ValueLinks

ValueLinks Module 9

Quality and standards

1

ValueLinks

Structure of *ValueLinks 2.0*
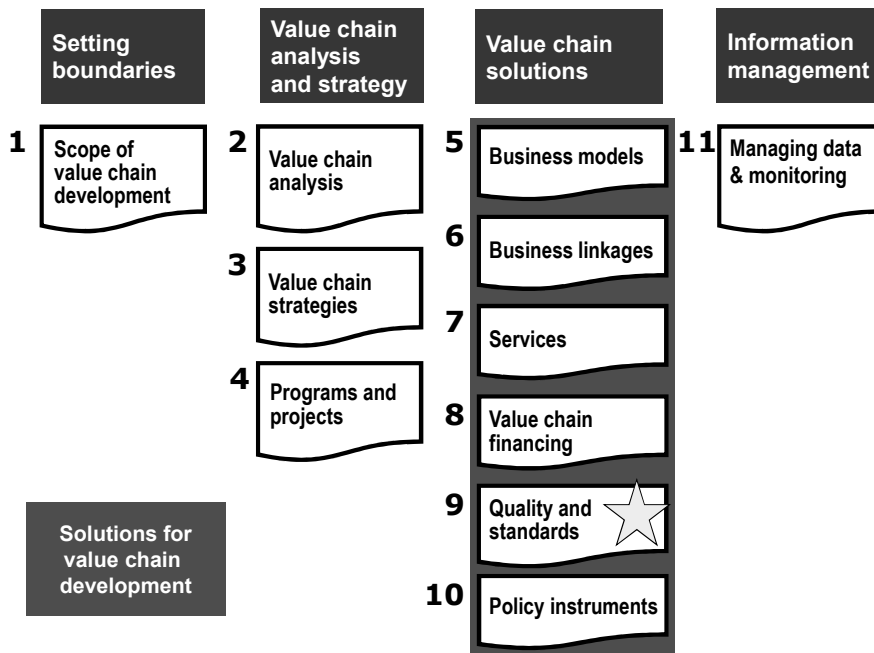
Setting boundaries

Value chain analysis and strategy

Value chain solutions

Information management

1 | Scope of value chain development

2 | Value chain analysis

5 | Business models

11 | Managing data & monitoring

3 | Value chain strategies

6 | Business linkages

7 | Services

4 | Programs and projects

8 | Value chain financing

9 | Quality and standards ☆

Solutions for value chain development

10 | Policy instruments

2

ValueLinks

Using standards

Contents

1   Definitions, types and importance of standards systems

2   Example Rainforest Alliance, a Private Voluntary Standard System

3

ValueLinks

What is Quality?

Attributes	Example	Verification
Physical attributes	Size, color, absence of damage, smell	Measurable at end product stage, client can select before consumption
Experience attributes	Taste of food, durability, functional efficiency	Measurable at end product stage, client knows only after consumption
Credence attributes	Residues, product safety	Measurable at end product stage, client has to trust a laboratory
	Eco-friendliness, social production conditions, origin of product	Not measurable at end product stage; partly measurable during the production process (e.g. emissions, resource consumption); client has to trust an assurance system
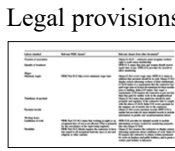
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4

Types of standards

	Product quality	Product safety	Social & ecolog. objectives
Regulatory Standards **- issued by public bodies**	- *Technical norms* - *Product content and declaration*	- *Food safety laws* - *Maximum Residue Levels* - *Liability laws*	- *Minimum wage, working hours etc.* - *Environmental regulations, animal health*
Voluntary standards **- issued by companies, associations, private sector initiatives**	- *Organic* - *Halal* - *Product origin standards*	- *Global Food Safety Initiative (GFSI) standards*	- *Sustainability standards* - *Fair trade standards*

1

5

Types of standards

	Product quality	Product safety	Social & ecolog. objectives
Regulatory standards **- issued by public bodies**	TÜVRheinland CERTIFIED; 50 g = 159 kcal 8 % GDA*	TÜV SÜD; GS geprüfte Sicherheit; CE	Legal provisions
Voluntary standards **- issued by companies, associations, private sector initiatives**	ECOVIN; HALAL; ALL LEMON	HACCP; GLOBALG.A.P.; **FSSC 22000, BRC, SQF, IFS, ISO 22000**	FAIR TRADE; RAINFOREST ALLIANCE CERTIFIED; FSC

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6

Value chains and standards
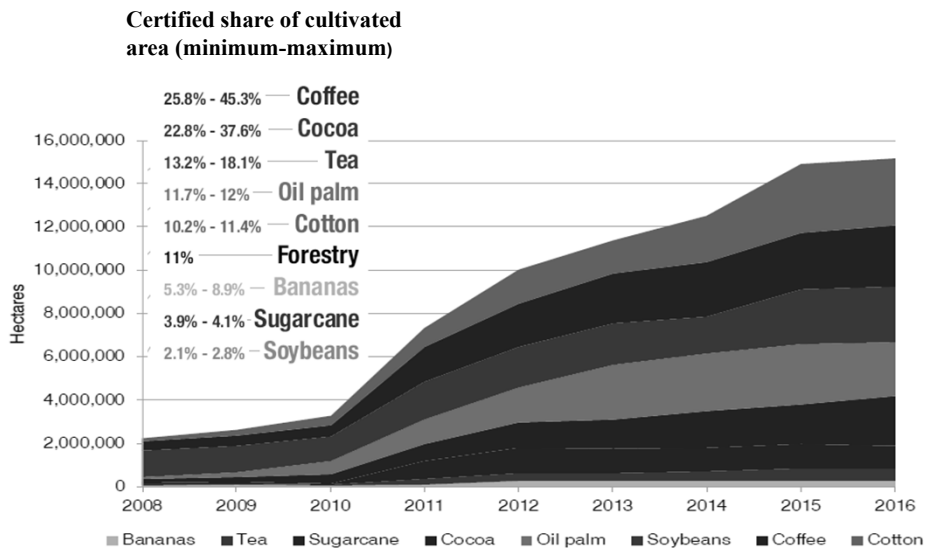
- **Regulation:** Standards operationalize the quality, safety and sustainability concerns of consumers, civil society and government.

