The European Union market for sustainable products

Demand, market opportunities and requirements for sustainable products from Tanzania

Co-funded by the European Union

East African Community

International Trade Centre

ABOUT THIS STUDY

Building on extensive research on the European market for sustainable products, this study offers a perspective on how on one side retailers in France, Germany, Italy, the Netherlands and Spain find growing consumer demand for sustainably-sourced products, and on the other side how micro, small and medium-sized (MSME) enterprises in Tanzania embrace sustainability in their business strategies.

Many supply chains are based on a deep integration between buyers and sellers, importers and exporters who work in partnership to introduce environmental and social standards. This report contains data on consumer demand and retailer sourcing strategies in five European countries: France, Germany, the Netherlands, Spain and Italy, as well as data collected directly from enterprises in Tanzania.

The Market Access Upgrade Programme (MARKUP) aims to contribute to the economic development of the EAC region. With a budget of €35 million funded by the 11th EDF Regional Indicative Programme for the EAC region, MARKUP comprises the EAC Window and the Partner States Windows. The EAC-Window supports EAC's efforts to improve the regional trade and business enabling environment for selected commodities, through enhanced capacity to advocate for the removal of sector trade barriers (Result 1) and improved sector Standards and SPS measures harmonization (Result 2, implemented by GIZ). The EAC Window also supports the private sector in enhancing its export competitiveness, through increased awareness and compliance with destination market requirements as well as with improved access to finance (Result 3) and business development opportunities (Result 4). This study falls under the Tanzania Partner States Window, which aims at "Enhanced awareness on sector enablers through market analysis and research" (R 1), in particular under the output targeting, "Improving information on EU destination markets" (TZ 1.2).

ACKNOWLEDGEMENTS

Disclaimer

Contents

ACRONYMS

BRC	British Retail Consortium
BSCI	Business Social Compliance Initiative
ETI	Ethical Trading Initiative
EU	European Union
FSSC 22000	Food Safety System Certification
GGN	GLOBALG.A.P. number
HACCP	Hazard analysis and critical control points
ICM	Integrated Crop Management
IFS	International Featured Standard
IPC	Integrated Pest Control
ITC	International Trade Centre
MARKUP	Market Access Upgrade Programme
MRL	Maximum residue levels
NGO	Non-governmental organization
SEDEX	Supplier Ethical Data Exchange
SQF	Safe Quality Food Program
T4SD	Trade for Sustainable Development

INTRODUCTION

The demand for sustainably produced products has been increasing globally. According to Nielsen[1], in 2015, 68% of global consumers said they were willing to pay extra for sustainable goods. The number rose from 50% in 2013, indicating that consumers are becoming more aware of sustainability aspects of products and demand more of such products. For instance, global retail sales of Fairtrade certified products increased from 4.36 billion EUR in 2010 to 7.88 billion EUR in 2016. The EU market remains a large consumer of Fairtrade products: in Germany alone, sales of Fairtrade products increased from 340 million EUR in 2010 to 1.15 billion EUR in 2016[2]. When it comes to organic products, the EU is the second largest market after the USA for products produced in compliance with organic standards, reaching 30.7 billion EUR in retail sales in 2016. Germany and France are the largest EU markets for organic products, with 9.5 billion EUR and 6.7 billion EUR respectively in retail sales of organic products.

The European Commission takes into account consumer demand for sustainably certified products and the role such standards play in promoting human rights, decent working conditions, environmental stewardship and economic growth in third countries. Supporting and promoting sustainably certified products and sustainability schemes is part of the Commission's new trade and investment strategy, "Trade for All", which states that "promoting fair and ethical trade schemes reflects EU consumer demand and contributes to developing more sustainable trade opportunities for small producers in third countries"[3].

To promote such ambitions, there is a need to better understand the demand for sustainably produced products in the European Union. ITC's Trade for Sustainable Development Programme (T4SD) conducted the first of its kind pilot survey in 2018 and 2019 to assess the EU market for sustainably certified products in five countries, namely in France, Germany, Italy, Spain and the Netherlands, and for a selection of priority food and non-food sectors. The survey was funded by the EU Commission as part of the "Trade for All" trade and investment strategy. T4SD is well positioned to carry out such a survey due to its extensive experience in the field of sustainability and voluntary sustainability standards – T4SD manages a global database on voluntary sustainability standards "Standards Map", which provides information on various facets of standards such as requirements, audit procedures, labelling, and traceability procedures for more than 250 schemes. The European Union is also funding the Market Access Upgrade Programme (MARKUP), a project implemented in the East African Community in 2018-2022. MARKUP aims to contribute to EAC economic development by improving value addition to avocado, spices, coffee and tea in Tanzania. As part of the components implemented by ITC, this study was commissioned in order to identify the EU market demand for sustainable produced products from Tanzania.

To identify the EU market demand for sustainably produced products from Tanzania, T4SD developed a research methodology based on new and existing data related to voluntary sustainability standards and market requirements in Europe, and an analysis of the most recent market trends in priority sectors, namely tea, coffee, fruits and vegetables and spices.

This study presents the results of the research and provides valuable insights on the size of the EU market for sustainably produced products, dynamics of demand for sustainable products as well as retailer strategies for sustainable sourcing. The report also contains detailed information on a set of sustainability standards which are required by buyers in the EU. The results are valuable for Tanzania policy-makers and exporters in helping them to understand the evolution of the market for sustainable products and design relevant policies and strategies for promoting such products and sustainability schemes.

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[1] "The Sustainability Imperative. New Insights on Consumer Expectations", October 2015, https://www.nielsen.com/content/dam/nielsenglobal/dk/docs/global-sustainability-report-oct-2015.pdf

[2] https://annualreport16-17.fairtrade.net/en/building-fairtrade-markets/

[3] http://ec.europa.eu/trade/policy/in-focus/new-trade-strategy/

CHAPTER 1: METHODOLOGY

1.1 Methodology

The research methodology has been developed by the Trade for Sustainable Development (T4SD) Programme of ITC. It enables ITC to create cross-country statistics and comparisons on the demand for sustainably produced products in Europe, and assess the potential for Tanzania exports to meet such requirements. The data used in this research comes from existing sources at ITC, business surveys in five European countries (Germany, France, the Netherlands, Italy and Spain) and additional business surveys of a sample of companies in Tanzania. The report also contains detailed information on a set of sustainability standards which are required by buyers in the EU and apply to exports from Tanzania. The data on these standards has been collected through a desk research and using T4SD database on sustainability standards "Standards Map".

Scope and coverage

This study aims at assessing the potential for exports of sustainably produced products from Tanzania into the European market. By the notion "sustainably produced products" (used interchangeably with the notion "sustainable products") ITC implies those products that are produced with less harm to the environment, with respect to human rights and provision of good working and employment conditions.

The sample of companies surveyed in Tanzania has been defined in collaboration with Markup project partners based on the selected priority sectors, the size of production and the size of consumption and demand for such products in Europe.

Surveys of companies

The survey of companies in Tanzania has consisted namely of phone and online surveys carried out with support from Markup project partners in the country. In order to ensure a relevant scale of surveys, it was decided not to conduct in person surveys but rather to collect additional testimonials as case studies to complement the results of the phone and online surveys. With regards to the survey of European companies, this study builds on the data collected by ITC during 2018 and 2019 in the context of another project financed by the European Commission DG Trade, focusing on the demand for sustainably produced products in the European Union[4].

1.2 Implementation

Existing data from EU retailers

More than 500 retailers in the EU were surveyed by ITC in 2018 and 2019 to assess their demand for sustainably produced products, their experiences of the evolution of market trends for the last 5 years and their projections on sales for the next five years. Such data has been compiled and analysed from the perspective of potential exports of sustainable products from Tanzania: EU retailers were not surveyed a second time for this study as the information collected in 2018 and 2019 was still very recent and of a very good match to the scope of information requested in this study.

