



**THRIVE TOGETHER**

**WEBINAR SERIES**

# Deep Dive into Rainforest Alliance's Coffee Sector Strategy

Michelle Deugd – Lead, Coffee Sector; Aparajita Bhalla – Director, Markets Transformation - Sectors

Moderated by: Olivia Bartelheim – Coffee Accounts Manager, US/CAN

30 July 2020 – Thrive Together Webinar Series -- <https://www.rainforest-alliance.org/business/events/>

# Agenda

1. Welcome
2. Who we are; how we work
3. 2019 Coffee Program Statistics
4. Our 2020 Strategy for the Coffee Sector



Questions?  
Please enter  
them in the  
Q&A Box



# WE'VE MERGED!

**WE ZIJN GEFUSEERD! NOUS AVONS  
FUSIONNÉ! A FUSÃO FOI CONFIRMADA!  
¡NOS HEMOS FUSIONADO! WIR HABEN  
UNS ZUSAMMENGESCHLOSSEN!  
ABBIAMO COMPLETATO LA FUSION!  
正式に合併しました KAMI TELAH  
BERGABUNG! CHÚNG TÔI ĐÃ SÁP NHẬP  
我们已经合并 BIRLEŞTIK!**



Our vision is  
a world where **people**  
and **nature**  
thrive  
in **harmony.**

# Our alliance is all about changing the way the world produces, sources and consumes.



**Cocoa**



**Coffee**



**Tea**



**Bananas**



**Forest  
products**



**Palm oil**



**Nuts**



**Flowers**



**Fruits &  
juices**



**Herbs & spices**



**Coconut oil**

# Our global reach

- Rainforest Alliance or UTZ certified crops are grown:
  - by **2 million+ farmers**
  - on **7 million+ hectares of land**
  - in **63 countries**
- **130+** countries where you can buy products with the Rainforest Alliance seal or UTZ label
- **32** years working to protect nature and improve livelihoods

Includes both Rainforest Alliance and UTZ certified farmers. Totals calculated using estimates of how many farmers are certified by both programs.



# Our organizational strategy



# Today's speakers



**Presenter:**

**Michelle Deugd**  
Lead, Coffee Sector



**Presenter:**

**Aparajita Bhalla**  
Director, Markets  
Transformation - Sectors



**Moderator:**

**Olivia Bartelheim**  
Coffee Accounts Manager –  
US/CAN



# 2019 Coffee Program Statistics

# Program reach: Rainforest Alliance and UTZ



**1+ Million**

Area (hectare)

*Combined estimated production area*



**400+ K**

Number of farmers

*Combined number of farmers*

# Rainforest Alliance Certification program reach



**470,611**

Area (hectare)

Relative growth  
2018-2019:

**0%**



**194,294**

Number of farmers

Relative growth  
2018-2019:

**-15%**



**669,698**

Estimated production (MT)

Relative growth  
2018-2019:

**+2%**



**286,461**

Number of workers  
(seasonal and permanent)

Relative growth  
2018-2019:

