

# IDH Food Crops and Ingredients



# Introduction

IDH, the Sustainable Trade Initiative, brings together private and public sector organizations to increase sustainable trade in global commodity supply chains. Over 250 companies, NGOs, certification bodies and other partners have joined collaborative sector Sustainability Initiatives.

Working with partners throughout the supply chain, IDH aims to increase the demand and supply of sustainably sourced products. Taking a sector approach allow companies to focus on sector-specific priorities, driving change along the supply chain and creating positive impact on environmental and social issues.

Within IDH, Food Crops and Ingredients (F&I) focuses on products sold by retailers and brands in the sectors of Aquaculture, Flowers and Plants, Fruit and Vegetables, Juice, Nuts, Spices, and Vanilla; all of which have Sustainability Initiatives. Because many of these fresh foods and ingredients are sourced from producers, rather than branded manufacturers, retailers have a responsibility for their ethical provenance and supply chains.

IDH convenes diverse stakeholders and uses its expertise, insights and innovation to help prioritize the most pressing sustainability issues in each sector. By working on projects together, companies are able to co-develop, test and scale solutions. As the Sustainability Initiatives in Food Crops and Ingredients often face similar challenges, they benefit by sharing their experience and solutions across sectors.

Brands, retailers, traders and processors report that working within these Sustainability Initiatives helps to improve the sustainability of their supply chains, deliver their sustainable sourcing commitments, and contribute to meeting the UN SDGs.

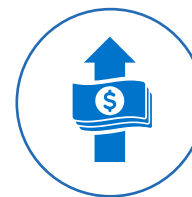
Together, they contribute to improving the areas of Living Wage, Living Income and Environment.



## OUR FOCUS AREAS



**Living Wage and working conditions**



**Living Income and Increased Income**



**Environment**



**Value Chain Development**

## KEY SECTORS



**Aquaculture**



**Flowers & Plants**



**Fruit & Vegetables**



**Juice**








**Nuts**



**Spices**



**Vanilla**

		 Living Wage and working conditions	 Living Income and increased income	 Environment
 <b>Aquaculture</b> Global Seafood Sustainability Initiative Independent organization collaborating with IDH		✓	✓	✓
 <b>Flowers and Plants</b> Floriculture Sustainability Initiative Independent organization; IDH chairs the Board and is a strategic partner		✓		✓
 <b>Fruit and Vegetables</b> Sustainability Initiative Fruit and Vegetables Managed by IDH		✓		✓
 <b>Juice</b> Sustainable Juice Covenant Managed and chaired by IDH		✓	✓	✓
 <b>Spices</b> Sustainable Spices Initiative - Managed by IDH Sustainable Spices Initiative - Indonesia Public Private Partnership (PPP) Pepper Task Force -Vietnam National Sustainable Spices Program (NSSP) - India		✓	✓	✓
 <b>Vanilla</b> Sustainable Vanilla Initiative Managed by IDH and Sustainable Food Lab		✓	✓	
 <b>Nuts</b> Sustainable Nut Initiative Independent organization; IDH has an advisory role			✓	

# F&I sectors and their Sustainability Initiatives

# LIVING WAGE AND WORKING CONDITIONS

## F&I AND LIVING WAGE

Food Crops and Ingredients Sustainability Initiatives work to ensure that both the male and female workers in their supply chains are paid a living and equal wage. By working collaboratively, companies seek to reduce the living wage gap in their sector supply chains and achieve a decent standard of living for permanent and temporary workers.

For example, the Sustainability Initiative Fruit and Vegetables (SIFAV) requires all its members make a Living Wage commitment on at least one product or execute one Living Wage or Living Income project, as part of its 2025 program.

This is combined with improving working conditions, including mechanisms to identify and solve issues like gender inequality or child labour, while fostering the overall creation of more decent jobs.

Food Crops and Ingredients Sustainability Initiatives follow IDH's Roadmap on Living Wages to direct their work on living wage.

[IDH's roadmap on Living Wages](#)

## ROADMAP ON LIVING WAGES

IDH's Roadmap on Living Wages is an initiative steered by a dozen leading European retailers and producers with advice from key sustainability organizations, to build consensus on definitions, tools, and approaches for companies to work on living wages in a uniform way. Companies join forces to strengthen international alignment and ensure the adoption of a uniform approach regarding living wages. This is necessary to avoid duplication of efforts and confusion along supply chains.



