



FEFAC

# FEFAC SOY SOURCING GUIDELINES Q&A

## 1. What are the Soy Sourcing Guidelines?

The Soy Sourcing Guidelines are a comprehensive set of requirements, reflecting what FEFAC considers to be the criteria for any scheme or standard that claims to supply “responsible soy”. The Guidelines comprises 59 criteria, segmented into the following principles:

- legal compliance
- responsible working conditions
- environmental responsibility
- good agricultural practices
- respect for legal use of land
- protection of community relations

The Guidelines are essentially a professional recommendation which is subject to voluntary uptake. They should therefore not be confused with a newly developed standard. FEFAC does not intend to determine which responsible soy scheme market operators should engage with. With its Soy Sourcing Guidelines however, the European Compound Feed Industry makes its baseline criteria clear. To transparently verify whether a responsible soy programme meets the Guidelines criteria, FEFAC launched together with the International Trade Center (ITC)<sup>1</sup> an online benchmarking platform.

## 2. Why has FEFAC developed the Soy Sourcing Guidelines?

Currently, there is a great variety of sustainability schemes available for purchasers of responsible soy (farmer, private company, industry, multistakeholder and commercial schemes). However little clarity existed about the differences and similarities between them. This made it difficult for market players to determine an adequate level of responsibility and to understand how demanding each of these different schemes are. The goal of the FEFAC Sourcing Guidelines and the accompanying customised ITC benchmark system is to provide transparency to operators interested in purchasing responsible soy. In addition, FEFAC expects that the Guidelines will facilitate the creation of a physical mainstream market supply of responsible soy to the EU.

<sup>1</sup> The International Trade Center, ITC, is an agency of UN and WTO.



### 3. How were the Soy Sourcing Guidelines developed?

FEFAC experts established the six aforementioned principles (legal compliance, responsible working conditions, etc.) after thorough analysis of existing responsible soy schemes and programmes and translated them into concrete criteria and indicators. Also, market experience with real life impact at farmer level and reports about practical user-friendliness were taken into account. After a closed-loop consultation with supplier organisations in Brazil, Argentina and the United States, a public consultation took place based on a draft version of the Guidelines released in March 2015. Based on the constructive feedback received from NGOs, responsible soy scheme owners, industry associations and retailers, FEFAC added 5 essential and 3 desired criteria to the final version of the Guidelines published on 11 August 2015. By making all stakeholder comments and FEFAC's individual feedback available on its website, FEFAC operated in full transparency.

### 4. Which criteria are set out in the guidelines?

The FEFAC Guidelines include a comprehensive set of social and environmental criteria for responsible soy cultivation and recommendations for good agricultural practices. Legal compliance including adequate verification is the starting point. All human rights and major social criteria which can be found in the main ILO-Conventions and advanced sustainability schemes for agro commodities are covered (no child labour, no forced labour, no discrimination, equal remuneration, voluntary overwork, fair wages, healthy and safe work, freedom of association and collective bargaining). The following environmental topics are covered: responsible soy expansion, biodiversity protection, proper waste management and fossil fuel use. Prevention of illegal deforestation and protection of biodiversity are considered key. Also included are requirements for good agricultural practices such as the protection of the quality and quantity of water, the quality of soils, the prevention of erosion and safe and responsible use of agrochemicals. The Guidelines clearly state that land rights need to be respected, the need for adequate communication with local communities and to have an adequate compliant mechanism in place.

### 5. What is the difference between essential and desired criteria?

In the FEFAC guidelines a distinction is made between the essential and desired criteria. The 37 essential criteria listed in the Soy Sourcing Guidelines absolutely need to be covered by any responsible soy scheme to be in compliance with the feed industry's minimum requirements. These items are also generally seen as essential in all major responsible soy schemes and programmes. The desired criteria (22 in total of which at least five have to be covered) address more advanced sustainability items. This divergence in criteria allows for some flexibility, as responsibly soy schemes are inherently different and often have a specific focus related to national or regional circumstances. It is FEFAC's intention to increase the number of desired criteria that need to be covered in the Guidelines over time, on the basis of volume-based continuous improvement.

### 6. Why are verification requirements included in the Guidelines?

The Guidelines are not a (new) standard. Therefore FEFAC will not check whether farmers indeed comply with the demands set in (the specific) schemes for responsible soy. This is the own responsibility of the schemes. In the ITC benchmark the verification procedures of a specific scheme are evaluated and checked to assess compliance with the verification requirements of the FEFAC guidelines.