**-22%**

# UTZ certification program reach



**720,250**  
Area (hectare)

Relative growth  
2018-2019:  
**-6.5%**



**309,048**  
Number of farmers

Relative growth  
2018-2019:  
**+9%**



**1,083,649**  
Estimated production (MT)

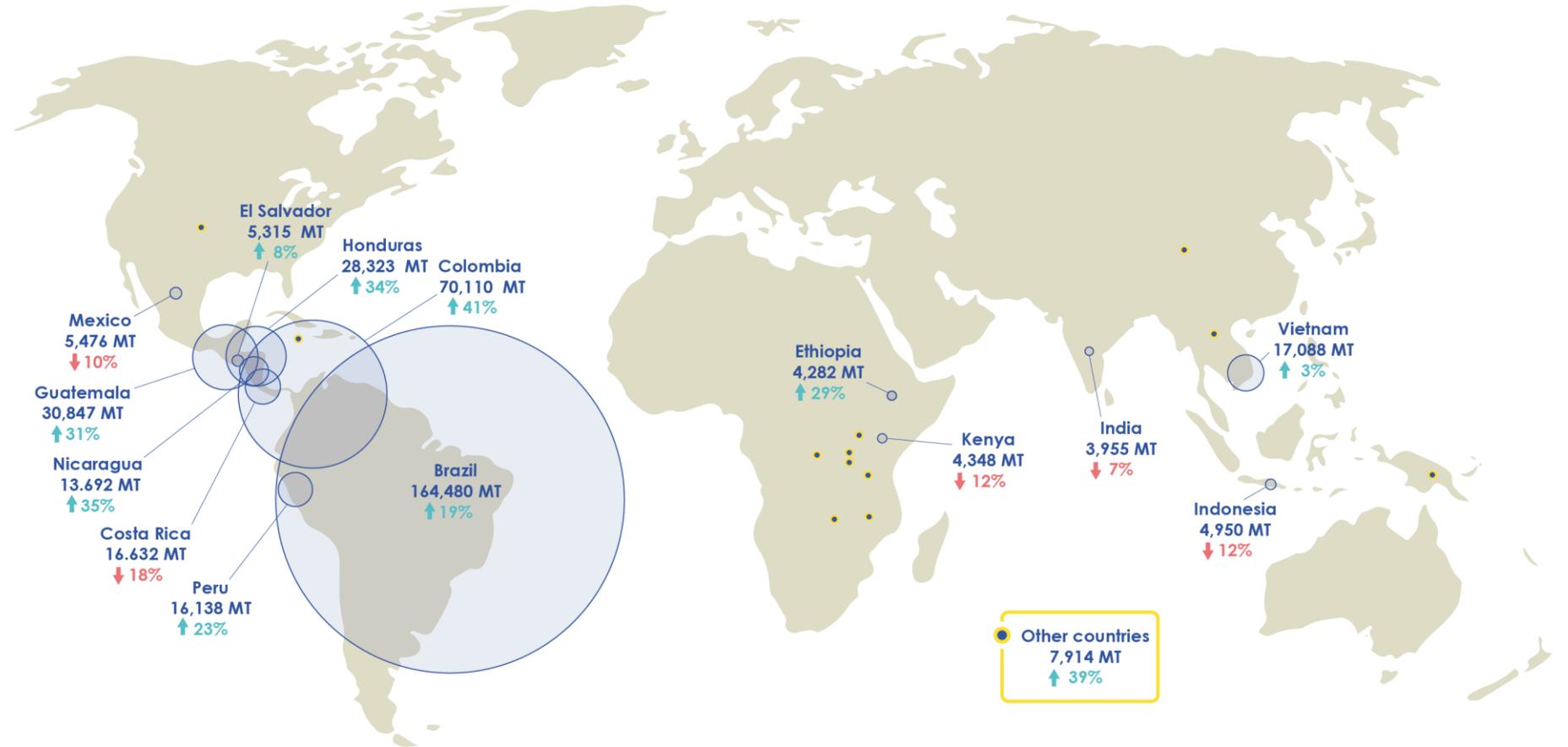
Relative growth  
2018-2019:  
**-2.4%**



