

**ECONOMIC,  
SOCIAL,  
AND ENVIRONMENTAL  
IMPACT OF CERTIFICATION**

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Board Member  
Rainforest Alliance  
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## THE RAINFOREST ALLIANCE MISSION

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

Land use practices



Business practices



Consumer behavior

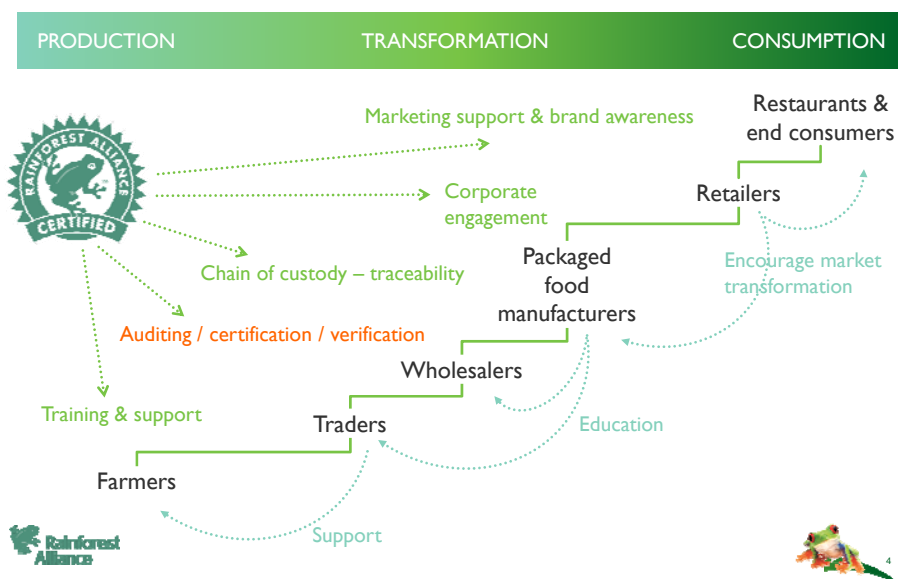


## Rainforest Alliance Certified™: Best Environmental, Economic, Social Practices

- 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

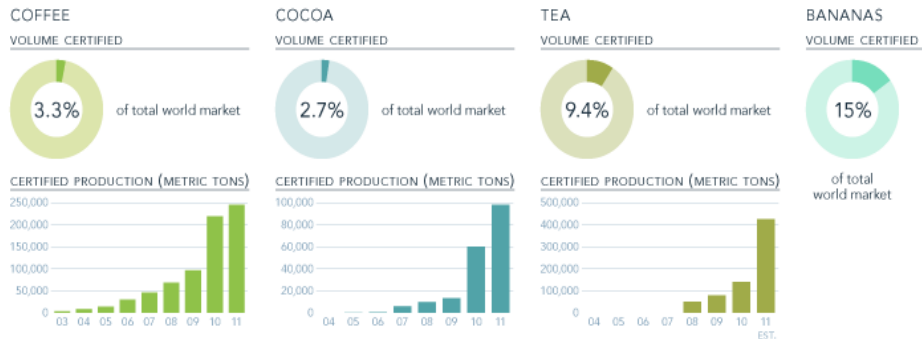


## DRIVING CHANGE THROUGH GLOBAL COMMITMENTS



## AND IN THE MARKETS...

### RAINFOREST ALLIANCE CERTIFIED™ SHARE OF WORLDS PRODUCTION - 2011



## COFFEE

### RAINFOREST ALLIANCE CERTIFIED™

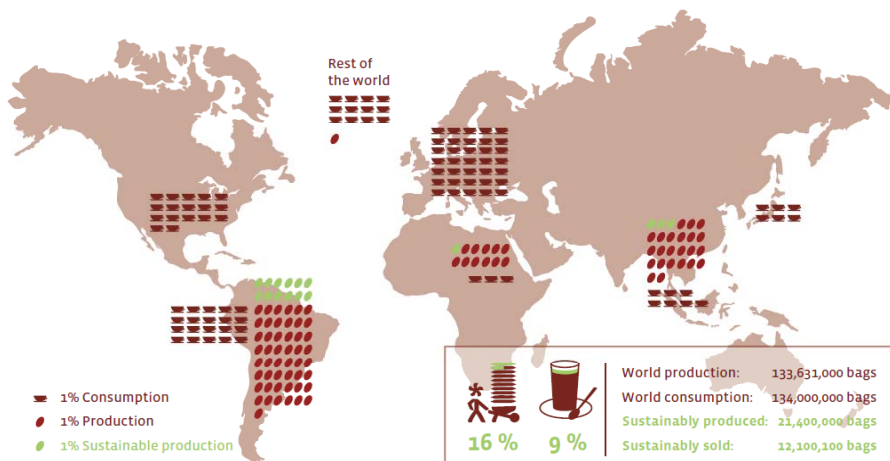
- **260,000** metric tons produced in 2011, 19% increase from 2010
- Working with farmers in **ALL** major production countries



#### 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.

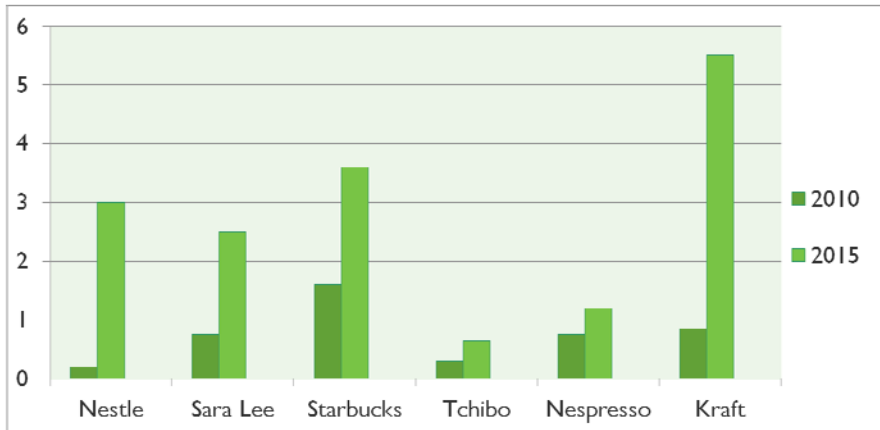
## Sustainable Coffee Sales are reaching 10% ...