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[4] "The European Union Market for Sustainable Products: the Retail Perspective on Sourcing Policies and Consumer Demand" available on ITC website: http://www.intracen.org/publication/The-European-Union-market-for-sustainable-products/

Business survey for companies from Tanzania

Almost a hundred companies – spanning the tea, coffee, avocado and spices sectors – participated in the survey exercise. The business survey covered company details (scope, size, and existing markets), sales information for sustainable and conventional products, uptake of sustainability standards, certifications or similar tools to position their products in their destination markets, and a dynamic perspective of the market trends looking at the last five years and prospects for the next five years. Following the COVID pandemic, additional questions were sent to companies for review and analysis of recovery measures.

CHAPTER 2: KEY FINDINGS

2.1 EU market for sustainable products[5]

The EU market presents a large opportunity for food and beverages exporters, with retail sector being the largest niche. The total turnover of all European food retailers in 2018 was €3.5 trillion[6] and it is expected to grow in the coming years.

Besides stringent legal food quality and safety requirements, EU retailers have been increasingly including sustainability-related requirements in their sourcing policies. These are requirements related to socially or environmentally friendly processes of producing the goods. Therefore, all the suppliers who are planning to work with EU retailers have to take into account these requirements and proactively adhere to them in their production processes in order to remain competitive and get contracts signed with the EU retailers.

In 2018-2019, ITC conducted research to understand what sustainable product sourcing policies EU retailers have in place. ITC contacted 1832 retailers and interviewed 550 in five EU countries, namely France, Germany, Italy, the Netherlands and Spain.

Out of 1832 retailers who were contacted, 98.5% consider sustainability as a factor in product sourcing.

96% of 550 retailers who were further interviewed by phone have sustainable sourcing strategies, i.e. a strategy whereby a company commits to sourcing products that are produced sustainably – taking into account one or several sustainability pillars: environmental, social and economic. A large number of retailers, besides having sustainable sourcing strategies, also have concrete commitments to source a certain number, percentage or volume of goods produced sustainably. Among 550 retailers interviewed, 76% have such commitments. Some retailers have also pledged to purchase 100% of their raw materials from sustainably certified sources by a certain date.

There are various ways in which retailers realize their sustainable sourcing policies and commitments. Companies can either make sustainable sourcing commitment through internal policies or codes to which all the suppliers have to adhere.
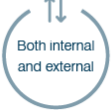
They can also do it through external sustainability standards that are designed and enforced by external parties such as NGOs, Certification Bodies etc. For instance, Ahold-Delhaize, a Dutch retailer, uses the UTZ standard to select coffee suppliers. Compliance of suppliers to the UTZ criteria is checked by independent third-party certification bodies. Companies can also use both internal and external standards and codes.

Figure 1 shows the percentage of retailers in five EU countries applying different types of sustainable sourcing policies. As seen from the data, most retailers (72%) apply both internal and external sourcing policies and standards. These policies and standards are normally included in supplier contracts.

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[5] Data in this section is taken from ITC report "The European Union Market for Sustainable Products: the Retail Perspective on Sourcing Policies and Consumer Demand" available on ITC website: http://www.intracen.org/publication/The-European-Union-market-for-sustainable-products/

[6] https://www.retail-index.com/Sectors/FoodRetailersinEuropeandworldwide.aspx

Figure 1. Retailers applying the various types of sustainable sourcing policies, by country

	France	Germany	Italy	Netherlands	Spain	Total
Through internal sustainability code of conduct/audit protocol/standard	15.1%	11.5%	21.3%	6.3%	35.5%	17.8%
Through external sustainability standard	18.5%	2.5%	17.0%	6.3%	6.5%	10.2%
Both internal and external	66.4%	86.0%	61.7%	87.5%	58.1%	72.0%

2.2 Trends in sales of sustainable products in the EU[7]

When asked about the progress with sales of sustainable products, retailers report increased numbers. 85% of retailers interviewed by ITC in five EU countries reported increased sales of sustainable products over the past five years. 65% of these retailers reported more than 10% increase in sales of sustainable products.

Figure 2. Percentage of EU retailers reporting increase in sales of sustainable product over the past five years, by country

France 90%
Germany 84%
Italy 84%
Netherlands 89%
Spain 78%
Average 85%
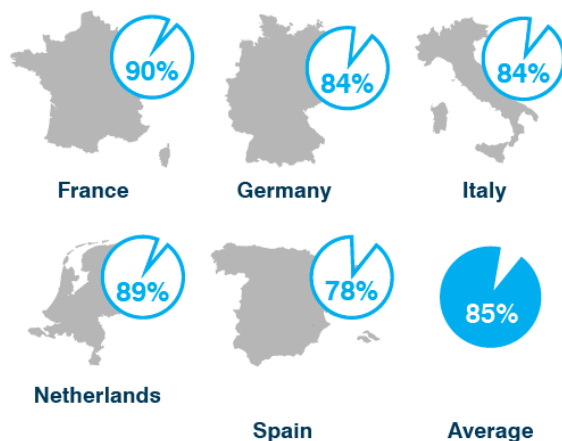
Same trend is on retailers' expectations on future sales of sustainable products. In all countries, 92% of 550 surveyed retailers expect sustainable product sales to increase in the next five years, with 74% expecting the increase to be higher than 10%. For existing and potential exporters to the EU market it means that the emphasis

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[7] Data in this section is taken from ITC report "The European Union Market for Sustainable Products: the Retail Perspective on Sourcing Policies and Consumer Demand" available on ITC website: http://www.intracen.org/publication/The-European-Union-market-for-sustainable-products/

on sourcing of sustainable products will be even stronger in the coming years; and in order to access the EU market, it is extremely important to track the retailers' policies and strategies on sourcing sustainable products.

Figure 3. Percentage of EU retailers expecting increase in sales of sustainable product in the next five years, by country
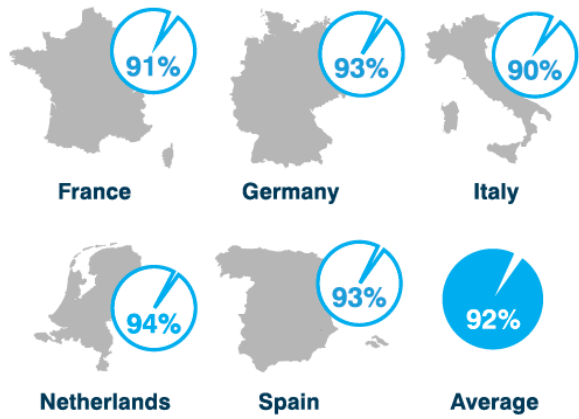
2.3 Legal requirements and sustainability standards to export to the EU market

Legal requirements

The EU market is very restrictive when it comes to mandatory requirements on food products imported by EU countries. Producers have to go through rigorous assessments and have to obtain multiple certificates confirming compliance with strict EU requirements on food quality and safety. Table 1 lists the most critical requirements.

Table 1. EU legal requirements for food products

Maximum residue levels (MRLs) for pesticides in and on food products	To avoid health and environmental damage, the EU has set MRLs for pesticides in and on food products. Products containing more pesticides than allowed will be withdrawn from the EU market. Note that buyers in several member states such as the UK, Germany, The Netherlands and Austria, use MRLs which are stricter than the MRLs laid down in EU legislation. Check the MRLs for avocados on the EU MRL database. Confirm with potential buyers if they require additional MRLs requirements.
EU legislation on plant health	Fruits and vegetables exported to the EU must comply with the EU legislation on plant health. The European Commission has laid down phytosanitary requirements to prevent introduction and spread of organisms harmful to plants and plant products in Europe. These requirements are managed by the competent food safety authorities in the importing and exporting countries. Verify with the National Plant Protection Organization or food safety authority in your country if and under which condition you can export avocados to Europe. These authorities normally work with international standards, but always check with your buyer as well. Read more about plant health in the EU Export Helpdesk.
General Food Law (European Commission Regulation 178/2002)	The General Food Law is the legislative framework regulation for food safety in the European Union. To guarantee food safety, it must be traceable throughout the supply chain, and risks of contamination must be limited. Implementing a quality management system can be an important tool in controlling food safety hazards.
EU law on food information to consumers	Clear labelling of your products is important for both bulk and pre-packed consumer products. Product labels should inform about composition, manufacturer, storage methods and preparation of the product. European labelling legislation applies to pre-packed consumer products and bulk products alike, but in a slightly different way. For consumer products, all information should be mentioned on the label while for bulk products it is allowed that some of the mandatory information is given in the commercial documents and does not need to be printed on the bag or label.
Allergen legislation (Regulation (EU) No 1169/2011)	The allergen legislation demands that pre-packed food products should state clearly whether they contain allergens. Spices and herbs or mixtures thereof can contain extraneous material (e.g. gluten, mustard or sesame seeds, milk, nuts – see Annex IIIa) that can cause allergic reactions and therefore have to labelled as containing allergens.

