

## ASC Responsible Feed Project

### White paper – Terrestrial Plant Ingredients

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*Within the ASC Responsible Feed Project several Technical Working Groups (TWGs) will focus on what “responsible” should mean for their areas of expertise.*

*These TWGs address the main aqua feed ingredients groups: 1) marine ingredients, 2) terrestrial plant ingredients, 3) terrestrial animal ingredients, 4) micro ingredients and one working group on 5) feed mill requirements and supply chain.*

*As a starting point for the group discussions on what “responsible” should mean, a number of White Papers are drafted (one per TWG). These papers will present an overview of the current environmental and social issues per ingredient group, as well as proposed steps forwards and points of attention. The reason for the development of these papers is to make sure that all members of the relevant TWG have the same starting information. Depending on their stakeholder background and/or expertise, members analyses of, and additions to this information are expected.*

*The key role of the TWGs is to develop draft criteria and indicators for the Feed Standard based on the starting point of these WP’s.*

*Please keep in mind that the points addressed in the WPs should start the discussion, not define its boundaries.*

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Each White paper is constructed according to the Terms Of Reference, as agreed upon by the Steering committee during the meeting of 24<sup>th</sup> January 2014.

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## **1. Introduction & scope**

A substantial proportion of the ingredients used in aquafeeds is derived from terrestrial plants and a wide variety of plants are used, depending on what is known and important regionally and the dietary needs of the farmed species. At its first in-person meeting (Hong Kong 2013) the Stakeholder Committee decided to focus on those materials which accounted for the larger volumes used on a global basis, namely wheat, corn, rice, canola, palm oil and soy.

The ASC's design criteria for the feed standard require

- a focus on enabling feed manufacturers, where possible, to source material from existing certification programs as it is not the ASC's intent to create standards for terrestrial agriculture.
- the intent of any potentially suitable scheme shall match the general scope (environmental, social and animal welfare) and level of performance of the existing farm standards
- a mechanism for facilitating improvements in schemes that wish to supply certified ingredients needs to be designed.

## **2. Findings**

There is no single scheme that meets the ASC's requirements in their entirety. This general conclusion is certainly true on an ingredient basis and probably true on a geographic basis as well. Some ingredients have workable schemes that can potentially supply sufficient volumes (palm oil and soy), some have workable schemes that are geared more for human food grade product (e.g. organic and Fair Trade standards) whilst others may require changes in scope or levels of performance.

Two global schemes which are not ingredient based are GlobalGAP and the Sustainable Agriculture Initiative. The latter is not a certification scheme but a forum for engaging the larger companies in seeking agreement on what are suitable standards for sustainable agriculture.

There would appear to be a wide variety of locally based codes of conduct and best practice guidelines which could be a starting point for getting producers involved in a pathway that leads to the supply of certified product.

Improver schemes of the sort that have developed for fisheries do not seem to be a feature of land based farming. This may be due to the fact that farms are commonly held in private ownership and collaboration between farmers may not be needed in the same way that it is for fishers accessing a public resource. Localized assistance may be available, depending on circumstances, via cooperatives, government extension programs or via private providers.

Accessing information about the costs of certification proved difficult as it seemed highly variable but, at least, some of the schemes maintain in-country certifiers which helps keep costs down.

Availability of suitable volumes will be an issue, at least in the short term. Whether the aquafeed industry has sufficient leverage to drive producers of bulk ingredients towards certification is an open question. It may be that some form of collaboration with other certification schemes such as the Sustainable Beef Roundtable will be a useful strategy to create a larger demand.

Finally, there have been a number of benchmarking studies of agriculture certification programs. The results depend to a degree on the criteria used and these depend on the nature of the entity that has commissioned the benchmarking. However, there does seem to be at least 6 areas where most schemes seek evidence of performance. These include water use, biodiversity, soil conservation, use of chemicals, pollution/waste and GMOs.