## 7. What do the verification requirements of the Guidelines entail?

The verification requirements of the Guidelines are based on 5 leading principles: effectiveness, efficiency, impartiality, transparency and risk based. FEFAC always requires the involvement of an independent third party that is ISO-accredited by an official accreditation body. In the Guidelines a distinction is made between third party verification of all farmers and third party verification of the internal control system in case of self-assessment or second party verification. In the latter case, a third party also always has to check a sample of farmers. FEFAC developed a decision tree to determine which requirements are relevant for a specific verification system.

## 8. What verification systems are used by the officially approved schemes?

Seven out of 9 schemes - which are now officially benchmarked and approved - work with independent 3rd party verification of farmers. Cargill has a system in place whereby an independent 3rd party checks the internal control system and a sample of farmers. SSAP (USSEC) has a system working with farmer self-declaration and 3rd party government controls.

## 9. What is the purpose of the benchmark process?

In order to verify which schemes for responsible soy cover all essential and at least 5 of the desired criteria from the FEFAC Guidelines and have a trustworthy verification system, a benchmark process was designed in close cooperation with ITC.

## 10. Why did FEFAC start the cooperation with ITC on this?

ITC is the authority in this field and has a benchmarking methodology that is developed in close cooperation with international stakeholders (including NGOs). This methodology is therefore widely accepted in the international arena. ITC's expertise in the area of standards, certification and auditing is best visible on their public website: [www.standardsmap.org](http://www.standardsmap.org). Besides a quick scan of individual schemes, an option exists to compare different schemes for different sustainability topics. There is also an option intended for producers to self-assess against certain schemes. The underlying database is used for the FEFAC benchmark as well.

## 11. How does the online benchmark platform work?

In September 2015 ITC launched an online benchmarking platform where responsible soy schemes can do a pre-check to determine if or to what extent they meet the Guidelines. Subsequently, they can apply for a formal benchmark performed independently by ITC. After successfully passing the formal ITC benchmark, the logo of the responsible soy scheme is displayed on FEFAC's page on ITC Standards Map to provide transparency to purchasers of responsible soy. The online benchmark platform can be found on [www.standardsmap.org/fefac](http://www.standardsmap.org/fefac).

## 12. How can scheme owners do a pre-check?

Before the formal benchmark starts, a scheme owner can make use of the self assessment tool to pre-check whether his scheme complies with the FEFAC Guidelines. When clicking the 'Assess your standard' button at the online platform, the user is asked to register. After registration the user has to fill in information about his soy programme and his organisation. The self-assessment questions are structured along the same lines as the ITC standards map. This means that all environmental, social, management and all verification questions are clustered. Users are asked to upload the relevant text phrases from their own programme in order to come to a comprehensive report. After answering all questions a report is produced showing which items are covered and which items are not and how many of the essential and desired items from the Guidelines are met. Several scheme owners have already made use of this opportunity. Although this self-assessment gives a good indication of compliance to the FEFAC Soy Sourcing Guidelines, it has no formal status.



### 13. How to apply for a formal benchmark?

Every scheme needs to formally apply for the benchmark first, even if they are already in the ITC standards map database. The 'apply for benchmark' button leads to an online form that needs to be filled in. After the formal application, ITC provides more information about the benchmark process to the scheme owner and subsequently the latter receives log-in information for entering all information about its scheme in the Standards Map database (not only the items relevant for the FEFAC Soy Sourcing Guidelines). In case a scheme owner has questions on how to enter the data, ITC is always available for giving guidance and providing more explanation. When all information about a scheme is submitted into the database, ITC checks the accuracy of the data (e.g. Is all information allocated at the right place in the database? Is there no missing information?). ITC also asks the scheme owners to fill in a specific Excel file about the verification requirements of the FEFAC Soy Sourcing Guidelines. After all information has been entered correctly into the database, the real assessment starts. By applying for the formal benchmark, the scheme owner agrees to publication of his scheme on the ITC Standards Map ([www.standardsmap.org](http://www.standardsmap.org)).