**201,779**  
Number of workers  
(seasonal and permanent)

Relative growth  
2018-2019:  
**+4.5%**

# Rainforest Alliance Certification : global sales per origin

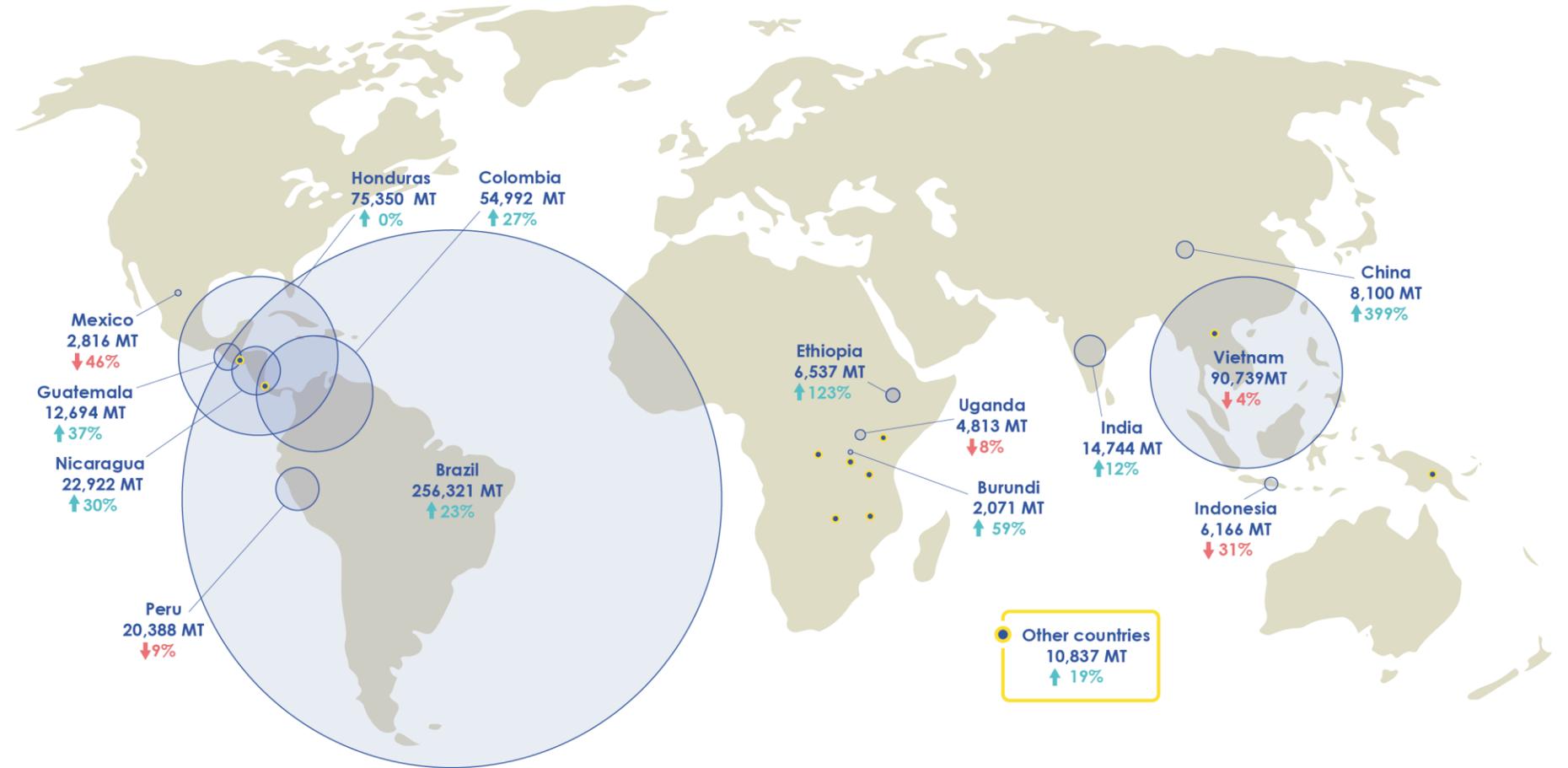


The global sales increase is mainly driven by purchases from Brazil (42% of the global sales), Colombia (18%) and Guatemala (8%).

Latin America (+22%) is the largest contributor to the increased Rainforest Alliance coffee sales. Africa also experienced growth (+17%) while sales in Asia decreased (-1%).

'Global sales' are all the confirmed volumes sold from a certified producer to the first buyer. Years are calendar years.

# UTZ certification global sales per origin



The global sales increase is mainly driven by purchases from Brazil (43% of global sales), Vietnam (15%) and Honduras (13%).

Coffee Certification Data Report 2019  
Rainforest Alliance and UTZ programs

'Global sales' are all the confirmed volumes sold from a certified producer to the first buyer. Years are calendar years.



# Rainforest Alliance's Coffee Strategy

Our Vision, Strategic Priorities, and Key Defining Outcomes



## Vision

The Rainforest Alliance is a global frontrunner driving shared responsibility across the coffee supply chain and coffee landscapes, continuously improving farmers livelihoods and worker wellbeing, and enabling adaption and mitigation to climate change, while protecting biodiversity.