- **Market transparency:** Standards simplify communication between market participants and assist marketing. Standards create a more level "playing field" and support fairness.

- **Quality management of enterprises:** Value chain operators use standards as an operational guide to integrate quality and sustainability considerations into their core business processes.

- **Risk management:** Standards help to lower the risk by introducing systems to detect critical points. Traceability mechanisms allow keeping control of suppliers.

- **Contribution to equity and sustainability:** Standards impose limits on resource use, use of inputs and labour conditions.

7

Development of sustainability standards

Certified share of cultivated area (minimum-maximum)

25.8% - 45.3% — **Coffee**
22.8% - 37.6% — **Cocoa**
13.2% - 18.1% — **Tea**
11.7% - 12% — **Oil palm**
10.2% - 11.4% — **Cotton**
11% — **Forestry**
5.3% - 8.9% — Bananas
3.9% - 4.1% — **Sugarcane**
2.1% - 2.8% — Soybeans

Y-axis: Hectares (0 to 16,000,000)
X-axis: 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016

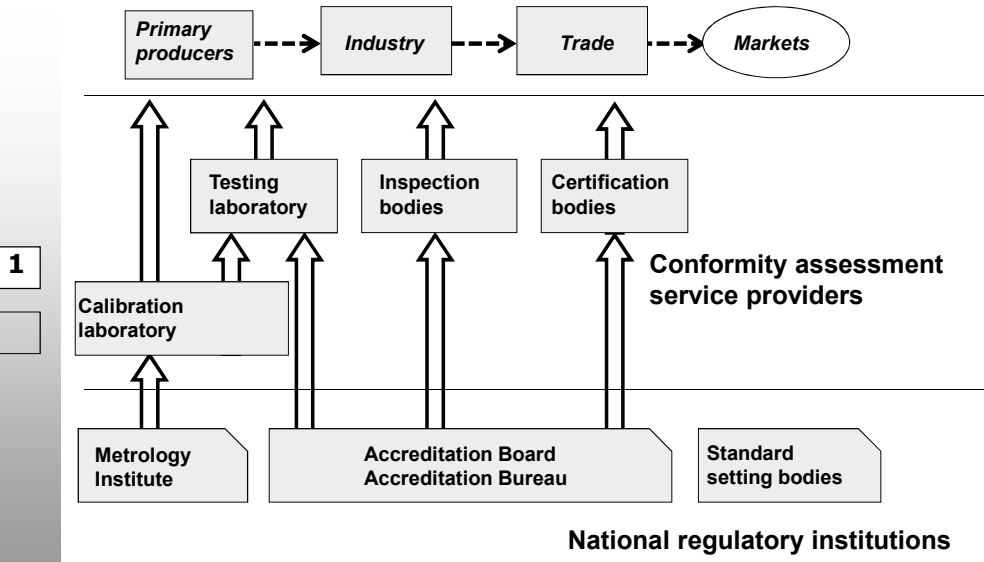Legend: Bananas, Tea, Sugarcane, Cocoa, Oil palm, Soybeans, Coffee, Cotton

Source: International Trade Center, 2018: The State of Sustainability Markets

Minister Gerd Müller (BMZ), December 2018: 100% of all imports from developing countries should come with a sustainability certification in future.

8

National quality infrastructure

Primary producers → Industry → Trade → Markets

Testing laboratory

Inspection bodies

Certification bodies

Conformity assessment service providers

Calibration laboratory

1

Metrology Institute

Accreditation Board
Accreditation Bureau

Standard setting bodies

National regulatory institutions

9

Using standards

Contents

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10

Rainforest alliance

…is an international, nonprofit sustainable development organization, which works to conserve biodiversity and ensure sustainable livelihoods by transforming land-use practices, business practices and consumer behavior.

…work with local and indigenous communities to produce more efficiently and at higher quality for international markets

…believes that the best way to keep forests standing is by ensuring that it is profitable for businesses and communities to do so.

2

11

The Sustainable Agriculture Network Standard SAN

- 10 Principles
- 100 criteria
- 14 CRITICAL criteria

Requirements for Certification:
- 100% of critical criteria have to be met
- 80% overall score
- 50% minimum score in EACH of the 10 principles

2

Rainforest Alliance
- Is one of 8 partner organisations in the SAN network which have worked together for more than two decades to develop, promote and support the implementation of SAN standards

12

6

The 10 principles of sustainable agriculture

- Social and Environmental Management
- Eco-system Conservation
- Wildlife Protection   } *ENVIRONMENTAL PRINCIPLES*
- Water Conservation
- Fair Treatment and Good Working Conditions for Workers
- Occupational Health and Safety } *SOCIAL PRINCIPLES*
- Community Relations
- Integrated Crop Management
- Soil Management and Conservation } *ECONOMIC & MANAGEMENT PRINCIPLES*
- Integrated Waste Management

13

Example of non-compliance

- No proper wastewater treatment (Principle 4.5.)
- Not wearing proper protective gear (Principle 6.13.)
- Using the banned herbicide Paraquat (Principle 8.4.)
- Mixing certified with not certified products in the store (Principle 1.10.)

14

Certification examples

Non-certified farm

Certified farm

**Non-certified
worker housing**

**Certified
worker housing**

15