Source TCC Coffee Barometer 2012



## and publicly stated roaster ambitions remain high...

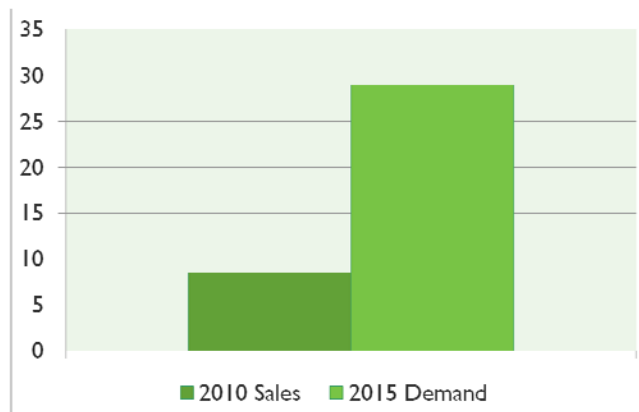


Source: Ecom



## Traders see demand growing

Sustainable Coffee: million bags



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:**

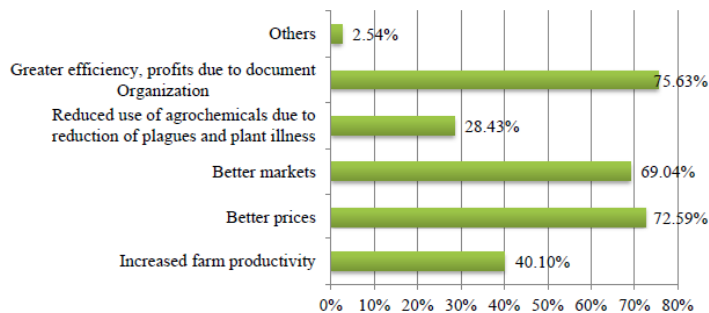
- (Premium for certified coffee x percentage of coffee sold as certified) – cost per kg
- Net benefit per kg: range: (\$0.43) - \$0.15/kg; typical: \$0.11/kg
  - Yield increases are additional

- 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

**Graph1. Economic benefits mentioned by respondents**  
(% of respondents that mentioned the benefit)

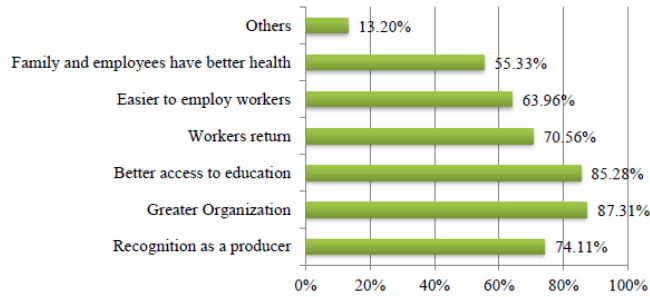


- Data collected from RA certified estates in five countries Brazil, Colombia, Guatemala, El Salvador and Peru.
- SOURCE: SAN Standard Implementation in Coffee Production: An Analysis of Related Costs vs. Price Premiums -



## IMPACTS SEEN BY FARMERS: Social

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

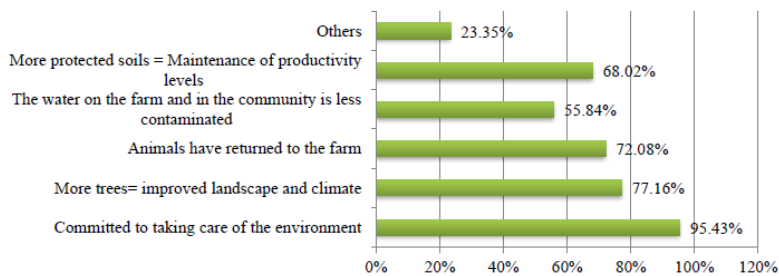


Data collected from RA certified estates in five countries Brazil, Colombia, Guatemala, El Salvador and Peru.  
SOURCE: SAN Standard Implementation in Coffee Production: An Analysis of Related Costs vs. Price Premiums -



## IMPACTS SEEN BY FARMERS: Environmental

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



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

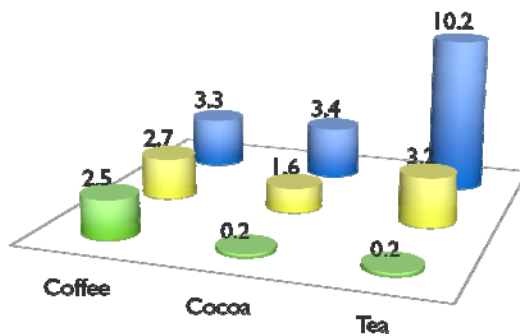
Shade Coffee in Biological Corridors: Potential Results at the Landscape Level in El Salvador



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

### Percentage of global production that is Rainforest Alliance Certified

■ 2008 ■ 2010 ■ Present





## 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



The Rainforest Alliance works to conserve biodiversity and ensure sustainable livelihoods by transforming land-use practices, business practices and consumer behavior.