#### Recommendations

- ASC should open up a dialogue with GlobalGAP and SAI regarding the potential for these schemes to supply materials for aquafeeds (indirect supply in the case of SAI).
- ASC should start a dialogue with other potential users of certified feed ingredients as a mechanism for increasing the demand
- ASC needs to establish its own benchmarks for evaluating the suitability of any scheme that may be able to supply ingredients.
- ASC to communicate to the marketplace the opportunities that are emerging for the supply of certified ingredients

### **3. What is the rationale for the Feed Standard establishing requirements for this area – for raw materials and processing plants, what are the environmental and social issues that need to be addressed?**

Ingredients chosen for further analysis include corn, wheat, soy, canola (rapeseed), palm oil and rice as these are the dominant components of aquafeeds. As mentioned in the Scoping Paper the key sourcing countries include:

- Soy – USA, Brazil, Argentina, India
- Rice – China, India, Brazil, Bangladesh, Thailand, Vietnam, Indonesia
- Corn – USA, China, Brazil, Argentina
- Palm oil – Indonesia, Malaysia
- Canola – China, India, Canada, France
- Wheat – Canada, USA, Russia, China, India

All are the products of agriculture and thus the generic types of impacts that agricultural production is associated with include:

- Land clearing and habitat alteration
- Chemical use – herbicides, pesticides, fertilisers and similar
- Water use – especially irrigation, including the creations of water supply infrastructure and floodplain management
- Waterway pollution via chemicals, erosion, tailwater from irrigation
- Secondary impacts on species at risk – hunting, targeted pest control operations

The degree of impacts is highly variable and very much dependent on local environmental conditions, the type of production system (e.g. intensive versus extensive), land management practices and the age of the production area. In the case of the latter there are some agricultural landscapes that are thousands of years old and the sorts of impacts that are concern now in some countries (e.g. land clearing) probably took place in ancient times.

Whilst there has been significant growth of agricultural productivity in the past 100 years this has come at a cost to species, ecosystems, water and land. Indeed, some of the issues are global in nature, including the destruction of tropical rainforests, loss of tropical grasslands and savannahs and salinisation of irrigated soils, amongst others. In terms of considering impacts only, there is a compelling case that reform is needed and, if the sort of model that underpins the ASC is considered, then supply chains could be harnessed as a driver of change.

The products from agriculture are used for a huge variety of purposes, of which aquafeeds generally constitute a very minor proportion. Balanced against the clear need for reform are legitimate questions about the ability of the producers of aquafeeds to drive change but in some cases, these producers also produce feeds for terrestrial animals in large volumes. The basis for these questions relates to the current model of change which relies on volume – large volumes are needed to generate leverage. This model has never been evaluated. It may well be that certain key markets, which require small volumes, could provide an impetus for change, but this needs discussion.

From a social perspective the sorts of issues of interest would include:

- Fair returns to producers
- Dispossession of land
- Labour conditions
- Food security

As with environmental issues the same compelling needs apply to the social issues as do the same questions about the ability of a small user to drive change.

**4. What existing mechanisms are in place to make judgements about the suitability of an ingredient? How well do these meet the aspirations and requirements of the ASC?**

The issues of importance to ASC have not, as yet, been formalised. However, as the main ASC standards deal with controlling the impacts of farming then it could be inferred that, if only for the sake of consistency, then the expectations imposed on producers of terrestrial inputs should be no more onerous than those required of aquafarmers.

The farm based impacts of interest to ASC (as expressed in the existing aquaculture standards) include:

- Habitat conversion, modification and loss
- Pollution of various sorts including nutrients and chemicals
- Species management issues – escapees and introductions, and predator control
- Water and energy use.

Whilst the specifics vary from one ASC Standard to another the core expectations of producers include:

- Laws must be complied with
- Activities must be monitored and report on
- Impacts must be minimised
- Some activities are prohibited

If we apply these expectations to the types of impacts of interest then the sorts of mechanisms currently in place to provide a modest level (i.e. the issue is at least considered irrespective of the level of performance required) of assurance are quite limited. As mentioned in the Scoping Paper, and in specific regard to formal standards, the options include:

**Table 1**

| Feed ingredient | Standards Available | Sustainability/natural resource management/environment | Social/economic   | Comments   |
|-----------------|---------------------|--|-------------------|------------|
| Soy             | GlobalGAP           | Yes – pollution, GHG,                                  | Yes – labour (ILO | Include GM |

