Welcome to
Measuring Sustainability Progress
20.8.2020
AGENDA

- Measurement in the context of GCP
- Why we measure
- What we measure
- How we measure
- More partners and other commodities
- What about you? Sustainability is OUR JOINT responsibility
OUR SPEAKERS TODAY

Caroline Glowka  
Andreas Terhaer  
George Watene

Doan Thi Nhung  
Pham Quang Trung  
Eduardo Matavelli  
Tamara Barim
BUILDING A THRIVING AND SUSTAINABLE COFFEE SECTOR

Country Platforms

Convene for Impact

Enable Local Action

Measure to Advance

Sustainable Coffee Sector: Environmental, Social and Economic

Sustainable Development Goals
GCP GOALS

Thriving & Sustainable Coffee Sector

1. IMPROVED LIVELIHOODS
   - Gender & youth equality
   - Better working conditions
   - Improved health and nutrition

2. FARMER PROSPERITY
   - Increased income
   - Optimum productivity
   - Improved quality
   - Supply chain efficiency
   - Increased demand

3. CONSERVATION OF NATURAL RESOURCES
   - Water usage
   - Reduced deforestation
   - Soil protection
POLL 1

WHICH GROUP DO YOU BEST REPRESENT
GLOBAL THEME

INTERNATIONAL COFFEE ORGANIZATION

2019/2020
Sustainable Coffee value chains and responsible sourcing

RESPONSIBLE CONSUMPTION & PRODUCTION: WHY IT MATTERS

What is the goal here?
To ensure sustainable consumption and production patterns.

Why?
More people globally are expected to join the middle class over the next two decades. This is good for individual prosperity but it will increase demand for already constrained natural resources. If we don’t act to change our consumption and production patterns, we will cause irreversible damage to our environment.

RESOURCES

If the global population reaches 9.6 billion by 2050, the equivalent of almost three planets will be required to sustain current lifestyles.
CALL TO ACTION

GCP calls on all coffee industry stakeholders and partners:

1. International coffee exchanges
2. Roasters & Retailers
3. Stakeholders in producing countries
4. Government, private sector, civil society

Encourage roasters and retailers to:

- Make forward looking and increasing commitments about sourcing sustainable coffee with remunerative prices that allow for investments into sustainable coffee production
- Transparently report volumes of sustainable coffee purchased by origin on an annual basis to encourage diversity of sourcing
- Promote consumption of sustainable coffee both in coffee importing markets and coffee producing countries
- Enlarge the scope of sustainable coffee, enabling greater participation of smallholder farmers to manage their farms as businesses

The 15 common indicators for farm-level sustainability

- Economic
  - Coffee Profit
  - Yield / Productivity
  - Cost of Production
  - Price – Chain efficiency & return distribution
- Social
  - Poverty Level
  - Wages
  - Child labour
  - Hunger
  - Labor Practices
- Environmental
  - Forest and Ecosystem Protection
  - Fertilizer use
  - Water Conservation & Contamination Prevention
  - Pest control/ hazards
  - Soil Conservation

Sustainable purchases

Volume of sustainable purchases by buyer and as a proportion of total, and change year to year
SNAPSHOT

Share of GCP RR Members Sustainable Purchases

- **Rainforest Alliance**: 55%
- **FairTrade**: 25%
- **$22 million in Premium**

**Sustainable purchases**

Volume of sustainable purchases by buyer and as a proportion of total, and change year to year.

**Economic**
- Coffee Profit
- Yield / Productivity
- Cost of Production
- Price - Chain efficiency & Cost reduction
- Sustainable purchases

**Social**
- Poverty Level
- Wages
- Child labour
- Hunger
- Labor Practices

**Environmental**
- Forest and Ecosystem Protection
- Fertilizer use
- Water Conservation & Contamination Prevention
- Pest control/ hazards
- Soil Conservation
HOW DO WE GET THERE?

What to do and how??

Guidance

Am I on the right track??