# Five key strategic priorities, delivered through a contextualized approach

## Improved livelihoods

Promote sustainable trading and production practices and shared responsibility across the chain

## Biodiversity, resilience and regeneration

Reclaim our position as the thought leader and “boots on the ground” organization

## Human rights

Effectively address country-specific priority human rights issues, especially those related to child and forced labor, youth and gender

## Assurance

**Implement strong and value-added certification assurance:** tighten credibility of assurance and implement it in a manner that enables improved farm management

## Digital innovation

Leverage meaningful innovations in the sector and put producers at the heart of this innovation and change

## Contextualization

As an entry point to implement the coffee strategy a contextualized approach will guide implementation

# Improved Livelihoods

Promote sustainable trading and production practices and shared responsibility across the chain

Shared responsibility along the supply chain

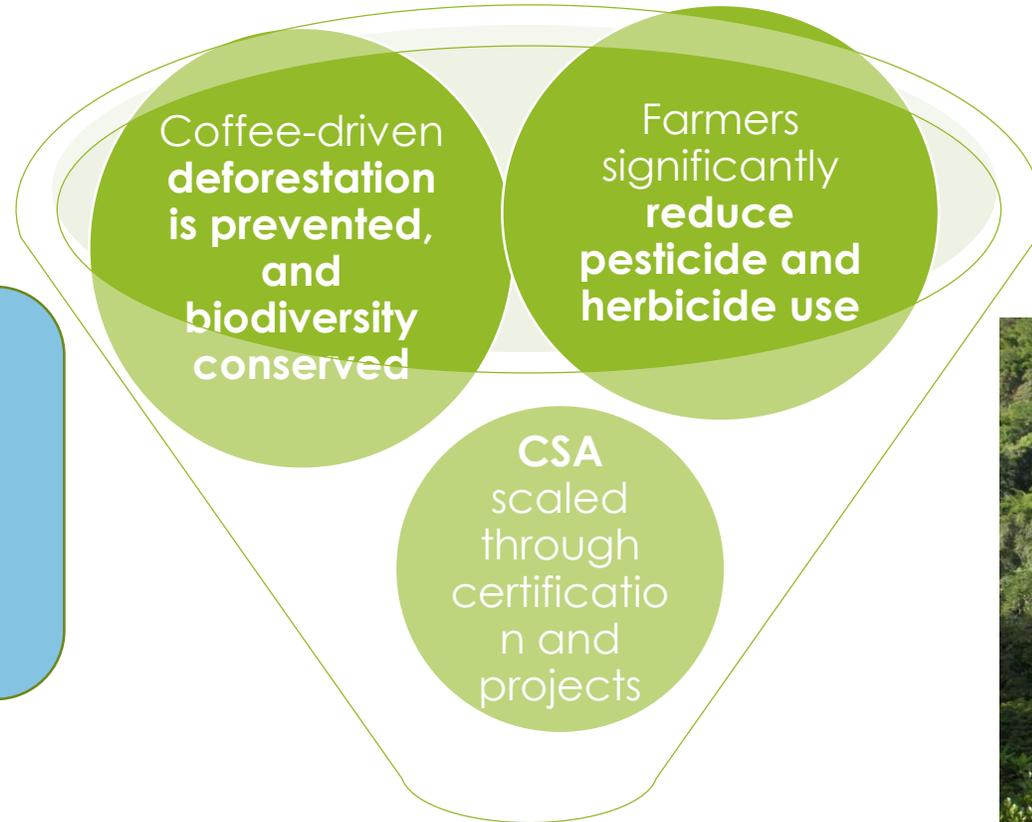
Enhanced group and farmers' business skills

Increased net income, closing the gap to Living Income/ Living Wage



# Protecting Landscapes at Origin

Climate Adaptation,  
Biodiversity, and  
Resilient Coffee  
Landscapes



**Regeneration** of soils, farming systems and landscapes.



# Human Rights

Effectively address  
country-specific  
priority human rights  
issues

RA Certification is seen as  
an effective tool to  
manage social risks

RA is a leader in the global  
conversation on labor issues and  
human rights

**Prioritize child  
and forced  
labor, youth  
and gender**

Youth and Women are educated and  
empowered through projects which  
build on lessons from successful past  
initiatives