|                          |   |   |  |   |
|--------------------------|---|---|--|---|
|                          | Roundtable on Sustainable Soy<br><br>Fair Trade | land clearing, soil and water management, chemicals<br>Yes – as part of SPO, pollution, biodiversity, chemicals, GHG, | based), relationship with local community<br>Yes – as part of SPO, labour, community relations | soy<br><br>Main Standard is the small producer standard (SPO)<br>No GMO permitted<br>Logo use and premium costs |
| <b>Wheat</b>             | GlobalGAP                                       | Yes   | Yes  |   |
| <b>Palm Oil</b>          | GlobalGAP Roundtable on Sustainable Palm Oil    | Yes – soil and water, land clearing, chemicals, GHG   | Yes – labour (ILO based), relationships with community,  |   |
| <b>Rice</b>              | GlobalGAP Fair Trade                            | Yes - as part of SPO, pollution, biodiversity, chemicals, GHG,  | Yes – labour (ILO based), relationships with community   | Main Standard is the small producer standard (SPO)<br>No GMO permitted<br>Logo use and premium costs            |
| <b>Canola (rapeseed)</b> | GlobalGAP                                       | Yes   | Yes  |   |
| <b>Corn</b>              | GlobalGAP                                       | Yes   | Yes  |   |

Many governments have agricultural standards but these relate primarily to food safety (including feeds for animals). There appear to be non that place any environmental or social requirements on producers. In contrast there is a huge number of best practice and code of conduct documents available. In looking at a few of these (Australian and US as examples) there is a mix of purely industry developed and government developed (probably in consultation with industry and maybe other stakeholders). If the ASC Feed Standard wished to access products from producers operating in accordance with local codes/guidelines then rather than evaluate every option it may be better to create some performance guidelines

such that the onus is on potential applicant to demonstrate the suitability of the code/guidelines document they propose to use.

### Benchmarking

SAI (2009) evaluated 24 agricultural standards programs from around the world of which 11 were ‘whole of farm’, five were crop specific (including the Roundtables on Soy and Palm Oil), three were organic standards (or families of standards) and the remainder concerned with food safety. The criteria used for evaluation are diverse and designed to determine the level of congruence with SAI’s own platform principles and covered the following:

- Multi-stakeholder process
- Good Governance
- Conflict of Interest and Dispute Resolution
- Accreditation
- Logos and Claims
- Management Systems
- Continuous Improvement
- Capacity Building/Training
- Stakeholder Engagement

The systems which scored the highest in all of these criteria were:

- Rainforest Alliance Sustainable Agriculture Standard
- Sustainable Agriculture Practice Standard
- Roundtable on Sustainable Palm Oil

A key question is the availability of certified material. For these top 3 certification programs only the Roundtable on Sustainable Palm Oil produces a volume of any significance (9.8 million MT).

**Table 2 – number of certified producers for the top 3 certification programs**

| Ingredient | Number of certificate holders |                             |                         |
|------------|-------------------------------|-----------------------------|-------------------------|
|            | Rain Alliance <sup>1</sup>    | Sustainable Ag <sup>2</sup> | Roundtable <sup>3</sup> |
| Soy        | 0                             | 0                           | n/a                     |
| Wheat      | 0                             | 0                           | n/a                     |
| Corn       | 4                             | 0                           | n/a                     |
| Canola     | 0                             | 0                           | n/a                     |
| Rice       | 0                             | 0                           | n/a                     |

|          |   |   |    |
|----------|---|---|----|
| Palm oil | 7 | 0 | 50 |
|----------|---|---|----|

Notes:

1. [www.sustainablefarmcert.com](http://www.sustainablefarmcert.com)
2. [www.scsglobalservices.com](http://www.scsglobalservices.com) – Sustainably Grown label
3. [http://www.rspo.org/en/certified\\_grower](http://www.rspo.org/en/certified_grower)

Schmidt, C. Russel A. and J. Sweetland (2013) reviewed a variety of certification schemes for the Ontario Fruit and Vegetable Growers Association in Canada. The systems reviewed included both global schemes and those specific to Canada. None were specific to any of the key ingredients for aquafeed and whilst some covered any type of agricultural product the main focus was on fruit and vegetables. Most of the schemes covered ‘triple bottom line’ outcomes and uptake was variable and dependent on whether retailers required producers to have certification, i.e. there was a demand from the buyer. It may well be that once the potential demand is communicated by the aquafeed industry then existing standards (or other arrangements) will have more support.

Recently (IUCN 2014) the IUCN benchmarked schemes for biomass, palm oil and soy. The review covered ten schemes which are either explicitly designed to meet EU renewable energy targets and criteria or may do so even if not established to supply certified fuel oil. Amongst other findings, the review found that:

- *There is a strong difference in strictness of criteria and quality of control within Voluntary Standard Systems (VSS) recognised by the European Commission (EC).*
- *Multi-stakeholder VSS offer a higher level of assurance than company-owned or industry associations VSS.*

This review reinforces previous advice in the Scoping paper that it is not just the scope of a scheme (in terms of issues covered) that is important but the level of performance required. This variability in performance may occur in a number of ways such as making some areas of compliance mandatory and others optional, requiring a lower level of proof, creating a lower performance threshold, amongst many others.