Measurement

Improved Livelihoods

1

1. POVERTY
2. END HUNGER
5. GENDER EQUALITY
8. SUSTAINABLE	ECONOMIC GROWTH
12. RESPONSIBLE	CONSUMPTION AND PRODUCTION
13. LIFE ON LAND
The **15 common indicators** for farm-level sustainability

**Economic**
- Coffee Profit
- Yield / Productivity
- Cost of Production
- Price – Chain efficiency & returns distribution
- Sustainable purchases

**Social**
- Poverty Level
- Wages
- Child labour
- Hunger
- Labor Practices

**Environmental**
- Forest and Ecosystem Protection
- Fertilizer use
- Water Conservation & Contamination Prevention
- Pest control/ hazards
- Soil Conservation
### Report A

<table>
<thead>
<tr>
<th>Name</th>
<th>Tran Thi Nguyen</th>
</tr>
</thead>
<tbody>
<tr>
<td>Geolocation</td>
<td>41.65-584.9857</td>
</tr>
<tr>
<td>Cost</td>
<td>2000 USG</td>
</tr>
<tr>
<td>Yield</td>
<td>27 bags/a</td>
</tr>
<tr>
<td>Water Usage</td>
<td>High</td>
</tr>
</tbody>
</table>

### Report B

<table>
<thead>
<tr>
<th>Name</th>
<th>Tran Thi Nguyen</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production cost</td>
<td></td>
</tr>
<tr>
<td>Fertilizer:</td>
<td>2600.00 VND/a</td>
</tr>
<tr>
<td>Labour:</td>
<td>2,300,000 VND/m</td>
</tr>
<tr>
<td>Energy:</td>
<td>43,000 VND/month</td>
</tr>
<tr>
<td>Yield</td>
<td>900 Kg/ha</td>
</tr>
<tr>
<td>Water Usage</td>
<td>250 liters/ha</td>
</tr>
</tbody>
</table>

### Harmonising indicators and metrics

- **Report A**
  - **Geolocation**: 41.65-584.9857
  - **Cost**: 2000 USG
  - **Yield**: 27 bags/a
  - **Water Usage**: High

- **Report B**
  - **Production cost**
    - Fertilizer: 2600.00 VND/a
    - Labour: 2,300,000 VND/m
    - Energy: 43,000 VND/month
  - **Yield**: 900 Kg/ha
  - **Water Usage**: 250 liters/ha

**Water conservation practices**

- Irrigation, catchments, efficient processing
YOU WANT TO:

1. Demonstrate your impact against others (e.g. regions)?
2. Save money and effort for data collection?
3. Support development of farmer services
4. Utilize traceability for sustainability messaging towards customers?
5. Contribute to or learn from certification audits?

...THIS COULD HELP YOU...
POLL 2

HAVE YOU HAD CHALLENGES DECIDING ON WHAT INDICATORS TO USE TO SHOW YOUR PROGRESS AND PERFORMANCE
HOW?
COFFEE PRODUCTION ETHIOPIA, UGANDA AND KENYA
INITIAL REVIEW OF SYMPTOMS

Productivity in Kg/Ha

Kenya Small Holders
Kenya Estates/Plantation
Colombia
Costa Rica

2019
2022

The 15 common indicators for farm-level sustainability

Economic
- Coffee Profit
- Cost of Production
- Price - Chain efficiency & returns distribution
- Sustainable purchases

Social
- Poverty Level
- Wages
- Child labour
- Hunger

Environmental
- Forest and Ecosystem Protection
- Fertilizer use
- Water Conservation & Contamination Prevention
- Pest control/ hazards
- Soil Conservation

Kenya

Colombia
Costa Rica

Productivity in Kg/Ha
• Economic viability Study - published

• Harmonized training material development 2018 – Kenya Coffee Sustainability Manual, with support from GIZ

• Partnered with CRI and County government to build capacity of about 1000 master trainers, with support from GIZ
• Feedback to the farmers for action
• Feedback to stakeholders for strategy and policy
• Collect the data as efficiently as possible

• Share the data on GCP progress for analysis, inference and insights
• Confirm the medicine is working and advance.
PROCESSING COST, EFFECT ON FARMGATE PRICE IN COOPS (*6.5 FOR GBE)
The 15 common indicators for farm-level sustainability

**Economic**
- Coffee Profit
- Yield / Productivity
- Cost of Production
- Price – Chain efficiency & returns distribution
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**Social**
- Poverty Level
- Wages
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**Environmental**
- Forest and Ecosystem Protection
- Fertilizer use
- Water Conservation & Contamination Prevention
- Pest control/ hazards
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**Sustainable Food Production and Resilient Agricultural Practices**
OVERVIEW

• Objectives of implementing the GCP Measurement Tools in Vietnam

• What are we measuring?

