability Differential payments and Sustainability Investments work to ensure that farmers are rewarded for more sustainable production.

WANT TO KNOW MORE?

Read more about what to expect in our new certification program. For specific questions, email us a cs@ra.org.

REIMAGINING CERTIFICATION

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: climate, forests, livelihoods, and human rights.

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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