This theme is also covered by Potts et al (2010) which found a great deal of diversity in scope and performance expectations for both social and environmental indicators in the ten schemes reviewed. Tables 3 and 4 (reproduced from Potts et al 2010) document the variability in scopes of the ten schemes with regards to social criteria and environmental criteria respectively.

Table 3

Figure 2.8: Social criteria indexes, degree of obligation. (See Appendices II and III for source calculations).

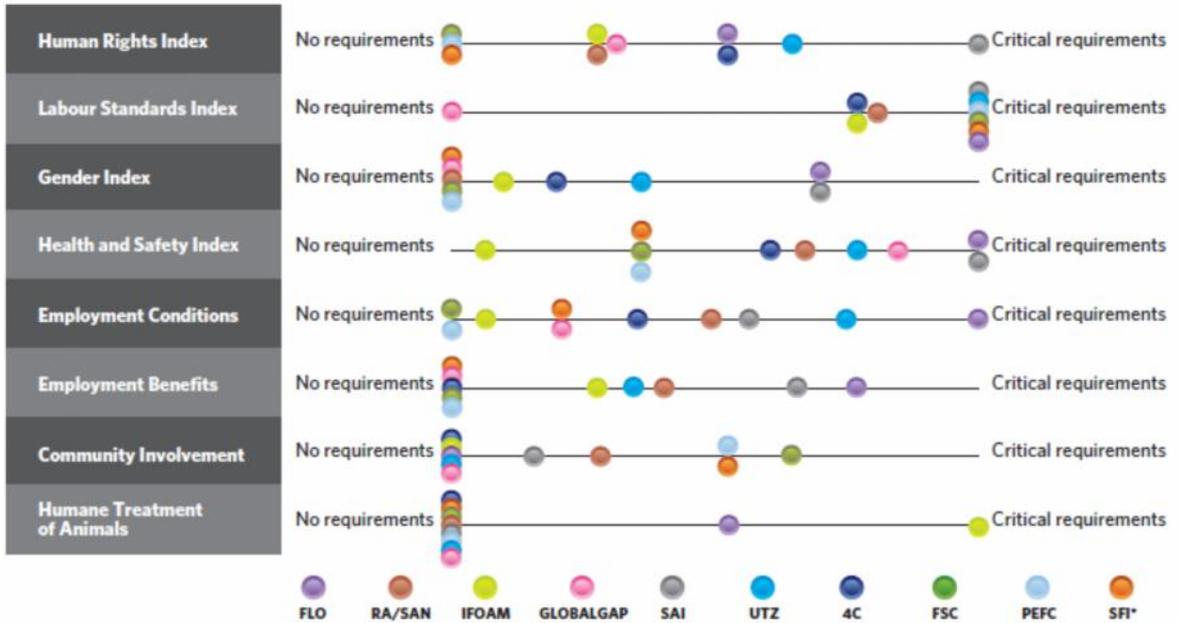
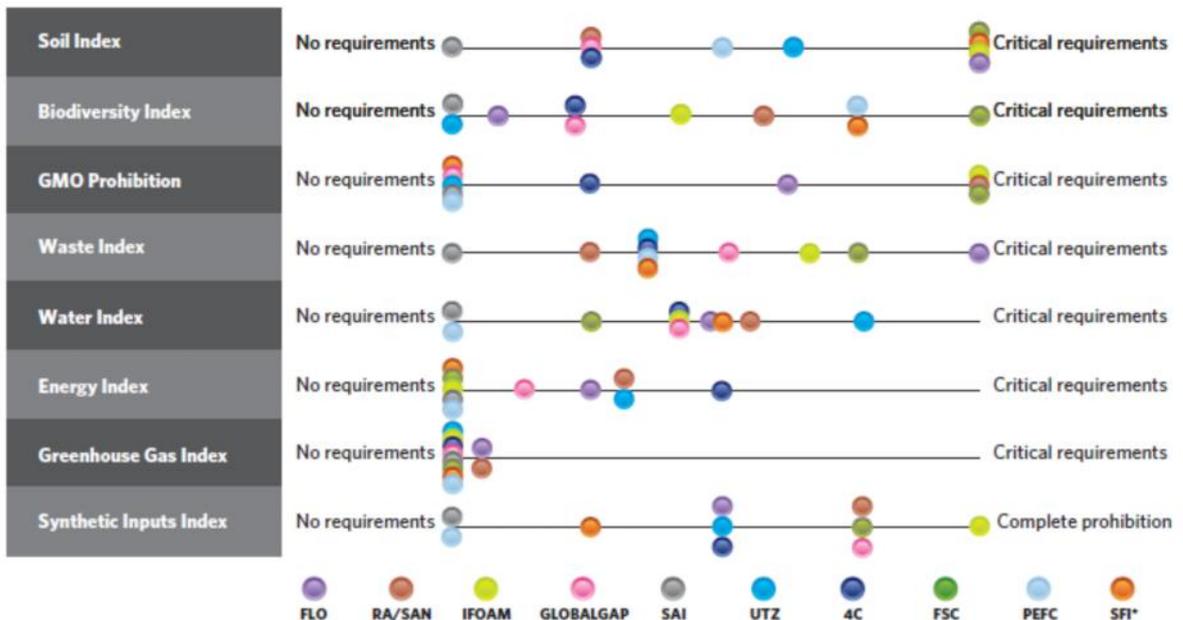