Source: CBI

Non-legal standards and requirements

The EU market is guarded by a complex import tariff regime, as well as nontariff barriers. Indeed, in addition to legally binding phytosanitary requirements, Tanzanian growers and exporters must meet the specifications laid out by buyers at the retail level, such as GlobalG.A.P. or HACCP, or even individual retailers' own standards. In fact, the market for noncertified products decreases every year. In 2007, it was estimated that the market size

for noncertified products was around 10% to 20%8 and since then, that number must have decreased even more.

GLOBALG.A.P.

GlobalG.A.P. is one of the most frequently used non-legal standards. It is used by most of the EU supermarket chains and covers production from farming to non-processed product stage. The standard is a summary of advanced food safety and sustainability specifications of retailers and major buyers worldwide. GlobalG.A.P. is recognized by more than 100 countries. Often retailers would only get in touch with those suppliers who possess a GlobalG.A.P certificate.

GlobalG.A.P. Certification covers:

- Food safety and traceability
- Environment (including biodiversity)
- Workers' health, safety and welfare
- Animal welfare
- Includes Integrated Crop Management (ICM), Integrated Pest Control (IPC), Quality Management System (QMS), and Hazard Analysis and Critical Control Points (HACCP)

GlobalG.A.P. also has a traceability system – all certified producers are identified in the GLOBALG.A.P. Database with a unique 13-digit GLOBALG.A.P. number (GGN), which allows you to monitor producers and validate their certificates.

Producers who aim to obtain a GlobalG.A.P. certificate and the right to use the logo, should go through an audit and certification process with a designated Certification Body eligible to conduct audits on GlobalG.A.P. In Tanzania, such Certification Body is SGS, contact details are as follows:

Plot No. 127, Mafinga Street

Kingsway Kinondoni road P.O.Box 2249

Dar Es Salaam, 2249

T+255 22 234 58 00

F+255 22 211 35 16

Website: https://www.sgs.co.tz/

Source: GlobalG.A.P.

8
https://www.marketlinks.org/sites/marketlinks.org/files/resource/files/export_markets_for_high_value_vegetables_from_Tanzania.pdf

EU buyers often require additional more advanced food safety and food quality standards for processed food products, such as:

-   British Retail Consortium (BRC)

-   International Food Standard (IFS)

-   Food Safety System Certification (FSSC 22000)

-   Safe Quality Food Standard (SQF)

These standards normally cover the following areas of food safety and quality[9]:

-   Food safety plans covering hazard analysis and critical control point (HACCP) programme

-   Well-documented, systematic food safety and quality management systems that form the basis for the product and process controls necessary to produce safe products, meet customer expectations and ensure staff are trained

-   Site standards - cover the suitability, cleanliness and control of the site and includes topics such as factory conditions, cleaning, equipment, pest control, foreign body controls and food defence/site security.

-   Product control - establishing product controls such as allergen management, the prevention of food fraud and product testing are important in the reliable delivery of safe, authentic products.

-   Process control - these requirements ensure that the documented HACCP plan is put into operation on a daily basis, together with effective procedures to consistently manufacture the product to the correct quality.

-   Personnel - training, protective clothing and hygiene practices

When it comes to niche markets, the standards that are required by buyers the most are Organic and Fairtrade.

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[9] https://www.brcgs.com/brcgs/food-safety/

EU Organic

Organic standards are aimed to ensure that products which are certified to these standards are produced using natural substances and processes.

Key principles of organic farming are the following:

- prohibition of the use of GMOs;
- forbidding the use of ionising radiation;
- limiting the use of artificial fertilisers, herbicides and pesticides;
- prohibiting the use of hormones and restrict the use of antibiotics and only when necessary for animal health.

Organic standards apply to the whole of food chain, from farming to storage, processing, transport and distribution to final customers.

In the EU, generic EU Organic standard is required by the buyers. Producers should also note that some countries have their own Organic standards and logos that might be stricter than EU Organic standard. For instance, France has its own Organic standard which is AB - Agriculture Biologique.

When it comes to processing organic food, EU Organic standard has the following specifications:

- the separation of processed organic products in time and space from non-organic ones;
- a minimum organic content of 95% of organic agricultural ingredients and strict conditions for the remaining 5%;
- clear rules on labelling and on which products can and cannot use the organic logo;
- specific limits to the substances which can be added to food and feed and a limited list of approved additives and processing aids to be used in organic production.

In Tanzania, major products certified to Organic standards are coffee, cotton, cocoa and tea. Fruits and vegetables are also certified Organic. Producers who aim to obtain EU Organic certificate and the right to use the logo, should go through an audit and certification process with a designated Certification Body eligible to conduct audits on EU Organic standard. In Tanzania, such Certification Body is Ecocert, contact details can be found here: https://www.ecocert-imo.ch/logicio/pmws/indexDOM.php?client_id=imo&page_id=tz

Source: European Commission

More information on EU Organic standard is presented in Annex I.

Fairtrade

Fairtrade standard is an ethical label that covers social, economic and environmental aspects of production; Fairtrade Mark is the most widely recognized ethical certification label globally. The standard puts workers and communities at the heart of the scheme.

Economic criteria include:

- Fairtrade Minimum Price paid to producers as a safety net against falling prices
- Fairtrade Premium which allows producers to improve the quality of their produce and communities

Environmental criteria include:

- Responsible water and waste management
- Preserving biodiversity
- Soil fertility
- Minimal use of pesticides and agrochemicals
- Prohibition of use of GMOs

Social criteria:

- Organizing small-holder farms in groups, e.g. cooperatives
- Non-discrimination
- Minimum wages
- Health and safety
- Freedom of association and collective bargaining

The largest EU markets for Fairtrade products (based on retail sales in 2015) are Germany, Switzerland, France and Sweden.

In Tanzania, Fairtrade certifies coffee and tea producers. Producers who aim to obtain Fairtrade certificate and the right to use the logo, should go through an audit and certification process with a designated Certification Body eligible to conduct audits on Fairtrade. In Tanzania, such Certification Body is FLOCERT, contact details are as follows:

Address :

FLO-CERT Tanzania P.O.Box 100 Karatu

Phone : + 255 787 422012

Email : africa@flocert.net

Source: Fairtrade International, Statista

More information on Fairtrade standard is presented in Annex I.

UTZ (part of Rainforest alliance)

UTZ is a widely recognized standard for tea, coffee, cocoa and hazelnuts. UTZ Code of Conduct sets out the key requirements that all UTZ certified producers are assessed against. These include:

- Farm management measures – yields optimization, records keeping, risk assessment, setting internal management systems for groups of farmers;
- Farming practices – integrated pest management, irrigation, diversification of production, product handling during and after harvest;
- Social and living conditions – application of national laws and ILO conventions on working hours, wages, freedom of association, gender equality, non-discrimination; safe and healthy working conditions and others;
- Environment – efficient use of water and energy, waste management, protection of nature, no deforestation, adaptation to climate change and others.