• The Benefits

• Next steps
OBJECTIVES

- Improve **sector management** through application of technology in data collection for identification of coffee regions
- Enhance the **transparency** in the value chain
- Support the **traceability** of products
TOOL STRUCTURE

HH's information-based household codes, map
Farm characteristics
Production and adoption level of sustainable practices
Economic, Environmental, and social aspects
KEY LEARNINGS: DATA COLLECTION

- Coffee trees are aging
- High demand for hired labour
- Amount of organic fertilizer used is still low (17% farms in Krong Nang)
- Demand for finance assess
HOW IS THE DATA USED?

- Private sector: using data for strategic planning and supporting contracted farmers
- Public sector: using information for analysing and planning to
  - (i) identify issues of coffee production such as amount of water, pesticide, fertilizer used in coffee production
  - (ii) improve education in target areas
- Contributing to existing programs of partners
- Advancing Public Private compact initiatives
NEXT STEPS

- Keep sharing information and responsibilities across local coffee stakeholders for joint activities and decisions
- Road-test harmonized metrics and create cross-learnings
- Promote aligned reporting and collective action
- Advocate local authorities to institutionalize existing tools
- Include aligned metrics into local initiatives to become comparably measurable
Tools for continuous improvement

Collective Action Initiatives

Identify gaps

CSC

Fundamental Items

Train technicians to use the CSC

CSC App

IMS

SUSTAINABILITY INDICATORS

Global Coffee Platform
### The CSC indicators

<table>
<thead>
<tr>
<th>Fundamental Item</th>
<th>CSC Item</th>
<th>Sustainability Indicator</th>
<th>Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of production</td>
<td>1.1.4</td>
<td>Average price obtained from coffee sales</td>
<td>R$/Kg bag</td>
</tr>
<tr>
<td>Control, review, documentation</td>
<td>1.5.1</td>
<td>2. Wastewater that has passed through an appropriate treatment system</td>
<td>%</td>
</tr>
<tr>
<td>Soil and leaf analysis, fertilization plan</td>
<td>1.5.6</td>
<td>3. 10% of the coffee grown is certified organic</td>
<td>%</td>
</tr>
<tr>
<td>Productivity</td>
<td>1.5.8</td>
<td>4. Treatment and disposal of waste</td>
<td>%</td>
</tr>
<tr>
<td>Environmental Indicators</td>
<td>1.5.9</td>
<td>5. 10% of the coffee produced is certified organic</td>
<td>%</td>
</tr>
<tr>
<td>Environmental Indicators</td>
<td>1.5.10</td>
<td>6. Site surveillance, upstream and downstream management</td>
<td>%</td>
</tr>
<tr>
<td>Environmental Indicators</td>
<td>1.5.11</td>
<td>7. Soil conservation, upstream and downstream management</td>
<td>%</td>
</tr>
<tr>
<td>Environmental Indicators</td>
<td>1.5.12</td>
<td>8. Integrated pest management</td>
<td>%</td>
</tr>
<tr>
<td>Environmental Indicators</td>
<td>1.5.13</td>
<td>9. Integrated use of water</td>
<td>%</td>
</tr>
<tr>
<td>Environmental Indicators</td>
<td>1.5.14</td>
<td>10. Integrated use of fertilizers and pest control</td>
<td>%</td>
</tr>
</tbody>
</table>

### Social Issues

<table>
<thead>
<tr>
<th>Fundamental Item</th>
<th>CSC Item</th>
<th>Sustainability Indicator</th>
<th>Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health and safety</td>
<td>1.6.1</td>
<td>Workers who receive mandatory medical examinations.</td>
<td>%</td>
</tr>
<tr>
<td>Training</td>
<td>1.6.4</td>
<td>Coffee farmers enrolled in coffee training programs</td>
<td>%</td>
</tr>
<tr>
<td>Labor legislation</td>
<td>1.6.5</td>
<td>Coffee farmers receive health and safety training.</td>
<td>%</td>
</tr>
<tr>
<td>Personal Protective Equipment (PPE) usage and working</td>
<td>1.6.6</td>
<td>Coffee farmers wear personal protective equipment (PPE) on the farm.</td>
<td>%</td>
</tr>
<tr>
<td>Youth, women and family associations</td>
<td>1.6.7</td>
<td>Training and development of youth and women.</td>
<td>%</td>
</tr>
</tbody>
</table>