### 14. How is compliance assessment carried out by ITC?

Based on the data entered in the database, ITC assesses whether a specific scheme:

- Contains all essential criteria and at least five of the desired criteria of the FEFAC guidelines
- The timing of the criteria corresponds with the one required in the FEFAC Sourcing Guidelines
- All verification requirements are met

After this assessment ITC provides feedback to the scheme owner. The following outcomes are possible

- The scheme is in compliance with the FEFAC Soy Sourcing Guidelines and the scheme owners receive official confirmation of the positive result.
- ITC is unable to do the final compliance assessment because clarification about certain criteria is needed. Arguments and additional evidence is exchanged between the scheme owner and ITC (e.g. audit reports, certification protocols, accreditation certificates etc.). ITC then executes the benchmark and comes to a final decision and reports back its decision to the scheme owner.
- The scheme is not in compliance with the FEFAC Soy Sourcing Guidelines. ITC reports back to the scheme owner on which criteria the scheme is not compliant yet. It is up to the scheme owner to make the necessary amendments in his scheme in order to become compliant with the FEFAC Guidelines. After the amendments have been realized, the formal benchmark can be executed again by ITC.

### 15. What is the role of the guidance document that been developed?

During the benchmark process ITC compares the criteria of a certain scheme with the criteria of the FEFAC Guidelines. The Guidelines are written as straight-forward as possible. In some cases however questions came up about the exact meaning of certain criteria. Therefore additional information and guidance has been given on interpretation of certain criteria (see guidance document that is available on [www.standardsmap.org/fefac](http://www.standardsmap.org/fefac)). If new interpretation questions come up, ITC contacts the FEFAC Technical Soy Drafting Group for further explanation and guidance.

### 16. Which schemes have officially been assessed by ITC as compliant with the FEFAC guidelines?

Until now the following schemes have been regarded by ITC as compliant with the FEFAC Guidelines: RTRS, ISCC, CEFETRA CRS, Bemefa, Cargill Triple S, SSAP USSEC, Agricultura Certificada, Femas and ADM Responsible Soy. The logo's of the approved schemes can be found on [www.standardsmap.org/fefac](http://www.standardsmap.org/fefac).



## 17. What does FEFAC's commitment to volume-based continuous improvement?

As more responsible soy will be covered by the Guidelines in due course, FEFAC intends to continuously improve the criteria. FEFAC estimates that achieving the milestone of 10 million tonnes would be the appropriate volume to review the Guidelines and engage with responsible soy programme owners. By first assembling a significant share of the existing responsible soy programmes, FEFAC is able to have a bigger impact on the average conditions in which soy is produced and to have a greater effect on achieving a physical mainstream market supply.

## 18. What can be said about the level of ambition of the Soy Sourcing Guidelines?

FEFAC drafted the guidelines in such a way that it provides a credible level for responsible soy programmes. The Guidelines are by all means ambitious. The requirements are quite comprehensive and cover all major social and environmental topics relevant for responsible soy cultivation. The ITC benchmarking process showed a vast majority of the programmes needed to upgrade their criteria to qualify for the FEFAC guidelines. The Guidelines also allowed FEFAC to engage in constructive dialogues with soy producers in key supplying countries on the topic of responsible soy.

## 19. What do the FEFAC Guidelines say about deforestation?

The Guidelines include 3 essential criteria related to environmental stewardship (items 26-28), stressing the need for compliance with national forest legislation, protection of legal nature reserves and a prohibition on soy cultivation on land illegally deforested after a certain cut-off date. FEFAC considers ending illegal deforestation through ensuring legal compliance a crucial step towards forest protection.

## 20. How do the FEFAC guidelines help avoiding illegal deforestation

By recommending companies in the feed chain to only source soy conforming to responsible soy schemes which are regarded by ITC as compliant with the FEFAC Guidelines. The Guidelines only allow for schemes explicitly demanding farmers to respect forest protection laws, not to produce on illegally deforested areas or be involved in illegal deforestation. These schemes also need to have a credible verification system in place to make sure these requirements are indeed met.

## 21. Is according to the FEFAC guidelines CAR-registration in Brazil sufficient to prevent illegal deforestation?

No, it is not. Each responsible soy scheme compliant with the FEFAC Guidelines needs to have its own verification system in place (See Q&As about verification for the specific requirements). CAR-registration means that land owners in Brazil register their property in the database of the State. Satellite images are used to check whether land owners have their legal nature reserve in place and - if applicable - respect areas of permanent preservation. If not, a plan must be made to make sure these areas are restored in time. When the legal reserve and areas of permanent preservation are respected and the ownership is clearly defined and undisputed, the CAR registration is officially established. CAR registration is not a guarantee that farmers will not execute illegal practices, but it is an important supporting tool for enhancing legal compliance and it makes verification much easier.