Requirements are separated for large individual farms and groups of smaller farms. There are also specific requirement for crops:

Coffee

- Correct fermentation and handling of coffee after harvest
- Treatment of wastewater from processing

Tea

- Appropriate time for harvesting
- Correct handling of harvested leaves
- Quality control
- Energy and wastewater management

UTZ also has a Chain of Custody system which covers products from the moment they leave a farm to when they arrive to shelves. Every step of product journey is logged in Good Inside Portal (for tea) and MultiTrace (for coffee).

Producers who aim to obtain UTZ certificate and the right to use the logo, should go through an audit and certification process with a designated Certification Body eligible to conduct audits on UTZ standards. In Tanzania, such Certification Body is SGS, contact details are as follows:

Address:

Plot No. 127, Mafinga Street

Kingsway Kinondoni road P.O.Box 2249

Dar Es Salaam, 2249

Tanzania

T+255 22 234 58 00

F+255 22 211 35 16

Source: UTZ

More information on UTZ standard is presented in Annex I.

Geographical Indications (GIs) have also proven to be interesting tools for companies to position their products in international markets such as the EU, sometimes in conjunction with other quality and sustainability

standards. GIs were not part of the scope of this study, but other MARKUP project activities have addressed them and seem to acknowledge their role and potential in securing a better access to some markets, while preserving the full value of the products' origin. Traceability and compliance processes to get the Geographiocal Indication associated with the product is much appreciated by most buyers, although of course this will only be one piece of a large puzzle.

Buyers in Europe also frequently require compliance to standards that cover social aspects of production, majorly use of forced and child labour, minimum salaries, health and safety conditions at work etc. The social standards that are frequently used by EU buyers are:

- Sedex Members Ethical Trade Audit - SMETA Best Practice Guidance

- Ethical Trading Initiative (ETI)

- Business Social Compliance Initiative (BSCI)

- GlobalG.A.P. Risk Assessment on Social Practice (GRASP)

UK retailers, for instance, use more frequently Ethical Trading Initiative and BSCI; in Scandinavian countries retailers use SMETA Best Practice Guidance; in Western Europe retailers tend to request GRASP-GlobalG.A.P.[10]

Table 2 below shows the standards that are applied by the major retailers (by revenue) in the EU.

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[10]http://www.agricultura.gov.br/assuntos/inspecao/produtos-vegetal/organismos-internacionais/arquivos-acesso-irrestrito/Lambrechts_Panel2_privatestandardsfinal.pdf

Table 2. Standards applied by major EU retailers

Retailer	Revenue in billions, 2017	Commercial presence	Standards used
Lidl (Schwarz group)	111.8 USD	Germany (HQ), Spain, Portugal, Ireland, UK, France, Italy, Malta, Belgium, Netherlands, Denmark, Sweden, Finland, Austria, Czech Republic, Poland, Slovakia, Slovenia, Croatia, Romania, Bulgaria, Greece, Luxembourg, Malta, Cyprus	Fruits and vegetables - Bord Bia Sustainable Horticulture Assurance Scheme (SHAS), GlobalG.A.P., Fairtrade, or Rainforest Alliance Coffee and Tea – Fairtrade, Rainforest Alliance, UTZ Social standards – SMETA, GRASP
Aldi	98.3 USD	Germany (HQ), Denmark, France, Belgium, Netherlands, Luxembourg, Portugal, Spain, Poland, Ireland, UK, Hungary, Italy, Austria, Slovenia	Coffee and Tea – UTZ, Fairtrade, Rainforest Alliance Fruits and vegetables – GlobalG.A.P.. GRASP Social standards – SMETA, GRASP
Tesco PLC	74 USD	UK (HQ), Republic of Ireland, Poland, Czech Republic, Slovakia, Hungary	Fruits and vegetables – Global G.A.P. Coffee – Rainforest Alliance Tea – Ethical Tea Partnership, Rainforest Alliance
Ahold Delhaize	72.3 USD	Netherlands (HQ), Belgium, Czech Republic, Romania, Greece, Portugal	Tea and coffee – UTZ, Rainforest Alliance, Fairtrade USA/Fairtrade International Fruits and vegetables – GlobalG.A.P. Social standards - BSCI
Auchan	58.6 USD	France (HQ), Italy, Portugal, Spain, Luxembourg, Romania, Hungary, Poland	Coffee – UTZ, Organic
Edeka Group	57.5 USD	Germany (HQ), France, Spain, Ireland, UK, Belgium, Netherlands, Italy, Austria, Hungary, Czech Republic, Poland, Slovenia, Sweden, Finland, Denmark	Fruits and vegetables – GlobalG.A.P., GRASP, Fair for life/Fairtrade Coffee and tea – UTZ and Rainforest Alliance Social standards – SMETA, GRASP
REWE	49.7 USD	Germany (HQ), Austria, Italy, Romania, Hungary, Czech Republic, Croatia	Fruits and vegetables – GlobalG.A.P. Coffee and tea – UTZ and Rainforest Alliance Social standards – SMETA, GRASP

Source: https://www.thebalancesmb.com/biggest-european-retail-chains-list-2892256 and company sustainability reports

Annex I provides detailed information on some of the standards.

2.4 EU demand for products from Tanzania

Imports of EU countries from Tanzania vary for different product categories. As seen from Table 2 and Figure 3, imports of fruits and spices have been increasing from 2015 to 2019. Imports of spices increased more than three-fold; imports of fruits increased more than two-fold. Imports of coffee, tea and vegetables have decreased by 2%, 27% and 40% respectively.

Table 3. EU Imports from Tanzania, 2015-2019 (in USD thousand)

	2015	2016	2017	2018	2019
Coffee	74,027	80,035	64,027	53,527	72,709
Fruits	11,056	12,376	13,231	15,727	24,758
Spices	1,113	1,662	2,439	2,917	3,374
Tea	13,542	13,315	11,837	9,417	9,897
Vegetables	13,289	9,902	9,890	7,040	8,017
TOTAL	113,027	117,290	101,424	88,628	118,755

Source: ITC Trade Map

Figure 4. EU Imports from Tanzania, 2015-2019 (in USD thousand)
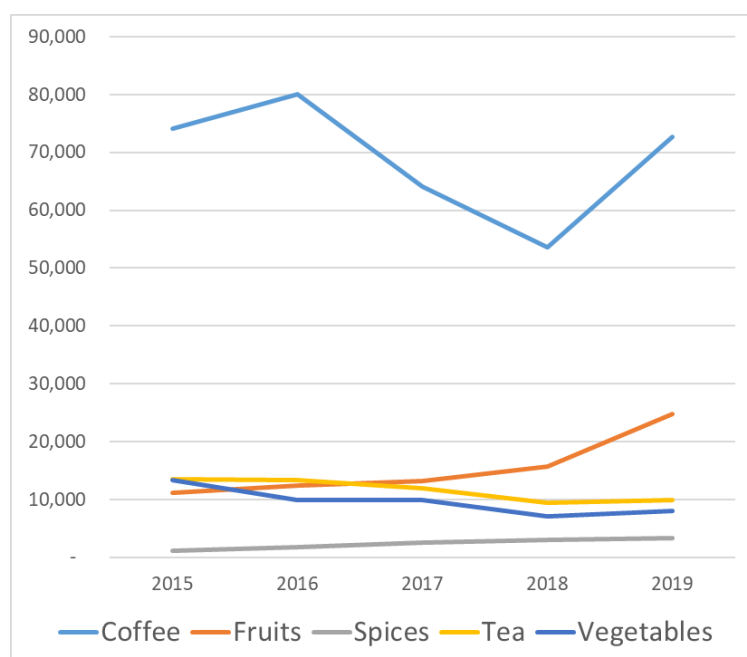
Source: ITC Trade Map

The largest export destinations for coffee from Tanzania in the EU are Germany, Belgium and Italy with 25,461 tons of coffee exported to these countries in 2019. Buyers in these countries apply several sustainability standards on coffee imported from other countries, namely UTZ, Rainforest Alliance, Frairtrade, Organic and company specific codes of conduct to which suppliers of coffee have to adhere.