Women in the sector increasingly  
manage coffee farm financials as  
an entry-point to empowerment



# Improve Assurance

Implement strong and value-added certification assurance

Increased **credibility and responsiveness** of a contextualized certification system

**Producers receive greater benefit** from the certification process using improvement plans based on audit results





# Digital Tools and Innovations

Leverage meaningful innovations in the sector and put producers at the heart of this innovation and change

Farmers gain greater financial benefit from participating in the coffee supply chain

RA serves as a platform for continued business innovation, effectively connecting all supply chain actors at scale



# The Backbone of Implementation: Contextualization

## Contextualization

Leverage meaningful innovations in the sector and put producers at the heart of this innovation and change

- The Rainforest Alliance has a deep-rooted history in coffee and an established reputation with various independent studies demonstrating positive impact; in 2020 we are influencing the lives of approximately 3 million producers, workers and their families in coffee landscapes.
- However, the coffee economic situation and climate crisis have triggered an urgent need to revise our ways of working.
- In order for Rainforest Alliance to be relevant and impactful, with the proposed pathways, a **contextualized approach is proposed** as an entry point for this strategy.
- A contextualized approach builds on the recognition that coffee is not just coffee, but consists of different segments





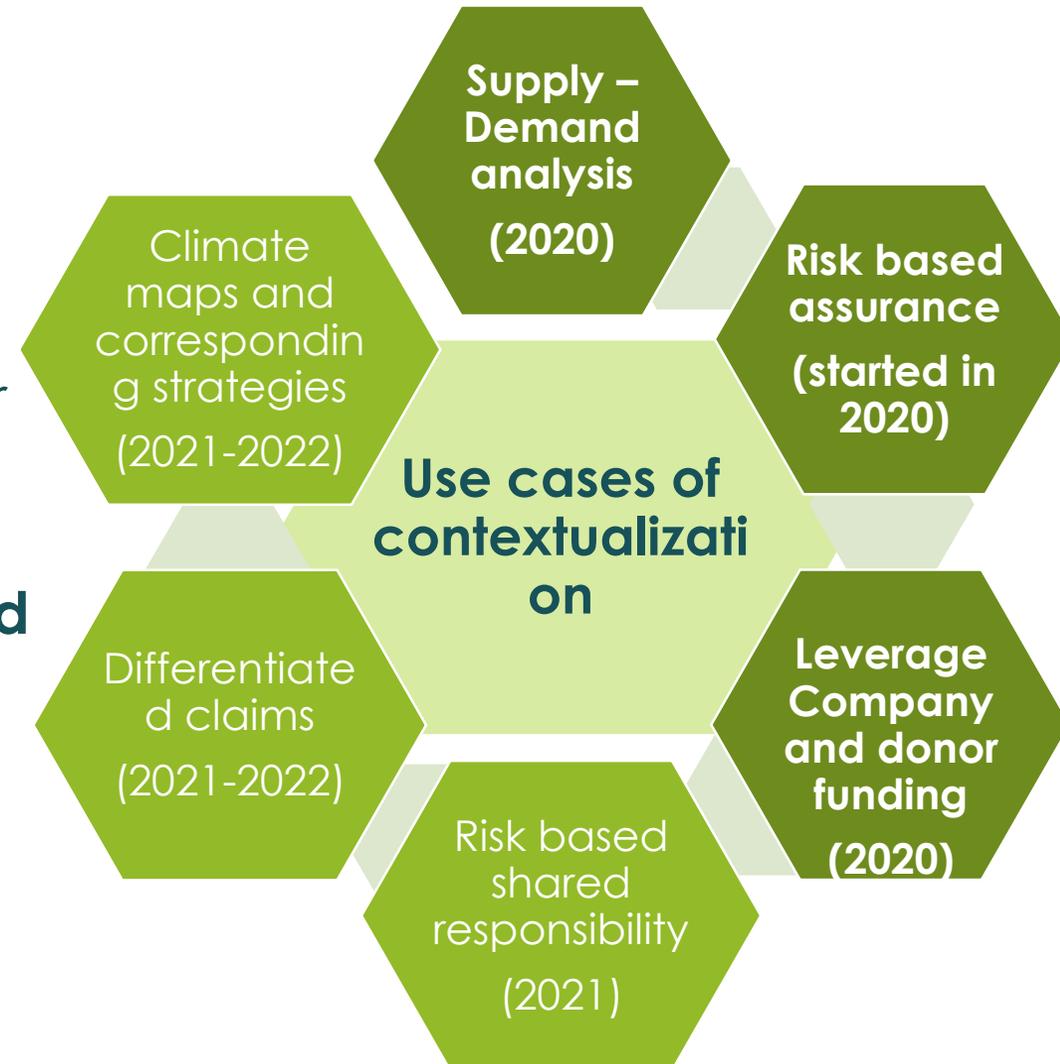
# Contextualization as an entry point to implement the coffee strategy

