THE RAINFOREST ALLIANCE MISSION

We work to conserve biodiversity and ensure sustainable livelihoods by transforming…

Land use practices  Consumer behavior  Business practices
Rainforest Alliance Certified™:
Best Environmental, Economic, Social Practices

- Farmers protect wildlife, preserve forests, conserve water, are responsible stewards
- Farmers increase crop yield, improve production and quality
- Workers enjoy better housing and working conditions, access to schools and medical facilities

CONTEXT OF RAINFOREST ALLIANCE MISSION AND SCOPE
DRIVING CHANGE THROUGH GLOBAL COMMITMENTS

AND IN THE MARKETS...

RAINFOREST ALLIANCE CERTIFIED™
SHARE OF WORLDS PRODUCTION - 2011
Coffe

Rainforest Alliance Certified™

- 260,000 metric tons produced in 2011, 19% increase from 2010
- Working with farmers in ALL major production countries

Collaborators Include:

Allegro • Caribou Coffee • Costa Coffee • Tchibo • Gloria Jean’s • Java City Kraft • Lavazza • Mars Drinks • Nestlé Nespresso • Second Cup • United Coffee. Taylors of Harrogate. Matthew Algie. Dallmayr.

Sustainable Coffee Sales are reaching 10% ...

Source: TCC Coffee Barometer 2012
and publicly stated roaster ambitions remain high...

Source: Ecom

Traders see demand growing

Source: ECOM
COSTS AND BENEFITS FOR FARMERS

• Costs depend on investments necessary:
  – Cost per hectare: range: $6 - $113/ha; typical: $40/ha
  – Cost per kilo: range: $0.01 - $0.31/kg; typical: $0.02/kg
  • Variation due to:
    – Scale effects; degree of prior compliance; technology costs

• Net economic benefit is:
  – (Premium for certified coffee x percentage of coffee sold as certified) – cost per kg
  – Net benefit per kg: range: ($0.43) - $0.15/kg; typical: $0.11/kg
  • Yield increases are additional

• Data collected from RA certified estates in five countries Brazil, Colombia, Guatemala, El Salvador and Peru.
• SOURCE: SAN Standard Implementation in Coffee Production: An Analysis of Related Costs vs. Price Premiums -

IMPACTS SEEN BY FARMERS: Economic

Data collected from RA certified estates in five countries Brazil, Colombia, Guatemala, El Salvador and Peru.
SOURCE: SAN Standard Implementation in Coffee Production: An Analysis of Related Costs vs. Price Premiums -
IMPACTS SEEN BY FARMERS:

Social

Graph 2: Social Benefits mentioned by respondents (% of respondents who mentioned the benefit)

- Others: 11.20%
- Family and employees have better health: 55.33%
- Easier to employ workers: 63.96%
- Workers return: 70.56%
- Better access to education: 85.28%
- Greater Organization: 87.35%
- Recognition as a producer: 74.11%

Data collected from RA certified estates in five countries Brazil, Colombia, Guatemala, El Salvador and Peru.
SOURCE: SAN Standard Implementation in Coffee Production: An Analysis of Related Costs vs. Price Premiums -

IMPACTS SEEN BY FARMERS:

Environmental

Graph 3: Environmental benefits mentioned by respondents (% of respondents who mentioned the benefit)

- Others: 23.33%
- More protected soils = Maintenance of productivity levels: 68.02%
- The water on the farm and in the community is less contaminated: 55.84%
- Animals have returned to the farm: 72.08%
- More trees = improved landscape and climate: 77.16%
- Committed to taking care of the environment: 95.43%

Data collected from RA certified estates in five countries Brazil, Colombia, Guatemala, El Salvador and Peru.
SOURCE: SAN Standard Implementation in Coffee Production: An Analysis of Related Costs vs. Price Premiums -
Example: Economic Benefits to Farmers

2008 - El Salvador, USAID

- 200 farms tracked
- 5,800 hectares
- Certified farms increased yield by an average of 76% versus 22% in the control group.
- $1m in premiums for certification.
- Increased earnings $321/ha (cost $70+$53/ha) ROI $198/ha.
  - 50% earnings due to premiums
  - 50% due to yield

Shade Coffee in Biological Corridors: Potential Results at the Landscape Level in El Salvador

COFFEE WAS FIRST MOVER IN SUSTAINABILITY
Other crops now growing at a faster pace..

Percentage of global production that is Rainforest Alliance Certified

<table>
<thead>
<tr>
<th>Crop</th>
<th>2008</th>
<th>2010</th>
<th>Present</th>
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<tbody>
<tr>
<td>Coffee</td>
<td>2.5</td>
<td>2.7</td>
<td>3.3</td>
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<tr>
<td>Cocoa</td>
<td>3.3</td>
<td>3.4</td>
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<td>Tea</td>
<td>0.2</td>
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Rainforest Alliance
KEY CONCLUSIONS

✓ Worldwide demand for certified coffee is strong and growing

✓ Most (but not yet all) farmers profit from sustainable certification in social, environmental and economic terms

✓ Economic sustainability requires sufficient productivity and quality
  ✓ Rainforest Alliance training
  ✓ Organizational development

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