Table 4

Figure 2.9: Environmental criteria indexes, degree of obligation. (See Appendices II and III for source calculations).



There are a couple of areas which are not covered by most benchmarking schemes and these relate to the types of costs involved and the nature of any traceability arrangements required.



Potts et al (2010) documented the different chain of custody systems in place (Table 5)

Table 5

Table 2.4: Chain of Custody indicators.

|                                    | 4C<br>Association | UTZ | FLO | Rainforest<br>Alliance/<br>SAN | IFOAM | GLOBALGAP | SAI | FSC | PEFC | SFI |
|------------------------------------|-------------------|-----|-----|--------------------------------|-------|-----------|-----|-----|------|-----|
| Separate Chain of Custody standard |                   | ✓   | ✓   | ✓                              |       | ✓         |     | ✓   | ✓    | ✓   |
| <b>Chain of Custody model:</b>     |                   |     |     |                                |       |           |     |     |      |     |
| Identity preservation              | ✓                 | ✓   |     | ✓                              |       | ✓         |     | ✓   | ✓    | ✓   |
| Segregation                        | ✓                 | ✓   | ✓   | ✓                              | ✓     | ✓         |     | ✓   | ✓    | ✓   |
| Mass balance                       |                   | ✓   |     |                                |       | ✓         |     | ✓   | ✓    | ✓   |
| Book and claim                     |                   |     |     |                                |       |           |     | ✓   |      |     |

An explanation of the various terms used is as follows:

- Book and Claim: where a “sustainable” certificate is granted based on the application of sustainable practices, but certificate is completely decoupled from the product and transferable on the market.
- Mass Balance: where the amount of compliant product sourced and sold by each supply chain actor is tracked, but where the compliant product does not need to be sold with the certificate.
- Segregation: where compliant products are segregated at all stages of the supply chain and only compliant products are sold as compliant products.
- Identity Preservation: where the product is individually identified, physically separated, tracked and documented at each stage of the supply chain.

In terms of agricultural products it is only GlobalGAP and UTZ that have in place systems that suit the bulk and highly modified nature of the ingredients used in aquafeeds.

Another cost centre relates to labelling policies, especially if there is to be an on-product claim which is an outcome important for organics and Fair Trade type schemes but less applicable to bulk agricultural commodities. GlobalGAP has a labelling policy but has no on-product claim. Some organisations levy a fee for using their logo. As yet the Roundtable on Sustainable Palm Oil does not charge a logo licence fee.

