S Strengths

W Weakness

Opportunities

Threats

- Farm Assurers (licensed trainers on the content and needs of the certificate) who can help producers prep for a certification audit. It is easy to find a list and contact information on the website for farm assurers in different areas.
- Localg.a.p., capacity building tool to be applied as a local standard for supply chains in developing economies. It is the lowest entry level, which will not grant a full GLOBALG.A.P. certificate, but can be used as a stepping stone.
- Effective Integrated Farm Assurance (IFA) Standard, a criterion that ensures 3 environmentally sustainable aspects: water use efficiency; soil health; integrated crop and pest management.

- Hard to find information about how much hiring a Farm Assurer costs. Prices may vary depending on regions?
- On average, £1000 is required per smallholder producer to get started with the fees of the certification requirements, which is a major investment for a developing country producer. However, these may be spread over stakeholders: smallholders, exporters, and external agencies or donors.
- Better access to local and/or international markets for smallholder producers, which supports income security, regular payments, and workers' safety and health.
- Increased fiscal revenue into rural areas, which increases the value of skilled labour, and promotes investment into local production that can provide a basis for national food security.
- Promotion of local and national adaptation to and mitigation of the effects of changing weather patterns.

- Difficulty for smallholder producers to access the certificate because of high maintenance and compliance costs.
- It has been estimated that many smallholders have been unable to meet the requirements -> between 2003-2006, 60% of Kenyan growers were dropped due to implementation problems.
- Necessity for financial support from export companies or external donors to reduce recurrent costs and make the certificate accessible for smallholders.
- The certificate <u>has raised the</u> <u>bar for access to EU markets</u> in a way that now excludes many developing country producers, especially smallholders.

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- Economic benefits for producers from developing countries, using mechanisms, such as:
- 1) Minimum price or price floor, negotiated according to local circumstances;
- 2) Long- term contracts;
- Access to financial support or pre-financing;
- 4) Price premium above conventional market price, which is paid to cooperatives and must be used for social and economic investments at the community level;
- 5) Technical assistance and development of producer groups and cooperatives that improve bargaining power.
- <u>Evidence suggests that costs are</u> relatively low for producers but high for buyers.
- Remote audits as a complementary assurance tool that can be used in situations of natural disaster, regional conflict, or a pandemic.

- No evidence of the amount of compliance costs on the main website: fairtrade.net.

 Producers would have to navigate to the separate flocert.net website, which has more information about costs and steps to get certified. This information may not reach everyone.
- Documents that have to be submitted prior to an on-site audit have to be written in one of the working languages of Flocert: English, Spanish, Portugese, French or German. It is the responsibility of the producer to translate documents into one of these languages, which may form a language barrier. They also have to ensure that a sufficient number of workers speak a working language or hire an external interpreter for the audit, which increases compliance costs.

- Aim to help producers move from a position of vulnerability to security and economic self-sufficiency.
- According to Fairtrade, they are the most recognized and trusted sustainability label in the world. Their label grants producers access to a higher value market niche.
- Support mechanisms produce higher standards of living for producers, their families and communities.
- Direct relationship with producers, cutting out the 'middle-man', such as exporting companies that take a cut of the profits.

- Fairtrade has created a strong message and image of ethos for their own consumer label, which may lead to unintended consequences for other, non-certified products. The label may contribute to the impression that other products from producers in developing economies are 'unethical' or 'unfair', which puts those at a disadvantage that do not have the resources to access a sustainability certificate.

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- Lower costs for buyers, which makes it more likely for them to invest in Rainforest Alliance products. Major international firms source coffee from Rainforest Alliance certified producers, such as McDonald's in the US and many European countries.
- The certificate criterion includes measures to reduce water pollution; soil erosion; waste; and the use of pesticides. It also promotes water conservation; and decreased deforestation to protect local wildlife. These criterion aim to increase efficient farm management and provide better conditions for workers through fair wages, decent housing, sanitary facilities, etc.
- The cost for the application fee, audit, inspection, and annual fees to comply with the process standards, e.g. for environmental management, can vary a lot. The costs are estimated to be anywhere in the range of <u>US\$500 for smallholders</u>, to tens of thousands of dollars for larger producers.
- The costs of compliance can be disproportionately high for small farmers, which creates a bias towards middle and large farms.
- Rainforest Alliance does not provide a price premium or crop pre-financing options for producers.

- The objective of the certificate is to "conserve biodiversity and ensure sustainable livelihoods by transforming land-use practices, business practices and consumer behaviour".
- The certification has a direct focus on environmental improvements and better management systems (e.g. more than Fairtrade).
- Compliance costs for producers seem to be quite high, whereas for buyers or manufacturers they seem to be quite low. This makes it harder especially for smallholders to access the certificate. Are the producers the ones that have to bear the costs of ethical choices rather than buyers?
- Rainforest Alliance requires 30% of a product, e.g. coffee, to be sourced from certified farms to qualify for the use of the logo on a product. (As opposed to 100% with Fairtrade.) This is misleading for consumers.
- There is criticism for the scheme's failing to address the "perceived inequities at the root of the international trading system".