The largest export destinations for tea from Tanzania are Poland and Germany; Tanzanian producers exported 632 tons of tea to these countries in 2019. Compared to Polish buyers, German buyers are stricter when it comes to sustainability requirements. Similarly to coffee, they often apply UTZ, Frairtrade and Rainforest Alliance standards as well as company specific codes of conduct on products they source.

The largest importers of fruits and nuts from Tanzania in the EU are the Netherlands, France, Bengium, Germany and Spain with total exports to these countries reaching almost 21 mln USD in 2019. For vegetables, the largest importers are the Netherlands, Italy, France and Belgium where exports of Tanzanian vegetables reached 6 mln USD in 2019. In all of these countries, buyers apply sustainability standards such as Bord Bia Sustainable Horticulture Assurance Scheme (SHAS), GlobalG.A.P., GRASP and Fairtrade.

The largest importers of spices from Tanzania in the EU are the Netherlands, Germany and Austria with a total of 165 tons of Tanzanian spices exported to these countries in 2019. Buyers often require products to adhere to HACCP principles and standards which have stricter requirements on food safety.[11]

In order to increase exports of Tanzanian products to the EU, Tanzanian producers have to look not only at improving the quality of the products, but also at enhancing the sustainability side of production processes.

International trade statistics indicate the high potential for exports from Tanzania to Europe in all selected sectors, however the Harmonized System classification of trade statistics does not specifically distinguish sustainably produced products from conventional products. As such, it is only by combining the quality assessment of European buyers' propensity to buy more of sustainable products that we can link the trade statistics to a common thread and harmonized message to Tanzanian producers: the European Market is highly interested in products from Tanzania as per Table 3 above and Figure 4, and the purchasing practices from European buyers indicate a continuous growth of interest in sustainably produced products.

As seen from the previous chapter, the market for sustainable products in the EU has been increasing; more buyers are requiring products that are certified to a range of sustainability standards. For instance, in 2018 EU imported a total of 3.3 million tonnes of agri-food produced certified Organic. Table 4 shows the volumes of Organic products imported.

Table 4. Volume of the Organic agri-food imports in to the EU per product category, 2018

Product category	Tonnes	%
Tropical fruit, fresh or dried, nuts and spices	793.6	24.4
Vegetables, fresh, chilled and dried	148.1	4.6
Fruit, fresh or dried, excl. citrus & tropical fruit	147.1	4.5
Unroasted coffee, tea in bulk & maté	127.9	3.9
Citrus fruit	29.0	0.89
Roasted coffee and tea	793.0	0.02
TOTAL Organic agri-food imports	**3.258.532**	**100%**

Source: https://ec.europa.eu/info/sites/info/files/food-farming-fisheries/farming/documents/market-brief-organic-imports-mar2019_en.pdf

Organic fruits occupied 30% in this group, Organic vegetables occupied 4.5%, Organic coffee, tea and maté – 3.93%.

EU imported only 4.25 tonnes of Organic agri-food products from Tanzania which is 0.1% out of total Organic agri-food imports of the EU. Most of tropical fruits, nuts and spices were imported from Ecuador (31.8%), Dominical Republic (31%) and Peru (17.3%). Most of unroasted coffee and tea was imported from Peru (31.2%) and Honduras (30.9%).

The potential of increasing Tanzanian exports of sustainable products to the EU countries is high, however it is not at full capacity at the moment. For instance, as seen from Table 4, Tanzanian products occupy a small

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proportion of Organic agri-food market in the EU (only 0.1%). In order to increase exports of products to the EU (particularly exports of coffee, tea and vegetables which faced decline in 2015-2019), Tanzanian producers have to look at the possibilities of certifiying products to sustainability standards. Key EU importers of Tanzanian products, such as retailers and manufacturers in Germany, Belgium, Italy, the Netherlands, France and Spain are increasingly looking to import food products that are certified to a range of voluntary sustainability standards as well as standards covering stricter food safety and quality control processes.

2.5 Views and challenges of Tanzanian MSMEs on exporting sustainable products to the EU

ITC conducted a survey among Tanzanian MSMEs who specialize in the production of spices, coffee, tea and avocados. The survey was aimed at understanding the perceptions of the MSMEs on exporting sustainable products to the EU. Out of the 68 MSMEs who completed the survey, 61 answered that they consider good agriculture practices and sustainable production for their products. Enterprises were also asked to rate the importance of sustainable production practices in their processes; the options were as follows:

- 1 – Not very important, we are aware about sustainability, but do not actively implement sustainable practices in production;
- 2 – Relatively important, we apply basic environmental, social practices in production;
- 3 – Important, we actively implement sustainable practices at each stage of production and have a monitoring system to track and control our sustainability performance/certification against sustainability standard (Fairtrade, Organic etc.).

The majority of MSMEs (33) reported that sustainable production practices are important for them, and that they actively implement sustainable practices at each stage of production with a monitoring system to track and control sustainability performance/certification against sustainability standards (Figure 5). 27 MSMEs answered that sustainable production practices are relatively important (they apply basic environmental and social practices in production) and one MSME doesn't consider such practices as very important.

Figure 5. Rate of importance of sustainable production practices for Tanzanian MSMEs
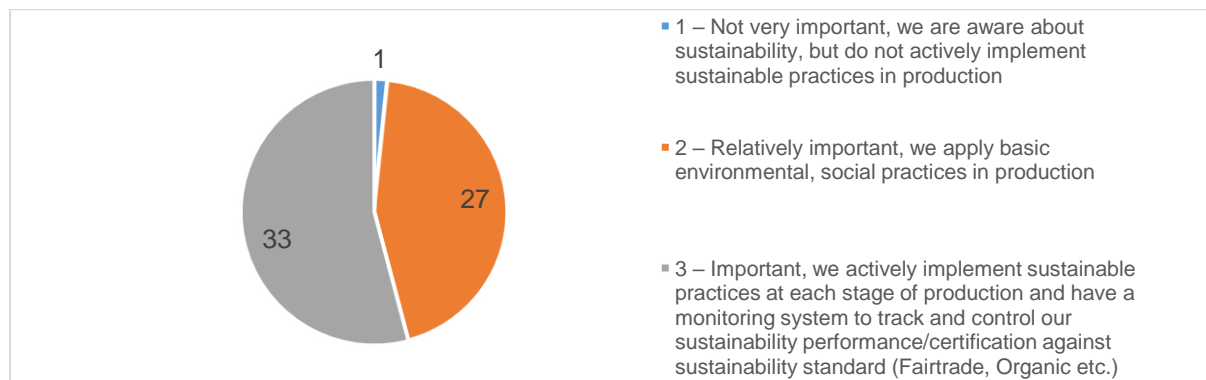
When asked about whether EU buyers ask MSMEs to be more sustainable (environmentally and/or socially) through, for instance, compliance with sustainability standards, 32 MSMEs answered "yes". When asked about the sustainability standards that enterprises have to comply with to export to the EU, they named the following: British Retail Consortium (BRC), EU Organic, Fairtrade, and GlobalG.A.P. Other standards named were HACCP, ISO 22000, Good Manufacturing Practices (GMP); Hand in Hand; SMETA, GlobalG.A.P. Risk Assessment on Social Practice (GRASP); Rainforest Alliance and UTZ.

If looking at the products breakdown, the standards applied by the MSMEs were as follows:

- Avocados – BRC, EU Organic, Fairtrade, GlobalG.A.P.

- Coffee – GlobalG.A.P, EU Organic, Fairtrade

- Spices – GlobalG.A.P, EU Organic, Fairtrade

MSMEs were also asked about their expectations on sales of sustainable products in the next five years. Out of 54 MSMEs who answered this question, 47 are expecting the sales of sustainable products to increase in the next five years. 37 out of 47 expect sales to increase by more than 10%.