### Notes

- CSC: Certified Sustainable Coffee
- R\$/Kg bag: Brazilian Real per kilogram bag
- %: Percentage
- Workers: Number of workers involved in the coffee production process.
- Environmental indicators: Percentage of coffee grown under certified organic production standards.
Brazilian Sustainability Indicators vs. Coffee Data Standard

**Economic**
- Coffee Profit
  - Total revenue from coffee sales minus variable costs for coffee production (Reported in USD/kg of coffee productive area)
- Yield / Productivity
  - kg of GBE (harvested)/ha of coffee productive area
- Cost of Production
  - Cost incurred to produce the coffee during the last production year (calculated per kg of GBE)
- Price - Chain efficiency & returns distribution
  - Average price received per kg of coffee (GEB)
- Sustainable purchases
  - Volume of sustainable purchases by buyer and as a proportion of total, and change year to year.

**Social**
- Poverty Level
  - Comparison of total household revenue to International (World Bank) Poverty Line (total divided by # adult individuals in hh)
- Wages
  - Daily average earnings for farm labor compared to (rural) minimum wage
- Child labour
  - Percentage of school-age household members, under age 18, who have completed appropriate grade level for their age
  - Option: Prohibition of children in hazardous working conditions
- Hunger
  - Whether the household was food secure during the last production year (report 0 days of food insecurity—i.e., not skipping meals or significantly reducing food intake because food was not available)
- Labor Practices
  - % of good labor practices adopted (of those listed)

**Environmental**
- Forest and Ecosystem Protection
  - Land area (in ha) and proportion of the farm that was converted from natural land (e.g., forest, savanna) to land used for coffee production in the last 5 years. Percentage of forest and ecosystem protection practices used on the farm
- Fertilizer use
  - Whether a professional assessment or advice was used to determine fertilizer needs on the farm
- Water Conservation & Contamination Prevention
  - Percentage of applicable water conservation practices used on the farm (of those listed). Percentage of water contamination prevention practices used on the farm (of those listed)
- Pest control/ hazards
  - Percentage of IPM practices employed on the farm
  - Use of banned or hazardous pesticides on the farm
- Soil Conservation
  - Percentage of applicable soil conservation practices used on the farm (of those listed)
Coffee farmers

Internal Management System

- Administration
- IMS Coordinator
- Agronomists or technicians
- Field visit
- IMS Internal Inspector