## The programmatic action in 2020/21 will be prioritized for:

- Risk based assurance
- Supply and demand analysis
- Leverage company and donor funding

## Priority countries 2020/21 selected based on certified volumes and use cases:

- Brazil, Vietnam, Colombia and Honduras
- Other coffee priority countries will follow, according to need and internal capacity



## Why is a context specific approach key for the coffee sector, and how does that look in practice? Some examples..

### Risk based assurance:

Identify assurance risks based on historical (non)-compliance certification data and country information to define specific follow up actions.

- **Guatemala:** Child labor risks  
=> Focused & Strengthened Audits Policy

### Supply-demand analysis:

Identify critical supply and demand issues through robust methodology, market intelligence, traceability data and insights from regions, to define follow up actions and develop country specific certification scale up plans.

- **Honduras:** Supply shortage  
=> Guided supply and demand orientation with producers, connect sellers/buyers, focused field support matching specific demand/regions.

### Leveraging company and donor funding:

Towards investing in supply development, address risks landscape/supply chain, pilot/test innovations.

- **Company project:** Colombia  
=> increase the supply specific quality/region, address sustainability risks.
- **Company plus donor funding:** Hon-Gua  
=> address child labor risks

# Shared responsibility: Specific Requirements for Supply Chain Actors

Sustainability Differential & Shared Investment Criteria



# Shared responsibility

## *Sharing sustainability risks, investments and rewards*

Environmental and social sustainability will only be achieved when combined with economic sustainability.

We want to ensure that RA certified producers participate in a more balanced system in which :

1. Producers' **sustainability efforts are rewarded**
2. **Costs of investments** in producing sustainably are shared.
3. **Responsible and impactful sourcing practices** ensure producers and market are mutually accountable on shared sustainability progress.

The Rainforest Alliance will use the farm standard, traceability system and the supply chain standard to drive more economic transparency of the burden and value of certification and steer greater economic resources to farmers.

# Sustainability Differential

- Is a mandatory payment of an additional cash amount to **certified producers** (paid through Individual Farm CHs and Farm Group CHs) by buyers of Rainforest Alliance certified product, over and above the market price of the commodity in question.
- The intention is that this payment recognizes their sustainability efforts as assessed by compliance against the farm standard and incentivizes the continued uptake of sustainable production practices.
- The purpose of the sustainability differential is to reward the front-line of sustainable agricultural production.



# Shared Sustainability Investment

- Cash or in kind investments from buyers of Rainforest Alliance certified products to **farm certificate holders** (Individual Farm CHs and Farm Group CHs). It is meant to enable improvements required by, and stimulate compliance with, the new RA Farm Standard.
- This category of investments includes those that are required for producers to fulfill core compliance or mandatory improvement criteria in the farm standard as well as the cost of achieving certification (e.g. IMS implementation and audit costs).
- These investments need to be in accordance with the needs identified by certificate holders and encapsulated in the investment plan they draw up.



# A journey we hope to take together with you



## Q&A

- *Please enter your questions in the Q&A box*



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ALLIANCE**

[rainforest-alliance.org](https://rainforest-alliance.org)

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