At the end of the survey, MSMEs also shared their needs when it comes to sustainable production practices and accessing export markets. The needs are as follows:

- Capacity building on compliance with quality and sustainability standards, e.g. Good Agricultural Practices (GAP) demonstration seminars, pre and post-harvest practices for Organic standard;

- Consumer and market analysis data in the EU and Middle East countries;

- Capacity building on better packaging, including recyclable packaging;

- Identifying customers in the EU;

- National and international campaigns to encourage consumption of sustainable products so that the demand on sustainable products continues to increase;

- Access to finance in order to pay for certification costs when complying with sustainability standards;

- More laboratories to test products on quality and presence of chemicals.

In light of the information collected from Tanzanian exporters, several recommendations can be developed as follows:

- Provide Tanzanian producers with capacity building activities on understanding sustainability standards, their criteria and audit procedures as well as technical trainings on good agricultural practices, Integrated Crop Management (ICM), Integrated Pest Control (IPC), Quality Management System (QMS), food safety (HACCP). This can be best achieved through establishing demonstration plots. Capacity building should also include best environmental and social practices, namely managing water, waste, soil and improving workers' health, safety and welfare.

- Provide Tanzanian producers with capacity building on better packaging technologies and materials, such as biodegradable and recyclable packaging.

- Improve local infrastructure in Tanzania for testing products on quality, safety and presence of prohibited chemicals.

- Provide Tanizanian producers with assistance to access finance. Compliance and certification against sustainability standards is often costly, especially for groups of smallholder farmers; hence producers have to understand all the costs associated with these processes and have means to cover these costs.

- Provide Tanzanian producers with information on markets and consumers; connect them to buyers and consumers through online platforms, trade fairs and buyer visits.

2.6 Impact of Covid-19 on MSMEs in Tanzania

Since the survey, the landscape has changed quite a bit, as Covid-19 sparked massive disruptions in international food supply chains. To that effect, we have gathered here three testimonials from Tanzanian MSMEs summarizing their sustainability efforts and the anticipated impacts of the crisis on production. It appears from all cases that sustainability standards can be an important part of the response to the crisis and that the resilience of MSMEs adhering to sustainability standards will tend to be higher as per the market linkages that such standards imply: the business continuity has more likelihood to be preserved, or business activities to be restored than in the case of conventional production that is highly dependent on the volatility of the market.

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Country

Tanzania

Product

Coffee

Website

www.kncutanzania.com

Godfrey Massawe

Commercial Manager

KNCU (1984) LTD

How has sustainability been a part of your business strategy?

Our farmer members adopted environmentally friendly certification/labels as producers and exporters of **Organic coffee**, under ECOCERT. On the social side, we were under **Fairtrade** Certification since 1998, but adjourned in 2016, with serious efforts and plans to get back our certifications.

COVID-19 has wreaked havoc on MSMEs worldwide, undermining sustainability efforts and affecting sales. What was the situation of your production and exports prior to COVID-19, and what are the expected impacts of the COVID-19 crisis on your business?

Before COVID-19, our sales came from local and international business. We run a coffee shop, with tourists constituting 80% of our customers. Internationally, we planned to reinforce our export strategy by revamping traditional markets and new markets. We attended several fairs to that effect: AFCA – Zanzibar (October 2019), AFCA-Mombasa (February 2020), and we were targeting WOC – Poland (June – 2020), and SCAE (July – 2020).

Once COVID-19 hit, sales took a hit. By March 31st 2020, the sales in our coffee shop had already dropped by more than 50%, due to limited movement. Regarding our international efforts, cancelled orders from European buyers have represented a loss of about 100 tons. As for regaining Fairtrade certification, our efforts have been hampered by the fact that the intended Fairtrade official who was expected to visit us had to cancel their visit due to the virus. Hence our budgets and plans for Financial year 2020/2021 for export business remain dormant, with lots of hesitation to invest in the new strategy of revamping our coffee markets abroad.

If you had a call for support to make to the international community, including your business partners, what would it be?

I would ask for support in accessing the coffee markets abroad, via International coffee forums targeting sustainable double certifications of Organic coffee and Fairtrade labels.

DAN AND ASSOCIATES ENTERPRISES LIMITED

Country

Tanzania

Product

Coffee

Website

https://dae.co.tz/

Danstan Komba Jnr

Director of Finance & Trade

DAE Ltd

How has sustainability been a part of your business strategy?

The company deals in the export of green coffee from Tanzania. The company has been training farmers on Good Agriculture Practices and proper processing techniques so the farmers can sustainably produce and process coffee to a good quality. The company also certifies farmers in the **Rainforest Alliance** and **C.A.F.E Practices** certification schemes to allow them to fetch better prices for their farming efforts.

COVID-19 has severely shaken up MSMEs worldwide, undermining sustainability efforts and affecting sales. What was the situation of your production and exports prior to Covid-19, and what are the anticipated effects of the crisis on your business?

Before the Covid-19 crisis, the company normally exported no less than 30 containers of coffee. The Covid-19 crisis impacts the trainings that are provided to farmers, since gatherings are prohibited and the overall effect can be coffee of low quality. In case of a lockdown, transport and shipments may be affected because the coffee cannot be transported and shipped on time.

If you had a call for support to make to the international community, including your business partners, what would it be?

I would ask the International Community/Donors/Business Partners to be in solidarity with MSMEs in these challenging times. MSMEs have long-term loans from banks; therefore, if the exporting contracts are affected in any way, companies may go out of business. The International Community should look at how MSMEs can get financial relief or any support to stay in business, even when the Covid-19 situation worsens.

Also, as we are entering the coffee harvesting and processing period, business partners can support MSMEs that work directly with farmers to distribute masks, soap/hand sanitizers, hand-wash stations to wet mills to allow harvesting coffee processing to continue while following sanitary and social distancing measures.

Country

Tanzania

Product

Spices

Website

https://1001organic.com/

Raphael Flury

Managing Director

Zanj Spice Limited | 1001 Organic

How has sustainability been a part of your business strategy?

Zanj Spice Limited has been specializing in the production, processing, and trade of organic and conventional spices. As a social enterprise, Zanj Spice Limited applies commercial strategies to maximize improvements in financial, social and environmental well-being of its small-scale farmer cooperatives. Together with the launch of its premium brand "1001 Organic", the company started to introduce strict **Organic** production standards to the smallholders in Zanzibar and maintains perfect traceability of its products. We also promote agroforestry practices that keep Zanzibar's spice forests healthy and beautiful.

COVID-19 has wreaked havoc on MSMEs worldwide, undermining sustainability efforts and affecting sales. What was the situation of your production and exports prior to COVID-19, and what are the anticipated effects of the crisis on your business?

Regarding COVID-19, we have already seen a 50% cut in turnover, and a 100% cut in retail business (tourism related). This has been accompanied by a reduction in staff, and a delay in vital investments.

If you had a call for support to make to the international community, including your business partners, what would it be?

We would ask the following:

- To strengthen and secure supply chains and reliable overseas transport

- Assist in promoting the qualified ITC Markup companies in the Western countries (as there might be a shift from Asia to Africa in sourcing)

- Assist in developing alternative supply chains like online shops with warehousing solutions in Western countries (enable direct trade from Africa to consumers in EU)

- Assist in funding of staff salaries ("pay a wage" crowdsourcing campaign) as we see that many Tanzanian companies send their staff home without pay due to Covid-19, whereby the staff has often no savings and there is no social security system in place. The impact on the society is much worse here than in Europe.

CHAPTER 3: CONCLUSIONS AND RECOMMENDATIONS

The EU market presents a large opportunity to Tanzanian exporters. However, to have an opportunity to export to the EU, Tanzanian producers have to be well prepared because the EU market is characterized not only by stringent legal requirements on food products, but also a wide range of voluntary sustainability standards covering social, environmental and economic aspects of production processed.

According to ITC survey of 550 retailers conducted in 2018-2019 in five EU countries, 96% of retailers have sustainable sourcing strategies whereby they purchase products which are compliant with sustainability codes of conduct and standards. 85% of retailers reported increased sales of sustainable products over the past five years and 92% expect these sales to increase further in the next five years.