The Roadmap on Living Wages supports companies with:



Identifying living wage benchmarks



Tools to measure a living wage gap - Salary matrix



Verifying living wage calculations



Closing the gap



Sharing Learnings

## THE BANANA RETAIL COMMITMENT ON LIVING WAGE

In parallel to developing the Roadmap and tools, IDH convened the first national sector-specific covenant with targets on Living Wages, in the Dutch market for bananas.

According to the supermarkets involved, the Banana Retail Commitment is an important milestone:

*“Supermarkets are competitors, but when it comes to a more sustainable supply chain and risk reduction, private sector parties can certainly work together. For example, through dialogue with local governments and trade unions, we gain insight into local challenges and solutions. If we succeed, we have paved the way for other products.”*

[The Banana Retail Commitment](#)



## Fruits & Vegetables

### The Banana Retail Commitment on Living Wage

In the Fruit and Vegetables sector, IDH convened Dutch retailers to improve the wages of workers in the banana plantations supplying their bananas. While workers may earn the local minimum wage, it is often below the living wage benchmark. This is a problem which cannot be changed by individual retailers, and so requires a collective approach to bring about change.

So far, 15 Dutch retailers have signed the Banana Retail Commitment on Living Wage with the goal that by 2025 they will predominantly sell bananas that are sourced from plantations that pay a living wage to their workers.

In the first phase (2019 until 2020) the retailers will provide an insight into the gap between the currently paid wages and the living wage throughout their entire production or

supply chain. From 2021 onwards, the retailers will aim to reduce the living wage gap by at least 10% per year, so that by 2025, the living wage gap will have been reduced by at least 75%.

The retailers will use the Salary Matrix, made available by IDH, to calculate the difference between the current wages and the living wage. By using the tool, they can analyze current wages in the supplying locations of their total banana assortment. This will serve as the baseline from which future wages will be compared.

IDH encourages other interested private sector parties to join the commitment, such as retailers in other countries outside the Netherlands.

**“IDH played a key role in converging, aligning efforts to move the living wage agenda in the banana supply chain. To ensure its success, it will require the whole value chain to work collaboratively and to find sustainable solutions together. In addition to listening to all relevant stakeholders, the methodologies and tools developed by IDH enable everyone to work within a similar framework and evaluate living wage gaps in a similar fashion.”**

**Julie Cournoyer**

Global Director of Sustainability, Fyffes





## Juice

### Researching the Living Wage in the Brazilian orange juice sector

In 2020, IDH contributed to a benchmark study to research the living wage of workers in orange juice production in the Sao Paulo state of Brazil. The study calculated the living wage using the internationally renowned Anker methodology. The study was coordinated by the European Fruit Juice Association (AIJN), and co-financed by IDH, the German Partnership for Sustainable Orange Juice (PANAJO), and a group of private sector partners.

Orange juice is the largest globally traded juice commodity by volume, the majority of which is produced and processed in Sao Paulo State, Brazil. This study is an important starting point for understanding the living wage dynamics in the Brazilian orange juice sector, so steps can then be taken to close the potential living wage gaps. The study found that

the living wage for workers in the non-metropolitan region of Sao Paulo to be R\$ 2,551 (USD 567) per month, or R\$ 98 (USD 22) per day.

The findings are being used to inform discussions with companies, producers and processors on how to measure current remuneration, compare it with the living wage benchmark and close potential living wage gaps. Having a benchmark study of this kind forms the first part of IDH's Roadmap on Living Wages.

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# LIVING INCOME AND INCREASED INCOME

## F&I AND LIVING INCOME

For Food Crops and Ingredients sectors predominantly grown by smallholders, the Sustainability Initiatives have focused on contributing to better, stable and equitable incomes of male and female farmers. This involves industry actors (exporters, traders, processors, food manufacturers) increasing investment in smallholder farmer inclusion and adopting a transformative sectorial approach to enable farmers to earn a better income, in a long-term vision towards a living income. A living income is an income that at least covers the cost of a decent standard of living.

Retailers and food manufacturers joining together in Sustainability Initiatives commit to investing in sustainable sourcing. One such investment is in service delivery programs. IDH partners with industry actors, local agri-entrepreneurs and producer organiza-

tions, in service delivery programs, to ensure that products are produced responsibly and meet sustainability standards. Suppliers are encouraged to buy from and develop these programs, thereby contributing to increased incomes for farmers.

The service delivery programs focus on training and services for entrepreneurial farmers, helping to enhance farm productivity, adoption of sustainable agriculture practices, diversify crops and incomes, and increase access services as data and finance.

The programs also promote the inclusion of younger farmers, and equality in the division of labor and income between men and women, maintaining long-term viability for farms. Programs are managed in focus countries in South and Southeast Asia and Africa.