**Table 2.5: Labelling policies.**

| Voluntary Sustainability Initiative | Policies for labelling claims | Policies for composite products | Explicit policies regarding content requirements for labelling  |
|-------------------------------------|-------------------------------|---------------------------------|---|
| 4C Association                      | yes                           | no                              | The 4C Association does not work with product claims nor does it provide labels or seals for use on coffee packs. Members may use a membership statement on pack to communicate their membership; When referring to a specific coffee as "4C Coffee", it has to be 100% 4C Compliant Coffee. Claims to this effect can only be made with the prior approval of the 4C Secretariat and must be supported by verifiable internal traceability mechanisms.         |
| UTZ Certified                       | yes                           | yes                             | Chain of Custody (origin countries) states that coffee products bagged as UTZ must be 100 per cent UTZ products, while cocoa and tea products must contain a minimum of 30 per cent to use the UTZ logo (this minimum will increase in 2012 when more UTZ Certified cocoa and tea becomes available).   |
| FLO                                 | yes                           | yes                             | For single ingredient products, like coffee, 100 per cent of the product must be Fairtrade certified. In multi-ingredient products, all ingredients for which there are Fairtrade standards must be Fairtrade certified. A statement must appear on the packaging of multi-ingredient products that clearly highlights which specific ingredient(s) are certified. At least 50 per cent of the volume of liquid composite products must be Fairtrade certified. |
| Rainforest Alliance/SAN             | yes                           | yes                             | For cocoa, coffee, tea and bananas, a minimum of 30 per cent of RA-certified content is necessary for use of the seal, along with a qualifying statement that communicates the percentage quantity of certified content.  |
| IFOAM                               | yes                           | yes                             | There needs to be a minimum of 95 per cent "certified organic;" less than 95 per cent but not less than 70 per cent "organic" may be used on the principal display in statements like "made with organic ingredients;" less than 70 per cent organic may appear in the ingredient list  |
| GLOBALGAP                           | yes                           | no                              | Requirement is 100 per cent (note that GLOBALGAP does not have a consumer-facing label; this is the content requirement for a GLOBALGAP number (GGN), which allows the product to be traced); GLOBALGAP also offers GGN on products for traceability purposes.  |
| SAI                                 | no                            | no                              | SA 8000 certification applies to companies, not products. SAI does not offer product certification or labelling.  |

**5. What is the cost of meeting the available standards to the certificate holder and other entities in the supply chain? How can these costs be managed to acceptable levels?**

Obtaining information on costs proved challenging as there is a wide variety of variables involved such as the scale of the growing area, the availability of certifiers/verifiers, the complexity of the assessments, audit frequency, audit strategy (surveillance versus verification, certification versus verification, square root approach for multiple sites) amongst other factors. In its detailed assessment of some global certification schemes the IISD provided a range of costs on a per hectare basis to try and even out the variability. The types of costs and average for GlobalGAP was found to be:

Table 3.23: GLOBALGAP certification fees.

| Types of fees                     |  | euros per year |                                      |
|-----------------------------------|--|----------------|--------------------------------------|
| Producer registration fee         | < 2 hectares                               | 3              | Note: Maximum aggregate fee is 30 €. |
|                                   | >2-15 hectares                             | 10             |                                      |
|                                   | > 15 hectares                              | 30             |                                      |
| Chain of Custody fee              |  | 100            |                                      |
| Membership fee<br>(not mandatory) | Producer group or<br>Producer organization | 2,550          | per product                          |
|                                   | Individual producers                       | 1,550          | per product                          |
|                                   | Additional product                         | 500            | per product                          |

Source: GLOBALGAP, 2009: General GLOBALGAP Fee Table.

### For Fair Trade

| Types of fees   | SPO costs<br>(euros) | Plantation costs<br>(euros) | Multi-estate costs<br>(euros) |
|---|----------------------|-----------------------------|-------------------------------|
| <b>Initial certification fee (first year)</b>                       |                      |                             |                               |
| Application for a Fairtrade certification (first year)              | 500.00               | 500.00                      | 500.00                        |
| Initial basic fee/ initial central structure fee<br>(multi-estates) | 1,500.00             | 2,600.00                    | 1,500.00                      |
| Initial basic fee for sampled member organizations                  | 1,200.00             | 0                           | 1,500.00                      |
| Initial additional product fee                                      | 0                    | 0                           | 0                             |
| Initial processing Installation fee                                 | 600.00               | 600.00                      | 600.00                        |
| <b>Initial certification fee (first year), Subtotal</b>             | <b>3,800.00</b>      | <b>3,700.00</b>             | <b>4,100.00</b>               |
| <b>Annual certification fee</b>                                     |                      |                             |                               |
| Annual basic fee/Annual central structure fee<br>(multi-estates)    | 1,137.50             | 2100.00                     | 1137.50                       |
| Annual basic fee for sampled estates                                | 875.00               | 0                           | 1137.50                       |
| Annual additional product fee                                       | 0                    | 0                           | 0.00                          |
| Annual processing Installation fee                                  | 350.00               | 350.00                      | 350.00                        |
| <b>Annual certification fee, Subtotal</b>                           | <b>2,362.50</b>      | <b>2,450.00</b>             | <b>2,625.00</b>               |

Source: FLO, 2009, "Producer Certification Costs" and "Guidance Document, FLO-CERT Producer Certification Fee System for Hired Labour."