- Economical
- Environmental
- Social

Bottlenecks

Acting together to eliminate bottlenecks & promote continuous improvement

Fundamental Items & Indicators

CSC

CSC App
<table>
<thead>
<tr>
<th>FUNDAMENTAL ITEM</th>
<th>CSC ITEM</th>
<th>SUSTAINABILITY INDICATOR</th>
<th>UNIT</th>
</tr>
</thead>
<tbody>
<tr>
<td>6 Agrochemical warehousing</td>
<td>2.7.1, 2.7.3, 2.6.1, 2.6.2</td>
<td>Coffee farmers that have a proper storage for agrochemicals.</td>
<td>%</td>
</tr>
<tr>
<td>7 Return of agrochemicals packages</td>
<td>2.6.4</td>
<td>Coffee farmers that send all empty agrochemical packages back to suppliers and keep record of receipts that certify it. No reused package in found the property.</td>
<td>%</td>
</tr>
<tr>
<td>8 Treatment and destination of waste</td>
<td>2.4.2, 2.3.1, 2.3.5, 2.5.3</td>
<td>Coffee farmers that have a septic tank or wastewater treatment system and do not pour them into water streams or soil without previous treatment.</td>
<td>%</td>
</tr>
<tr>
<td>9 Permanent Preservation Area (PPA)</td>
<td>2.2.1, 2.2.4</td>
<td>Coffee farms where PPAs are maintained or recovered.</td>
<td>%</td>
</tr>
<tr>
<td>10 Soil conservation, coverage and weed management</td>
<td>2.1.2, 6.1.3, 6.2.1, 6.3.1</td>
<td>Coffee farmers that adopt at least two soil conservation practices.</td>
<td>%</td>
</tr>
<tr>
<td>11 Rational use of water</td>
<td>7.2.2, 7.2.3, 7.2.4</td>
<td>Coffee farms that use irrigation rationally (when available).</td>
<td>%</td>
</tr>
<tr>
<td>12 Registered agrochemicals and grace period</td>
<td>8.2.5, 8.3.3</td>
<td>Coffee farmers that register and control grace periods after applying agrochemicals.</td>
<td>%</td>
</tr>
<tr>
<td>13 Climate</td>
<td>6.4.1</td>
<td>Coffee farmers that use at least two climate effect mitigation practices, especially those related to tolerance to drought.</td>
<td>%</td>
</tr>
<tr>
<td>FUNDAMENTAL ITEM</td>
<td>CSC ITEM</td>
<td>SUSTAINABILITY INDICATOR</td>
<td>UNIT</td>
</tr>
<tr>
<td>----------------</td>
<td>---------</td>
<td>--------------------------</td>
<td>------</td>
</tr>
<tr>
<td>14 Health and safety</td>
<td>11.6.1</td>
<td>23 Workers who undergo mandatory medical examinations.</td>
<td>Nº (workers)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>24 Accidents at work in the coffee farm per year (by official communication), including short-term workers.</td>
<td>Nº (accidents)</td>
</tr>
<tr>
<td>15 Training</td>
<td>8.3.6</td>
<td>25 Workers trained in agrochemicals application.</td>
<td>Nº (workers or coffee farmers)</td>
</tr>
<tr>
<td>16 Labor legislation</td>
<td>11.1.1 11.1.2 11.3.1 11.8.1 11.8.2 11.8.4</td>
<td>26 Coffee farmers that hire workers according to labor laws, including seasonal and short-term workers.</td>
<td>%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>27 Coffee production that is related to recruitment of workers according to labor laws, including seasonal and short-term workers.</td>
<td>%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>28 Coffee farms that have access to clean and pure water (free of total and fecal coliforms).</td>
<td>%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>29 Workers that earn at least minimum wage.</td>
<td>%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>30 Coffee farmers that provide accommodation/housing (at minimum baseline standards).</td>
<td>%</td>
</tr>
<tr>
<td>17 Personal Protective Equipment (PPE) usage and washing</td>
<td>8.3.4 8.3.7 11.6.3</td>
<td>31 Coffee farmers and workers that use PPE in all situations that might bring risks of contamination by agrochemicals.</td>
<td>%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>32 Coffee farmers that own a proper place to wash PPEs.</td>
<td>%</td>
</tr>
<tr>
<td>18 Youth, women and family succession</td>
<td>11.10.1</td>
<td>33 Women in management or leadership positions in the farm compared to men in the same conditions.</td>
<td>%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>34 Women working in the coffee farm compared to other farm workers.</td>
<td>%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>35 Coffee farms where young people are engaged or wish to stay in coffee activity.</td>
<td>%</td>
</tr>
</tbody>
</table>
Coffee farmers that have a proper storage for agrochemicals

Coffee farmers that send all empty agrochemical packages back to suppliers and keep record of receipts that certify it. No reused package in found the property.
RESULTS: Responsible Use of Agrochemicals Collective Action Initiative

KPIs on agrochemical issues
Coffee Data Standard

INFORMATION & COMPARISON LEVELS

- Institution
- Municipality
- State
- Region
- Country
- Collective Action Initiative
- Specific program

Next step:

GLOBAL LEVEL

COFFEE DATA STANDARD

- Brazilian Sustainability Indicators vs. Coffee Data Standard
- Alignment process to incorporate standardized metrics into existing measurement approaches
- Standardized reporting
RECAP: CONNECTING THE DOTS

- Address global issues collectively
- Setting national priorities for interventions
- Measure progress and compare with or learn from others
- Alignment adds value on the ground, be it water efficiency or social conditions
MORE PARTNERS & OTHER COMMODITIES

ADD VALUE TO DATA: THE DELTA FRAMEWORK

- Cross-commodity sustainability performance framework: coffee & cotton
- Adds value by:
  - Triggering development of advanced services to farmers
  - Links to business needs
  - Creating feedback mechanisms for producers
  - Seeking government endorsement

BCI Better Cotton Initiative

GLOBAL COFFEE PLATFORM

Swiss Confederation
Federal Department of Economic Affairs, Education and Research, State Secretariat for Economic Affairs (SECO)
NOW IT’S UP TO YOU

Make your sust. efforts and investments more visible

Be a community member → use common indicators and help shaping them

Discuss with us on cross-commodity performance measurement

Align your efforts and join Collective Action Initiatives
POLL 3

WHAT'S YOUR ROLE

(SUSTAINABILITY IS OUR SHARED RESPONSIBILITY)
SUSTAINABILITY IS OUR SHARED RESPONSIBILITY