## FOCUS AREAS FOR F&I SECTOR SUSTAINABLE INITIATIVES ON LIVING INCOME



**Smallholder farmer inclusion**



**Gender equality**



**Training and services for entrepreneurial farmers**



**Access to services as data and finance**



**Managing programs in countries in South and Southeast Asia and Africa**



# Spices

## Improving markets and incomes

In the spices sector, the Sustainable Spices Initiative (SSI) takes a collective approach towards living income as part of the platform's new strategy towards 2025.



**“SSI’s mission is to be the point of reference for the global spices, herbs and dehydrated vegetables industry for driving change and awareness in the field of sustainability. As a platform, it provides an unmissable link to bring together initiatives of members and liaise with authorities. IDH’s support and facilitation has been crucial to its success.”**

**Alfons van Gulick**

*SSI Chairman and Nedspice Group Managing Director*




### VIETNAM

The Vietnam pepper Public-Private Partnership (PPP) taskforce works towards increased market compliance while improving income for pepper smallholder farmers. The long-term goal is to support 25% of pepper farmers increase their income by 20% by 2025.




### INDIA

In India, the National Sustainable Spices Program works to enabling better income for smallholder farmers through improved value chain linkages, as a result of public-private partnerships. For example, a project facilitating market linkages for smallholder farmers in Rajasthan and Madhya Pradesh focuses on increasing farmer income by reducing the cost of production and ensuring farmers receive a better price.





# Aquaculture

## Connecting markets through Seafood MAP

IDH and the Global Sustainable Seafood Initiative (GSSI) developed the Seafood MAP, to support non-certified seafood producers, including small-scale fishing and farming communities, to become more sustainable; and help markets to supply more sustainable seafood. Seafood MAP is a global information sharing platform that builds transparency, trust, and connections among seafood companies, interested investors, buyers, and civil society. Participants, who are validated on the site, upload information about their products, services, and their ongoing sustainability activities – mapping out their improvement journeys over time. Users can build partnerships and networks based on their business activities and sustainability goals.

By filling the current information void in this area and recognizing progress on all aspects of seafood sustainability, Seafood MAP reduces the fragmentation of the sustainable seafood industry and encourages continuous improvement efforts by actors of all sizes. Its aims include creating better market linkages between seafood producers and seafood buyers, resulting in increased income for seafood producers.



**“Seafood MAP will provide a framework to structure sourcing commitments in non-certified seafood; it will help us to collaborate with our suppliers to improve the supply chain sustainability.”**

**Dr. Darian McBain**

Global Director, Corporate Affairs and Sustainability, Thai Union



# Vanilla

## Agreeing a Living Income resolution for the whole sector

In the Vanilla sector, the Sustainable Vanilla Initiative (SVI), one of Food Crops and Ingredients sustainability initiatives, recognized that a changing market with an upcoming period of oversupply and downward price pressure would put farmer livelihoods at increased risk. To encourage collective action to improve economic resilience and market stability, in 2020 SVI came together to make a unique joint resolution, as follows.



SVI and SVI members are committed to creating a market environment that supports the ability of vanilla farmers to earn a living income. A “living income” is an income that at least covers the cost of a decent standard of living. This commitment means continued investment in strategies to help farmers close the gap between current incomes and a living income, including through trading relationships, new or improved farmer-facing programs, and participation in sector reform work promoting rural development and vanilla growers’ ability to earn a living income.

In line with this commitment, SVI will encourage the Madagascar government, professional associations, private sector stakeholders, and other civil society actors to work together to develop a long term-policy and process approach to living income in the vanilla sector. A private sector commitment to living income can only be successful if complemented by a sectoral approach to traceability, professionalization, and assurance around any farmgate reference prices.



## F&I AND ENVIRONMENT

Food Crops and Ingredients products are primarily grown by agriculture, aquaculture and floriculture, which include practices that can have a negative impact on the environment, for example in the areas of water use, chemical use, greenhouse gas emissions, and loss of biodiversity.

Many organizations are seeking to reduce their environmental impact. By joining Sustainability Initiatives, companies can scale up their impact ambitions to cover their total supply chain and embrace targets towards 2030 in line with the UN SDGs.





# Aquaculture

## Reducing fish diseases and antibiotic use

IDH works to increase the sustainability of the Aquaculture sector in China, Vietnam, Indonesia, Thailand and Ecuador, by tackling issues of disease and feed. In Haiti and Mozambique, IDH supports the development of a sustainable aquaculture sector by supporting companies to become aquaculture hubs in the region.