And for an organics program in Mexico (note USD not Euros as above)

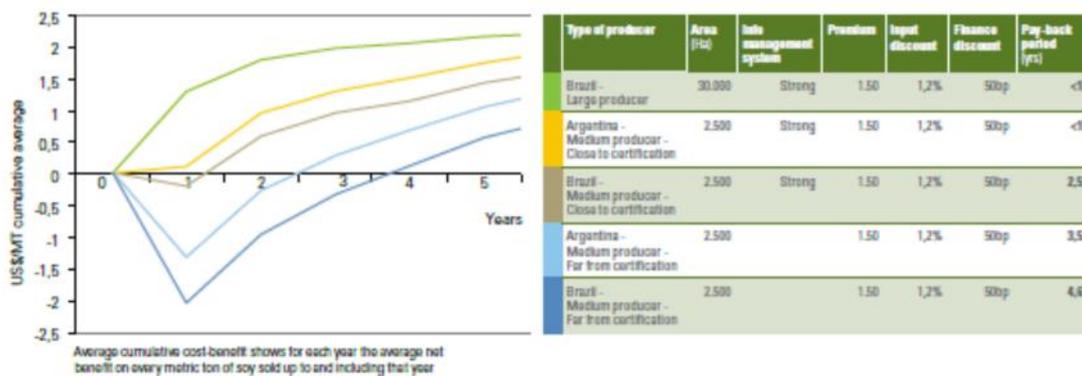
| Type of cost   | Group of producers (> 100 producers) | Firm (>2-99 producers) | Single producer |
|--|--------------------------------------|------------------------|-----------------|
| Inspection costs*  | 600                                  | 400                    | 400             |
| Travel expenses of auditor   | 200                                  | 200                    | 200             |
| Membership fee   | 450                                  | 450                    | 450             |
| Accompanying costs (technician required for certain operations and plants) | 200                                  | 200                    | 200             |
| Administrative fee   | 100                                  | 50                     | 50              |
| <b>Total</b>   | <b>1,550</b>                         | <b>1,300</b>           | <b>1,300</b>    |

\*Assuming an auditor will inspect 20 per cent of production and visit five producers a day, with a daily rate of US\$200. Source: Bustamante, 2009.

As mentioned by email by an officer from the RTRS the cost of certification is a matter for the applicant and CB and varies considerably because of the factors mentioned above. A ballpark estimate of time required was about 15-20 person days for the main assessment and 2 days for a chain of custody audit.

The influence of scale of producer is well demonstrated in the following diagram which analysed the time taken to repay certification costs taking into account both the costs and known price premiums.

**The business case: five common producer types can expect attractive return on investment from certification**



Source: KPMG, Responsible Soy - Cost / benefit analysis of RTRS certification in Argentina and Brazil, 2012

**6. What mechanisms are in place to handle potential suppliers who are currently unable to meet the standards? Is there an assistance mechanism, improver program or similar?**

For marine ingredients there are standards which more or less meet ASC requirements and the issue is the lack of compliance with those standards by producers. Fisheries are generally operated by relatively large groups of people who all need to feel that there is some incentive to be gained by acting together to make the improvements required to meet a standard. Whilst cooperative systems are common in agriculture a large number of farms

are individually owed and thus it is up to an individual farmer whether to make the improvements or not.

The agriculture world has a wide variety of sector based (e.g. industry based) and geography based (regional, national, within country) options which could be used as the basis for encouraging the first steps by producers. The Sustainable Agriculture Initiative ([www.saiplatform.org](http://www.saiplatform.org)) operates on a global basis with some country based chapters. In addition to the benchmarking study mentioned above, SAI has also prepared definitions of sustainable agriculture and Principles and Practice documents for particular sectors, including crops. The US Soybean Sustainability Assurance Protocol (SSAP), operates a third party certification program for soybean producers in the US. The standard has both social and environmental performance criteria to meet. The drivers for farmers to meet the standard are a mix of peer pressure and market expectations.

