MINAS GERAIS AND UTZ: PARTNERSHIP FOR SUSTAINABLE COFFEE PRODUCTION

The government of the world’s leading coffee producing state has formed a unique collaboration with a leading international coffee certification standard.

BACKGROUND – SUSTAINABILITY CHALLENGES IN BRAZIL’S COFFEE INDUSTRY

Brazil is the world’s largest coffee producer, responsible for about a third of all coffee globally, and over half of this comes from the state of Minas Gerais. In Brazil as a whole, there are almost 275,000 coffee farms; most are family owned, with an average size of 7.5 hectares.1

It is well known that this coffee sector faces major sustainability challenges. Conditions analogous to slavery have been documented on coffee plantations, and labour violations are widespread. A recent investigation by Danwatch revealed that 40% of agricultural workers in Minas Gerais, many of whom work on coffee plantations, are paid less than the minimum wage, and around half work without a contract.2 Child labour is also a problem, with 60,000 children under 14 working in agriculture in Minas Gerais.3 The use of toxic pesticides is common, and workers often aren’t given suitable protective equipment.

Meanwhile, climate change is bringing rising temperatures and changes to rainfall patterns, making droughts and extreme weather events more likely. The unprecedented drought that hit Minas Gerais in 2014 led to a loss in production of around 30%,4 underlining the importance of sustainable, resilient farming practices.

These challenges are exacerbated by the volatility of global coffee prices, which can discourage producers from investing in more sustainable practices.
LINKING LOCAL EFFORTS TO INTERNATIONAL SUPPLY CHAINS

To address these challenges and ensure the long-term growth of the coffee sector in Minas Gerais, the state Secretariat of Agriculture, Livestock and Supply introduced the Certifica Minas Coffee (CMC) programme in 2006. The initiative is designed for the state’s coffee producers, and aims to enable them to increase production while operating legally and sustainably.

To achieve CMC certification, producers need to follow a set of best practices and procedures for sustainable coffee production. They must also comply with Brazil’s environmental and social legislation – which is progressive in theory, yet often not applied in practice. To ensure regulations and other requirements are being followed, CMC certified producers must first complete an internal audit to ensure they are implementing the CMC protocol. To support this, the state government funds private extension services to provide training and capacity building on the standard and certification procedures, while the Agriculture and Livestock Institute of Minas Gerais (IMA) provides technical support for the internal audit process.

To expand market access for certified farmers, particularly to international markets, CMC has collaborated with UTZ, the largest international sustainability standard for coffee. More than 520,000 coffee farmers and workers in 25 countries produce UTZ-certified coffee, supplying brands such as Jacobs Douwe Egberts, Lavazza, Tchibo, Folgers and Paulig. As a multi-stakeholder standard and an ISEAL Alliance member, UTZ follows ISEAL’s Credibility Principles and Codes of Good Practice.

UTZ has been active in Minas Gerais since 2002, and uptake of its voluntary standard or code of conduct has been growing in the region – although the majority of certificate holders are medium and large farms rather than smallholders. The UTZ code of conduct promotes sustainable agricultural practices, including prohibiting certain pesticides, along with legal compliance and safe, fair working conditions.

COOPERATION, NOT COMPETITION

Rather than generating competition, the government-led CMC programme and UTZ as an international voluntary standard have sought to cooperate and complement each other.

The CMC standard has used and integrated several elements from the UTZ code of conduct from the outset. With its focus on smaller producers, it provides a stepping stone toward UTZ’s more rigorous performance standard.

In 2013, the government of Minas Gerais and UTZ committed to closer cooperation by signing a long-term collaboration agreement, establishing a framework for mutual recognition. This was possible because the content of the two standards was broadly aligned, and because CMC had developed a robust verification system. The agreement recognises CMC certification as equivalent to the first year of the UTZ programme, which is based on a process of continuous improvement.

IMA first assesses a coffee farm’s compliance with the CMC protocol. Assuming they meet the standard, they can receive a CMC certificate and can request the equivalent UTZ year 1 certificate. CMC producers are also able to access the UTZ traceability system, which enables certified coffee to be tracked from field to cup.
We are confident that the UTZ/Certifica Minas Café partnership is going to support smallholders in their commercial journey to international markets while establishing better farming practices for people and the planet.

Han de Groot, Executive Director, UTZ Certified

THE IMPACT

As of October 2017, the partnership has enabled 70 farms to receive UTZ certification and start supplying international buyers who demand credibly certified coffee through the UTZ network. Over time, the partnership is expected to benefit 1,800 of Minas Gerais’ coffee farmers, including many smaller producers.5

The mutual recognition agreement increases efficiency and reduces duplication of effort by promoting joint audits and common training of producers. This addresses a long-standing criticism of private standards and certification systems that they create extra costs and confusion for producers. In fact, in an evaluation study, 60% of certified coffee producers mentioned that their costs were lower as a result of better farm management and internal organisation, which also increases profitability and improves quality.6

There is strong evidence to suggest that farm owners, workers and the environment benefit from participation in the UTZ programme. This also contributes to government and private sector sustainability commitments, including the Sustainable Development Goals (SDGs).

The Danwatch investigation mentioned above concluded that working conditions were significantly better on certified farms,7 contributing to SDG 3 (improved health of farmworkers) and SDG8 (decent work conditions). Another evaluation study of UTZ certified coffee farms in Minas Gerais and Sao Paulo state found that UTZ certification contributed to better working conditions, with workers receiving at least the minimum wage as well as health and social security benefits.

The same study found environmental improvements in certified farms, contributing to SDG2 (increase resilience and sustainability in small-scale agriculture), as well as SDG15 (sustainable land use and conservation efforts). Half of certificate holders said they had seen a significant environmental improvement as a result of UTZ certification, including increased vegetation, better soil quality and restoration of natural habitats through applying Brazil’s environmental laws.8

The partnership between Minas Gerais and UTZ Certified also exemplifies how such partnerships can strengthen sustainable production and consumption patterns, the main objective of SDG12 (sustainable production and consumption). Through collaboration, more sustainable supply chains were created linking coffee growers in Brazil to consumers worldwide.

LESSONS FOR POLICY-MAKING

The collaboration between the UTZ standard, its certification programme, and Minas Gerais illustrates the benefits to be gained when local efforts to increase and certify sustainable practices are connected to existing standard systems with international reach.

Rather than seeking to create parallel systems, the Minas Gerais CMC programme adapted and aligned its efforts strategically with the UTZ standard and its certification programme. This public-private partnership increased training and support for producers, while avoiding extra costs and increasing market recognition and access for small producers. For policy-makers, it provides an interesting model on how to generate benefits for producers and farm workers, as well as for companies and consumers seeking to source sustainably produced coffee with confidence.