Retailers apply various sustainability standards to source food products. The most frequently used standards are GlobalG.A.P., Fairtrade, Organic and UTZ. Some retailers also apply more stringent food quality and safety standards which have requirements that outperform legal food quality and safety requirements. Retailers also apply additional social standards to make sure imported products are produced without any violations of human or labour rights.

When it comes to imports of food products from Tanzania, spices and fruits imports have been increasing in 2015-2019, however imports of coffee, tea and vegetables have declined. The EU imports of agri-food products certified Organic from Tanzania during that period occupied only 0.1% of total Organic imports, which indicates a high potential for companies from Tanzania to position their organic products in the EU. The market share of certified products in the EU is steadily growing, and it offers potential growing demand for sustainable products from Tanzania. This overall trend is confirmed across coffee, tea, spices, fruits and vegetables with the strongest demand grotwh for certified products in tropical fruits and coffee sectors.

MSMEs in Tanzania are aware of sustainability requirements of EU buyers and realize that products certified to sustainability standards have higher chances to be imported in the EU market. Out of 68 MSMEs surveyed in Tanzania:

- 61 MSMEs consider good agriculture practices and sustainable production for their products;

- 33 MSMEs reported that sustainable production practices are important for them, and that they actively implement sustainable practices at each stage of production with a monitoring system to track and control sustainability performance/certification against sustainability standards;

- 27 MSMEs answered that sustainable production practices are relatively important (they apply basic environmental and social practices in production).

Another area of research that deserves attention will be the potential for Geographical Indicators: although GIs were not part of the scope of this study and surveys to companies, it has proven in some cases that GIs also enhance the competitiveness of companies and help their stronger positioning in international markets, such as in Europe.

Based on the MSMEs survey, the following recommendations are developed in order to improve Tanizanian producers' compliance to sustainability standards required by the buyers in the EU:

- Provide Tanzanian producers with capacity building activities on understanding sustainability standards, their criteria and audit procedures as well as technical trainings on good agricultural practices and food safety. Capacity building should also include best environmental and social practices, namely managing water, waste, soil and improving workers' health, safety and welfare.

- Provide Tanzanian producers with capacity building on better packaging technologies and materials, such as biodegradable and recyclable packaging.

- Improve local infrastructure in Tanzania for testing products on quality, safety and presence of prohibited chemicals.

- Provide Tanizanian producers with assistance to access finance in order to cover the costs of certifications against sustainability standards which is often costly.

- Provide Tanzanian producers with information on markets and consumers; connect them to buyers and consumers.

Compliance with sustainability standards gives Tanzania producers higher chances to export to the EU market, in some cases to get better prices for their products and be more resilient to external shocks, such as the crisis caused by Covid-19 pandemic and, as a consequence, slow down of global economic activity.

Global G.A.P. Crops

Product scope: GLOBALG.A.P Crops covers fruits and vegetables (including avocados), flowers and ornamentals, combinable crops, green coffee and tea. No spices specifically listed.

General info

GLOBALG.A.P is a pre-farm-gate standard, which means that the certificate covers the process from farm inputs like feed or seedlings and all the farming activities until the product leaves the farm.

Hotspots covered

GLOBALG.A.P. Crops covers environmental, quality and social issues.

Steps to get certified:

The applicant must take the following steps:

Step 1: Download the relevant GLOBALG.A.P. Standard Documents and Checklists from the document center or follow the link on the relevant standard page.

Step 2: After comparing offers from the certification bodies in the applicant's country, the applicant must pick one and register to get their GLOBALG.A.P. Number (GGN). Find a full list of GLOBALG.A.P. approved certification bodies here.

Step 3: The applicant must carry out a self-assessment using the checklist and correct all the points not complied with. Here a GLOBALG.A.P. Licensed Farm Assurer can provide the applicant with valuable assistance during the audit preparations. The full list of GLOBALG.A.P. Licenced Farm Assurers can be found here.

Step 4: Arrange an appointment with the GLOBALG.A.P. -approved certification body. An inspector will then conduct the first on-site inspection.

Step 5: Once the applicant successfully complies with the standard's requirements, they will receive a GLOBALG.A.P. Integrated Farm Assurance Standard certificate for the relevant Version and Scope which is valid for one year.

Cost and fees

There are three types of costs to get verified/certified: the GLOBALG.A.P Registration fee (from 2 euros to 1,000 euros depending on surface, production, etc.); the GLOBALG.A.P Certification fee (from 25 euros to 130 euros); and the Certification body verification and certification fee, for which no estimate is available, since this cost depends on the Certifying body chosen, the operator structure, the country, etc.

EU Organic Farming

Product scope: The new organic regulation (EU) 2018/848 – which will apply from 1 January 2021 and regulates organic production and labelling – applies to agricultural products, including tea, coffee, spices and avocados.

General info:

European Union (EU) regulations on organic farming aim to provide a clear structure for the production of organic goods across the whole of the EU. This is to satisfy consumer demand for trustworthy organic products whilst providing a fair marketplace for producers, distributors and marketers.

Hotspots covered: EU Organic Farming covers environmental and quality issues.

Steps to get certified:

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[12] Information comes from ITC Standards Map www.sustainabilitymap.org/standards

The applicant must take the following steps:

Step 1: Farmers must notify their activity to the competent authorities and submit their undertaking to the control system.

Step 2: According to an agreed conversion plan, farms undergo a conversion period of a minimum of two to three years before they can begin producing agricultural field crops that can be marketed as organic.

Step 3: Both farmers and processors must at all times respect the standards and rules laid down by the EU Regulation. They must be subject to inspections by acknowledged inspection bodies or authorities to ensure their compliance with organic legislation at least once a year.

Step 4: After the conversion period, successful operators are then granted organic certification and are allowed to have their goods labelled as organic.

Cost and fees

Cost and fees depend on fees charged by individual control bodies in member states. For more information, the applicant must contact the control bodies.

Fairtrade Standard for Small-scale Producer Organizations

Product scope: Fairtrade covers a wide range of agriculture, composite and manufactured goods including bananas, cocoa, coffee, cotton, flowers, fresh fruits, honey, gold, juices, rice, spice and herbs, sport balls, sugar, tea, wine and composite products.

General info: Founded in 1997, Fairtrade International is a non-profit, multi-stakeholder association of 22 member organizations – three producer networks and 19 national Fairtrade organizations. The Fairtrade Standard for Small-scale Producer Organizations applies to small-scale farming organizations that supply Fairtrade products.

Hotspots covered:
The Fairtrade Standard for Small-scale Producer Organizations covers environmental, social, and quality issues.

Steps to get certified:

The applicant must take the following steps to get certified:

Step 1: Review Fairtrade standards' application to (i) product at stake, (ii) type of organization, and (iii) country (http://www.flo-cert.net)

Step 2: Contact FLO-CERT directly to receive an information package (applications@flo-cert.net)

Step 3: Fill in and send back to FLO-CERT the registration form included in the information package.

Step 4: Pay the Initial Certification Fee covering the auditing procedure. The fee differs depending on the organizational structure of the production unit (http://www.flo-cert.net).

Step 5: Set a date for the first audit exercise: auditors will check if applicants adhere to the requirements listed in the standard documents applying to the product and type of organization.

Step 6: The physical audit takes place.

Step 7: In case of non-conformities, a plan of corrective actions needs to be set-up that addresses the identified non-conformities with the standard.

Step 8: Once the proposed corrective measures have been approved by FLO-CERT, a certificate is delivered.

Cost and fees:

The fees depend on the number of members, workers and production sites.

Food Safety System Certification 22000

Product scope: The FSSC 22000 standard covers the food safety systems of food manufacturers that process or manufacture perishable animal products, perishable vegetal products, products with a long shelf life, biochemical manufacturing (excluding technical and technological aids) and foodpPackaging manufacturing.