In the case of organic producers there is a well recognised 'in transition' status for farms that are converting from conventional farming to organic production. The standard to which a farmer is aiming to meet may set out minimum time periods for this transition to take place and/or performance requirements (e.g. pesticide residues). Publicly available (web) based information suggests that farmers have little assistance made available to help them make the transition with government advice available in some countries.

In the case of Fair Trade, individual farmers that are members of a cooperative may receive assistance from the certificate applicant to either enable the Fair Trade standard to be met or help them progress any conditions of certification.

In a broad sense assistance to farmers is highly variable around the world. In some countries it is the role of agriculture departments to deliver the extension services to enable farmers to make improvements whilst in others this may have been devolved to the private sector as funding to extension services has been scaled back.

Irrespective of what mechanisms are available to promote improvements against relevant codes/standard there is no pathway towards meeting ASC requirements. A mechanism may evolve once the requirements are put into place but, given the wide variety of circumstances under which complaint ingredients could be produced its unlikely that, without globally significant funding, any coherent approach will naturally evolve.

Another key difference between marine and terrestrial ingredient supplies is that there are not many certification options that meet ASC requirements. Thus the focus of improvement needs is on the scheme and not on the potential applicants. One mechanism for encouraging scheme owners to make changes to meet ASC requirements is for ASC have an endorsement process whereby a scheme is endorsed to supply certified ingredient providing the schemes requirements match those of the ASC. The ASC may choose to operate such an endorsement scheme itself or outsource this. Given that the feed standard is designed to work with other standards then the focus needs to be on ensuring that these standards deliver what is required. It will then be in the interests of the scheme owner to attract customers to help recoup the improvement costs.

**7. What options are available if there are no mechanisms available or those that are do not deliver a result which meets ASC expectations?**

As has been examined above, there are few third party standards available to deliver ingredients in sufficient volumes to meet ASC expectations. Having said this, there is a wide variety of potential codes and guidelines that could potentially be valuable. Some are international in scope (e.g. the SAI Platform) and there is a variety of country/region, sector and crop specific options. Without necessarily reviewing all of these the general attributes of these systems of interest to ASC include:

- Variability in the scope – as is the case with formal standards the range of issues covered by any given system varies and some may or may not cover everything of interest to ASC;
- Variable levels of verification, with no verification being common. Unlike food quality, environmental and social performance are not core requirements for farming systems and thus the degree of rigour and assurance is generally low.
- Variability in the mechanisms by which performance baselines are agreed. Industry and government run systems tend to involve producers but the involvement of independent stakeholders such as NGOs is uncommon. Multiparty systems are more likely to develop and deliver (ISEAL website announcement) outcomes which meet ASC expectations.

Given the diversity of options and the generally low level of performance and small volume of certified material potentially available there will be a need for ASC to take its own action to encourage potential suppliers to make the improvements required. Some suggestions include:

- ASC to communicate to the marketplace the opportunities that are emerging for the supply of certified ingredients
- ASC to network with other initiatives where feed may be important such as the sustainable beef initiative. This will help increase demand and make the costs of improving the performance and rigour of existing approaches more attractive. The recently produced (March 17, 2014) draft Principles and Criteria for the Global Roundtable for Sustainable Beef requires that:

*8. Where possible, feed is sourced from verified sustainable sources*

Given that there are some broad standards available (e.g. GlobalGAP) it may be better for ASC to encourage improvements rather than work with initiatives such as corporate commitments etc as the gap between an existing certification program and that desired by ASC is far less than for a company commitment or similar.

## References

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SAI (2009). Agriculture Standards Benchmarks Study. Undertaken by Intertek for Sustainable Agriculture Initiative Platform, Brussels, Belgium.

Schmidt, C. Russel A. and J. Sweetland (2013) Evaluation Of Agri-Food Sustainability Certification Systems. George Morris Centre project conducted for the Ontario Fruit and Vegetable Growers Association (OFVGA)

## Appendix 1 – Some of the relevant sustainable agriculture schemes found during the preparation of this paper

- GlobalGAP (and country derivatives)
- Protected Harvest
- LEAF
- IFOAM affiliated organics schemes
- Fair Trade standards
- Red Tractor
- Freshcare
- MPS
- Rainforest Alliance Sustainable Agriculture Network
- Roundtable on Responsible Palm Oil
- Roundtable on Responsible Soy
- Sustainable Agriculture Practice Standard (SCS)
- Sustainable Agriculture Initiative (SAI Platform)
- US Soybean Sustainability Assurance Protocol
- Sustainable Rice Platform