Diseases result in loss of income, waste of inputs and irresponsible practices like the excessive use of antimicrobials. Disease occurrence threatens farmers long-term business. As a result, investors are reluctant to make long-term (sustainable) investments.

Feed has an effect on people, planet and profit. It is the biggest cost in aquaculture production; it is sometimes used

inefficiently; and may contain marine ingredients such as fish oil and fish meal which may be come from illegal, unreported and unregulated (IUU) fisheries.

In Haiti, IDH partners with Taino Aqua Ferme (TAF), a tilapia producer, to improve the health management of the fish, by piloting vaccinations. The vaccination program has been successful in improving the survival rates of fish, and reducing the amount of feed needed. As feed is associated with most environmental impacts, reducing feed is critical for improving environmental sustainability. The project, which also introduced better management, training and updated procedures, has achieved an 82% reduction in the use of antibiotics (relative to biomass) in 2020 compared with 2019.



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## Flowers and Plants

### Reducing pesticide use through Chain Transparency 2.0

In the Flowers and Plants sector, member companies of the Floriculture Sustainability Initiative (FSI) collaborated on a project resulting in a substantial reduction in volume of pesticide use, leading to reduced environmental impact.

The Chain Transparency 2.0 project was created to increase transparency of the use of agrochemicals throughout the floriculture supply chain. By following the live chains of 22 companies between 2016 and 2019 and taking samples of the products, best practices for responsible agrochemical usage were identified.

Next to increased transparency in pesticide use, the Chain Transparency 2.0 project also showed substantial reductions of pesticide usage, with an average reduction of 45% volume (kg active ingredient per ha) and even 64% for the group of

active ingredients with a high potential risk for environment, resulting in a reduction of the environmental impact of 47%. This is substantial even compared to the combined records of 1,818 floriculture companies that are certified to the MPS-ABC environmental standard, which positively show an average of reduction of the environmental impact of 14% in the same period.

The Chain Transparency Project leads to several long-term benefits, which range from increased transparency and alignment with societal expectations, to healthier working conditions and improved environmental impact. The insights from the project will be translated into responsible agrochemical strategies which can be used by the whole floriculture sector, and potentially other sectors, to reduce environmental impact.

**“The Chain Transparency 2.0 project is a great example of how a combined floriculture supply chain approach leads to benefits for the whole sector. By following the plant production process of 22 companies, and testing best practices for responsible agrochemical usage, the project demonstrates how the Floriculture Sustainability Initiative members work collaboratively to meet sustainability challenges.”**

**Robert Kuijf,**  
Product Manager at Anthura B.V.



**45%** reduction of  
pesticide usage in volume  
(kg active ingredient per ha)



**64%** reduction of the  
group of active ingredients  
with a high potential risk for  
the environment.



**47%** reduction of  
environmental impact.



## Fruit and Vegetables

### Tackling Environmental Footprint through SIFAV 2025 Environment Goals

As part of its 2025 program, SIFAV members are required to define, measure and reduce the environmental footprint of selected products:



25% carbon footprint reduction in three priority products



25% food loss and waste reduction in three priority products



Benchmark water efficiency levels reached in three catchments



Water standards implemented for 70% of volume from high water risk countries

Further ambitions on additional themes such as pesticide use, biodiversity and soil, and land system change will be added by 2023.

To help its members calculate the environmental footprint of a product, SIFAV is developing an Environmental Footprint Index, with a data collection template and index calculation kit.



**“Through SIFAV we are able to achieve alignment on how social and environmental impact is measured in the fruit and vegetables sector. We make use of existing solutions where possible and develop practical measurement systems and tools where collectively needed. In this way, we relieve the supply chain from duplication of effort and cost so our work can be truly focused on improving labour conditions and reducing our negative impact on the environment.”**

**Stefanie Vermaesen,**  
Senior Advisor Sustainable Business, Nature's Pride



# What do Food Crops and Ingredients Sustainability Initiatives offer?



Sector expertise on developing sustainable trade



Convene and align industry on common goals to create impact on the ground



Help companies contributing to UN SDGs



Support due diligence requirements for supply chains



Provide assurance to meet government/EU and retailers' requirements



Direct the development of verification standards to make the industry more sustainable

## How to get involved

For more information on Food Crops and Ingredients, to join or to fund specific projects



For more information on the Living Wages Roadmap



For more information on the Banana Retail Commitment on Living Wage



## To join a Sustainability Initiative



Global Seafood Sustainability Initiative



Sustainable Juice Covenant



Floriculture Sustainability Initiative



Sustainable Nut Initiative



Sustainability Initiative Fruit and Vegetables



Sustainable Vanilla Initiative



Sustainable Spices Initiative