Note: does not cover tea, coffee, spices, avocados

General info: FSSC 22000 contains a complete certification scheme for Food Safety Management Systems and is fully based on the international, independent standards: ISO 22000, ISO 22003 with sector specific technical specifications for PRPs and additional scheme requirements. FSSC 22000 is the only ISO-based FSMS Certification Scheme that is recognized by the Global Food Safety Initiative (GFSI).

Hotspots: FSSC22000 covers environmental, social, and quality issues.

Steps to get certified:

The applicant organization must take the following steps:

Step 1: Conducts a self-assessment against the current version of the Scheme. The relevant ISO standards can be obtained from the ISO Store while the FSSC Additional Requirements are included in Part II and can be downloaded from the FSSC website.

Step 2: Once the self-assessment has been completed, and potential gaps are addressed, the applicant organization should contact their selected CB in order to receive an application form and afterwards agree on a certification contract.

Step 3: The applicant organization shall prepare carefully for the audit

Step 4: The initial auditing for certification is always carried out at the production site of the applicant organization and is a two-step process.

Step 5: After the company has successfully addressed possible raised NCs (non-conformities), a certification decision will be taken.

Step 6: The CB will issue the certificate within 30 calendar days from the date of the certification decision.

Cost and fees:

N/A

IFS Food

Product scope: IFS Food can only be used when a product is "processed" or when there is a hazard for product contamination during the primary packing. Avocados, tea, and some spices (ex. cardamom) covered.

General info: IFS Food is a tandard for auditing food product suppliers/manufacturers. It only concerns food processing companies or companies that pack loose food products.

Hotspots covered: IFS Food covers quality, environmental, and social issues.

Steps to get certified:

The applicant must take the following steps:

Step 1: Before being audited, the company shall review all requirements of the IFS Food Standard in detail.

Step 2: The company shall appoint an IFS accredited certification body and enter into a contract detailing the scope of the audit, the duration and reporting requirements.

Step 3: The certification body shall provide the audit time schedule. The audit time schedule includes appropriate details concerning the scope covered and the complexity of the audit.

Step 4: During the initial audit, the entire company is audited, both in relation to its documentation and the processes themselves. All criteria of the IFS requirements shall be assessed by the auditor.

Step 5: After the audit, the auditor shall draw up a pre-report of the audit and the outline of the action plan.

Step 6: The certification body is responsible for making the certification decision.

Cost and fees

The costs for the audit have to be negotiated with the certification body of the participant's choice

Sedex Members Ethical Trade Audit - SMETA Best Practice Guidance

Product scope: Sedex SMETA covers a wide range of products, including agricultural products such as tea, avocado, coffee and spices (cardamom, mace).

General info: The Sedex Members Ethical Trade Audit best practice guidance (SMETA BPG) is a compilation of social audit best practices to help auditors achieve the consistency needed for social audits to be widely accepted by retailers and brands.

Hotspots covered: SMETA covers environmental and social issues.

Steps to get certified:

The applicant must take the following steps:

Step 1: Audit Request Initiation: The company/organization/site must request an audit.

Step 2: Quote Generation and Audit Information: The audit body supplies the audit requestor with a quotation and contractual details.

Step 3: Preparation for an Audit (for Auditors): The auditor/ audit company is responsible for ensuring all requirements are clear to the site.

Step 4: Audit Execution: The overall aim of the audit is to provide an accurate and clear account of the level of performance of the employment site compared with the relevant standards

Step 5: Audit report completion: The SMETA Audit Report should be completed as soon as possible after the audit and should always meet the Service Level Agreement (SLA) of the auditor/audit requestor.

Step 6: Sedex and uploading the Audit: The Sedex membership depends on and expects good quality audit information to be correctly uploaded to the Sedex system.

Step 7: Uploading the Audit: (Supplier Site or Auditor): Once the audit has been conducted and completed, it is recommended that the SMETA report and CAPR are shared on the system to minimize audit requests from any further customers

Step 8: Adding Corrective Actions (Supplier Site): Sedex requires supplier sites to input the actions that they have completed in response to the audit findings

Step 9: Reviewing Findings (Auditor): This assumes that the supplier site has submitted all actions and associated findings to the audit through the Sedex system.

Step 10: Information Management and Audit Record: Following each audit, the auditor should provide the listed specific documents to the audit requestor. Auditors should retain audit reports (for reference) for a minimum of two years, or longer if agreed with the audit requestor or if required by law.

Cost and fees

The verification/certification costs depend on the audit body.

Business Social Compliance Initiative Code of Conduct - BSCI

Product scope: BSCI applies to a wide range of products, including agricultural products like tea, coffee, avocados, and some spices (mace, nutmeg).

General info: BSCI's mission is to improve the working conditions in factories and farms in the global supply chain of BSCI Participants. BSCI unites 1200+ companies around a development-oriented system applicable to all sectors and sourcing countries.

Hotspots covered: BSCI covers environmental and social issues.

Steps to get certified:

The applicant must take the following steps:

Step 1: The producer is contacted by one of its clients, a BSCI Participant, to inform it about BSCI and the auditing process.

Step 2: The producer is requested by its client (BSCI Participant) to sign the BSCI Code of Conduct and the Terms of Implementation for business partners to be involved in the BSCI monitoring process (producers).

Step 3: The client (BSCI Participant) creates a profile for its producer on the BSCI Platform. The producer receives its login credentials and can access this profile online.

Step 4: The client (BSCI Participant) can ask its producer to fill out the BSCI self-assessment.

Step 5: The producer is contacted by its client (BSCI Participant) or the auditing company with information about the audit.

Step 6: The audit is conducted and the auditor drafts a Findings Report. The producer has 60 days following the completion of the audit to prepare a Remediation Plan.

Step 7: Social Re-Audit

Order placement with an SAAS-accredited auditing company approved by BSCI for conduct of re-audit, unless re-audit order is placed by the retail customer(s) participating in the initiative. The copy of the Social Re-Audit Report (or SA8000 certificate) must be sent to participating retail customer(s).

Step 8: Social Re-Audit Report

If the company placed an audit order itself, the Social Re-Audit Report must be sent to all retail customers among the BSCI trading companies requesting it.

Step 9: Repetition of the audit no later than three years after the date of the initial audit

Order placement with an SAAS-accredited auditing company approved by BSCI for conduct of audit, unless the audit order was placed by the retail customer(s) participating in BSCI.

Cost and fees: BSCI does not prescribe the cost of the audit but the minimum days an audit needs to be properly conducted. The final price varies from country, sector, level of industrialization, etc.

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The European Union Market for Sustainable Products: the Retail Perspective on Sourcing Policies and Consumer Demand: http://www.intracen.org/publication/The-European-Union-market-for-sustainable-products/

Retailer annual reports and sustainable sourcing pages:

Ahold Delhaize Minimum Product Requirements Regarding Social Compliance & the Environment for Own Brand Products:
https://static.ahold.com/media/002117700/000/002117768_001_Albert_Heijn_Duurzaamheid_Eisen.pdf

Ahold Delhaize Annual Report 2018 (p. 226): https://www.aholddelhaize.com/media/8892/ahold-delhaize-annual-report-2018-interactive.pdf

ALDI North Group Sustainability Report 2017 https://www.cr-aldinord.com/2017/wp-content/uploads/sites/4/2018/07/ALDI_North_Group-Sustainability_Report_2017_EN.pdf

Lidl Responsible Sourcing Page: https://www.abettertomorrow-lidl.ie/sourcing/#plants-and-flowers

Tesco PLC Sustainability Page: https://www.tescoplc.com/sustainability/downloads/certifications/

Standards and certification bodies:

Ecocert: https://www.ecocert-imo.ch/logicio/pmws/indexDOM.php?client_id=imo&page_id=tz

EU Organic: https://ec.europa.eu/info/food-farming-fisheries/farming/organic-farming_en

Fairtrade International: https://www.fairtrade.net/about

GlobalG.A.P.: https://www.globalgap.org/uk_en/

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